



MAXEY
GROUNDS

Your Ref:
Our Ref: VJM/21160E
Date: 27th January 2022

Keston Fields Ltd
The Stables
Church Walk
Northamptonshire
NN11 4BL

Dear Sirs

Re: Site at Keston Nurseries, Pinchbeck, Spalding, Lincolnshire – (Rev A)

In accordance with your instructions dated 27th January 2022, we have re-assessed the viability position of the proposed development of the above site in light of the amended housing mix for affordable units requested by South Holland District Council. This letter is an addendum to our Viability Report dated 27th October 2021. The proposed scheme is for the construction of 100 dwellings with 25% affordable housing and S106 cash contributions of £266,854.

The affordable units in the original assessment are outlined below:

Shared Ownership

Reference	Style	Type	No.	Beds
J	Semi	House	4	2
L	Mid Terraced	House	1	3
L	End Terraced	House	2	3
			7	

Affordable Rented

Reference	Style	Type	No.	Beds
H	Quad	House	4	1
I	Semi	House	2	1
J	Semi	House	8	2
K	Semi	House	4	3
			18	
			25	

The HCA DAT output of this scheme produced a **deficit** (current value) of £1,297,121.

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MRICS, FRAV, Natalie T. Jeary MSc, BA (Hons), MRICS, FRAV



The affordable housing mix has now been updated as follows:

Shared Ownership

Reference	Style	Type	No.	Beds
J	Semi	House	4	2
K	Semi	House	4	3
			8	

Affordable Rented

Reference	Style	Type	No.	Beds
H	Quad	House	4	1
I	Semi	House	2	1
J	Semi	House	8	2
L	Mid Terraced	House	1	3
L	End Terraced	House	2	3
			17	
			25	

Having amended the housing mix, the HCA DAT output shows a financial **deficit** (present value) of £1,273,526. This is marginally better than the original scheme, however is still clearly not viable once land cost, construction and other costs have been deducted from GDV.

If all affordable units and cash S106 contributions are removed, the HCA DAT output is unchanged from the original scheme; it still produces a financial **deficit** of £220,360. As such, the development is still not viable, unless the developer accepts a profit level of below 17.5%.

Yours faithfully

Victoria McIlroy

Victoria McIlroy BSc (Hons) MRICS FAAV RICS Registered Valuer

For and on behalf of Maxey Grounds & Co LLP

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