MAXEY GROUNDS

VIABILITY ASSESSMENT

OF

PHASE 2 AT BALMORAL WAY
HOLBEACH
SPALDING
LINCOLNSHIRE

FOR

ASHWOOD HOMES LTD

ASSESSMENT DATE

7th JULY 2021

BY

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INDEX

INDEX 2

NON-TECHNICAL SUMMARY 3

INSTRUCTIONS 5

- CLIENT 5
- PURPOSE OF FVA 5
- ASSET TO BE APPRAISED 5
- SCHEME-SPECIFIC/AREA WIDE FVA 5
- INTEREST IN THE PROPERTY 5
- CLASSIFICATION OF PROPERTY 5
- RICS GUIDANCE/PROFESSIONAL STATEMENTS 5
- BASES OF VALUE 6
- APPRAISAL DATE 6
- IDENTITY OF VALUER 6
- MATERIAL INVOLVEMENT 6
- STATUS OF THE VALUER 6
- CURRENCY 6
- FEE 6
- ASSUMPTIONS AND CAVEATS 7
- SPECIAL ASSUMPTIONS 8
- EXTENT OF INVESTIGATIONS 8
- NATURE AND SOURCES OF INFORMATION PROVIDED 8
- USE AND PUBLICATION OF THIS REPORT 9
- RICS VALUATION – PROFESSIONAL STANDARDS 9
- APPRAISAL METHODOLOGY 9
- LAND VALUE 10
- VALUER COMPETENCE 10

INSPECTION 11

- DATE OF INSPECTION 11
- PROPERTY ADDRESS 11
- PROPERTY DESCRIPTION 11
- GROSS DEVELOPMENT VALUE 11
- COSTS 12
- SERVICES 13
- PLANNING 13
- CONDITION 14
- GENERAL COMMENTS 14
- APPRAISAL OUTPUTS 14
- JUSTIFICATION FOR VIABILITY ASSESSMENT 15

SENSITIVITY ANALYSIS 17

CONCLUSIONS 18

- APPRAISAL CONCLUSIONS 18
- SIGNATURE 18

APPENDICES 19

- APPENDIX I – COPY OF INSTRUCTION CORRESPONDENCE 19
- APPENDIX II – COPIES OF PLANS AND PHOTOGRAPHS 25
- APPENDIX III – SCHEDULE OF COMPARABLE EVIDENCE 41
- APPENDIX V – HCA APPRAISAL TOOL OUTPUT – POLICY-COMPLIANT SCHEME (25% AFFORDABLE HOUSING AND FULL S106 CASH CONTRIBUTIONS) 49
- APPENDIX VI – HCA APPRAISAL TOOL OUTPUT – NO AFFORDABLE HOUSING AND NO CASH S106 CONTRIBUTIONS 53

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NON-TECHNICAL SUMMARY

This is a financial viability assessment to establish the viability of a scheme for residential development at a site known was Phase 2 Balmoral Way, Holbeach.

The Gross Development Value (GDV) is calculated using market evidence from similar schemes in the area, and therefore values of between £2,066 and £2,455 per m^2 have been adopted, giving sale values of between £155,000 and £303,000 for market units, which accurately reflects the market for the various types of dwelling.

A basic build cost of £1,158 per m^2 has been adopted, which is the weighted average BCIS lower quartile figure calculated on a pro-rata basis to reflect the number of different types of dwelling i.e. detached, semi-detached, and mid-terraced houses, plus the additional cost of wide strip reinforced foundations allocated on a price per m^2 basis.

A basic road construction cost of £2,100 per linear metre has been used for adopted roads and £1,500 per linear metre has been used for private roadways. These costs are based on figures from developments in the local area and are considered standard development costs in this area. Furthermore, additional capital costs for Triax Geogrid, Geotextile and additional stone under the road have been included due to the specific planning (flood risk) requirements of the site.

There are a number of other site specific costs including screen walls, acoustic fencing, high performance acoustic glazing and vents, a foul pumping station with rising main, demolition of existing structures on site plus removal of asbestos and a hydrocarbon hotspot, provision of new services to neighbouring property Primrose Holt Bungalow and IDB works which all contribute towards elevated externals costs. The specific costs for these have been provided by the Client and are outlined in Appendix IV.

Other costs adopted, including 6% for Design & Professional Fees, 2.5% Contingency, costs for garages and driveways, plot specific external works of £2,500 per plot, 3% for marketing, £750 for legal fees on sale and an interest rate of 6.25%, have all been adopted and are deemed appropriate for a site 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 i.e. £1,000,000 for the whole site.

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
81 units with 25% affordable housing and S106 cash contributions of £489,137	-£1,763,000
81 units with no affordable housing and no S106 cash contributions	-£589,382

We have conducted a sensitivity analysis which shows variations of the scheme with no affordable housing and no S106 contributions, the results of this are outlined further in the Report, but our overall conclusions are as follows.

A fully policy-compliant scheme is clearly not viable with a **deficit** of £1,763,000 once land cost, construction and other costs have been deducted from GDV. Furthermore, if the affordable housing and cash S106 contribution were removed, the site is still not viable with a **deficit** of £589,382. As such, the removal of all affordable housing and S106 contributions is fully justified, and the developer must be prepared to accept a profit level of below 17.5% in order to deliver this site.

INSTRUCTIONS

We refer to instructions to provide a Financial Viability Assessment (FVA) for the site and our Conditions of Instructions Letter and Standard FVA Conditions Of Engagement & Terms of Business dated 2nd June 2021, a copy of which is in Appendix I of this Report.

Client

This report has been prepared for Ashwood Homes 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 that will be submitted for residential development.

Asset to be Appraised

The appraisal is for Phase 2 of Development at Balmoral Way, Holbeach, 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

The property is proposed to be developed by Ashwood Homes Ltd with a total of 81 new residential properties constructed.

RICS Guidance/Professional Statements

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

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

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

Bases of Value

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

The Benchmark Land Value (BLV) has been considered on the basis of Existing Use Value (EUV) plus a Premium, with both EUV and the Premium having been established using comparable evidence. We have also had regard to market evidence of development land, together with the price paid for it, as appropriate.

Appraisal Date

The appraisal and any valuations provided within this report are as at 7th July 2021.

Identity of Valuer

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

Material Involvement

Neither Maxey Grounds & Co LLP nor the named Valuers have any conflict of interest in preparing this appraisal.

Status of the Valuer

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

Currency

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

Fee

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

Assumptions and Caveats

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

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

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

c) that the property and its value are unaffected by any matters which would be revealed by a local search and replies to the usual enquiries, or by any statutory notice, and that neither the property, nor its condition, nor its use, nor its intended use are or will be unlawful;

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

e) that no formal environmental assessment will be provided and that no contaminative or potentially contaminative uses have ever been carried out on the property and that there is no potential for contamination of the subject property from past or present uses of the property or from any neighbouring property. The report will not identify the existence of contamination but in the Surveyor's visual inspection concludes that there may be material contamination the Valuer will report that further investigation is required.

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

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

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

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

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

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

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

   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 values now reported.

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.

Nature and Sources of Information Provided

We have been provided with copies of site plans and a schedule of the proposed property types by Client. Copies of plans are attached as Appendix II to this report.

Evidence utilised to establish Market Values has been obtained from the Client and confirmed by Rightmove Plus and HM Land Registry data.

Affordable rental levels have been calculated on the basis of 80% of the maximum market rental value achievable in Holbeach, and have also been confirmed by enquiries of housing associations and the local planning authority. We have established figures for appropriate levels of management and repair costs through discussions with local planning authorities.

The BLV has been established having regard to the EUV and an appropriate premium sufficient to ensure land comes forward for development, whilst also having regard to the purchase price paid.

S106 requirements have been provided by the Client. 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. Maxey Grounds & Co LLP accepts responsibility to the Client named at the start of this Report alone that this report has been prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor, but accept no responsibility whatsoever to any person other than the client himself.

RICS Valuation – Professional Standards

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

Appraisal Methodology

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

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

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

Anticipated timescales for development are stated in Appendix IV.

Information on the Section 106 requirements likely to be sought by the Planning Authority have been provided by the Client. These include education and healthcare contributions.

Affordable rents are based upon 80% of market rent for that area. Given the scale of the development, it has been assumed that the normal requirement of 70% of any affordable housing as affordable rented and 30% shared ownership. Where a nil provision is considered as an alternative, this is not applicable.

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.

We have adopted an EUV for the land of £25,000 per gross hectare i.e. agricultural value. To this, we have added a premium of £250,000 per gross hectare in order to bring it forward for development, therefore giving an overall BLV of around £1000,000.

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.

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INSPECTION

Date of Inspection

Development of the site has not yet commenced, therefore whilst we have conducted a brief visual inspection of the site, this viability assessment has been conducted as a desktop exercise.

Property Address

The property is a site known as Phase 2 of Balmoral Way, Holbeach, 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 81 new 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 3.67 Hectares. The size of the units (Gross Internal Area) has been provided by way of schedule from the client and is within the inputs to the Development Appraisal Tool, an electronic copy of which has been provided.

Gross Development Value

We have utilised new build comparable evidence from a site known as Holbeach Meadows, which is also being developed by Ashwood Homes. Direct comparables are available for most house types, and given the rise in house prices over the last 6 months, we have adopted the highest price achieved for each house type; the sale prices adopted are explained in further detail below.

For the Dee house type, there are direct comparables available from Holbeach Meadows for both the mid-terrace and end-terrace/semi-detached variants. Therefore, we have adopted £155,000 for the mid-terrace house type and £167,000 for the end-terrace/semi-detached house type; this equates to £2,278 per m^2 and £2,455 per m^2 respectively.

There is not any direct comparable available for the Aire house type, however there are direct comparables from Holbeach Meadows for the Avon house type, which is also a 3-bedroom semi-detached house with the same parking arrangements, and is only $1m^2$ larger. Therefore, we have adopted the same sale price of £195,000 for both the Aire and Avon house types, which equates to just over £2,300 per m^2.

Again, there are not any direct comparables for the Coronation house type, however given it is also a 3-bedroom semi detached house, with the same parking and garage arrangements as the Aire and Avon house types, and it's only marginally larger, we have increased the sale value to £197,000.

The Lock, Nene and Mere house types are all 100m^2 and there are direct comparables for both the semi-detached and detached variants at Holbeach Meadows. We have adopted £210,000 for the semi-detached variant and £227,000 for the detached variant for all 3 types, as achieved at Holbeach Meadows.

There isn't a direct comparable for the Severn house type, although the Bain house type at Holbeach Meadows is also a 4-bedroom detached house of a similar size. The Bain house type has achieved £280,000 at Holbeach Meadows, which is the equivalent to £2,300 per m^2, however there are some differences between this and the Severn type which impacts the sale value. Whilst they both have 4 bedrooms, the Bain house type has 3 double bedrooms and 1 single, whereas the Severn has 2 double bedrooms and 2 single rooms. The family bathroom in the Bain is also larger than that in the Severn house type. Furthermore, the Bain house type features a double garage at Holbeach Meadows, whereas the Severn has an integral single garage. Finally, the plot sizes of the Bain house type at Holbeach Meadows are larger than the plot sizes of the Severn house type at Balmoral Way, and the Bain is a generally more spacious, well-proportioned house than the Severn. Taking into account all of these factors, we have adjusted the sale value achieved of the Bain house type down to £265,000 for the Severn house type, which more appropriately reflects the accommodation.

For the Ribble and Harren house types, there are direct comparables from Holbeach Meadows, where these house types are achieving £259,000 and £270,000 respectively. We have therefore adopted the same prices for these house types at Phase 2 of Balmoral Way.

Finally, for the Humber house type, which is the largest house type on this site, there are direct comparables at Holbeach Meadows and sale prices of £303,000 are being achieved. We have therefore adopted the same price for this house type at Phase 2 of Balmoral Way.

Costs

A build cost of £1,158 per m^2 has been adopted, which is the weighted average BCIS lower quartile figure for the different house types i.e. detached, semi-detached and mid-terraced units, of £1,141 per m^2, plus the cost of wide strip reinforced foundations of £16.97 per m^2. The build cost for the garages has previously been accepted on viability work in the region, and then we have added the additional cost of the wide strip reinforced foundations as a capital sum.

The costs for SUDs, storm attenuation, storm headwalls and outfall to the IDB have been provided by the Client.

We have used a basic road construction cost (which includes the footpath) of £2,100 per linear metre for adopted and £1,500 per linear metre for private. Triax Geogrid, Geotextile and additional stone are required, these costs have been provided by the Client and have been added as an extra cost to road construction on top of the standard cost per linear

metre. These road costs are based on actual costs for road construction in the region and are widely accepted as being reasonable.

A cost for site landscaping of £25,000 has been adopted to cover the large area which is not being developed due to the site's proximity to the bypass. We have also made an allowance for maintenance of the POS until it is transferred in this figure.

There are additional site works such as dewatering (single side), dewatering for the foul pumping station, extra cost to raise plot levels due to the flood risk of the site and extra importing of soil to fill around the plots. Costs for these have been provided by the Client.

There is also a requirement for additional works in relation to the acoustics of the northern part of the site, as outlined by a Report by Acoustic Associates (Peterborough), these extra works include 1.8m high screen walls, acoustic fencing in a range of different heights as necessary, and specific high-performance acoustic glazing and high performance acoustic vents in a number of plots. A guide to costs of the acoustic glazing and vents has been provided by Highseal Manufacturing Company, and we have used this to calculate the overall additional cost. A spreadsheet in Appendix IV specifically outlines which plots require the upgraded glazing and vents, and the costs associated with this.

There is a requirement for a foul pump and a rising main, an estimated cost for this has been provided by the Client.

There is also some demolition required on site, with removal of asbestos and a hydrocarbon hotspot, we have been provided with an estimated cost of £5,000 for each. The extent of the works is not yet fully known, however if this cost exceeds the estimated amount, this will only worsen the viability position.

Other costs adopted, including 6% for Design & Professional Fees, 2.5% Contingency, standard build costs for garages and driveways, plot specific external works of £2,500 per plot, 3% for marketing, £750 per unit for legal costs 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.

There is an additional cost of a foul pumping station and a rising main, an estimated cost of £135,000 has been provided by the Client.

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 is a greenfield development site with no development work yet commenced. Any structures on site will be demolished as part of the scheme and thus their existing condition is not relevant to the cost of construction, however there is a cost of demolition and removal of asbestos and a hydrocarbon hotspot. The extent of works is not yet fully known.

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.

The principal appraisal works from a scheme with 25% affordable housing units and a total of £489,137 S106 cash contributions to be provided. We have been provided with the cash S106 contributions by the Client. Thereafter, an alternative scenario is appraised involving no affordable housing and no S106 cash contributions for comparison purposes.

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 assessed the BLV using an EUV plus premium approach. We have adopted an EUV of £25,000 per gross Hectare, giving an overall EUV of £91,750. A premium of £250,000 per gross hectare has been added to this, which is the minimum a landowner would expect to be paid in order to release the land for development. This gives a value of £275,000 per gross hectare, giving an overall BLV of the site of around £1,000,000.

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. 81 units with 25% affordable housing and S106 cash contributions of £489,137. This scheme produces a **deficit** of £1,763,000.

Appendix VI gives the amended output figures for a scheme with no affordable housing and no S106 cash contributions. This scheme produces a **deficit** of £589,382.

Justification for Viability Assessment

During viability testing which helped formulate the South East Lincolnshire Local Plan, various typologies were tested which resulted in a positive viability position with planning policies applied, rather than the deficit that is shown for a policy-compliant scheme at the development site known as Phase 2 of Balmoral Way, Holbeach. As per the Planning Practice Guidance, it is necessary to investigate why there is such a difference between these two positions, therefore we have compared the closest typology used in 2017, i.e. greenfield site for 150 dwellings, with Phase 2 of Balmoral Way, Holbeach. We have adopted the percentages and values per unit accepted in the Local Plan Viability and applied them to a site of 81 units to get a direct comparison on costs. The differences are highlighted in the following table:

Appraisal Input	**2017 Viability Study (Rates/Percentages based on Greenfield - 150 dwellings)**	**Phase 2 Balmoral Way, Holbeach (81 units)**
Density	30 dwellings per Ha	22 dwellings per Ha
Average Value	£1,900 per m^2	£2,215 per m^2
Average Dwelling Size	100m^2	89m^2
Build Cost	£911 per m^2	£1,158 per m^2
Externals	£838,922 (10% on build cost)	£3,191,521 (38% on build cost) (inc. abnormals)
Contingency	3% on build cost	2.5% on build cost
Professional Fees	7% on build cost	6% on build cost
S106	Up to £5,000 per dwelling	£6,039 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	£810,000 (£10,000 per unit)	With externals

The main points affecting the viability position for Phase 2 at Balmoral Way, Holbeach in comparison with the Local Plan position are as follows:

- The build density (units per hectare) on Phase 2 Balmoral Way is significantly lower than used in the 2017 Local Plan Viability Study, this is due to the proximity of the site to the bypass and the planning constraints attached to this, with the main issue being noise, and therefore restricting development along the northern part of the site. The build density on a m^2 per Ha basis is also lower, for Phase 2 Balmoral Way, there is an average of 1,958m^2 per Ha, in the 2017 Viability Study they allowed for 3,000m^2 per Ha. This is a significant difference and puts considerable pressure on the viability position.

- The build costs adopted have increased by around 27% compared with the Local Plan viability study, which was conducted around 4 years ago, therefore a significant uplift is expected. The build cost adopted for Phase 2 Balmoral Way is

based on the weighted average of BCIS lower quartile cost of construction calculated on a pro-rata basis to reflect the different number of detached, semi-detached and mid-terraced houses. There is also the added cost of having wide-strip reinforced foundations, and this issue was not modelled in the Local Plan Viability study. To add further pressure onto the viability position, there are reports of significant increases in the price of materials due to limited supplies. This has not been reflected in BCIS figures, however higher cost of materials will only worse the viability position.

- The sales values are around 16.6% higher than the figures used the in Local Plan viability study, and this is reasonable considering price inflation since 2017. However, pressure on viability is heightened by the fact build costs have increased by 27% and the sale values have only increased by 16%. The values adopted for Phase 2 Balmoral Way are based on what has been achieved on other Ashwood Homes sites in Holbeach, and this constitutes clear and strong evidence to justify the values adopted. The rate per m^2 is partly due to the average unit size being smaller.

- There is clearly a difference between the way externals and abnormals have been categorised, with externals in the Local Plan study totalling 10% on build cost and abnormals in the Local Plan study totalling £10,000 per unit. We have categorised all externals at Phase 2 Balmoral Way together totalling 38% on build cost. Applying these figures combined to a site of 81 units would give figures for the Local Plan study of £838,922 for externals and £810,000 for abnormals, i.e. a total of £1,648,922, compared with £3,191,521 for all externals and abnormals for Phase 2 Balmoral Way specifically, this is an overall difference of £1,542,599. The abnormals separated out from our total cost comes to around £1,340,000, and the abnormals allowed for in the 2017 Local Plan viability study are £810,000, which is a difference of £530,000, again, this highlights the difference between the two viability positions.

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

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

SENSITIVITY ANALYSIS

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

The effects reflected in the model using no affordable housing and no S106 contributions is shown in the table below:

	At BCIS Level	+5%	-5%
GDV at Evidence Level	- £589,382	- £1,010,296	- £168,954
+5%	- £189,762	-	+ 229,534
-5%	- £1,185,193	- £1,607,029	-

CONCLUSIONS

Appraisal Conclusions

We are of the opinion that a fully policy-compliant scheme for 81 units with 25% affordable dwellings and full S106 cash contributions of £489,137 will show a financial **deficit** (present value) of £1,763,000, 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 £1,000,000.

We are further of the opinion that if these contributions were removed entirely, this deficit is reduced to £589,382. Therefore, it is clear that all affordable housing and S106 contributions should be removed, and the developer must be willing to accept a profit level of below 17.5%.

Signature

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

John Maxey

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

Victoria McIlroy

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

Date of Report:
7th July 2021

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

APPENDICES

Appendix I – Copy of Instruction Correspondence

MAXEY GROUNDS

Your Ref: PL0313
Our Ref: JRM/VJM/21098E
Date: 2nd June 2021

Ashwood Homes
Balmoral Way Ph2
Via Battlefield Lane
Holbeach
Lincolnshire
PE12 7RN

Dear Sirs,

Re: Confirmation of Financial Viability Assessment Instructions
Asset: Phase 2 of Development at Balmoral Way, Holbeach

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

Client: Ashwood Homes

Purpose of Valuation: To establish viability of the proposed development

Asset to be Valued: Phase 2 of Development at Balmoral Way, Holbeach

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

Interest to be Valued: Freehold.

Classification of Asset: Land for development.

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

Basis or Bases of Value: Market Value.

Valuation Date: As at date of report.

22-24 Market Place
March
Cambridgeshire PE15 9JH
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: OC367348. Registered Office: 22-24 Market Place, March, Cambridgeshire PE15 9JH. Members: Alan J. Faulkner MSc MRICS FAAV MCIArb MNAEA MARLA, John R. Maxey MA (Cantab) FRICS FAAV, Shirley A. Pollard BA MRICS FAAV, Paula A.V. Clarke ANAEA. Associates: Victoria J. McIlroy BSc (Hons), MRICS, FAAV, Natalie T. Jeary MSc, BA (Hons), MRICS, FAAV

RICS
naea propertymark PROTECTED
arla propertymark PROTECTED

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

Material Involvement: Neither Maxey Grounds & Co LLP nor the valuers have any conflict of interest in preparing this viability assessment. Ashwood Homes are a longstanding client, for whom we act on a regular basis, but we have no interest in the proposed transaction.

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

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

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

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

Valuation Fee: Our fee will be £3,500 + VAT for the report plus £200 + VAT per hour for any additional work.

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.

Yours faithfully

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

(Enc)

MAXEY GROUNDS

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

Signed:.....

Date .....

MAXEY GROUNDS

MAXEY GROUNDS & CO LLP

STANDARD FINANCIAL VIABILITY ASSESSMENT CONDITIONS OF ENGAGEMENT & TERMS OF BUSINESS

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

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

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

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

c) that the property and its value are unaffected by any matters which would be revealed by a local search and replies to the usual enquiries, or by any statutory notice, and that neither the property, nor its condition, nor its use, nor its intended use are or will be unlawful;

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

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e) that no formal environmental assessment will be provided and that no contaminative or potentially contaminative uses have ever been carried out on the property and that there is no potential for contamination of the subject property from past or present uses of the property or from any neighbouring property. The report will not identify the existence of contamination but if the Valuer's visual inspection concludes that there may be material contamination the Valuer will report that further investigation is required.

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

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

18. The FVA report is provided for the stated purpose of the named client. Maxey Grounds & Co LLP accepts responsibility to the Client alone that the report has been prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor but accepts no responsibility whatsoever to any person other than the Client himself. Any such person relies upon the report at his own risk, even if that third party pays all or part of Maxey Grounds & Co LLP's fees, or is permitted to see a copy of the valuation report. If Maxey Grounds & Co LLP do provide written consent to a third party relying on our valuation, any such third party is deemed to have accepted the terms of engagement, as set out herein.

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

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

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

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

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

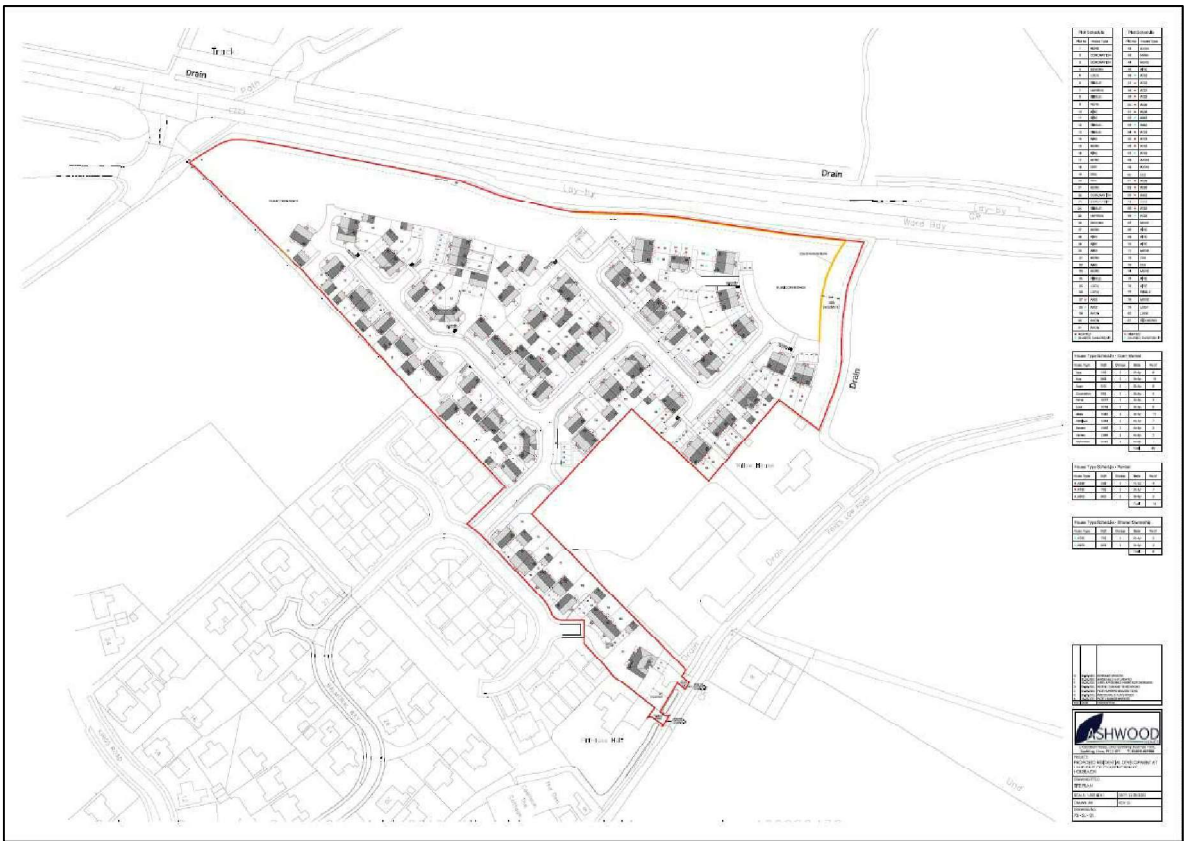
In this Agreement words importing one gender only include the other gender; words importing the singular include the plural number and vice versa; words importing persons include corporations and vice versa.

Version 15 May 2020

Appendix II – Copies of Plans and Photographs

MAXEY GROUNDS

Site Layout Plan



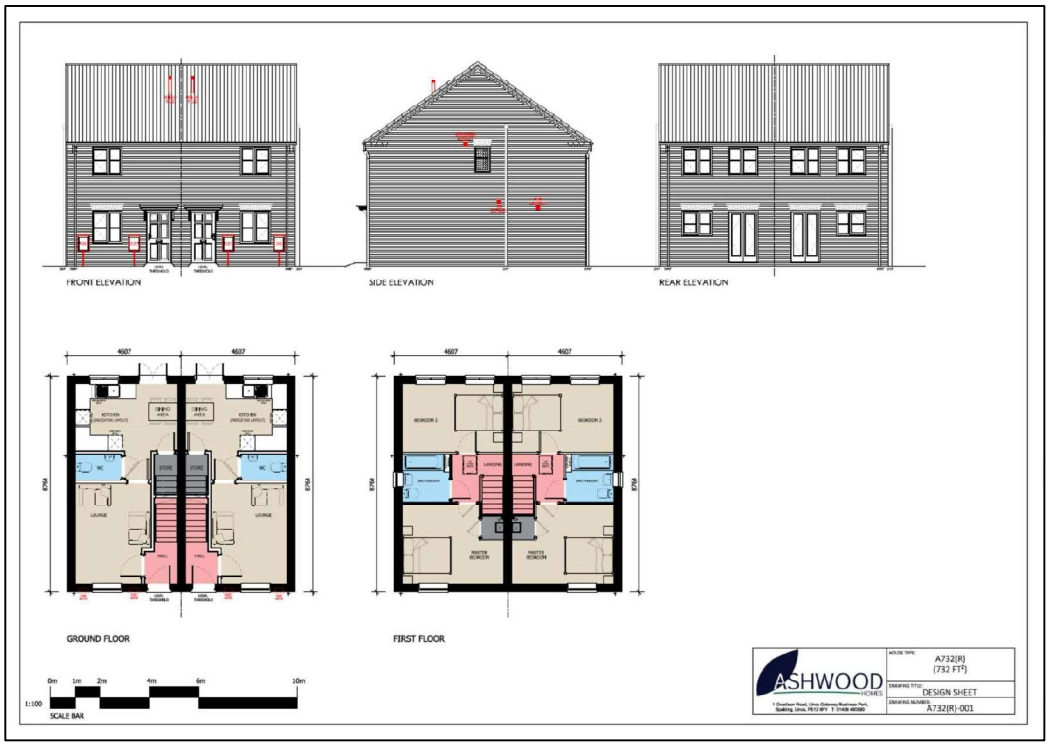
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A516 House Type



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A732 House Type



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A902 House Type



Aire House Type



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Avon House Type



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Coronation House Type



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Dee Semi House Type



MAXEY GROUNDS

Harren House Type



MAXEY GROUNDS

Humber House Type



MAXEY GROUNDS

Lock House Type



MAXEY GROUNDS

Mere House Type



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Nene House Type



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Ribble-V House Type



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Severn House Type





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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	Incentives/Reductions	Net Sale Price	Net £ per sqm	Staus	Parking/Garage	Age
Plot 1 - Thames	Holbeach	Detached	House	5	3,066	285	£575,000	£2,018	£0	£575,000	£2,018	Exchanged	2/Double	New
Plot 2 - Thames	Holbeach	Detached	House	5	3,066	285	£575,000	£2,018	£10,919	£564,081	£1,980	Completed	2/Double	New
Plot 13 - Thames	Holbeach	Detached	House	5	3,066	285	£575,000	£2,018	£1,500	£573,500	£2,013	SSTC	2/Double	New
Plot 14 - Thames	Holbeach	Detached	House	5	3,066	285	£575,000	£2,018	£1,500	£573,500	£2,013	SSTC	2/Double	New
Plot 11 - Barrowby	Holbeach	Detached	House	5	2,266	211	£435,000	£2,066	£0	£435,000	£2,066	Completed	2/Double	New
Plot 3 - Ouse	Holbeach	Detached	House	4	1,814	169	£380,000	£2,254	£2,500	£377,500	£2,239	Completed	2/Double	New
Plot 47 - Medway	Holbeach	Detached	House	4	1,603	149	£307,000	£2,061	£150	£306,850	£2,060	Completed	4/Double	New
Plot 52 - Medway	Holbeach	Detached	House	4	1,603	149	£309,000	£2,074	£0	£309,000	£2,074	SSTC	4/Double	New
Plot 16 - Humber	Holbeach	Detached	House	4	1,578	147	£300,000	£2,046	£150	£299,850	£2,045	Completed	2/Double	New
Plot 49 - Humber	Holbeach	Detached	House	4	1,578	147	£303,000	£2,066	£0	£303,000	£2,066	Exchanged	2/Double	New
Plot 50 - Humber	Holbeach	Detached	House	4	1,578	147	£303,000	£2,066	£0	£303,000	£2,066	Exchanged	2/Double	New
Plot 51 - Harren	Holbeach	Detached	House	4	1,396	130	£270,000	£2,081	£150	£269,850	£2,080	Exchanged	2/Double	New
Plot 12 - Bain	Holbeach	Detached	House	4	1,310	122	£280,000	£2,300	£0	£280,000	£2,300	Completed	2/Double	New
Plot 48 - Bain	Holbeach	Detached	House	4	1,310	122	£280,000	£2,300	£672	£279,328	£2,294	Completed	4/Double	New
Plot 15 - Ribble	Holbeach	Detached	House	4	1,283	119	£255,000	£2,139	£450	£254,550	£2,135	Completed	2/Double	New
Plot 17 - Ribble	Holbeach	Detached	House	4	1,283	119	£252,000	£2,113	£150	£251,850	£2,112	Completed	2/Double	New
Plot 53 - Ribble	Holbeach	Detached	House	4	1,283	119	£259,000	£2,172	£150	£258,850	£2,171	Exchanged	2/Single	New
Plot 54 - Ribble	Holbeach	Detached	House	4	1,283	119	£259,000	£2,172	£0	£259,000	£2,172	Exchanged	2/Single	New
Plot 68 - Ribble	Holbeach	Detached	House	4	1,283	119	£256,000	£2,147	£0	£256,000	£2,147	Completed	2/Single	New
Plot 103 - Ribble	Holbeach	Link Detached	House	4	1,283	119	£259,000	£2,172	£150	£258,850	£2,171	Exchanged	1/Single	New
Plot 66 - Mere	Holbeach	Detached	House	3	1,080	100	£227,000	£2,270	£500	£226,500	£2,265	Completed	1/Single	New
Plot 67 - Mere	Holbeach	Detached	House	3	1,080	100	£227,000	£2,270	£150	£226,850	£2,269	Completed	1/Single	New
Plot 4 - Lock	Holbeach	Detached	House	3	1,079	100	£227,000	£2,264	£150	£226,850	£2,262	Completed	2/Single	New
Plot 5 - Lock	Holbeach	Detached	House	3	1,079	100	£227,000	£2,264	£150	£226,850	£2,262	Completed	2/Single	New
Plot 6 - Lock	Holbeach	Detached	House	3	1,079	100	£227,000	£2,264	£0	£227,000	£2,264	Completed	2/Single	New
Plot 18 - Lock	Holbeach	Detached	House	3	1,079	100	£227,000	£2,264	£0	£227,000	£2,264	Completed	1/Single	New
Plot 63 - Lock	Holbeach	Detached	House	3	1,079	100	£227,000	£2,264	£150	£226,850	£2,262	Completed	1/Single	New
Plot 64 - Lock	Holbeach	Detached	House	3	1,079	100	£227,000	£2,264	£0	£227,000	£2,264	Completed	1/Single	New
Plot 65 - Lock	Holbeach	Detached	House	3	1,079	100	£227,000	£2,270	£0	£227,000	£2,270	Completed	1/Single	New
Plot 19 - Mere	Holbeach	Semi	House	3	1,080	100	£207,000	£2,062	£0	£207,000	£2,062	Completed	1/Single	New
Plot 22 - Mere	Holbeach	Semi	House	3	1,080	100	£210,000	£2,092	£0	£210,000	£2,092	Completed	2/Single	New
Plot 21 - Lock	Holbeach	Semi	House	3	1,079	100	£210,000	£2,094	£0	£210,000	£2,094	Completed	2/Single	New
Plot 43 - Avon	Holbeach	Semi	House	3	910	85	£195,000	£2,306	£1,500	£193,500	£2,288	Completed	2/Single	New
Plot 44 - Avon	Holbeach	Semi	House	3	910	85	£195,000	£2,306	£0	£195,000	£2,306	Completed	2/Single	New
Plot 45 - Avon	Holbeach	Semi	House	3	910	85	£195,000	£2,306	£0	£195,000	£2,306	Completed	2/Single	New
Plot 46 - Avon	Holbeach	Semi	House	3	910	85	£195,000	£2,306	£3,000	£192,000	£2,270	Completed	2/Single	New
Plot 7 - Sparta	Holbeach	Semi	House	3	870	81	£190,000	£2,350	£2,500	£187,500	£2,319	Completed	2/Single	New
Plot 8 - Sparta	Holbeach	Semi	House	3	870	81	£190,000	£2,350	£0	£190,000	£2,350	Completed	2/Single	New
Plot 9 - Sparta	Holbeach	Semi	House	3	870	81	£190,000	£2,350	£2,500	£187,500	£2,319	Completed	2/Single	New
Plot 10 - Sparta	Holbeach	Semi	House	3	870	81	£190,000	£2,350	£2,515	£187,485	£2,319	Completed	2/Single	New
Plot 20 - Sparta	Holbeach	Semi	House	3	870	81	£190,000	£2,350	£0	£190,000	£2,350	Completed	2/Single	New
Plot 104 - Sparta	Holbeach	Semi	House	3	870	81	£191,000	£2,362	£150	£190,850	£2,360	SSTC	1/Single	New
Plot 105 - Sparta	Holbeach	Semi	House	3	870	81	£191,000	£2,362	£150	£190,850	£2,360	SSTC	1/Single	New
Plot 106 - Sparta	Holbeach	Semi	House	3	870	81	£191,000	£2,362	£0	£191,000	£2,362	SSTC	1/Single	New

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Plot 107 - Sparta	Holbeach	Semi	House	3	870	81	£191,000	£2,362	£0		£191,000	£2,362	SSTC	1/Single	New
Plot 76 - Huntingdon	Holbeach	Semi	House	3	796	74	£178,000	£2,406	£150		£177,850	£2,404	Exchanged	2/None	New
Plot 77 - Huntingdon	Holbeach	Semi	House	3	796	74	£178,000	£2,406	£0		£178,000	£2,406	SSTC	2/None	New
Plot 78 - Huntingdon	Holbeach	Semi	House	3	796	74	£178,000	£2,406	£0		£178,000	£2,406	SSTC	2/None	New
Plot 79 - Huntingdon	Holbeach	Semi	House	3	796	74	£178,000	£2,406	£150		£177,850	£2,404	SSTC	2/None	New
Plot 82 - Huntingdon	Holbeach	Semi	House	3	796	74	£179,500	£2,426	£150		£179,350	£2,424	SSTC	2/None	New
Plot 29 - Dee	Holbeach	Semi	House	2	732	68	£167,000	£2,455	£0		£167,000	£2,455	SSTC	2/None	New
Plot 30 - Dee	Holbeach	Semi	House	2	732	68	£167,000	£2,455	£0		£167,000	£2,455	SSTC	2/None	New
Plot 31 - Dee	Holbeach	Semi	House	2	732	68	£166,500	£2,447	£0		£166,500	£2,447	SSTC	2/None	New
Plot 32 - Dee	Holbeach	Semi	House	2	732	68	£166,500	£2,447	£150		£166,350	£2,445	SSTC	2/None	New
Plot 33 - Dee	Holbeach	Semi	House	2	732	68	£166,000	£2,440	£0		£166,000	£2,440	SSTC	2/None	New
Plot 34 - Dee	Holbeach	Semi	House	2	732	68	£166,000	£2,440	£0		£166,000	£2,440	SSTC	2/None	New
Plot 35 - Dee	Holbeach	E-Terr	House	2	732	68	£166,000	£2,440	£1,500		£164,500	£2,418	Exchanged	2/None	New
Plot 38 - Dee	Holbeach	E-Terr	House	2	732	68	£162,000	£2,381	£0		£162,000	£2,381	SSTC	2/None	New
Plot 39 - Dee	Holbeach	Semi	House	2	732	68	£161,000	£2,367	£4,000		£157,000	£2,308	Completed	2/None	New
Plot 40 - Dee	Holbeach	Semi	House	2	732	68	£161,000	£2,367	£2,500		£158,500	£2,330	Completed	2/None	New
Plot 41 - Dee	Holbeach	Semi	House	2	732	68	£161,000	£2,367	£1,963		£159,037	£2,338	Completed	2/None	New
Plot 42 - Dee	Holbeach	Semi	House	2	732	68	£161,000	£2,367	£150		£160,850	£2,364	Completed	2/None	New
Plot 55 - Dee	Holbeach	Semi	House	2	732	68	£166,000	£2,440	£150		£165,850	£2,438	Exchanged	2/None	New
Plot 56 - Dee	Holbeach	Semi	House	2	732	68	£166,000	£2,440	£508		£165,492	£2,433	Exchanged	2/None	New
Plot 57 - Dee	Holbeach	Semi	House	2	732	68	£166,000	£2,440	£0		£166,000	£2,440	SSTC	2/None	New
Plot 58 - Dee	Holbeach	Semi	House	2	732	68	£166,000	£2,440	£150		£165,850	£2,438	SSTC	2/None	New
Plot 59 - Dee	Holbeach	Semi	House	2	732	68	£166,500	£2,447	£150		£166,350	£2,445	SSTC	2/None	New
Plot 60 - Dee	Holbeach	Semi	House	2	732	68	£166,500	£2,447	£150		£166,350	£2,445	SSTC	2/None	New
Plot 61 - Dee	Holbeach	Semi	House	2	732	68	£166,500	£2,447	£150		£166,350	£2,445	SSTC	2/None	New
Plot 62 - Dee	Holbeach	Semi	House	2	732	68	£166,500	£2,447	£0		£166,500	£2,447	SSTC	2/None	New
Plot 36 - Dee	Holbeach	M-Terr	House	2	732	68	£155,000	£2,278	£0		£155,000	£2,278	SSTC	2/None	New
Plot 37 - Dee	Holbeach	M-Terr	House	2	732	68	£155,000	£2,278	£0		£155,000	£2,278	Exchanged	2/None	New

MAXEY GROUNDS

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

COST AND OTHER ASSUMPTIONS ADOPTED

Viability Assessment	Ref 21098E				
Client	Ashwood Homes				
Site	Phase 2 at Balmoral Way, Holbeach				
Statement of Assumptions Made within Appraisal Calculations					
Site area 3.67 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 £1,009,250, say £1,000,000.					
Total of 81 x Units (see detailed Accommodation Schedule)					
20 x Affordable Dwellings split into:	70% affordable rented (14)				
	30% shared ownership (6)				
Construction and Development Costs (Standard)					
Timescales	Construction 1st December 2021 - 1st November 2023				
	OM Sales start from 1st May 2022 and finish 1st April 2024				
Build Cost Market & Affordable Housing (7,246 sqm) @		£1,141		£8,266,219	
Basic BCIS Build Cost broken down as follows:		Total GIA (sqm)	Price per sqm		
	Detached:	2,593	£1,233	£3,197,169	
	E-Terr/Semi:	4,517	£1,090	£4,923,530	
	M-Terr:	136	£1,070	£145,520	
	Total:	7,246	£1,141		
E/o Wide Strip Reinforced Foundations		Houses	£16.97 per sqm	£123,000	
Total House Build					**£8,389,219**
Overall House Build £/sqm					**£1,158 per sqm**
6% Design and Professional Fees					
2.5% Contingency Allowance					
SUDs and Storm Attenuation:	Attenuation pond		£24,500		
	Headwalls to storm system and outfall to IDB		£11,000		£35,500
Roads	Approx 516m run of adopted roadway at £2,100 per m run			£1,087,800	
	Approx 248m run of unadopted roadway at £1,500 per m run			£367,500	
	Triax Geogrid and Geotextile under road			£24,345	
	E/o 6F5 stone under road due to raising levels			£51,561	£1,531,206
Parking	162 parking spaces at £600 per space			£97,200	£97,200
Garages	18 x singles @ £9,000 each			£162,000	
	19 x doubles @ £13,000 each			£247,000	
	2 x triples @ £17,000 each			£34,000	
	E/o wide strip reinforced foundations for garages			£36,000	£479,000
Site Prep and Set Up Welfare.	Demolition and site clearance (greenhouses)			£30,000	
	Removal of asbestos			£5,000	
	Removal of hydrocarbon hotspot			£5,000	
	Onsite establishment and welfare (inc. site office, services etc)			£20,000	£60,000
Foul pump station inc. compound and rising main				£135,000	£135,000
Plot specific external works (i.e. patio, fencing etc) @ £2,500 per plot				£202,500	£202,500
General Site Landscaping				£25,000	£25,000
Acoustics:	1.8m high Screen Walls (154m @ £315/m)			£48,510	
	3.6m high Acoustic Fencing (190m @ £168/m)			£31,920	
	2.5m high Acoustic Fencing (35m @ £147.60/m)			£5,166	
	2.1m high Acoustic Fencing (17m @ £136/m)			£2,346	
	E/o Acoustic glazing and acoustic ventilators			£64,590	£152,532
Site Works:	Dewatering (cost for one side) of road			£60,600	
	Dewatering for foul pump station			£10,000	
	E/o cost to raise plot levels due to flood risk			£158,958	
	E/o import and fill around plots			£214,025	£443,583
Off Site Works:	Replace existing IDB culvert to Primrose Holt Bungalow			£15,000	
	New foul drain and gas connection to Primrose Holt Bungalow			£5,000	
	New culvert for new plot access on Foxes Low Road			£10,000	£30,000
Total Externals					£3,191,521
Affordable Housing & S106 Contributions					
Affordable Housing				25% provision	
Education Contribution				£436,017	
NHS Contribution				£54,120	
Total Cash S106					£490,137
Finance, Disposal Costs and Profit					
Finance and SDLT					
Stamp Duty Land Tax Land				£39,500	
Finance costs of £15,000 arrangement costs plus £3,000 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				£8,000	
Developers return of 17.5% on Market units and 6% on Affordables					

MAXEY GROUNDS

Accommodation Schedule

MARKET

Reference	Style	Type	No.	Beds	GIA (sqft)	GIA (sqm)	Total GIA (sqm)	Parking/Garage	Price per sqm	Price	Total GDV
Dee	M-Terr	House	1	2	732	68	68	2/None	£2,278	£155,000	£155,000
Dee	E-Terr/ Semi	House	5	2	732	68	340	2/None	£2,455	£167,000	£835,000
Aire	Semi/E-Terr	House	14	3	902	84	1,174	2/Single	£2,326	£195,000	£2,730,000
Avon	Semi	House	6	3	910	85	507	2/Single	£2,306	£195,000	£1,170,000
Coronation	Semi	House	4	3	932	87	346	2/Single	£2,300	£197,000	£788,000
Nene	Detached	House	3	3	1,077	100	300	2/Single	£2,268	£227,000	£681,000
Lock	Semi	House	2	3	1,079	100	201	2/Single	£2,094	£210,000	£420,000
Lock	Detached	House	3	3	1,079	100	301	2/Single	£2,264	£227,000	£681,000
Mere	Semi	House	6	3	1,079	100	602	2/Single	£2,094	£210,000	£1,260,000
Mere	Detached	House	5	3	1,079	100	501	2/Single	£2,264	£227,000	£1,135,000
Severn	Detached	House	2	4	1,345	125	250	2/Int Single	£2,120	£265,000	£530,000
Ribble	Detached	House	7	4	1,283	119	835	2/Double	£2,172	£259,000	£1,813,000
Harren	Detached	House	2	4	1,396	130	259	2/Double	£2,081	£270,000	£540,000
Humber	Detached	House	1	4	1,578	147	147	2/Double	£2,066	£303,000	£303,000
Total:			61				5,831				£13,041,000

AFFORDABLE RENTED

Reference	Style	Type	No.	Beds	GIA (sqft)	GIA (sqm)	Total GIA (sqm)	Parking/Garage	Price per sqm	Price	Total GDV	Rent p/w (80%)
A516	E-Terr/Semi	House	2	1	516	48	96	2/None	£2,398	£115,000	£230,000	£92
A732	M-Terr	House	1	2	732	68	68	2/None	£2,278	£155,000	£155,000	£120
A732	E-Terr/Semi	House	8	2	732	68	544	2/None	£2,455	£167,000	£1,336,000	£120
A902	E-Terr/Semi	House	3	3	902	84	251	2/None	£2,326	£195,000	£585,000	£138
Total:			14				960				£1,921,000	

SHARED OWNERSHIP

Reference	Style	Type	No.	Beds	GIA (sqft)	GIA (sqm)	Total GIA (sqm)	Parking/Garage	Price per sqm	Price	Total GDV	Rent p/w (80%)
A732	E-Terr/Semi	House	3	2	732	68	204	2/None	£2,455	£167,000	£501,000	£120
A902	E-Terr/Semi	House	3	3	902	84	251	2/None	£2,326	£195,000	£585,000	£138
Total:			6				456				£1,086,000	

BCIS®

RICS

£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.
Last updated: 19-Jun-2021 00:44
› Rebased to South Holland (99; sample 6)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
810. Housing, mixed developments (15)	1,277	649	1,115	1,242	1,395	2,902	1229
810.1 Estate housing							
Generally (15)	1,275	617	1,087	1,229	1,395	4,420	1551
Single storey (15)	1,433	815	1,215	1,379	1,599	4,420	251
2-storey (15)	1,233	617	1,072	1,201	1,347	2,673	1198
3-storey (15)	1,314	795	1,060	1,264	1,480	2,640	97
4-storey or above (15)	2,682	1,302	2,155	2,407	3,582	3,965	5
810.11 Estate housing detached (15)	1,648	958	1,233	1,406	1,660	4,420	21
810.12 Estate housing semi detached							
Generally (15)	1,272	754	1,094	1,246	1,397	2,353	365
Single storey (15)	1,418	942	1,218	1,397	1,569	2,353	74
2-storey (15)	1,236	754	1,090	1,215	1,355	2,128	278
3-storey (15)	1,209	905	963	1,186	1,297	1,848	13
810.13 Estate housing terraced							
Generally (15)	1,314	795	1,086	1,240	1,450	3,965	208
Single storey (15)	1,479	986	1,257	1,392	1,699	2,090	29
2-storey (15)	1,267	802	1,070	1,216	1,398	2,673	221
3-storey (15)	1,331	795	1,055	1,240	1,474	2,640	46
4-storey or above (10)	3,774	3,582	-	-	-	3,965	2

MAXEY GROUNDS

Acoustic Glazing and Vents Cost Calculations

High Performance Acoustic Glazing and Vents Cost Calculations

Vents

£55.31 per vent and 2 x vents required per window £110.62

Glazing

	Window dimensions (mm)		sq mm	sqm			
Bed/Lounge window	1,200.00	1,350.00	1,620,000.00	1.62	@	£172.84	£280.00
French doors	1,500.00	2,100.00	3,150,000.00	3.15	@	£172.84	£544.45

Lounge and Bedroom Glazing & Vents

	No. Windows	Cost /window	Cost	No. French doors	Cost /french door	Cost	Total No. Windows	Cost Vent per Window	Cost	Total Cost
13 Ribble	5	£280.00	£1,400.00	1	£544.45	£544.45	6	£110.62	£663.72	£2,608.17
14 Aire	4	£280.00	£1,120.00	0	£544.45	£0.00	4	£110.62	£442.48	£1,562.48
15 Mere (S)	8	£280.00	£2,240.00	0	£544.45	£0.00	8	£110.62	£884.96	£3,124.96
18 Dee (ET)	4	£280.00	£1,120.00	0	£544.45	£0.00	4	£110.62	£442.48	£1,562.48
36 Lock (D)	4	£280.00	£1,120.00	1	£544.45	£544.45	5	£110.62	£553.10	£2,217.55
37 A902 (S)	4	£280.00	£1,120.00	0	£544.45	£0.00	4	£110.62	£442.48	£1,562.48
53 A902 (S)	4	£280.00	£1,120.00	0	£544.45	£0.00	4	£110.62	£442.48	£1,562.48
54 A732 (S)	4	£280.00	£1,120.00	0	£544.45	£0.00	4	£110.62	£442.48	£1,562.48
										£15,763.08

Bedroom Only Glazing & Vents

	No. Windows	Cost /window	Cost	Total No. Windows	Cost Vent per Window	Cost	Total Cost
10 Aire	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
11 Aire	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
12 Ribble	4	£280.00	£1,120.00	4	£110.62	£442.48	£1,562.48
16 Aire	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
17 Mere (D)	5	£280.00	£1,400.00	5	£110.62	£553.10	£1,953.10
19 Dee (MT)	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
20 Dee (ET)	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
21 Mere (D)	5	£280.00	£1,400.00	5	£110.62	£553.10	£1,953.10
22 Coronation	4	£280.00	£1,120.00	4	£110.62	£442.48	£1,562.48
23 Coronation	4	£280.00	£1,120.00	4	£110.62	£442.48	£1,562.48
31 Mere (S)	5	£280.00	£1,400.00	5	£110.62	£553.10	£1,953.10
32 Aire	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
33 Mere (S)	5	£280.00	£1,400.00	5	£110.62	£553.10	£1,953.10
34 Ribble	4	£280.00	£1,120.00	4	£110.62	£442.48	£1,562.48
35 Lock (D)	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
38 A902	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
39 Avon	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
40 Avon	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
41 Avon	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
42 Avon	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
43 Nene (D)	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
45 Aire	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
46 A732	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
47 A732	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
48 A732	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86

49	A732	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
50	A516	1	£280.00	£280.00	1	£110.62	£110.62	£390.62
51	A516	1	£280.00	£280.00	1	£110.62	£110.62	£390.62
52	A902	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
55	A732	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
56	A732	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
57	A732	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
58	Avon	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
59	Avon	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
60	Dee	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
61	A732	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
62	A732	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
63	A902	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
64	A902	3	£280.00	£840.00	3	£110.62	£331.86	£1,171.86
								£48,827.50
							Total:	£64,590.58

Appendix V – HCA Appraisal Tool Output – Policy-Compliant Scheme (25% Affordable Housing and Full S106 Cash Contributions)

MAXEY GROUNDS

HCA Development Appraisal Tool — Printed 07/07/2021

Surplus (Deficit) from input land valuation at 5/7/2021 -£1,763,080

HCA DEVELOPMENT APPRAISAL TOOL

SUMMARY | DETAIL

SCHEME

Site Address	Phase 2 at Balmoral Way, Holbeach	Date of appraisal	05/07/2021
Site Reference	21098E	Net Residential Site Area	3.67
File Source		Author & Organisation	Maxey Grounds 22 - 24 Market Place, March, Cambridgeshi
Scheme Description	61 Units with 25% Affordable Housing plus Cash S106 Contributions	Registered Provider (wher D	

Housing Mix (Affordable + Open Market)

Total Number of Units	81	*units*
Total Number of Open Market Units	61	*units*
Total Number of Affordable Units	20	*units*
Total Net Internal Area (sq m)	7,248	*sq m*
% Affordable by Unit	24.7%	
% Affordable by Area	19.5%	
Density	22	*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	3.67	*hectares*
Net Site Area	3.67	*hectares*
Net Internal Housing Area / Hectare	1,975	*sq m / hectare*

equals 8,602 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	£165,417	£0	£0	£0	£0	
3 Bed House	£206,163	£0	£0	£0	£0	
4 Bed + House	£265,500	£0	£0	£0	£0	
Total Revenue £	£13,043,500	£0	£0	£0	£0	£13,043,500
Net Area (sq m)	5,832	-	-	-	-	5,832
Revenue (£ / sq m)	£2,237	-	-	-	-	

CAPITAL VALUE OF OPEN MARKET SALES £13,043,500

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 £13,043,500 £ 2,237 psqm
BUILD COST OF OPEN MARKET HOUSING Inc Contingency £6,922,292 £ 1,187 psqm
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING £6,121,208

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		£326,914	£979,935	£1,306,850
3 Bed House		£381,726	£320,952	£702,678
4 Bed + House				
	£0	£708,641	£1,300,887	£2,009,528
£ psqm of CV (phase 1)	-	1,419	1,355	

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING) £2,009,528

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) £2,009,528
BUILD COST OF AFFORDABLE HOUSING Inc Contingency £1,680,721 £ 1,187 psqm

HCA Development Appraisal Tool — Printed 07/07/2021

CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING £328,807

Car Parking

No. of Spaces	Price per Space (£)	Value
152	-	£0

Value of Residential Car Parking		£0
Car Parking Build Costs	£97,200	

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		£15,053,028
TOTAL BUILD COST OF RESIDENTIAL SCHEME	£8,700,214	
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME		£6,352,814

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		£15,053,028
TOTAL BUILD COSTS	£8,700,214	
TOTAL CONTRIBUTION TO SCHEME COSTS		£6,352,814

External Works & Infrastructure Costs (£)			Per unit	% of GDV	per Hectare
Site Preparation/Demolition		£60,000	741	0.4%	16,349
Roads and Sewers		£1,531,206	18,904	10.2%	417,222
SUDs and Storm Attenuation		£35,500	438	0.2%	9,673
Foul Pump Inc. Rising Main and Compound		£135,000	1,667	0.9%	36,785
Off Site Works		£30,000	370	0.2%	8,174
General Site Landscaping		£25,000	309	0.2%	6,812
Acoustics		£152,532	1,883	1.0%	41,562
Plot specific external works		£202,500	2,500	1.3%	55,177
Site Works		£443,583	5,476	2.9%	120,867
Garages		£479,000	5,914	3.2%	130,518
		£3,094,321		20.6%	843,139
Other site costs					
Fees and certification	6.0%	£509,423	6,289	3.4%	138,807
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		£3,603,744	44,491		
Statutory 106 Costs (£)					
Education		£435,017	5,371		
Sport & Recreation		£0			
Social Infrastructure		£0			
Public Realm		£0			
Affordable Housing		£0			
Transport		£0			
Highway		£0			
Health		£54,120	668		
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		£489,137	6,039		

HCA Development Appraisal Tool

Printed 07/07/2021

Marketing (Open Market Housing ONLY)			per OM unit		
Sales/letting Fees	3.0%	£391,305	6,415		
Legal Fees (per Open Market unit):	£750	£45,750	750		
Marketing (Affordable Housing)			per affordable unit		
Developer cost of sale to RP (£)		£8,000	400		
RP purchase costs (£)		£0			
Intermediate Housing Sales and Marketing (£)		£0			
Total Marketing Costs		**£445,055**			
Total Direct Costs			**£13,238,150**		
Finance and acquisition costs					
Land Payment		£1,000,000	16,393	per OM home	272,480 per hectare
Arrangement Fee		£15,000	3.3%	of interest	
Misc Fees (Surveyors etc)		£3,000	0.02%	of scheme value	
Agents Fees		£0			
Legal Fees		£7,500			
Stamp Duty		£39,500			
Total Interest Paid		£451,727			
Total Finance and Acquisition Costs			**£1,516,727**		
Developer's return for risk and profit					
Residential					
Market Housing Return (Inc OH) on Valu	17.5%	£2,282,613	37,420	per OM unit	
Affordable Housing Return on Cost	6.0%	£98,364	4,919	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			**£2,380,996**		
(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)					
TOTAL COST			£17,135,873		
Surplus/(Deficit) at completion 1/4/2024				**(£2,082,845)**	
Present Value of Surplus (Deficit) at 5/7/2021				**(£1,763,000)**	
Scheme Investment MIRR		8.5%	(before Developer's returns and interest to avoid double counting returns)		
Site Value as a Percentage of Total Scheme Value		6.6%	Peak Cash Requirement		-£4,676,034
Site Value (PV) per hectare		-£460,362	per hectare	-£229,677 per acre	

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

HCA Development Appraisal Tool — Printed 07/07/2021

Surplus (Deficit) from input land valuation at 5/7/2021 -£583,382

HCA DEVELOPMENT APPRAISAL TOOL

SUMMARY | DETAIL

SCHEME

Site Address	Phase 2 at Balmoral Way, Holbeach	Date of appraisal	05/07/2021
Site Reference	21098E	Net Residential Site Area	3.67
File Source		Author & Organisation	Maxey Grounds 22 - 24 Market Place, March, Cambridgeshi
Scheme Description	81 Units with 25% Affordable Housing plus Cash S106 Contributions	Registered Provider (whet 0	

Housing Mix (Affordable + Open Market)

Total Number of Units	81	units
Total Number of Open Market Units	81	units
Total Number of Affordable Units	0	units
Total Net Internal Area (sq m)	7,248	sq m
% Affordable by Unit	0.0%	
% Affordable by Area	0.0%	
Density	22	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	3.67	hectares
Net Site Area	3.67	hectares
Net Internal Housing Area / Hectare	1,975	sq m / hectare

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	£160,725	£0	£0	£0	£0	
3 Bed House	£204,796	£0	£0	£0	£0	
4 Bed + House	£265,500	£0	£0	£0	£0	
Total Revenue £	£16,435,500	£0	£0	£0	£0	£16,435,500
Net Area (sq m)	7,248	-	-	-	-	7,248
Revenue (£ / sq m)	£2,268	-	-	-	-	

CAPITAL VALUE OF OPEN MARKET SALES £16,435,500

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 £16,435,500 £ 2,268 psqm

BUILD COST OF OPEN MARKET HOUSING Inc Contingency £8,603,014 £ 1,187 psqm

CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING £7,832,486

AH Residential Values

AH & RENTAL VALUES BASED ON NET RENTS

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

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

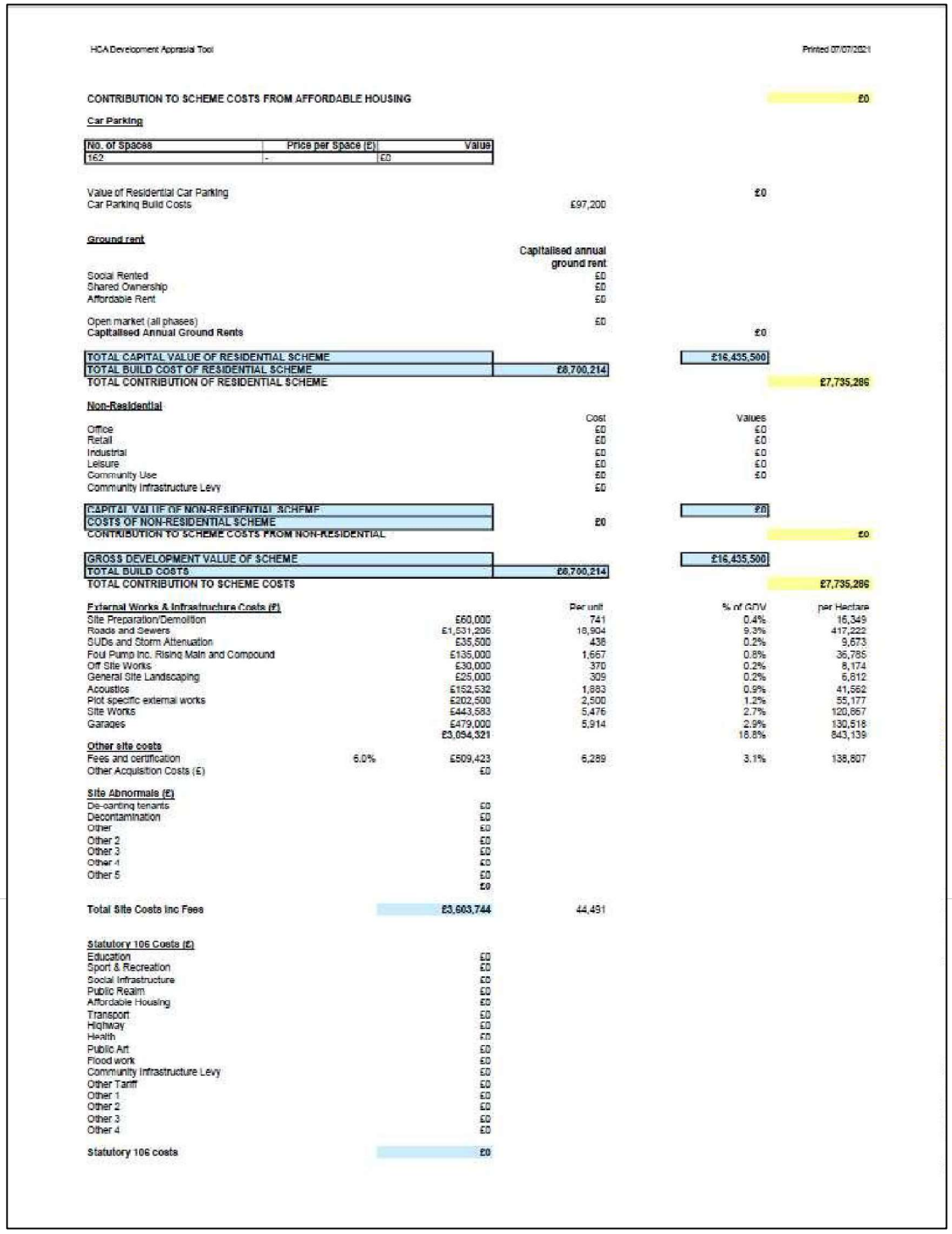
RP Cross Subsidy (use of own assets)	£0
LA s106 commuted in lieu	£0
RP Re-cycled SHG	£0
Use of AR rent conversion income	£0
Other source of AH funding	£0

OTHER SOURCES OF AFFORDABLE HOUSING FUNDING £0

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

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

MAXEY GROUNDS



HCA Development Appraisal Tool — Printed 07/07/2021

CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING £0

Car Parking

No. of Spaces	Price per Space (£)	Value
162	-	£0

Value of Residential Car Parking £0
Car Parking Build Costs £97,200

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		£16,435,500
TOTAL BUILD COST OF RESIDENTIAL SCHEME	£8,700,214	
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME		£7,735,286

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		£16,435,500
TOTAL BUILD COSTS	£8,700,214	
TOTAL CONTRIBUTION TO SCHEME COSTS		£7,735,286

External Works & Infrastructure Costs (£)			Per unit	% of GDV	per Hectare
Site Preparation/Demolition		£60,000	741	0.4%	16,349
Roads and Sewers		£1,531,206	18,904	9.3%	417,222
SUDs and Storm Attenuation		£35,500	438	0.2%	9,673
Foul Pump Inc. Rising Main and Compound		£135,000	1,667	0.8%	36,785
Off Site Works		£30,000	370	0.2%	8,174
General Site Landscaping		£25,000	309	0.2%	6,812
Acoustics		£152,532	1,883	0.9%	41,562
Plot specific external works		£202,500	2,500	1.2%	55,177
Site Works		£443,583	5,476	2.7%	120,867
Garages		£479,000	5,914	2.9%	130,518
		£3,094,321		18.8%	843,139
Other site costs					
Fees and certification	6.0%	£509,423	6,289	3.1%	138,807
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		£3,603,744	44,491		
Statutory 106 Costs (£)					
Education		£0			
Sport & Recreation		£0			
Social Infrastructure		£0			
Public Realm		£0			
Affordable Housing		£0			
Transport		£0			
Highway		£0			
Health		£0			
Public Art		£0			
Flood work		£0			
Community Infrastructure Levy		£0			
Other Tariff		£0			
Other 1		£0			
Other 2		£0			
Other 3		£0			
Other 4		£0			
Statutory 106 costs		£0			

HCA Development Appraisal Tool — Printed 07/07/2021

Marketing (Open Market Housing ONLY)			per OM unit		
Sales/letting Fees	3.0%	£493,065	6,087		
Legal Fees (per Open Market unit):	£750	£60,750	750		
Marketing (Affordable Housing)			per affordable unit		
Developer cost of sale to RP (£)		£0			
RP purchase costs (£)		£0			
Intermediate Housing Sales and Marketing (£)		£0			
Total Marketing Costs		**£553,815**			
Total Direct Costs			**£12,657,773**		
Finance and acquisition costs					
Land Payment		£1,000,000	12,346	per OM home	272,480 per hectare
Arrangement Fee		£15,000	4.5%	of interest	
Misc Fees (Surveyors etc)		£3,000	0.02%	of scheme value	
Agents Fees		£0			
Legal Fees		£7,500			
Stamp Duty		£39,500			
Total Interest Paid		£332,823			
Total Finance and Acquisition Costs			**£1,397,823**		
Developer's return for risk and profit					
Residential					
Market Housing Return (inc OH) on Valu	17.5%	£2,676,213	35,509	per OM unit	
Affordable Housing Return on Cost	6.0%	£0		per affordable unit	
Return on sale of Private Rent	0.0%	£0	#DIV/0!	per PR unit	
Non-residential					
Office	£0				
Retail	£0				
Industrial	£0				
Leisure	£0				
Community-use	£0	£0			
Total Operating Profit			**£2,676,213**		
(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)					
TOTAL COST			**£17,131,808**		
Surplus/(Deficit) at completion 1/4/2024				**(£696,308)**	
Present Value of Surplus (Deficit) at 5/7/2021				**(£589,382)**	
Scheme Investment MIRR		**23.0%** (before Developer's returns and interest to avoid double counting returns)			
Site Value as a Percentage of Total Scheme Value		6.1%	Peak Cash Requirement		-£3,958,203
Site Value (PV) per hectare		-£160,595 per hectare	-£76,783 per acre		