



**MAXEY
GROUNDS**



VIABILITY ASSESSMENT

OF

**SITE AT KESTON NURSERIES
MILL GREEN ROAD
PINCHBECK
SPALDING
LINCOLNSHIRE**

FOR

KESTON FIELDS LTD

**ASSESSMENT DATE
27th OCTOBER 2021**

BY

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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 at Keston Fields, Pincbheck for 100 dwellings with 25% affordable housing plus S106 cash contributions of £266,864. Construction of the site has commenced under an existing consent, however due to changing circumstances putting further financial pressure on the scheme and thus affecting viability, the developers wish to amend the affordable housing and cash S106 liabilities.

The Gross Development Value (GDV) is calculated using market evidence from the houses on site which have already been sold plus looking at new-build comparable evidence from sites nearby. As such, values of between £2,008 and £3,220 per m² have been adopted, giving sale values of between £234,500 and £385,000 for market units, which accurately reflects the market for the various types of dwelling.

A basic build cost of £1,291 per m² 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, and detached bungalows, plus the additional cost of piled foundations at £45 per m², giving an overall build cost of £1,336 per m². The piled foundations for the garages has been added as a capital sum, as opposed to allocated on a price per m², and is deemed appropriate for this scale of development.

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

The cost for SUDs and storm attenuation, demolition, dewatering, acoustic measures and off-site works have been provided by the Client.

A contingency of 3% has been adopted, which is more than the 2.5% that would usually have been adopted for the site being wholly undeveloped greenfield, this is to have regard to its previous use as a horticultural nursery with some buildings and structures on site.

Other costs adopted, including 6% for design & professional fees, costs for garages and driveways, plot specific external works of £2,500 per plot, 3% for marketing, £750 per unit for legals, and an interest rate of 6.25% are all 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 horticultural value. To this, a premium of £250,000 per gross hectare has been added which is deemed a sufficient sum to bring the land forward for development. This gives an overall BLV of £275,000 per gross hectare.

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

Scheme	Surplus/Deficit
100 units with 25% affordable housing plus S106 cash contributions of £266,864	- £1,297,121
100 units with no affordable housing and no S106 cash contributions	- £220,360

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

A full policy-compliant scheme for a site of 100 units with 25% affordable housing plus S106 cash contributions of £266,864 is clearly not viable with a financial **deficit** (present value) of nearly £1,300,000 once land cost, construction and other costs have been deducted from GDV. If all the affordable housing and S106 cash contributions are removed, the development is still not viable, unless the developer accepts a profit level of below 17.5%.

INSTRUCTIONS

We refer to instructions from Keston Fields Ltd 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 7th September 2021, a copy of which is in Appendix I of this Report.

Client

This report has been prepared for Keston Fields 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 have been imposed in connection with a planning application that has been granted for residential development.

Asset to be Appraised

The appraisal is of a development site at Keston Nurseries, Mill Green Road, Pinchbeck, 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

Development of the site is underway under the existing consent which is for 100 dwellings constructed for sale.

RICS Guidance/Professional Statements

In preparing this FVA, the Valuer has acted in accordance with the RICS Professional Statement Financial Viability in Planning: Conduct and Reporting 1st Edition, May 2019. The Valuer has acted 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. EUV has been established using comparable evidence. We have also had regard to market evidence of development land together with the price paid for land, as appropriate.

Appraisal Date

The appraisal and any valuations provided within this report are as at 27th October 2021.

Identity of Valuer

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

Material Involvement

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

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 have been noted. 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.

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. Whilst the site has been inspected briefly as this report is in advance of the development, it is undertaken as a desktop exercise.

Nature and Sources of Information Provided

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

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

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

S106 requirements have been obtained from the Client. Other costs have been calculated 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 and market rents are 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 has been supplied by the Client. These are also reproduced within Appendix IV. The likely contribution from a Housing Association is based upon benchmarking from similar sites.

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

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

Land Value

As required under NPPF and PPG, we have adopted an EUV + Premium approach to land value, whilst putting this in context by review of market transactions.

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

Therefore, for the total benchmark land value of the site is £1,500,000.

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.

INSPECTION

Date of Inspection

This viability assessment has been conducted as a desktop exercise.

Property Address

The property is a development site at Keston Nurseries, Mill Green Road, Pinchbeck, Spalding, Lincolnshire. The site location is shown on the Plans and Photographs within Appendix II.

Property Description

The property was previously used as a horticultural nursery with greenhouses and some industrial-style buildings on site. It is proposed that it will be developed with 100 residential units. Construction work has commenced but no dwellings have been completed yet. 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 5.45 Hectares. The size of the units (Gross Internal Area) is provided by way of a schedule and a plan from the Client; we have separated these out in our Accommodation Schedule. Where garages are integral, they have been included in GIA. These are also within the inputs to the Development Appraisal Tool, an electronic copy of which has been provided.

Gross Development Value

Phase 1 of the development is underway with some plots having sold, therefore, where appropriate, we have adopted the same values that have already been achieved on the site, this is clearly outlined in our table of comparable evidence and accommodation schedule.

For Type A, a 3-bed detached bungalow of 118m², £375,000 has been adopted. There is comparable evidence for this type of house of a similar size (marginally smaller at 114m²) therefore we have adopted the same value.

There is comparable evidence from plots on the site which are already sold subject to contract for Type B, the prices achieved range from £365,000 to £389,000 for the same property. Looking at other comparable evidence for this size bungalow, £385,000 has been adopted as being appropriate. Type C is marginally larger, notwithstanding a sale of this type has been agreed at £345,000, we have valued this unit at £385,000 as well.

There is some comparable evidence from two properties which are sold subject to contract at Keston Fields already for Type D. As such, we have adopted £234,500 to reflect the price already achieved.

Type E is a 3-bed detached house of 132m². There is limited comparable evidence for 3-bed detached houses of this size, therefore we have adjusted the price achieved for the largest comparable (of 108m²) upwards to reflect the increase in size, however there is a cap on what can be achieved for 3-bed detached houses, as such we have adopted £275,000.

Type F is a 4-bed detached house of 161m² with a double integral garage. The comparable evidence for 4-bed detached houses of this size varies, however given the size of this unit plus the fact it has a double garage, we have adopted £350,000. Type G is also a 4-bed detached house and marginally smaller at 160m², as such we have also adopted £350,000 for this unit.

Costs

A build cost of £1,336 per m² has been adopted which is the weighted average BCIS lower quartile figure to reflect the different types of dwelling (detached houses, semi-detached houses, mid-terraced houses and detached bungalows), plus the additional works for piled foundations required on this site. The build cost for the integral garages has been allowed for the overall build cost for the relevant units, however we have allocated a separate capital cost for attached and detached garages which are based upon actual build costs of similar schemes by the developer in the area. An additional capital cost for piling the foundations of the garages has also been added separately.

Expanding on the build costs further, we have adopted a basic build cost based on BCIS lower quartile costs for the area, but looking at the dwelling type (detached, semi-detached and terraced houses and detached bungalows) individually. Breaking down the stated BCIS figure to the dwelling types gives figures of £1,292 per m² for detached houses, £1,148 per m² for semi-detached houses and £1,124 per m² for terraced housing. We have adopted £1,350 per m² for detached bungalows to reflect the higher build costs than two-storey dwellings, this accounts for the additional foundations (for larger footprints) and larger roof areas. If we apply these figures to the housing mix being provided this gives an average figure of £1,291 per m². We have then added a further £45 per m² to this basic build cost to allow for the extra over usual construction costs for piled foundations. This gives an overall house build cost of £1,336 per m².

Looking at the “generally” figure, it is very close to the cost per m², with decent sample sizes, for semi-detached and terraced units, and in our view this suggests that the majority of the “generally” sample are semi-detached or terraced units. We can find no information as to the makeup of sites for the “generally” figure, but on the basis of our rationale explained above, then clearly an adjustment is both required and warranted to accurately reflect the mix of different dwelling types on a development, particularly where there are large numbers of detached dwellings, as is the case at Keston Nurseries, Pinchbeck.

BCIS shows a significant increase for detached houses which would be expected – an additional elevation with a finished brickwork skin rather than a common cavity internal

wall between attached housing, additional windows in this elevation, additional eaves timber to the roof and additional scaffolding whilst it is constructed are only some of the additional costs that are incurred with detached units rather than semi-detached or terraced units. As such, adopting the “generally” figure does not accurately reflect the housing mix at Keston Nurseries, Pinchbeck, which clearly departs from the mix within the sample used to determine the “generally” BCIS figure.

The costs for SUDs, storm attenuation, demolition, dewatering, acoustic measures and the foul pump station with rising main, and off-site works have all been provided by the Client.

We have adopted a 3% contingency, which is more than the 2.5% that would have been adopted for the site being wholly undeveloped greenfield, this is to have regard to its previous use as a horticultural nursery with some buildings and structures on site.

Other costs adopted, including 6% for design & professional fees, standard road construction costs, costs for garages and driveways, plot specific external works of £2,500 per plot, 3% for marketing, £750 for legals and an interest rate of 6.25% have all been previously accepted on sites in this area.

Services

The cost of normal service provision to each unit i.e. electricity connection, water connection, sewer connection, and water infrastructure charges and ancillary costs such as BT conduit, are included within the BCIS total build figure. However, there is an additional cost for installing a foul pumping station with rising main, which is now a standard requirement for larger sites in this area where there is no natural gradient to the land.

Planning

It is understood that this appraisal is for the purposes of supporting an application to amend the existing S106 agreement, and for the purposes of this appraisal it is assumed that consent for the scheme would be approved in accordance with the plans submitted.

Condition

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

General Comments

This appraisal is to ascertain the viability of the proposed scheme in relation to the existing form of development and standard affordable housing provision by way of calculating the residential land value and comparison of this with BLV. Development of the site has started, however due to increased build costs over the last 18 months, it is clear it is not

viable to deliver the site based on the current S106 obligations. As such, the developer intends to vary the existing S106 obligations to improve viability of the site and to ensure it can be delivered.

Our principal appraisal assesses the scheme of 100 units with 25% affordable housing units and a total of £266,864 S106 cash contributions to be provided. Thereafter, the alternative scenario is appraised involving no affordable housing and no S106 cash contributions.

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

We have adopted an existing use value of the site of £25,000 per gross hectare as it was horticultural land. To this, we have added a premium of £250,000 per gross hectare, which is considered to give the minimum return to the landowner at which land is likely to be made available for development. This gives an overall value for the site of £1,500,000 for the site.

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

Appraisal Outputs

The full output of the HCA DAT tool for the principle appraisal is set out within Appendix V i.e. 100 units with 25% affordable housing and S106 cash contributions of £266,864. This scheme produces a **deficit** of £1,297,121.

If all the affordable houses and S106 cash contributions are removed, this still results in a **deficit** of £220,360. This output is within Appendix VI.

Justification for Viability Assessment

During viability testing which helped formulate the South East Lincolnshire Local Plan, various typologies were tested which resulted in a positive viability position with planning policies applied, rather than the deficit that is shown for the site at Keston Nurseries, Pinchbeck. 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 typology i.e. greenfield site for 150 dwellings with the site at Keston Nurseries, Pinchbeck. We have adopted the percentages and values per unit accepted in the Local Plan Viability and applied them to a site of 100 units to get a direct comparison on costs. The differences are highlighted below:



Appraisal Input	2017 Viability Study (Rates/Percentages for 150 dwellings)	Keston Nurseries, Pinchbeck (100 dwellings)
Density	30 dwellings per Ha	22 dwellings per Ha
Average Value	£1,900 per m ²	£2,490 per m ²
Average Dwelling Size	100m ²	122m ²
Build Cost	£911 per m ²	£1,336 per m ²
Externals	£1,634,902 (10% on build cost)	£4,664,136 (29% on build cost)
Contingency	3% on build cost	3% on build cost
Professional Fees	7% on build cost	6% on build cost
S106	Up to £5,000 per dwelling	£2,669 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	£1,040,000 (£10,000 per unit)	£0 (£0 per unit)

The main points affecting the viability position for the site at Keston Nurseries, Pinchbeck in comparison with the Local Plan position are as follows:

- The density of the scheme is significantly lower than assumed in the Local Plan study, although the individual dwellings sizes are larger, this does have a negative impact on viability. The scheme is for 100 units on 5.45 Ha and it is understood that the layout and density of this scheme have been agreed as appropriate with the local planning authority.
- The build costs adopted have increased by around 46% compared with the Local Plan viability study, which was conducted around 4 years ago, therefore a significant uplift is expected, particularly more recently with the Covid-19 pandemic putting additional pressure on the supply chain. The build cost adopted for Keston Nurseries, Pinchbeck is the weighted average of the BCIS lower quartile cost of construction for various different dwellings types to reflect the mix of units actually being constructed at Keston Nurseries.
- The sales values are around 30% higher than the figures used in the Local Plan viability study. The values adopted for Keston Nurseries are based on what has been achieved on site so far plus sale values from other new-build developments nearby, which constitutes clear and strong evidence to justify the values adopted. However, the 30% increase is not enough to account for the increased build costs of 46%, and as such this puts further pressure on the viability position.
- There is clearly a difference between the way externals and abnormals have been categorised, with externals in the Local Plan study totalling 10% on build cost and the externals at Keston Nurseries totalling 29% on build cost, and abnormals in the Local Plan study totalling £10,000 per unit and the abnormals for Keston Nurseries

being included in the externals' cost. Applying these figures combined to a site of 100 units would give figures for the Local Plan study of £1,634,902 for externals and £1,040,000 for abnormalities, compared with £4,664,136 for externals including abnormalities for Keston Nurseries specifically, this is an overall difference of around £1,989,234.

The increased costs are due to the fact the Local Plan study doesn't model the provision of garages, and the additional on-site costs which are in place to satisfy planning conditions relating to Flood Risk which enable the site to be safely developed i.e. dewatering and SUDs.

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

SENSITIVITY ANALYSIS

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

The effects reflected in the model 100 units with no affordable houses and no cash S106 contributions is shown in the table below:

	At BCIS Level	+5%	-5%
GDV at Evidence Level	- £220,360	- £1,043,419	+ £598,804
+5%	+ £880,713	-	+ £1,696,933
-5%	- £1,328,598	- £2,156,306	-

CONCLUSIONS

Appraisal Conclusions

We are of the opinion that a fully policy-compliant scheme for a development of 100 units with 25% affordable dwellings and S106 cash contributions of £266,684 is not viable, showing a financial **deficit** (present value) of £1,297,121. If all affordable houses are removed as well as the cash S106 contributions, the scheme is still not viable, showing a financial **deficit** (present value) of £220,360, 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 £1,500,000.

As such, the site is not viable for development on the basis of the provision of affordable housing and S106 cash contributions at the level proposed by South Holland District Council. If the requirement for affordable housing and S106 cash contributions were removed, the site still appears non-viable unless the developer is 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 LLP

Victoria McIlroy

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

Date of Report:
27th October 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.



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APPENDICES

Appendix I – Copy of Instruction Correspondence



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Your Ref: VJM/21160E
Our Ref:
Date: 7th September 2021

Keston Fields Ltd
The Stables
Church Walk
Northamptonshire
NN11 4BL

Dear Sirs,

Re: Confirmation of Financial Viability Assessment Instructions
Asset: Development Site at Keston Fields, Pinchbeck

I refer to your 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: Keston Fields Ltd

Purpose of Valuation: To establish viability of the proposed development

Asset to be Valued: Development Site at Keston Fields, Pinchbeck

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.

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

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March
Cambridgeshire PE15 9JH

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maxeygrounds.co.uk

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

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Registration Number: OC267480. Registered Office: 22-24 Market Place, March, Cambridgeshire PE15 9JH. Members: Alan J. Furlong MRICS FRAV VCIQip
WHAEDA MARLA, John R. Whorwood MRICS, FRICS FRAV, Dr. Peter A. Pulver MRICS FRAV, Peter A.V. Corner AMREA, Associates Victoria J. McIlroy BSc (Hons).
MRICS FRAV, Natalie T. Jesty MSc, BA (Hons), MRICS, FRAV





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Material Involvement: Neither Maxey Grounds & Co LLP nor the Valuers have any conflict of interest in preparing this viability assessment. We have carried out viability work for this Client in the past, however 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 £4,500 + VAT for the initial Report, with additional time spent, including revisions and negotiations with the Local Planning Authority, charged at £200 + VAT per hour.

This Confirmation of FVA Instructions Letter, which is supplied in duplicate, should be read in conjunction with the attached Maxey Grounds & Co LLP FVA Conditions of Engagement & Terms of Business (Version 15 May 2020). Please sign and return one copy at your earliest convenience to agree the Conditions of Engagement & Terms of Business.

Yours faithfully

Victoria McIlroy

V J McILROY BSc (Hons) MRICS FRAA RICS Registered Valuer
For and on behalf of Maxey Grounds & Co LLP
vmcilroy@maxeygrounds.co.uk

(Enc)

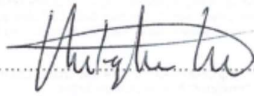


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I the undersigned hereby acknowledge that I have read and accept the terms set out in this Confirmation of FVA Instructions Letter and attached Maxey Grounds & Co LLP Standard FVA Conditions of Engagement & Terms of Business (Version 15 May 2020).

Signed: 

Date: 9th September 2021



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STANDARD FINANCIAL VIABILITY ASSESSMENT CONDITIONS OF ENGAGEMENT & TERMS OF BUSINESS

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

1. The Client shall be the individual or body as identified in the covering Confirmation of FVA Instructions Letter.
2. The purpose of the FVA shall be as set out in the covering Confirmation of FVA Instructions Letter.
3. The asset subject to the FVA shall be as set out in the covering Confirmation of FVA Instructions Letter.
4. The interest to be appraised shall be as set out in the covering Confirmation of FVA Instructions Letter.
5. The classification of the asset to be appraised shall be as set out in the covering Confirmation of FVA Instructions Letter.
6. Unless otherwise specifically set out in the covering Confirmation of FVA Instructions Letter, the value advised by Maxey Grounds & Co LLP shall be the Market Value, defined by the RICS Valuation - Global Standards 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

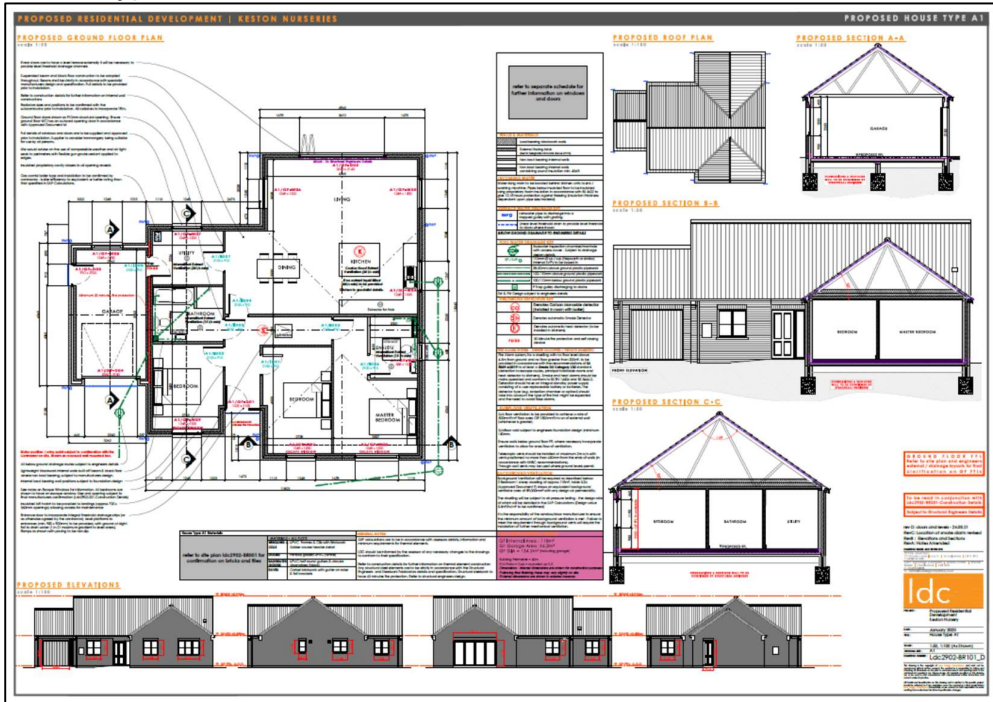


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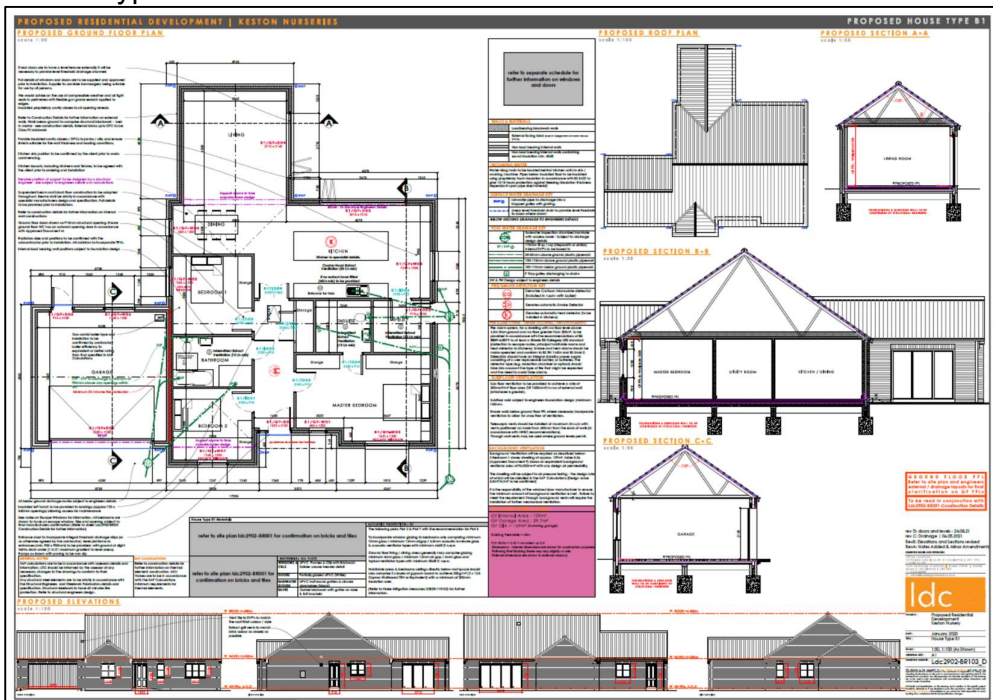
Appendix II – Copies of Plans and Photographs

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House Type A



House Type B



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PROPOSED RESIDENTIAL DEVELOPMENT | KESTON NURSERIES

PROPOSED GROUND FLOOR PLAN
DATE: 12.01.20

PROPOSED FIRST FLOOR PLAN
DATE: 12.01.20

PROPOSED ELEVATION
DATE: 12.01.20

PROPOSED SECTION A-A
DATE: 12.01.20

PROPOSED SECTION B-B
DATE: 12.01.20

PROPOSED ROOF PLAN
DATE: 12.01.20

Notes:

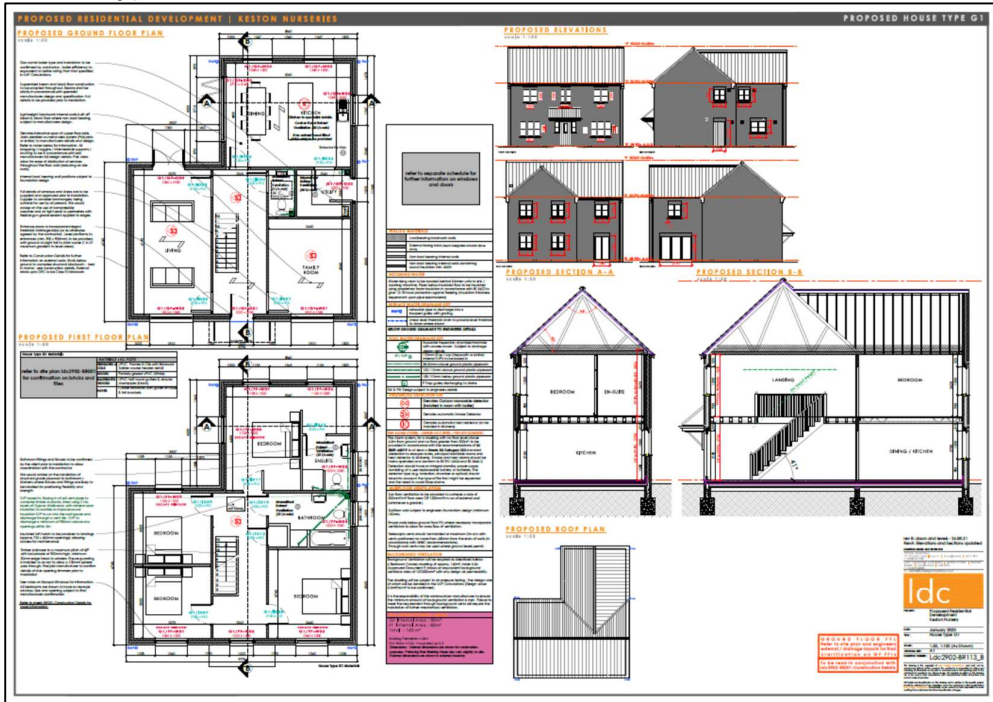
1. All work to be carried out in accordance with the Building Regulations 2010.
2. The proposed development is shown in red.
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Materials Schedule:

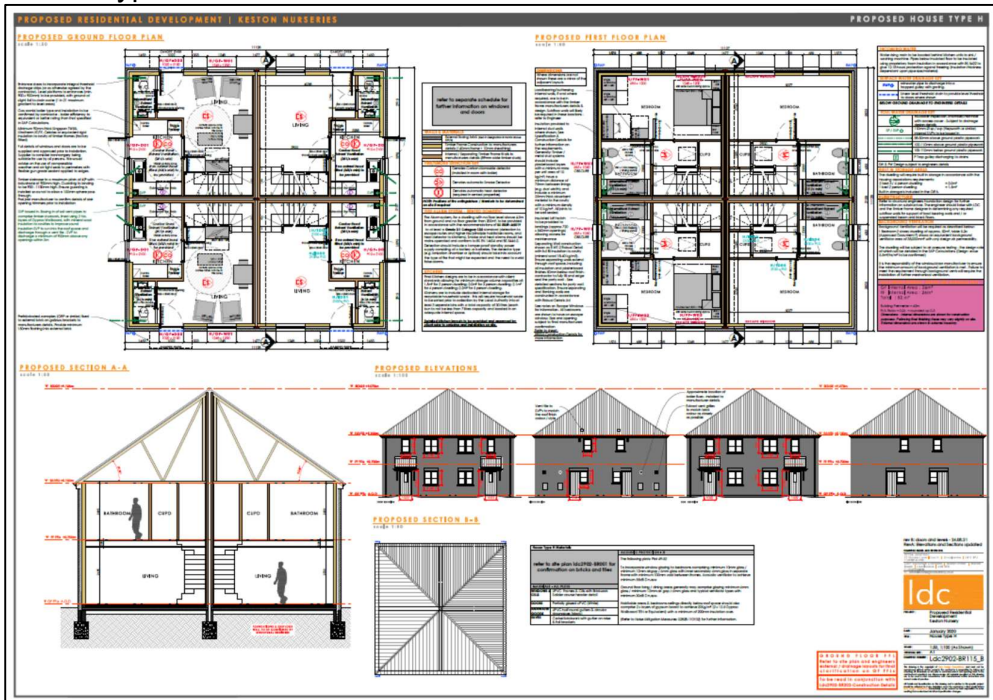
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1	Brickwork	1000	m ²
2	Concrete	100	m ³
3	Roofing	100	m ²
4	Windows	10	nos
5	Doors	10	nos
6	Plaster	100	m ²
7	Paint	100	litres
8	Roofing	100	m ²
9	Windows	10	nos
10	Doors	10	nos
11	Plaster	100	m ²
12	Paint	100	litres
13	Roofing	100	m ²
14	Windows	10	nos
15	Doors	10	nos
16	Plaster	100	m ²
17	Paint	100	litres
18	Roofing	100	m ²
19	Windows	10	nos
20	Doors	10	nos
21	Plaster	100	m ²
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23	Roofing	100	m ²
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27	Paint	100	litres
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30	Doors	10	nos
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36	Plaster	100	m ²
37	Paint	100	litres
38	Roofing	100	m ²
39	Windows	10	nos
40	Doors	10	nos
41	Plaster	100	m ²
42	Paint	100	litres
43	Roofing	100	m ²
44	Windows	10	nos
45	Doors	10	nos
46	Plaster	100	m ²
47	Paint	100	litres
48	Roofing	100	m ²
49	Windows	10	nos
50	Doors	10	nos
51	Plaster	100	m ²



House Type G



House Type H

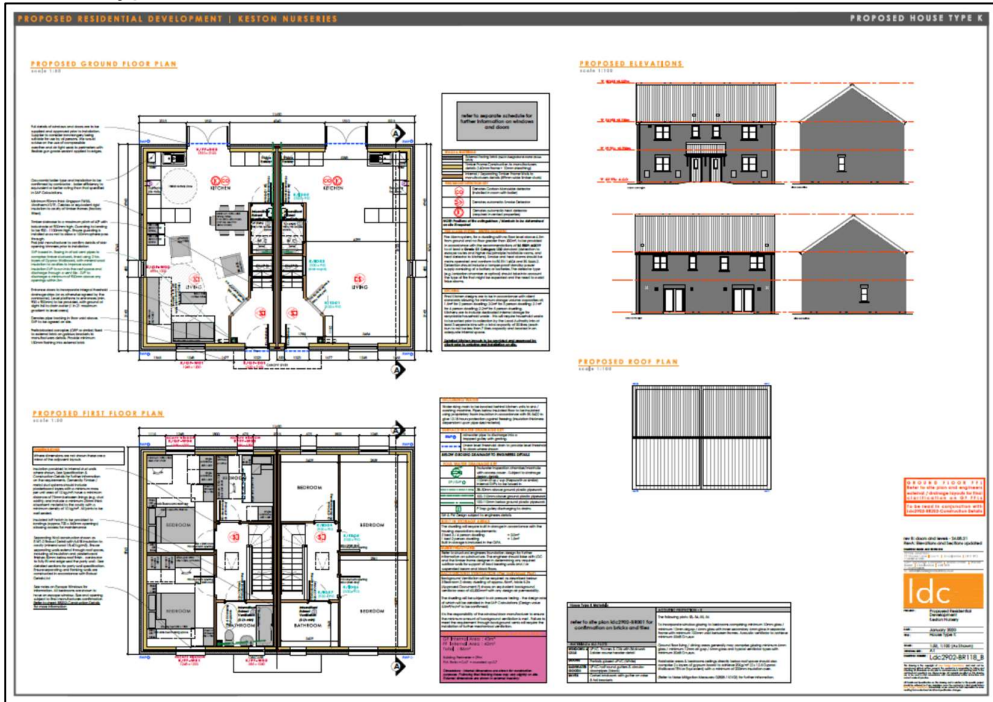


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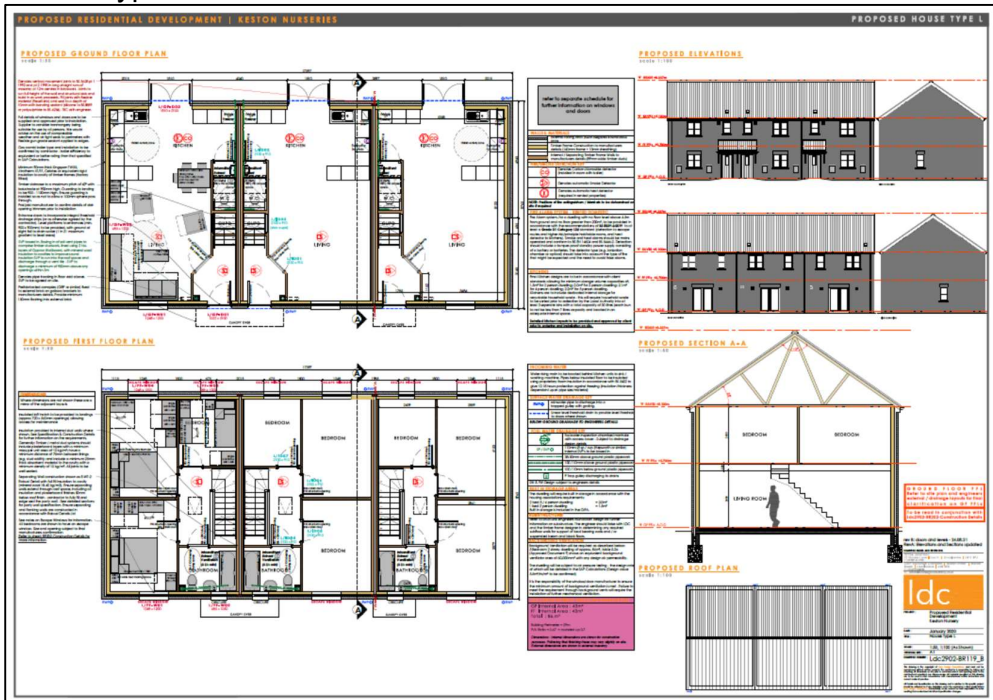


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House Type K



House Type L





Appendix III – Schedule of Comparable Evidence

Street Address/Plot No. Parish	Type	Beds	GIA (sqft)	GIA (sqm)	Gross Price	Gross £ per sqm	Status	Parking/Ga	Age	Date	Notes
61 Atherton Gardens	Pinchbeck Semi	Bung 2	624	58	£177,000	£3,052	Completed	OR/Single	New	11/08/2020	Pinchbeck Fields Development (Larkfleet)
59 Atherton Gardens	Pinchbeck Semi	Bung 2	624	58	£180,000	£3,103	Completed	OR/Single	New	28/02/2020	Pinchbeck Fields Development (Larkfleet)
71 Atherton Gardens	Pinchbeck Det	Bung 2	624	58	£187,995	£3,241	Completed	OR/Single	New	09/03/2020	Pinchbeck Fields Development (Larkfleet)
4 Atherton Gardens	Pinchbeck Det	Bung 2	624	58	£199,995	£3,448	SSTC	OR/Single	New	Nov 2020	Pinchbeck Fields Development (Larkfleet)
93 Atherton Gardens	Pinchbeck Det	Bung 2	785	73	£224,995	£3,082	Completed	OR/Single	New	12/11/2019	Pinchbeck Fields Development (Larkfleet)
67 Atherton Gardens	Pinchbeck Det	Bung 2	785	73	£227,000	£3,110	SSTC	OR/Single	New	Feb 2020	Pinchbeck Fields Development (Larkfleet)
89 Atherton Gardens	Pinchbeck Det	Bung 2	785	73	£220,995	£3,027	Completed	OR/Single	New	25/06/2020	Pinchbeck Fields Development (Larkfleet)
Spalding Road	Pinchbeck Det	Bung 3	1,162	108	£380,000	£3,519	SSTC	OR/Single	New	Sept 2020	
Spalding Road	Pinchbeck Det	Bung 3	1,217	114	£375,000	£3,289	SSTC	OR/Double	New	Sept 2020	
Spalding Road	Pinchbeck Det	Bung 3	1,399	130	£380,000	£2,923	SSTC	OR/Single	New	Sept 2020	
Spalding Road	Pinchbeck Det	Bung 3	1,399	130	£385,000	£2,962	SSTC	OR/Single	New	Sept 2020	
Plot 6 Keston Road	Pinchbeck Det	Bung 3	1,603	149	£350,000	£2,349	SSTC	OR/Single	New	Jul 2021	
3 Mersey Close	Spalding M-Terr	House 2	678	63	£155,000	£2,460	Completed	OR/None	New	02/10/2020	
65 Saltern Drive	Spalding M-Terr	House 2	689	64	£161,995	£2,531	Completed	OR/None	New	12/06/2019	
63 Saltern Drive	Spalding M-Terr	House 2	689	64	£161,995	£2,531	Completed	OR/None	New	24/05/2019	
1 Braydon Close	Spalding E-Terr	House 2	689	64	£161,995	£2,531	Completed	OR/None	New	20/12/2019	
67 Saltern Drive	Spalding E-Terr	House 2	689	64	£161,995	£2,531	Completed	OR/None	New	24/05/2019	
61 Saltern Drive	Spalding E-Terr	House 2	689	64	£159,995	£2,360	Completed	OR/None	New	17/05/2019	
5 Mersey Close	Spalding E-Terr	House 2	699	65	£162,995	£2,508	Completed	OR/None	New	21/08/2020	
43 Atherton Gardens	Pinchbeck Semi	House 3	796	74	£183,500	£2,480	SSTC	OR/None	New	Nov 2020	Pinchbeck Fields (Larkfleet)
The Dove Greenfields	Weston Semi	House 3	878	82	£190,000	£2,328	SSTC	1 OR/None	New	23/06/2021	Added onto Rightmove date
Plot 57 Greenfields	Weston Semi	House 3	878	82	£190,000	£2,328	Asking	1 OR/None	New	23/06/2021	Added onto Rightmove date
79 Atherton Gardens	Pinchbeck Semi	House 3	893	83	£192,995	£2,325	Completed	OR/Single	New	29/11/2019	Pinchbeck Fields Development (Larkfleet)
81 Atherton Gardens	Pinchbeck Semi	House 3	893	83	£192,995	£2,325	SSTC	OR/Single	New	Jan 2020	Pinchbeck Fields (Larkfleet)
77 Atherton Gardens	Pinchbeck Semi	House 3	925	86	£206,995	£2,407	Completed	OR/Single	New	01/07/2020	Pinchbeck Fields Development (Larkfleet)
75 Atherton Gardens	Pinchbeck Semi	House 3	925	86	£201,995	£2,349	Completed	OR/Single	New	29/11/2019	Pinchbeck Fields Development (Larkfleet)
105 Atherton Gardens	Pinchbeck Semi	House 3	925	86	£199,995	£2,326	Completed	OR/Single	New	30/08/2019	Pinchbeck Fields (Larkfleet)
107 Atherton Gardens	Pinchbeck Semi	House 3	925	86	£201,995	£2,349	Completed	OR/Single	New	31/10/2019	Pinchbeck Fields Development (Larkfleet)
Plot 151 Pinchbeck Field	Pinchbeck Semi	House 3	925	86	£211,000	£2,465	SSTC	OR/None	New	May 2021	Pinchbeck Fields (Larkfleet) - The Winthorpe
Plot 152 Pinchbeck Field	Pinchbeck Semi	House 3	925	86	£211,000	£2,453	SSTC	OR/None	New	Apr 2021	Pinchbeck Fields (Larkfleet) - The Winthorpe
33 Witham Close	Spalding Semi	House 3	936	87	£183,995	£2,115	Completed	OR/None	New	26/06/2020	
23 Witham Close	Spalding Semi	House 3	936	87	£195,995	£2,253	Completed	OR/None	New	22/04/2020	
27 Witham Close	Spalding Semi	House 3	936	87	£195,995	£2,253	Completed	OR/None	New	28/02/2020	
33 Witham Close	Spalding Semi	House 3	936	87	£190,000	£2,184	Completed	OR/None	New	20/12/2019	
25 Witham Close	Spalding Semi	House 3	936	87	£195,995	£2,253	Completed	OR/None	New	20/12/2019	
23 Witham Close	Spalding Semi	House 3	936	87	£195,995	£2,253	Completed	OR/None	New	20/12/2019	
6 Braydon Close	Spalding Semi	House 3	936	87	£191,995	£2,207	Completed	OR/None	New	20/12/2019	
4 Braydon Close	Spalding Semi	House 3	936	87	£193,995	£2,230	Completed	OR/None	New	20/12/2019	
5 Braydon Close	Spalding Semi	House 3	936	87	£193,995	£2,230	Completed	OR/None	New	20/12/2019	
7 Braydon Close	Spalding Semi	House 3	936	87	£192,995	£2,211	Completed	OR/None	New	20/12/2019	
35 Atherton Gardens	Pinchbeck Semi	House 3	968	90	£222,995	£2,478	SSTC	OR/None	New	Nov 2020	Pinchbeck Fields (Larkfleet) - The Linwood (Plot 18)
33 Atherton Gardens	Pinchbeck Semi	House 3	968	90	£219,995	£2,444	SSTC	OR/None	New	Nov 2020	Pinchbeck Fields (Larkfleet) - The Linwood (Plot 17)
Plot 60 Greenfields	Weston Semi	House 3	1,108	103	£210,000	£2,039	Asking	1 OR/Single	New	23/06/2021	Added onto Rightmove date
The Heron Greenfields	Weston Semi	House 3	1,108	103	£210,000	£2,039	SSTC	1 OR/Single	New	19/07/2021	Added onto Rightmove date
Plot 37 Greenfields	Weston Semi	House 3	1,108	103	£205,000	£1,990	Asking	1 OR/Single	New	23/06/2021	Added onto Rightmove date



MAXEY GROUNDS

1 Palgrave Way	Pinchbeck Det	House	3	893	83	£199,995	£2,410	Completed	OR/Single	New	31/01/2020	Pinchbeck Fields (Larkfleet) - Plot 56 (The Newton)
17 Atherton Gardens	Pinchbeck Det	House	3	893	83	£216,500	£2,608	SSTC	OR/None	New	May 2021	Pinchbeck Fields (Larkfleet) - The Newton (Plot 9)
Plot 150 Pinchbeck Field	Pinchbeck Det	House	3	893	83	£216,500	£2,608	SSTC	OR/None	New	May 2021	Pinchbeck Fields (Larkfleet)
31 Atherton Gardens	Pinchbeck Det	House	3	893	83	£210,500	£2,536	SSTC	OR/None	New	Feb 2020	Pinchbeck Fields (Larkfleet) - Plot 16 (The Newton)
83 Atherton Gardens	Pinchbeck Det	House	3	893	83	£209,995	£2,530	SSTC	OR/Single	New	Jul 2019	Pinchbeck Fields (Larkfleet) - Plot 42 (The Newton)
Plot 159 Pinchbeck Field	Pinchbeck Det	House	3	958	89	£229,000	£2,573	SSTC	OR/Single	New	Jun 2021	
27 Atherton Gardens	Pinchbeck Det	House	3	968	90	£210,000	£2,333	SSTC	OR/None	New	Jan 2020	Pinchbeck Fields (Larkfleet) - Plot 14 (The Linwood)
57 Atherton Gardens	Pinchbeck Det	House	3	990	92	£227,000	£2,467	Completed	OR/Single	New	21/08/2020	Pinchbeck Fields Development (Larkfleet)
55 Atherton Gardens	Pinchbeck Det	House	3	990	92	£229,000	£2,489	Completed	OR/Single	New	30/03/2020	Pinchbeck Fields Development (Larkfleet)
85 Atherton Gardens	Pinchbeck Det	House	3	990	92	£227,000	£2,467	Completed	OR/Single	New	25/10/2019	Pinchbeck Fields Development (Larkfleet)
29 Atherton Gardens	Pinchbeck Det	House	3	990	92	£229,000	£2,489	SSTC	OR/Single	New	Sept 2020	
5 Dairy Close	Pinchbeck Det	House	3	1,011	94	£245,000	£2,606	Completed	OR/Single	New	15/11/2019	
8 Pennyfield	Pinchbeck Det	House	3	1,162	108	£250,000	£2,315	Completed	OR/Single	New	05/02/2020	
Plot 32 Greenfields	Weston Det	House	4	1,259	117	£300,000	£2,564	Asking	2 OR/Double	New	23/06/2021	Added onto Rightmove date
Plot 34 Greenfields	Weston Det	House	4	1,259	117	£285,000	£2,436	Asking	1 OR/Single	New	25/06/2021	Added onto Rightmove date
Plot 5 Greenfields	Weston Det	House	4	1,259	117	£285,000	£2,436	Asking	1 OR/Single	New	25/06/2021	Added onto Rightmove date
Plot 4 Greenfields	Weston Det	House	4	1,259	117	£285,000	£2,436	Asking	1 OR/Single	New	25/06/2021	Added onto Rightmove date
Plot 164 Pinchbeck Field	Pinchbeck Det	House	4	1,270	118	£275,000	£2,331	SSTC	OR/Double	New	May 2021	
3 Dairy Close	Pinchbeck Det	House	4	1,313	122	£289,950	£2,377	Completed	OR/Single	New	28/10/2019	
38a Knight Street	Pinchbeck Det	House	4	1,399	130	£318,000	£2,446	Completed	OR/Single	New	21/01/2021	
5 Bentley Court	Spalding Det	House	4	1,442	134	£256,000	£1,910	Completed	Unknown	New	19/12/2019	
4 Bentley Court	Spalding Det	House	4	1,442	134	£289,950	£2,015	Completed	Unknown	New	22/10/2019	
4 Dairy Close	Pinchbeck Det	House	4	1,442	134	£279,950	£2,089	Completed	OR/Single	New	19/12/2019	
6 Dairy Close	Pinchbeck Det	House	4	1,442	134	£279,950	£2,089	Completed	OR/Single	New	15/12/2019	
2 Bentley Court	Spalding Det	House	4	1,485	138	£279,950	£2,029	Completed	1 OR/Single	New	07/05/2020	
3 Bentley Court	Spalding Det	House	4	1,485	138	£290,000	£2,101	Completed	1 OR/Single	New	10/01/2020	
1 Bentley Court	Spalding Det	House	4	1,485	138	£289,950	£2,101	Completed	1 OR/Single	New	20/09/2019	Added onto Rightmove date, area estimated, doesn't
Plot 3 Greenfields	Weston Det	House	4	1,506	140	£295,000	£2,107	Asking	1 OR/Single	New	23/06/2021	inc Garage
Plot 30 Greenfields	Weston Det	House	4	1,528	142	£350,000	£2,465	SSTC	2 OR/Double	New	23/06/2021	Added onto Rightmove date
Plot 28 Greenfields	Weston Det	House	4	1,528	142	£350,000	£2,465	Asking	2 OR/Double	New	23/06/2021	Added onto Rightmove date
Plot 35 Greenfields	Weston Det	House	4	1,528	142	£350,000	£2,465	Asking	2 OR/Double	New	23/06/2021	Added onto Rightmove date
73 Atherton Gardens	Pinchbeck Det	House	4	1,700	158	£320,000	£2,025	Completed	OR/Double	New	20/12/2019	Pinchbeck Fields Development (Larkfleet) - The Edenham (Plot 37), completed at asking price
69 Atherton Gardens	Pinchbeck Det	Chalet	4	1,948	181	£373,995	£2,066	SSTC	OR/Double	New	Jul 2020	Pinchbeck Fields Development (Larkfleet) - The Pinchbeck Fields Development (Larkfleet) - The
95 Atherton Gardens	Pinchbeck Det	Chalet	4	1,948	181	£350,000	£1,934	SSTC	OR/Single	New	Aug 2020	Folkingham (Plot 48), asking price
5 Atherton Gardens	Pinchbeck Det	House	4	2,001	186	£370,000	£1,989	SSTC	OR/Double	New	May 2021	Pinchbeck Fields Development (Larkfleet) - The Belton (Plot 3), asking price

Existing Sales on Site

Street Address/Plot No.	Parish	Style	Type	Beds	GIA (sqft)	GIA (sqm)	Gross Price	Gross £ per sqm	Status	Parking/GA	Age	Notes
Plot 1 Keston Fields	Pinchbeck	Det	Bung	3	1,399	130	£385,000	£2,962	SSTC	OR/Double	New	Type B - inc. carpets
Plot 2 Keston Fields	Pinchbeck	Det	Bung	3	1,399	130	£385,000	£2,962	SSTC	OR/Double	New	Type B - inc. carpets
Plot 3 Keston Fields	Pinchbeck	Det	Bung	3	1,399	130	£365,000	£2,808	SSTC	OR/Double	New	Type B - inc. carpets
Plot 5 Keston Fields	Pinchbeck	Det	Bung	3	1,399	130	£365,000	£2,808	SSTC	OR/Double	New	Type B - inc. carpets
Plot 10 Keston Fields	Pinchbeck	Det	Bung	3	1,399	130	£389,000	£2,992	SSTC	OR/Double	New	Type B - inc. carpets and turf to rear garden



Plot 6 Keston Fields	Pinchbeck Det	Bung	3	1,453	135	£345,000	£2,556	SSTC	OR/Single	New	Type C - inc. carpets
Plot 78 Keston Fields	Pinchbeck Semi	House	3	1,119	104	£220,000	£2,115	SSTC	OR/Single	New	Type D - inc. carpets
Plot 79 Keston Fields	Pinchbeck Semi	House	3	1,119	104	£234,500	£2,255	SSTC	OR/Single	New	Type D - inc. carpets



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

COST AND OTHER ASSUMPTIONS ADOPTED

Viability Assessment	Ref 21160E
Client	Keston Fields Ltd
Site	Site at Keston Fields, Pinchbeck

Statement of Assumptions Made within Appraisal Calculations
Site area approx. 5.45 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 £1,498,750, say £1,500,000.

Total of 100 x Units (see detailed Accommodation Schedule)

25 x Affordable Dwellings split into: 18 affordable rented
7 shared ownership

Construction and Development Costs (Standard)

Timescales
Construction 1st March 2022 - 1st March 2024
OM Sales start from 1st July 2022 and finish 1st June 2024

Build Cost Market & Affordable Housing (12,241 sqm) @	£1,291		£15,798,178
Basic BCIS Build Cost broken down as follows:	Total GIA (sqm)	Price per sqm	
Detached House:	4,339	£1,292	£5,605,988
Semi House:	1,836	£1,148	£2,107,728
Terraced House:	483	£1,124	£520,412
Detached Bung:	5,603	£1,350	£7,564,050
Total:	12,241	£1,291	
E/o Enhanced Foundations	Houses	£45.00 per sqm	£550,845
Total House Build			£16,349,023
Overall House Build £/sqm			<u>£1,336 per sqm</u>
6% Design and Professional Fees			
3% Contingency Allowance			
SUDs and Storm Attenuation:	Attenuation Pond for Phase 1		£54,115
	Attenuation Pond for Phase 2		£53,327
			£107,442
Roads	Approx 820m run of adopted roadway at £2,300 per m run		£1,886,000
	Approx 250m run of unadopted roadway at £1,500 per m run		£375,000
			£2,261,000
Parking:	169 parking spaces at £800 per space		£101,400
			£101,400
Garages	37 x singles @ £9,000 each		£333,000
	37 x doubles @ £15,000 each		£555,000
	E/o enhanced foundations for garages		£111,000
			£999,000
Demolition:	Demo of existing buildings		£39,995
	Removal existing handstanding and roads		£92,000
	Removal of glass houses		£50,000
			£181,995
Site Prep and Set Up Welfare inc. Dem: Onsite establishment and welfare (inc. access formation, site office, services etc)			£25,000
			£25,000
Plot specific external works (i.e. patio, fencing etc) @ £2,500 per plot			£250,000
			£250,000
Dewatering:			£85,000
			£85,000
General Site Landscaping			£50,000
			£50,000
Acoustic Measures			£61,280
			£61,280
Foul Pump Station and Rising Main:	Phase 1 foul pump well		£75,154
	Phase 1 surface water pump well		£80,288
	Exylem equipment for both		£84,577
			£240,019
Off Site Works (Junction improvements and AWA Pipework in IDB inc. new access path:	Phase 1:		£128,800
	Phase 3:		£193,200
			£322,000
Total Externals			<u>£4,664,136</u>
Affordable Housing & S106 Contributions			
Affordable Housing		25%	
Call Connect Bus Contribution		£50,000	
Call Connect Bus Maintenance		£15,000	
Education Contribution		£201,864	
Total Cash S106			<u>£266,864</u>
Finance, Disposal Costs and Profit			
Stamp Duty Land Tax Land			£84,400
Finance costs of £10,000 arrangement costs plus £5,000 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			£15,000
Developers return of 17.5% on Market units and 6% on Affordables			



Accommodation Schedule

PHASE 1 MARKET															
Reference	Style	Type	No.	Beds	GIA (sqm) Accomm	Living GIA (sqm) inc. Garage	Where Int	Total GIA (sqm) Garage where int	Parking/Gar age	Price per sqm	Price	+5% GDV	-5% GDV	Total GDV	
A	Detached	Bung	1	3	118	-	-	118	OR/Single Att	£3,178	£375,000	£393,750	£356,250	£375,000	
B	Detached	Bung	17	3	130	-	-	2,210	OR/Double Att	£2,962	£385,000	£404,250	£365,750	£6,545,000	
C	Detached	Bung	7	3	135	-	-	945	OR/Single Att	£2,852	£385,000	£404,250	£365,750	£2,695,000	
E	Detached	House	4	3	132	-	-	528	OR/Single Att	£2,083	£275,000	£288,750	£261,250	£1,100,000	
F	Detached	House	3	4	161	191	-	573	OR/Double Int	£2,174	£350,000	£367,500	£332,500	£1,050,000	
G	Detached	House	1	4	160	-	-	160	OR/Double OR/Double	£2,188	£350,000	£367,500	£332,500	£350,000	
					33			4,534							
PHASE 2 MARKET															
Reference	Style	Type	No.	Beds	GIA (sqm) Accomm	Living GIA (sqm) inc. Garage	Where Int	Total GIA (sqm) Garage where int	Parking/ Garage	Price per sqm	Price	+5% GDV	-5% GDV	Total GDV	
A	Detached	Bung	2	3	118	-	-	236	OR/Single Att	£3,220	£380,000	£399,000	£361,000	£760,000	
D	Semi	House	6	3	104	-	-	624	OR/Single Att	£2,255	£234,500	£246,225	£222,775	£1,407,000	
E	Detached	House	3	3	132	-	-	396	OR/Single Att	£2,008	£265,000	£278,250	£251,750	£795,000	
G	Detached	House	3	4	160	-	-	480	OR/Double OR/Double	£2,188	£350,000	£367,500	£332,500	£1,050,000	
					14			1,736							
SHARED OWNERSHIP															
Reference	Style	Type	No.	Beds	GIA (sqm) Accomm	Living GIA (sqm) inc. Garage	Where Int	Total GIA (sqm) Garage where int	Parking/ Garage	Price per sqm	Price	+5% GDV	-5% GDV	Total GDV	Rent p/w (80%)
J	Semi	House	4	2	64	-	-	256	2 OR/None	£2,578	£165,000	£173,250	£156,750	£660,000	£120
L	M-Terr	House	1	3	85	-	-	85	2 OR/None	£2,212	£188,000	£197,400	£178,600	£188,000	£138
L	E-Terr	House	2	3	85	-	-	170	2 OR/None	£2,294	£195,000	£204,750	£185,250	£390,000	£138
					7			511							
AFFORDABLE RENTED															
Reference	Style	Type	No.	Beds	GIA (sqm) Accomm	Living GIA (sqm) inc. Garage	Where Int	Total GIA (sqm) Garage where int	Parking/ Garage	Price per sqm	Price	+5% GDV	-5% GDV	Total GDV	Rent p/w (80%)
H	Quad	House	4	1	52	-	-	208	1 OR/None	£2,404	£125,000	£131,250	£118,750	£500,000	£92
I	Semi	House	2	1	46	-	-	92	1 OR/None	£2,826	£130,000	£136,500	£123,500	£260,000	£92



J	Semi	House	8	2	64	-	512	2 OR/None	£2,578	£165,000	£173,250	£156,750	£1,320,000	£120
K	Semi	House	4	3	88	-	352	2 OR/None	£2,216	£195,000	£204,750	£185,250	£780,000	£138
					18		1,164							
PHASE 3														
MARKET														
Reference	Style	Type	No.	Beds	GIA (sqm)	Living GIA (sqm)	inc. Garage	Total GIA (sqm) (in. Garage where int)	Parking/ Garage	Price per sqm	Price	+5% GDV	-5% GDV	Total GDV
A	Detached	Bung	3	3	118	-	-	354	OR/Single Att	£3,220	£380,000	£399,000	£361,000	£1,140,000
B	Detached	Bung	3	3	130	-	-	390	OR/Double Att	£2,962	£385,000	£404,250	£365,750	£1,155,000
C	Detached	Bung	10	3	135	-	-	1,350	OR/Single Att	£2,852	£385,000	£404,250	£365,750	£3,850,000
E	Detached	House	1	3	132	-	-	132	OR/Single Att	£2,008	£265,000	£278,250	£251,750	£265,000
F	Detached	House	10	4	161	191	-	1,910	OR/Double Int	£2,174	£350,000	£367,500	£332,500	£3,500,000
G	Detached	House	1	4	160	-	-	160	OR/Double	£2,188	£350,000	£367,500	£332,500	£350,000
					28			4,296						



£/m2 study

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

Last updated: 09-Oct-2021 00:39

> Rebased to South Holland (99; sample 6)

Maximum age of results: Default period

Building function (Maximum age of projects)	Mean	Lowest	£/m² gross internal floor area				Sample
			Lower quartiles	Median	Upper quartiles	Highest	
New build							
810. Housing, mixed developments (15)	1,344	741	1,177	1,304	1,462	3,038	1223
810.1 Estate housing							
Generally (15)	1,340	653	1,144	1,292	1,464	4,631	1515
Single storey (15)	1,504	854	1,279	1,456	1,670	4,631	252
2-storey (15)	1,294	653	1,130	1,259	1,412	2,801	1165
3-storey (15)	1,384	833	1,116	1,328	1,538	2,767	93
4-storey or above (15)	2,813	1,376	2,258	2,522	3,754	4,155	5
810.11 Estate housing detached (15)	1,731	1,004	1,292	1,473	1,740	4,631	21
810.12 Estate housing semi detached							
Generally (15)	1,336	790	1,158	1,307	1,466	2,465	362
Single storey (15)	1,490	986	1,296	1,471	1,639	2,465	76
2-storey (15)	1,296	790	1,148	1,275	1,418	2,251	273
3-storey (15)	1,272	948	1,011	1,242	1,372	1,935	13
810.13 Estate housing terraced							
Generally (15)	1,377	833	1,137	1,303	1,508	4,155	281
Single storey (15)	1,529	1,016	1,295	1,445	1,772	2,191	27
2-storey (15)	1,326	840	1,124	1,275	1,448	2,801	209
3-storey (15)	1,409	833	1,113	1,318	1,585	2,767	43
4-storey or above (10)	3,955	3,754	-	-	-	4,155	2



MAXEY
GROUNDS

Appendix V – HCA Appraisal Tool Output – 100 Units Policy-Compliant Scheme



MAXEY GROUNDS

HCA Development Appraisal Tool

Printed 27/10/2021

Surplus (Deficit) from input land valuation at 22/10/2021

-£1,297,121

HCA DEVELOPMENT APPRAISAL TOOL

SUMMARY

DETAIL

SCHEME

Site Address Site at Keston Fields, Pinchbeck
Site Reference 21160E
File Source

Date of appraisal 22/10/2021
Net Residential Site Area 5.45
Author & Organisation Maxey Grounds, 22-24 Market Place, March PE15 9JH

Scheme Description 100 Units with 25%
Affordable Housing plus
Cash S106 Contributions

Registered Provider (where D

Housing Mix (Affordable - Open Market)

Total Number of Units	100	units
Total Number of Open Market Units	75	units
Total Number of Affordable Units	25	units
Total Net Internal Area (sq m)	12,241	sq m
% Affordable by Unit	25.0%	
% Affordable by Area	13.7%	
Density	18	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	5.45	hectares
Net Site Area	5.45	hectares
Net Internal Housing Area / Hectare	2,246	sq m / hectare

equival 9,782 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	£0	£0	£0	£0	£0	
3 Bed House	£352,404	£0	£0	£0	£0	
4 Bed + House	£350,000	£0	£0	£0	£0	
Total Revenue £	£26,387,000	£0	£0	£0	£0	£26,387,000
Net Area (sq m)	10,566	-	-	-	-	10,566
Revenue (£ / sq m)	£2,497	-	-	-	-	

CAPITAL VALUE OF OPEN MARKET SALES

£26,387,000

Capital Value of Private Rental

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

£0
£0
£0
£0
£0
£0

CAPITAL VALUE OF OPEN MARKET HOUSING

BUILD COST OF OPEN MARKET HOUSING Inc Contingency
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING

£14,539,661 £ 1,376 psqm

£26,387,000

£ 2,497 psqm

£11,847,339

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		£430,666	£1,172,172	£1,602,837
3 Bed House		£377,159	£427,936	£805,094
4 Bed + House				
	£0	£807,824	£1,600,107	£2,407,932
£ psqm of CV (phase 1)	-	1,503	1,376	

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)

£2,407,932

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

£0
£0
£0
£0
£0

OTHER SOURCES OF AFFORDABLE HOUSING FUNDING

£0

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)

£2,407,932

BUILD COST OF AFFORDABLE HOUSING Inc Contingency

£2,304,934 £ 1,376 psqm

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HCA Development Appraisal Tool				Printed 27/10/2021	
Marketing (Open Market Housing ONLY)					
Sales/letting Fees	3.0%	£791,610	10,555	per OM unit	
Legal Fees (per Open Market unit):	£750	£56,250	750		
Marketing (Affordable Housing)					
Developer cost of sale to RP (£)		£8,000	320	per affordable unit	
RP purchase costs (£)		£0			
Intermediate Housing Sales and Marketing (£)		£0			
Total Marketing Costs		£855,860			
Total Direct Costs			£23,618,778		
Finance and acquisition costs					
Land Payment		£1,500,000	20,000	per OM home	275,229 per hectare
Arrangement Fee		£10,000		2.9% of interest	
Misc Fees (Surveyors etc)		£5,000		0.02% of scheme value	
Agents Fees		£0			
Legal Fees		£11,250			
Stamp Duty		£64,500			
Total Interest Paid		£350,451			
Total Finance and Acquisition Costs			£1,941,201		
Developer's return for risk and profit					
Residential					
Market Housing Return (Inc OH) on Valu	17.5%	£4,617,725	61,570	per OM unit	
Affordable Housing Return on Cost	5.0%	£134,268	5,371	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			£4,751,993		
(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)					
TOTAL COST			£30,311,972		
Surplus/(Deficit) at completion 1/6/2024					(£1,517,040)
Present Value of Surplus (Deficit) at 22/10/2021					(£1,297,121)
Scheme Investment MIRR		23.6%	(before Developer's returns and interest to avoid double counting returns)		
Site Value as a Percentage of Total Scheme Value	5.2%		Peak Cash Requirement		-£6,002,883
Site Value (PV) per hectare		-£238,004 per hectare		-£112,649 per acre	



**Appendix VI – HCA Appraisal Tool Output – 100 Units No Affordable Housing
or S106 Cash Contributions**



MAXEY GROUNDS

HCA Development Appraisal Tool

Printed 27/10/2021

Surplus (Deficit) from input land valuation at 22/10/2021

£226,360

HCA DEVELOPMENT APPRAISAL TOOL

SUMMARY

DETAIL

SCHEME

Site Address Site at Keston Fields, Pinchbeck
Site Reference 21160E
File Source

Date of appraisal 22/10/2021
Net Residential Site Area 5.45
Author & Organisation Maxey Grounds, 22-24 Market Place, March PE15 5JH

Scheme Description 100 Units with 25%
Affordable Housing plus
Cash S106 Contributions

Registered Provider (where 0

Housing Mix (Affordable + Open Market)

Total Number of Units	100	units
Total Number of Open Market Units	100	units
Total Number of Affordable Units	0	units
Total Net Internal Area (sq m)	12,241	sq m
% Affordable by Unit	0.0%	
% Affordable by Area	0.0%	
Density	18	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	5.45	hectares
Net Site Area	5.45	hectares
Net Internal Housing Area / Hectare	2,246	sq m / hectare

equivalents 0.782 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	£152,222	£0	£0	£0	£0	
3 Bed House	£335,076	£0	£0	£0	£0	
4 Bed + House	£350,000	£0	£0	£0	£0	
Total Revenue £	£30,485,000	£0	£0	£0	£0	£30,485,000
Net Area (sq m)	12,241	-	-	-	-	12,241
Revenue (£ / sq m)	£2,490	-	-	-	-	

CAPITAL VALUE OF OPEN MARKET SALES

£30,485,000

Capital Value of Private Rental

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

£0
£0
£0
£0
£0
£0

CAPITAL VALUE OF OPEN MARKET HOUSING

BUILD COST OF OPEN MARKET HOUSING Inc Contingency
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING

£16,844,595 £ 1,376 psqm

£30,485,000

£ 2,490 psqm

£13,640,405

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)

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

£0
£0
£0
£0
£0

OTHER SOURCES OF AFFORDABLE HOUSING FUNDING

£0

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)

BUILD COST OF AFFORDABLE HOUSING Inc Contingency

£0

#DIV/0!

£0



HCA Development Appraisal Tool

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CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING

£0

Car Parking

No. of Spaces	Price per Space (£)	Value
169	-	£0

Value of Residential Car Parking
Car Parking Build Costs

£101,400

£0

Ground rent

Capitalised annual
ground rent

Social Rented
Shared Ownership
Affordable Rent

£0
£0
£0

Open market (all phases)

£0

Capitalised Annual Ground Rents

£0

TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME

£30,485,000

TOTAL BUILD COST OF RESIDENTIAL SCHEME

£16,945,995

TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME

£13,539,005

Non-Residential

Office
Retail
Industrial
Leisure
Community Use
Community Infrastructure Levy

Cost
£0
£0
£0
£0
£0
£0

Values
£0
£0
£0
£0
£0
£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

£30,485,000

TOTAL BUILD COSTS

£16,945,995

TOTAL CONTRIBUTION TO SCHEME COSTS

£13,539,005

External Works & Infrastructure Costs (£)

Site Preparation/Demolition
Roads and Sewers
GUDs and Storm Attenuation
General Site Landscaping
Off Site Works
Dewatering
Acoustic Measures
Plot specific external works
Foul Pump Station and Rising Main
Garages and Enhanced Foundations

£206,995
£2,261,000
£107,442
£50,000
£322,000
£65,000
£61,280
£250,000
£240,019
£999,000

Per unit
2,070
22,610
1,074
500
3,220
650
613
2,500
2,400
9,990

% of GDV
0.7%
7.4%
0.4%
0.2%
1.1%
0.2%
0.2%
0.8%
0.8%
3.3%

per Hectare
37,981
414,862
19,714
9,174
59,083
11,527
11,244
45,872
44,040
183,303

Other site costs

Fees and certification
Other Acquisition Costs (£)

6.0%

£987,323
£0

9,873

3.2%

181,160

Site Abnormals (£)

De-canting tenants
Decontamination
Other
Other 2
Other 3
Other 4
Other 5

£0
£0
£0
£0
£0
£0
£0

Total Site Costs Inc Fees

£5,550,059

55,501

Statutory 106 Costs (£)

Education
Sport & Recreation
Social Infrastructure
Public Realm
Affordable Housing
Transport
Highway
Health
Public Art
Flood work
Community Infrastructure Levy
Other Tariff
Other 1
Other 2
Other 3
Other 4

£0
£0
£0
£0
£0
£0
£0
£0
£0
£0
£0
£0
£0
£0
£0
£0

statutory 106 costs

£0



HCA Development Appraisal Tool

Printed 27/10/2021

Marketing (Open Market Housing ONLY)

Sales/letting Fees	3.0%	£914,550	per OM unit
Legal Fees (per Open Market unit):	£750	£75,000	750

Marketing (Affordable Housing)

Developer cost of sale to RP (£)		£0	per affordable unit
RP purchase costs (£)		£0	
Intermediate Housing Sales and Marketing (£)		£0	

Total Marketing Costs **£989,550**

Total Direct Costs **£23,485,604**

Finance and acquisition costs

Land Payment	£1,500,000	15,000 per OM home	275,229 per hectare
Arrangement Fee	£10,000	3.0% of interest	
Misc Fees (Surveyors etc)	£5,000	0.02% of scheme value	
Agents Fees	£0		
Legal Fees	£11,250		
Stamp Duty	£64,500		
Total Interest Paid	£331,492		

Total Finance and Acquisition Costs **£1,922,242**

Developer's return for risk and profit

Residential

Market Housing Return (Inc OH) on Value	17.5%	£5,334,875	53,349 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 **£5,334,875**

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

TOTAL COST **£30,742,721**

Surplus/(Deficit) at completion 1/6/2024 **(£257,721)**

Present Value of Surplus (Deficit) at 22/10/2021 **(£220,360)**

Scheme Investment MIRR

32.7% (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value

4.9%

Peak Cash Requirement

-£5,884,941

Site Value (PV) per hectare

-£40,433 per hectare

-£19,137 per acre