MAXEY GROUNDS

VIABILITY ASSESSMENT

OF

SITE AT COALBEACH LANE SOUTH
SURFLEET
SPALDING
LINCOLNSHIRE

FOR

SEAGATE HOMES LTD

ASSESSMENT DATE
23rd MARCH 2020

BY

J R MAXEY MA (Cantab) FRICS FAAV RICS Registered Valuer
ASSISTED BY V J McILROY BSc (Hons) MRICS FAAV RICS Registered Valuer

File Reference: 20046

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MAXEY GROUNDS

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MAXEY GROUNDS

NON-TECHNICAL SUMMARY

This is a financial viability assessment to establish the viability of a scheme for residential development of a site previously used for agriculture at Coalbeach Lane South, Surfleet, Spalding, Lincolnshire.

The Gross Development Value (GDV) is calculated using market evidence from newbuild developments in the area, and therefore values of between £1,854 per m^2 and £2,519 per m^2 have been adopted, giving sale values of between £160,000 and £395,000, which accurately reflects the market for the various types of dwelling. Prices per m^2 have been adjusted to reflect the size of unit and accommodation.

A build cost of £1,150 per m^2 has been adopted, which is the average BCIS lower quartile figure.

Costs for road construction, installation of street lighting, garage construction, Internal Drainage Board Levy and re-profiling of ditch with pumping have been provided by the Client. Other costs, including design and professional fees, plot-specific external works, construction of the footpath, cost of parking spaces, cost of construction for unadopted roadways and site drainage have been assumed using our knowledge of other development schemes in the area.

We have adopted a contingency of 2.5% which is widely accepted as being appropriate for greenfield sites.

A profit level of 17.5% has been adopted, 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 an Existing Use Value (EUV) + Premium approach to land value, whilst putting this in context by review of market transactions. The EUV of Grade 1 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. Therefore, the total benchmark land value of the site is £632,500.

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
60 units with 25% Affordable Housing and Full S106 Cash Contributions	-£483,169
60 units with 5 Affordable Houses (8.3% Affordable Housing) and reduced S106 Cash Contributions	-£540

The model with full affordable housing provision and S106 cash contributions shows a financial deficit once land value, construction and other costs have been deducted from GDV. However, if the number of affordable units is reduced to a provision of 5, and the cash S106 contribution is reduced to a total contribution of £95,000, the scheme is marginally viable.

We have also conducted a sensitivity analysis which shows variations of the viable scheme, the results of which are outlined further in the Report, but our conclusion is that in order for the scheme to be viable and therefore deliverable, it can withstand an absolute maximum provision of 5 affordable houses and a S106 cash contribution of £95,000.

INSTRUCTIONS

We refer to instructions from Lee Russell of Seagate Homes 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 13th March 2020, a copy of which is in Appendix I of this Report.

Client

This report has been prepared for Seagate Homes.

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 has been submitted for residential development.

Asset to be Appraised

The appraisal is of a development site known as Site at Coalbeach Lane South, Surfleet, 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 Seagate Homes with 60 residential properties 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 with 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 as appropriate.

Appraisal Date

The appraisal and any valuations provided within this report are as at 23rd March 2020.

Identity of Valuer

The appraisal has been undertaken by John R Maxey MA (Cantab) FRICS FAAV RICS Registered Valuer, assisted by 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

This appraisal and any valuations within it 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. 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 proposed development by Seagate Homes. Copies of plans are attached as Appendix II to this report.

Evidence utilised to establish Market Values has been obtained from discussions with other Local Agents, Developers and other evidence sources including Rightmove Plus and Land Registry. Affordable rental levels have also been determined by confirming the maximum Local Housing Allowance Rates on Direct Gov for the area. Figures for appropriate levels of management and repair costs have been confirmed by local planning authorities, 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 are estimated and have been provided by the Client. Other costs have been assumed using costs provided by the Client from similar schemes in the area, 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. Also supplied with this Appraisal is Land Registry data of sales of properties within the vicinity.

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 estimated and 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, which is also the maximum permitted level confirmed by Local Housing Allowance Rates published on Direct Gov for that area. Given the scale of the development, it has been assumed the normal requirement for 25% affordable housing is adopted, comprising 70% as affordable rented and 30% as 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 Grade 1 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. Therefore, the total benchmark land value of the site is £632,500.

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.

MAXEY GROUNDS

INSPECTION

Date of Inspection

As development of the site has not yet commenced, the viability assessment has been conducted as a desktop exercise.

Property Address

The property is a development site known as Site at Coalbeach Lane South, Surfleet, 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 60 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. We are advised that the gross site area is approximately 2.30 Hectares. The size of the units (Gross Internal Area) is provided on the plans and are within the inputs of the Development Appraisal Tool, an electronic copy of which has been provided.

Costs

A build cost of £1,150 per m^2 has been adopted, which is the average BCIS lower quartile figure for this area.

Some costs have been provided by the Client and are their budgeted figures based upon their experience of similar schemes in the area. These include road construction costs, installation of street lighting, garage construction costs, Internal Drainage Board levy and re-profiling of ditch with pumping.

Other costs, including design and professional fees, plot-specific external works, construction of the footpath, cost of parking spaces, cost of construction for unadopted roadways and site drainage have been assumed using our knowledge of other development schemes in the area.

We have adopted a contingency of 2.5% which is widely accepted as being appropriate for greenfield sites.

Services

No specific investigations as to service provision have been undertaken. Therefore, on the basis that no abnormal service connections or improvements are required, the cost of service installations is included within the overall BCIS build cost.

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 previously used for agriculture 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.

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 other S106 cash contributions to be provided. Thereafter the alternative scenario is appraised involving 5 affordable houses (8.3% affordable housing) and reduced S106 cash contributions, which shows a viable scheme.

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.

We have adopted an existing use value of the site of £57,500, this is based upon an agricultural value of £25,000 per hectare. To this, we have added a premium of £250,000 per hectare, which is considered to give the minimum return to the landowner at which land is likely to be made available for development, giving an overall land value of £632,500.

We have undertaken valuations of the various dwelling types to arrive at the market values set out within Appendix III. However, given the recent outbreak of the Coronavirus, it is not inconceivable that the market will be affected in the next 12 months. It was declared by the World Health Organisation as a "Global Pandemic" on 11th March 2020 and has impacted global financial markets, with travel restrictions having been implemented by many countries. As such, market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuations are therefore reported on the basis of 'material valuation uncertainty' as per

VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuations than would normally be the case.

Analysis was then undertaken utilising the HCA Development Appraisal Tool. The outputs of this tool are set out within Appendix V in respect of the principal scheme for 60 units with 25% affordable dwellings and other S106 cash contributions, and Appendix VI in respect of the amended output figures for a scheme with 5 affordable houses and a reduced cash S106 contribution for comparison purposes, at which the scheme is just viable.

A summary of the conclusions from the outputs is provided below.

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 5 affordable houses and reduced S106 contributions is shown in the table below:

	Build Costs at BCIS Level	+5%	-5%
GDV at Evidence Level	-£540	-£313,750	+£311,547
+5%	+£409,016	-	+£720,436
-5%	-£411,803	-£725,774	-

CONCLUSIONS

Appraisal Conclusions

We are of the opinion that the scheme for 60 units with 25% affordable dwellings and full S106 cash contributions will show a financial deficit (present value) of around £483,000, based upon the current market value and affordable rents of the proposed units and the projected costs and profit level adopted within the appraisal and BLV for the site of £632,500. As such, the site is not viable for development on the basis of the provision of affordable housing and other S106 contribution at the levels proposed by South Holland District Council.

If the scheme had 5 affordable dwellings i.e. 8.3% affordable housing and a reduced S106 cash contribution of £95,000, the scheme is marginally viable.

Signature

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

J R Maxey (Signed electronically as remote working)

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

Date of Report:
23rd March 2020

APPENDICES

Appendix I – Copy of Instruction Correspondence



MAXEY GROUNDS

Your Ref:
Our Ref: JRMV.M/20046
Date: 13th March 2020

Seagate Homes
Holbeach Manor
Fleet Road
Holbeach
Lincolnshire
PE12 7AX

Dear Sirs

Re: Confirmation of Financial Viability Assessment Instructions
Asset: Site at Coalbeach Lane South, Surfleet, Lincolnshire

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: Seagate Homes

Purpose of Valuation: To establish viability of the proposed development.

Asset to be Valued: Site at Coalbeach Lane South, Surfleet, Lincolnshire

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.

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Identity of Valuer: J R Maxey MA (Cantab) FRICS FAAV RICS Registered Valuer, assisted by V J McIlroy BSc (Hons) MRICS 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.

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 site 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 £5,000 + 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 14 October 2019). Please sign and return one copy at your earliest convenience to agree the Conditions of Engagement & Terms of Business.

Yours faithfully

pp.

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

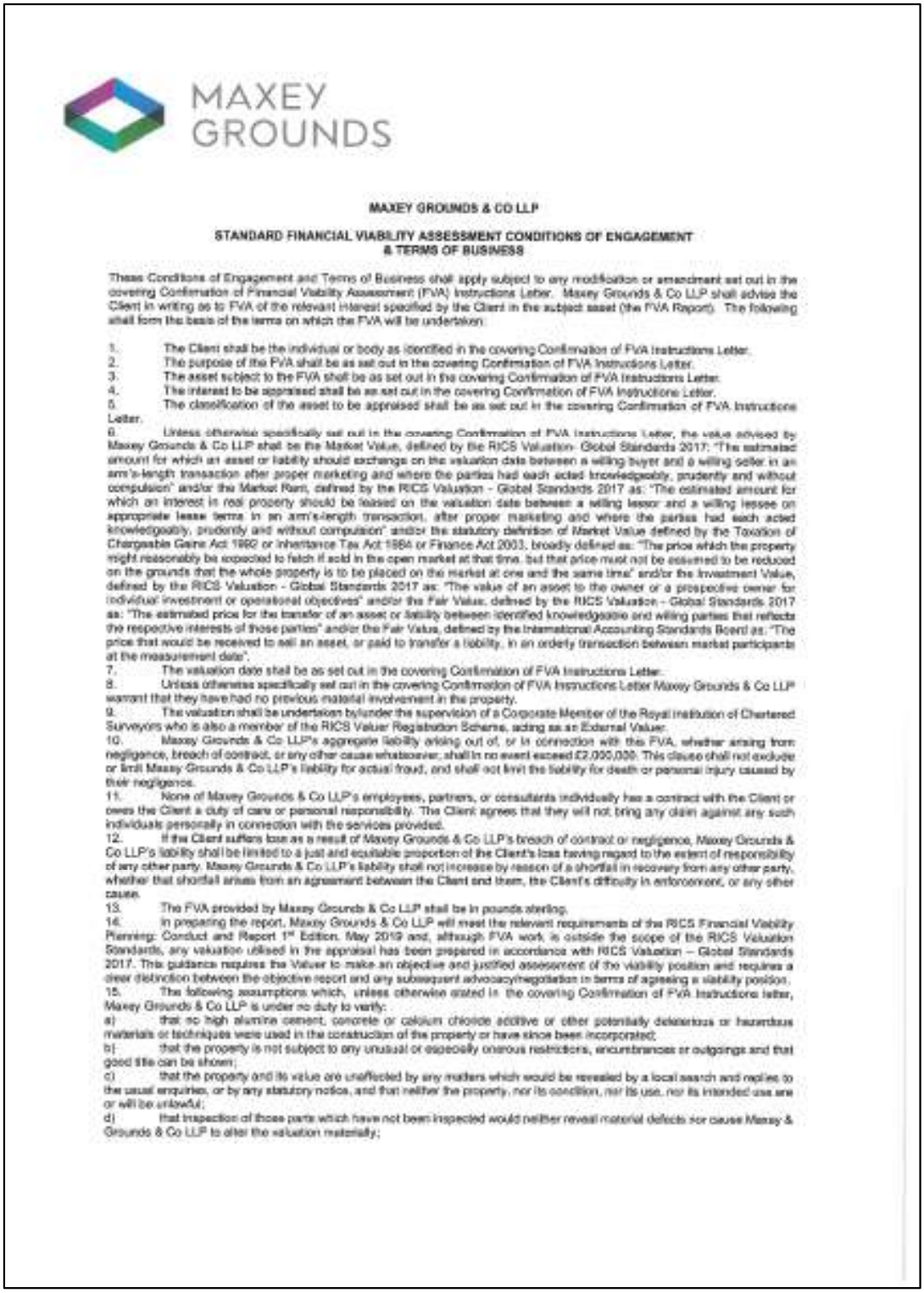
(Enc)

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 14 October 2019).

Signed:.....

Date 12/03/2020.



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 2017: "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 2017 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 2017 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 2017 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 2017. 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;

MAXEY GROUNDS

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. This 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.

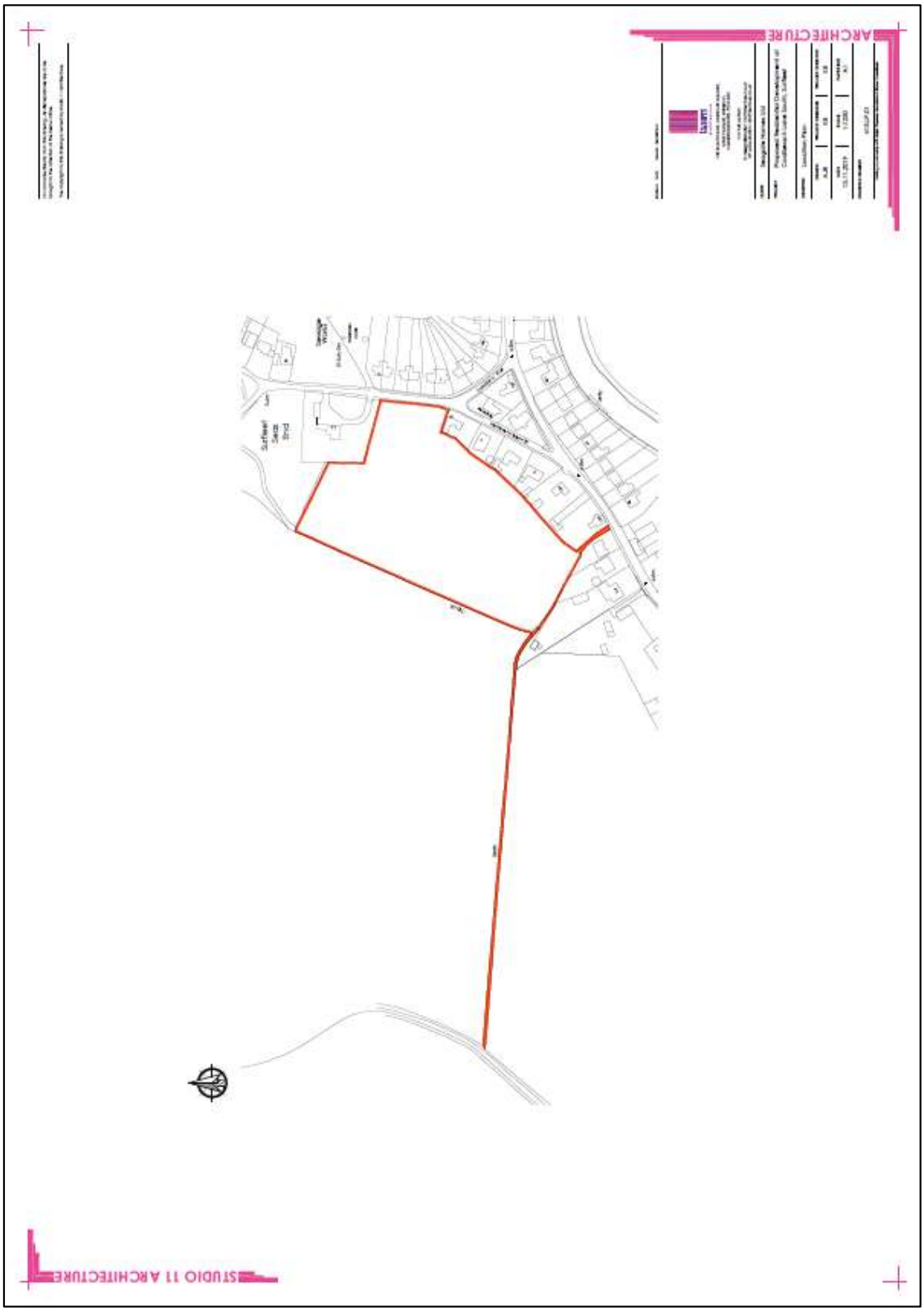
In this Agreement words importing one gender only include the other gender; words importing the singular include the plural number and vice versa; words importing persons include corporations and vice versa.

Version 14 October 2019

Appendix II – Plans & Photographs

Google Earth Screenshot of the Site



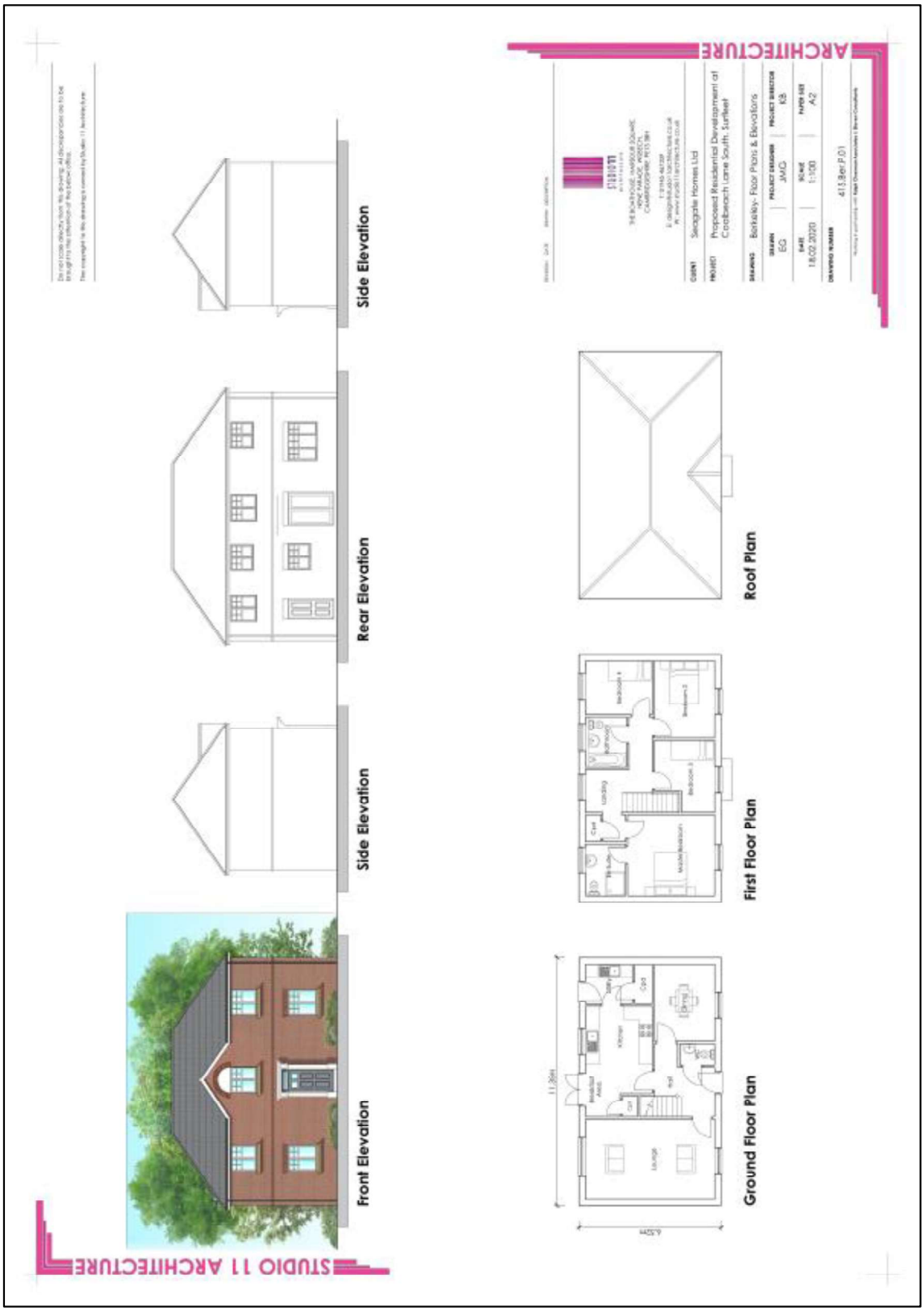



Housetype Schedule
STUDIO 11 ARCHITECTURE


ARCHITECTURE
Client Seagate Homes Ltd
Project Proposed Residential Development at Coalbeach Lane South, Suffolk
Drawing Title Airwick Floor Plans & Elevations
Drawn EG
Project Designer JMG
Project Director KB
Date 18.02.2020
Scale 1:100
Paper Size A2
Drawing Number 413.AH.P.01
Roof Plan
First Floor Plan
Ground Floor Plan
Side Elevation
Rear Elevation
Side Elevation
Front Elevation
STUDIO 11 ARCHITECTURE

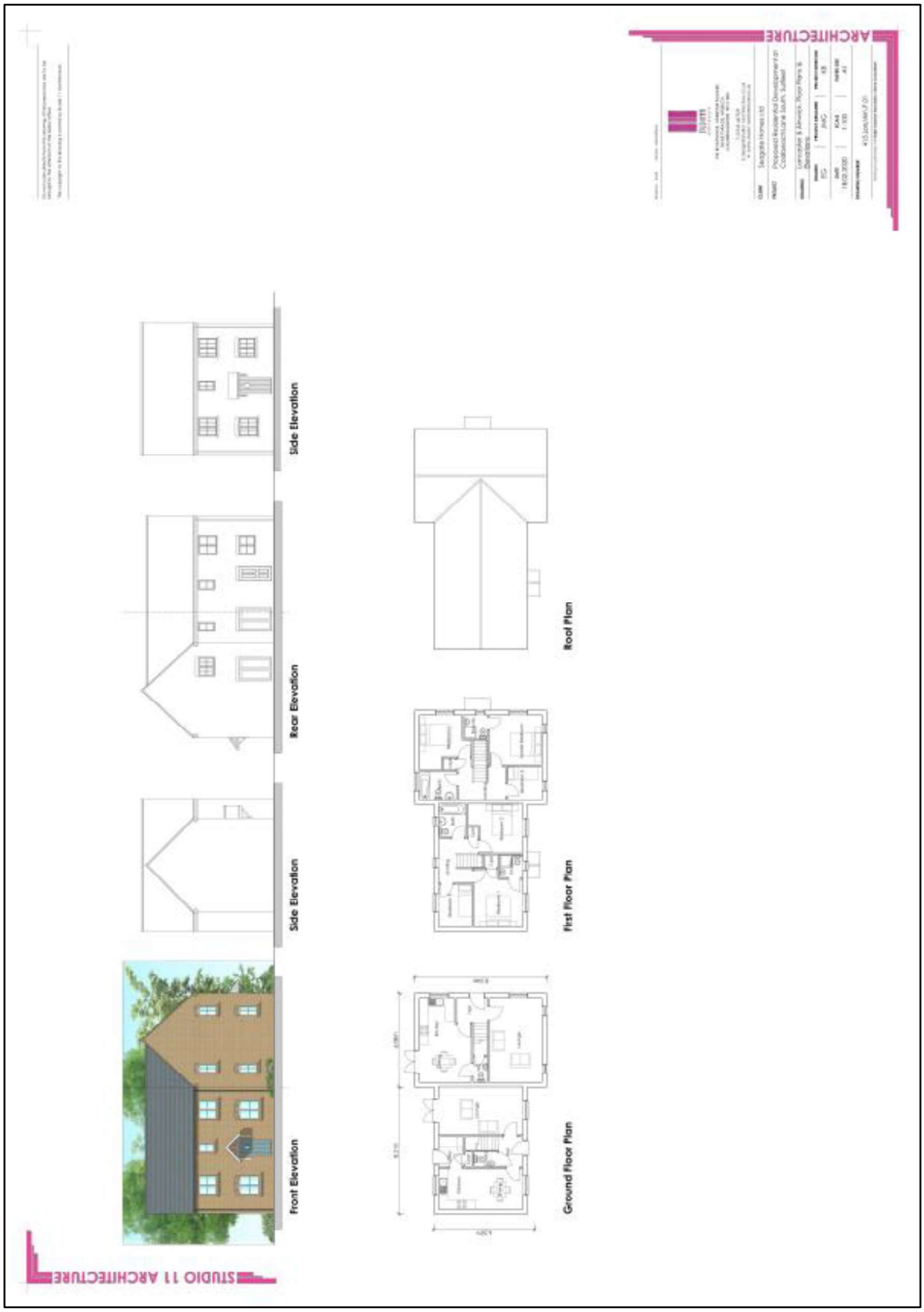

Side Elevation
Rear Elevation
Side Elevation
Front Elevation
STUDIO 11 ARCHITECTURE
Roof Plan
First Floor Plan
Ground Floor Plan
ARCHITECTURE
Proposed Residential Development at Cordeaux Lane South, Sutton
Amberley- Floor Plans & Elevations
415.Amb.P.01

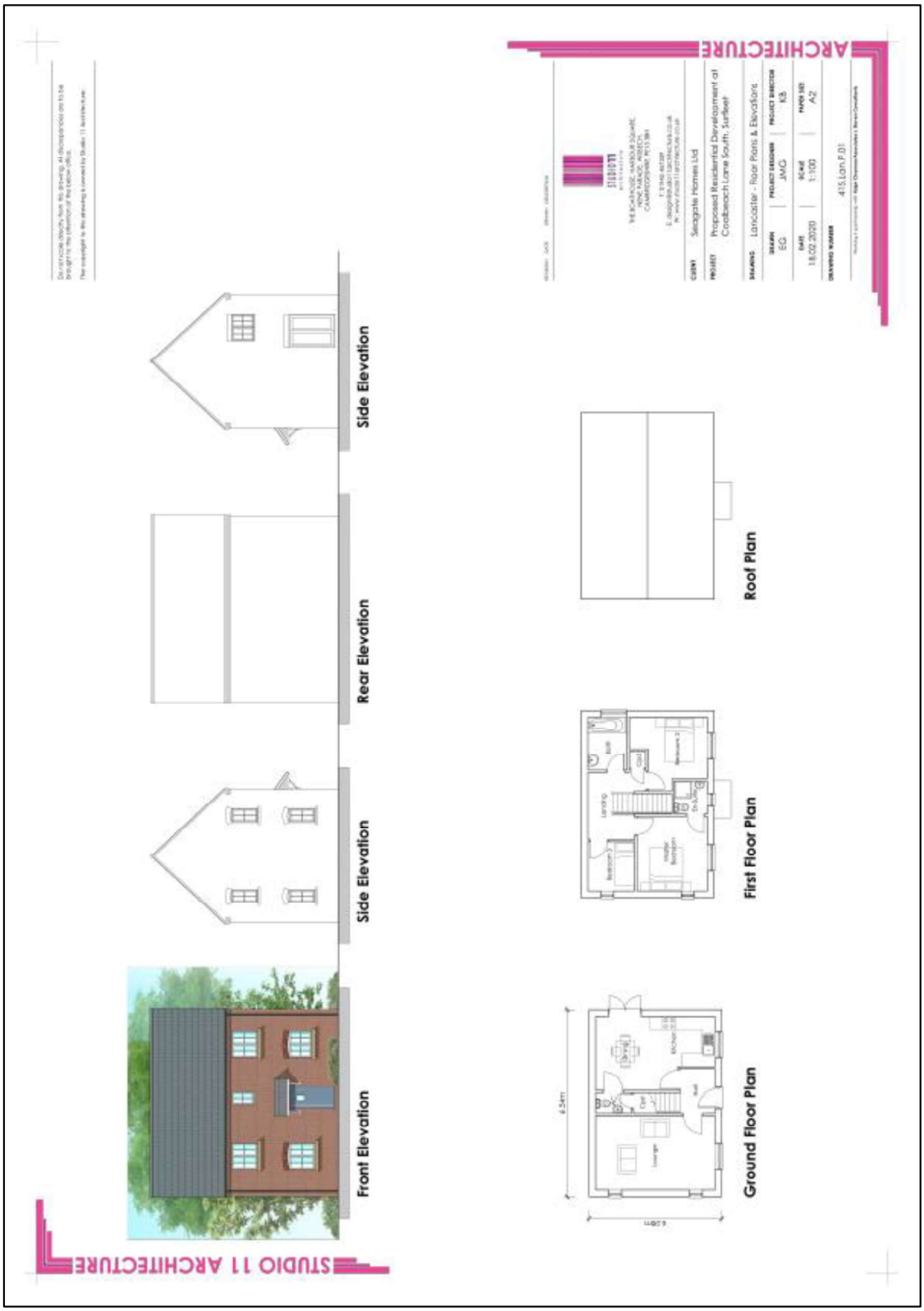

Side Elevation
Rear Elevation
Side Elevation
Front Elevation
STUDIO 11 ARCHITECTURE
ARCHITECTURE
Roof Plan
First Floor Plan
Ground Floor Plan


Front Elevation
Side Elevation
Rear Elevation
Side Elevation
STUDIO 11 ARCHITECTURE
Ground Floor Plan
First Floor Plan
Roof Plan
ARCHITECTURE
Proposed Residential Development at Cadbeach Lane South, Sunset
Berkeley- Floor Plans & Elevations


ARCHITECTURE
Colchester - Floor Plans & Elevations
Seagrate Homes Ltd
Proposed Residential Development at Cockbeech Lane South, Surfleet
Roof Plan
First Floor Plan
Ground Floor Plan
Front Elevation
Side Elevation
Rear Elevation
Side Elevation
STUDIO 11 ARCHITECTURE


ARCHITECTURE
Proposed Residential Development at Cooksbench Lane South, Sutton
Seagate Homes Ltd
Hylton, Floor Plans & Elevations
415.PL.P.01
Roof Plan
First Floor Plan
Ground Floor Plan
Side Elevation
Rear Elevation
Side Elevation
Front Elevation
STUDIO 11 ARCHITECTURE


ARCHITECTURE
Side Elevation
Rear Elevation
Side Elevation
Front Elevation
Roof Plan
First Floor Plan
Ground Floor Plan
STUDIO 11 ARCHITECTURE


ARCHITECTURE
Proposed Residential Development at Coalbeach Lane South, Sunbeer
Sedgate Homes Ltd
Lancaster - Floor Plans & Elevations
Roof Plan
First Floor Plan
Ground Floor Plan
Side Elevation
Rear Elevation
Side Elevation
Front Elevation
STUDIO 11 ARCHITECTURE


ARCHITECTURE
Proposed Residential Development at Crabbeach Lane South, Surfleet
Lincoln Floor Plans & Elevations
Ground Floor Plan
First Floor Plan
Roof Plan
Rear Elevation
Side Elevation
Side Elevation
Front Elevation
STUDIO 11 ARCHITECTURE


ARCHITECTURE
Side Elevation
Rear Elevation
Side Elevation
Front Elevation
Roof Plan
First Floor Plan
Ground Floor Plan
STUDIO 11 ARCHITECTURE


ARCHITECTURE
Proposed Residential Development at Cookbeech Lane South, Surbiton
Ludlow - Floor Plans & Elevations
Side Elevation
Rear Elevation
Side Elevation
Front Elevation
Roof Plan
First Floor Plan
Ground Floor Plan
STUDIO 11 ARCHITECTURE


ARCHITECTURE
Side Elevation
Rear Elevation
Side Elevation
Front Elevation
Roof Plan
First Floor Plan
Ground Floor Plan
STUDIO 11 ARCHITECTURE

Appendix III – Accommodation Schedule and Comparable Evidence

Accommodation Schedule & GDV

House Type	Storeys	Type	No. Units	Size (sqft)	Size (sqm)	Beds	Garage	Value/Sqm (£)	Value/Unit (£)	Total Sqm	GDV (£)	Plot Numbers
Market												
The Richmond	2	M-Terr	1	775	72.0	2	N	2,221	160,000	72	160,000	37
The Richmond	2	E-Terr	2	775	72.0	2	N	2,291	165,000	144	330,000	36, 38
The Hylton	2	Semi	10	821	76.3	3	N	2,294	175,000	763	1,750,000	8, 9, 11, 12, 27, 28, 41, 42, 48, 49
The Alnwick	2	Semi	6	932	86.6	3	Y - Single	2,251	195,000	520	1,170,000	15, 22, 33, 34, 54, 55
The Alnwick	2	Det	4	932	86.6	3	Y - Single	2,424	210,000	346	840,000	20, 45, 52, 57
The Lancaster	2	Semi	6	934	86.8	3	Y - Single	2,246	195,000	521	1,170,000	16, 21, 32, 35, 53, 56
The Lancaster	2	Det	3	934	86.8	3	Y - Single	2,419	210,000	260	630,000	10, 25, 60
The Ludlow	2	Det	2	932	86.6	3	Y - Single	2,424	210,000	173	420,000	3, 39
The Berkeley	2	Det	3	1367	127.0	4	Y - Double	2,204	280,000	381	840,000	2, 17, 40
The Colchester	2	Det	2	1367	127.0	4	Y - Double	2,204	280,000	254	560,000	1, 47
The Lincoln	2	Det	2	1068	99.3	4	Y - Single	2,519	250,000	199	500,000	4, 29
The Amberley	2	Det	3	1279	118.9	4	Y - Single	2,187	260,000	357	780,000	26, 58, 59
The Lindisfarne	2	Det	1	2293	213.1	5	Y - Double (Integral)	1,854	395,000	213	395,000	46
			45							4,203	**9,545,000**	
Shared Ownership												
The Richmond	2	Semi	2	775	72.0	2	N	2,291	165,000	144	330,000	13, 14
The Auckland	2	Semi	3	902	83.8	3	N	2,177	182,500	251	547,500	18, 19, 23
			5							396	**877,500**	
Affordable Rented												Rent (£/w)
The Richmond	2	M-Terr	1	775	72.0	2	N	2,221	160,000	72	160,000	114.00 6
The Richmond	2	E-Terr/Semi	4	775	72.0	2	N	2,291	165,000	288	660,000	114.00 5, 7, 50, 51
The Auckland	2	Semi	5	902	83.8	3	N	2,177	182,500	419	912,500	133.00 24, 30, 31, 43, 44
			10							779	**1,732,500**	
			60							5,378	**2,610,000**	
											Total GDV =	**11,137,100**

Address	Style	Beds	Price (£)	Area (sq m)	£/sq m	Status	Date	Parking/Garage	Notes
11 Lowther Avenue, Moulton	Det	5	£330,000	189	£1,746	Completed	07/12/2018	Y - Double	New build
9 Lowther Avenue, Moulton	Det	5	£355,000	189	£1,878	Completed	05/12/2018	Y - Double	New build
18 Lowther Avenue, Moulton	Det	5	£325,000	189	£1,720	Completed	31/10/2018	Y - Double	New build
10 Lowther Avenue, Moulton	Det	5	£360,000	189	£1,905	Completed	11/09/2018	Y - Double	New build
4 Lowther Avenue, Moulton	Det	5	£342,000	189	£1,810	Completed	11/05/2018	Y - Double	New build
8 The Circus, Spalding	Det	5	£329,995	216	£1,528	Completed	07/08/2018	Unknown	New build
97 Atherton Gardens, Pinchbeck	Det	5	£295,000	148	£1,993	Completed	28/06/2019	Y - Single	New build
99 Atherton Gardens, Pinchbeck	Det	5	£294,995	148	£1,993	Completed	28/06/2019	Y - Single	New build
111 Atherton Gardens, Pinchbeck	Det	5	£299,995	148	£2,027	Completed	12/04/2019	Y - Single	New build
113 Atherton Gardens, Pinchbeck	Det	5	£269,995	124	£2,177	Completed	22/02/2019	Y - Double	New build
4 Bentley Court, Spalding	Det	4	£269,950	134	£2,015	Completed	22/10/2019	Y - Single	New build
1 Bentley Court, Spalding	Det	4	£289,950	138	£2,101	Completed	20/09/2019	Y - Single	New build
7 Tower Gardens, Sutterton	Det	4	£286,500	157	£1,825	Completed	08/08/2018	Y - Single	New build
5 Tower Gardens, Sutterton	Det	4	£293,000	157	£1,866	Completed	15/06/2018	Y - Single	New build
8 Tower Gardens, Sutterton	Det	4	£288,000	164	£1,756	Completed	22/03/2018	Y - Single	New build
9 Tower Gardens, Sutterton	Det	4	£285,000	157	£1,815	Completed	02/02/2018	Y - Single	New build
3 Tower Gardens, Sutterton	Det	4	£297,500	157	£1,895	Completed	10/01/2018	Y - Single	New build
72 Risegate Road, Gosberton	Det	4	£285,000	151	£1,887	Completed	22/03/2018	Y - Double	New build
6 Dairy Close, Pinchbeck	Det	4	£279,950	134	£2,089	Completed	15/11/2019	Y - Single	New build
3 Dairy Close, Pinchbeck	Det	4	£289,950	122	£2,377	Completed	28/10/2019	Y - Single	New build
21 Lowther Avenue, Moulton	Det	4	£268,000	151	£1,775	Completed	25/02/2019	Y - Single	New build
40 Lowther Avenue, Moulton	Det	4	£275,000	151	£1,821	Completed	08/02/2019	Y - Single	New build
12 Lowther Avenue, Moulton	Det	4	£275,000	128	£2,148	Completed	25/01/2019	Y - Single	New build
6 Lowther Avenue, Moulton	Det	4	£270,000	128	£2,109	Completed	24/08/2018	Y - Single	New build
3 Lowther Avenue, Moulton	Det	4	£260,000	128	£2,031	Completed	17/08/2018	Y - Single	New build
2 Lowther Avenue, Moulton	Det	4	£285,000	151	£1,887	Completed	25/06/2018	Y - Single	New build
23 Palgrave Way, Pinchbeck	Det	4	£249,995	121	£2,066	Completed	28/02/2019	Y - Soln	New build
5 Dairy Close, Pinchbeck	Det	3	£245,000	93	£2,634	Completed	15/11/2019	Y - Single	New build
1 Lowther Avenue, Moulton	Det	3	£195,000	98	£1,990	Completed	27/07/2018	Unknown	New build
8 Lowther Avenue, Moulton	Det	3	£239,995	119	£2,017	Completed	23/07/2018	Y - Single	New build
85 Atherton Gardens, Pinchbeck	Det	3	£227,000	92	£2,467	Completed	12/11/2019	Y - Single	New build
83 Atherton Gardens, Pinchbeck	Det	3	£209,995	83	£2,530	Completed	18/10/2019	Off-Road Parking	New build
123 Atherton Gardens, Pinchbeck	Det	3	£212,995	100	£2,130	Completed	29/06/2018	Y - Single	New build
74 Viscount Close, Pinchbeck	M-Terr	3	£160,000	85	£1,882	Completed	18/04/2019	Allocated Parking	New build in 2014
9 Viscount Close, Pinchbeck	E-Terr	3	£160,000	89	£1,798	Completed	30/11/2018	Allocated Parking	New build in 2015
23 Lowther Avenue, Moulton	Semi	3	£185,000	95	£1,947	Completed	08/03/2019	Off-Road Parking	New build
25 Lowther Avenue, Moulton	Semi	3	£185,000	95	£1,947	Completed	01/03/2019	Off-Road Parking	New build
22 Lowther Avenue, Moulton	Semi	3	£185,000	95	£1,947	Completed	06/12/2018	Off-Road Parking	New build
16 Lowther Avenue, Moulton	Semi	3	£197,000	99	£1,990	Completed	28/09/2018	Y - Single	New build

5 Lowther Avenue, Moulton	Semi	3	£185,000	95	£1,947	Completed	27/07/2018	Off-Road Parking	New build	
7 Lowther Avenue, Moulton	Semi	3	£185,000	95	£1,947	Completed	27/07/2018	Off-Road Parking	New build	
2 Sewell Way, Spalding	Semi	3	£184,395	82	£2,249	Completed	28/02/2019	Unknown	New build	
4 Sewell Way, Spalding	Semi	3	£187,995	82	£2,293	Completed	23/11/2018	Unknown	New build	
4 Austen Mews, Spalding	Semi	3	£174,000	85	£2,047	Completed	13/07/2018	Unknown	New build	
2 Austen Mews, Spalding	Semi	3	£174,995	85	£2,059	Completed	15/05/2018	Unknown	New build	
7 Dickens Street, Spalding	M-Terr	3	£170,000	83	£2,048	Completed	10/05/2018	Unknown	New build	
5 Dickens Street, Spalding	E-Terr	3	£177,600	83	£2,140	Completed	16/03/2018	Unknown	New build	
75 Atherton Gardens, Pinchbeck	Semi	3	£201,995	86	£2,349	Completed	29/11/2019	Y - Single	New build	
107 Atherton Gardens, Pinchbeck	Semi	3	£201,995	86	£2,349	Completed	31/10/2019	Y - Single	New build	
105 Atherton Gardens, Pinchbeck	Semi	3	£199,995	86	£2,326	Completed	30/08/2019	Y - Single	New build	
101 Atherton Gardens, Pinchbeck	Semi	3	£192,995	83	£2,325	Completed	16/07/2019	Y - Single	New build	
103 Atherton Gardens, Pinchbeck	Semi	3	£191,995	83	£2,313	Completed	28/06/2019	Y - Single	New build	
115 Atherton Gardens, Pinchbeck	Semi	3	£182,500	83	£2,199	Completed	31/01/2019	Y - Single	New build	
117 Atherton Gardens, Pinchbeck	Semi	3	£182,500	83	£2,199	Completed	31/01/2019	Y - Single	New build	
127 Atherton Gardens, Pinchbeck	Semi	3	£174,000	74	£2,351	Completed	29/06/2018	Allocated Parking	New build	
125 Atherton Gardens, Pinchbeck	Semi	3	£177,500	74	£2,399	Completed	29/06/2018	Allocated Parking	New build	
22 Palgrave Way, Pinchbeck	Semi	3	£182,500	83	£2,199	Completed	31/05/2019	Y - Single	New build	
16 Palgrave Way, Pinchbeck	Semi	3	£191,995	86	£2,233	Completed	26/04/2019	Y - Single	New build	
24 Palgrave Way, Pinchbeck	Semi	3	£185,995	86	£2,163	Completed	28/02/2019	Allocated Parking	New build	
20 Palgrave Way, Pinchbeck	Semi	3	£181,995	83	£2,193	Completed	22/02/2019	Y - Single	New build	
26 Palgrave Way, Pinchbeck	Semi	3	£185,995	86	£2,163	Completed	11/02/2019	Y - Single	New build	
25 Palgrave Way, Pinchbeck	Semi	3	£187,500	86	£2,180	Completed	31/01/2019	Y - Single	New build	
27 Palgrave Way, Pinchbeck	Semi	3	£187,500	86	£2,180	Completed	31/01/2019	Y - Single	New build	
4 Viscount Close, Pinchbeck	Semi	2	£148,000	67	£2,209	Completed	12/04/2019	Allocated Parking	New build in 2011	
38 Viscount Close, Pinchbeck	Semi	2	£145,000	61	£2,377	Completed	25/01/2019	Allocated Parking	New build in 2015	
42 Lowther Avenue, Moulton	Semi	2	£168,000	68	£2,471	Completed	15/03/2019	Off-Road Parking	New build	
44 Lowther Avenue, Moulton	Semi	2	£168,000	68	£2,471	Completed	15/03/2019	Off-Road Parking	New build	
13 Lowther Avenue, Moulton	E-Terr	2	£168,000	68	£2,471	Completed	31/10/2018	Off-Road Parking	New build	
18 Orwell Drive, Spalding	Semi	2	£160,795	72	£2,233	Completed	12/06/2019	Unknown	New build	
3 Shakespeare Way, Spalding	M-Terr	2	£155,000	72	£2,153	Completed	28/05/2019	Unknown	New build in 2017	
12 Doyle Lane, Spalding	M-Terr	2	£156,995	74	£2,122	Completed	28/03/2019	Unknown	New build	
8 Doyle Lane, Spalding	E-Terr	2	£146,795	72	£2,039	Completed	06/02/2019	Unknown	New build	
14 Mears Court, Spalding	E-Terr	2	£151,500	72	£2,104	Completed	17/10/2018	Unknown	New build	

Additional Land Registry Data sent separately.

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Appendix IV – Cost Value and Other Assumptions Adopted and S106 Requirements

Viability Assessment	Ref 20046		
Client	Seagate Homes Ltd		
Site	Coalbeach Lane South, Surfleet		
Statement of Assumptions Made within Appraisal Calculations			
Value for the site adopted is £632,500, based upon the existing use value of £25,000 per gross hectare plus a premium of £250,000 per gross hectare. Site area 2.30 Ha			
Total of 60 Units (see detailed Accommodation Schedule)			
15 Affordable Dwellings split into:	70% affordable rented (10)		
	30% shared ownership (5)		
Construction and Development Costs			
Timescales	2 years construction period from 1st September 2020		
	Sales start from 1st March 2021 and finish 1st March 2023		
Roads	Approx 420m run of adopted roadway at £1,700 per m run	£714,000	
	Approx 90m run of unadopted roadway at £1,000 per m run	£90,000	
Footpath	Approx 120m of pedestrian footpath @ £500 per m run	£60,000	
Parking	133 parking spaces at £600 per space	£79,800	
Garages	16 singles @ £8,000 each	£128,000	
	5 doubles @ £12,000 each	£60,000	
	5 shared doubles @ £15,000 each	£75,000	
Build Cost Market & Affordable Housing	£1,150/sqm	£6,184,700	
8% Design and Professional Fees			
2.5% Contingency Allowance			
Onsite establishment and welfare (inc. site office, services etc)		£20,000	
SUDs and Storm Attenuation		£75,000	Assumed
Re-profile drainage ditch and pump		£15,000	
Internal Drainage Board Levy		£25,000	
Plot specific external works (i.e. patio, fencing etc) @ £2,000 per plot		£120,000	
General Site Landscaping		£25,000	
Equipped Play Area (LAP) (£30,000 for construction, £20,000 maintenance)		£50,000	
Street lighting		£22,500	
Affordable Housing & S106 Contributions			
Education and affordable housing contributions as per information from Fenland District Council and Cambridgeshire County Council			
Affordable Housing		25% provision	
Education Contribution		£207,000	Assumed
NHS		£39,960	Assumed
Finance and SDLT			
SDLT on purchase price (£632,500) @ 3.34%		£21,125	
Finance costs of £10,000 arrangement costs plus £3,000 survey and valuation cost plus 6.5% interest(ave)			
Marketing / agents' costs for Market units of 3% selling and £650 per unit legal costs			
Developers return of 17.5% on Market units and 6% on Affordables			

BCIS®

RICS

£/m2 study

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

Last updated: 29-Feb-2020 00:46

› Rebased to Lincolnshire (104; sample 90)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
810. Housing, mixed developments (15)	1,344	689	1,167	1,303	1,479	3,074	1256
810.1 Estate housing							
Generally (15)	1,339	641	1,144	1,293	1,466	4,649	1651
Single storey (15)	1,500	849	1,271	1,445	1,690	4,649	272
2-storey (15)	1,297	641	1,132	1,267	1,420	2,763	1266
3-storey (15)	1,360	836	1,111	1,322	1,533	2,708	108
4-storey or above (15)	2,809	1,391	2,274	2,470	3,702	4,207	5
810.11 Estate housing detached (15)	1,687	1,005	1,240	1,475	1,762	4,649	21
810.12 Estate housing semi detached							
Generally (15)	1,335	767	1,149	1,302	1,465	2,475	392
Single storey (15)	1,483	935	1,255	1,465	1,656	2,475	77
2-storey (15)	1,301	767	1,146	1,271	1,432	2,234	300
3-storey (15)	1,257	961	1,001	1,211	1,349	1,939	15
810.13 Estate housing terraced							
Generally (15)	1,379	834	1,148	1,304	1,521	4,207	325
Single storey (15)	1,557	1,029	1,293	1,496	1,832	2,221	35
2-storey (15)	1,332	834	1,137	1,281	1,483	2,763	239
3-storey (15)	1,374	836	1,104	1,307	1,531	2,708	49
4-storey or above (10)	3,954	3,702	-	-	-	4,207	2

Appendix V – HCA Appraisal Tool Output – With Full Affordable Housing andS106 Cash Contributions

HCA Development Appraisal Tool — Printed 23/03/2020

Surplus (Deficit) from input land valuation at 13/3/2020 -£483,169

HCA DEVELOPMENT APPRAISAL TOOL

SUMMARY | DETAIL

SCHEME

Site Address	Coalbeach Lane South, Surfleet	Date of appraisal	13/03/2020
Site Reference	20046/JRM/VJM	Net Residential Site Area	2.3
File Source		Author & Organisation	Maxey Grounds LLP, 22 - 24 Market Place, March PE15 9JI
Scheme Description	60 Units with 25% AH and S106 Contributions	Registered Provider (whe	0

Housing Mix (Affordable + Open Market)

Total Number of Units	60	*units*
Total Number of Open Market Units	45	*units*
Total Number of Affordable Units	15	*units*
Total Net Internal Area (sq m)	5,382	*sq m*
% Affordable by Unit	25.0%	
% Affordable by Area	21.9%	
Density	26	*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	2.30	*hectares*
Net Site Area	2.30	*hectares*
Net Internal Housing Area / Hectare	2,340	*sq m / hectare*

equals 10,192 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	£163,333	£0	£0	£0	£0	
3 Bed House	£192,903	£0	£0	£0	£0	
4 Bed + House	£279,545	£0	£0	£0	£0	
Total Revenue £	**£9,545,000**	**£0**	**£0**	**£0**	**£0**	**£9,545,000**
Net Area (sq m)	4,206	-	-	-	-	4,206
Revenue (£ / sq m)	£2,269	-	-	-	-	

CAPITAL VALUE OF OPEN MARKET SALES **£9,545,000**

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 **£9,545,000** £ 2,269 psqm

BUILD COST OF OPEN MARKET HOUSING inc Contingency **£4,957,823** £ 1,179 psqm

CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING **£4,587,178**

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		£221,150	£463,985	£685,134
3 Bed House		£366,907	£541,315	£908,222
4 Bed + House				
	£0	£588,057	£1,005,300	**£1,593,357**
£ psqm of CV (phase 1)	-	1,344	1,289	

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING) **£1,593,357**

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) **£1,593,357**

BUILD COST OF AFFORDABLE HOUSING inc Contingency **£1,386,210** £ 1,179 psqm

CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING **£207,147**

Car Parking

No. of Spaces	Price per Space (£)	Value
133	-	£0

Value of Residential Car Parking **£0**

Car Parking Build Costs			£79,800		
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				£11,138,357	
TOTAL BUILD COST OF RESIDENTIAL SCHEME			£6,423,833		
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME					£4,714,524
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				£11,138,357	
TOTAL BUILD COSTS			£6,423,833		
TOTAL CONTRIBUTION TO SCHEME COSTS					£4,714,524
External Works & Infrastructure Costs (£)			Per unit	% of GDV	per Hectare
Site Preparation/Demolition		£20,000	333	0.2%	8,696
Roads and Sewers		£869,000	14,483	7.8%	377,826
Services (Power, Water, Gas, Telco and IT)		£0			
General Site Landscaping		£25,000	417	0.2%	10,870
Street lighting		£22,500	375	0.2%	9,783
Public Open Space		£50,000	833	0.4%	21,739
SUDs		£75,000	1,250	0.7%	32,609
Plot specific external works		£120,000	2,000	1.1%	52,174
Other 1		£40,000	667	0.4%	17,391
Other 2		£263,000	4,383	2.4%	114,348
		£1,484,500		13.3%	645,435
Other site costs					
Fees and certification	8.0%	£501,528	8,359	4.5%	218,056
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		**£1,986,028**	33,100		
Statutory 106 Costs (£)					
Education		£207,000	3,450		
Sport & Recreation		£0			
Social Infrastructure		£0			
Public Realm		£0			
Affordable Housing		£0			
Transport		£0			
Highway		£0			
Health		£39,960	666		
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		**£246,960**	4,116		
Marketing (Open Market Housing ONLY)			per OM unit		
Sales/letting Fees	3.0%	£286,350	6,363		
Legal Fees (per Open Market unit):	£650	£29,250	650		
Marketing (Affordable Housing)			per affordable unit		
Developer cost of sale to RP (£)		£5,000	333		
RP purchase costs (£)		£0			
Intermediate Housing Sales and Marketing (£)		£0			
Total Marketing Costs		**£320,600**			
Total Direct Costs			**£8,977,421**		
Finance and acquisition costs					
Land Payment		£632,500	14,056 per OM home	275,000 per hectare	
Arrangement Fee		£10,000	3.1% of interest		

Misc Fees (Surveyors etc)		£3,000	0.03% of scheme value
Agents Fees		£0	
Legal Fees		£6,325	
Stamp Duty		£21,125	
Total Interest Paid		£320,110	
Total Finance and Acquisition Costs			**£993,060**
Developer's return for risk and profit			
Residential			
Market Housing Return (inc OH) on Val	17.5%	£1,670,375	37,119 per OM unit
Affordable Housing Return on Cost	6.0%	£81,144	5,410 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			**£1,751,519**
(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)			
TOTAL COST			£11,722,000
Surplus/(Deficit) at completion 1/3/2023			(£583,643)
Present Value of Surplus (Deficit) at 13/3/2020			(£483,169)
Scheme Investment MIRR		**16.1%** (before Developer's returns and interest to avoid double counting returns)	
Site Value as a Percentage of Total Scheme Value		5.7%	Peak Cash Requirement -£3,520,938
Site Value (PV) per hectare		-£210,073 per hectare	-£102,694 per acre

Appendix VI – HCA Appraisal Tool Output – 5 Affordable Houses and Reduced S106 Cash Contributions

HCA Development Appraisal Tool — Printed 23/03/2020

Surplus (Deficit) from Input land valuation at 13/3/2020 **-£540**

HCA DEVELOPMENT APPRAISAL TOOL

SUMMARY | DETAIL

SCHEME

Site Address	Coalbeach Lane South, Surfleet	Date of appraisal	13/03/2020
Site Reference	20046/JRM/VJM	Net Residential Site Area	2.3
File Source		Author & Organisation	Maxey Grounds LLP, 22 - 24 Market Place, March PE15 9JI
Scheme Description	60 Units with 5 AH and Reducted S106 Contributions	Registered Provider (whe	0

Housing Mix (Affordable + Open Market)

Total Number of Units	60	*units*
Total Number of Open Market Units	55	*units*
Total Number of Affordable Units	5	*units*
Total Net Internal Area (sq m)	5,382	*sq m*
% Affordable by Unit	8.3%	
% Affordable by Area	7.1%	
Density	26	*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	2.30	*hectares*
Net Site Area	2.30	*hectares*
Net Internal Housing Area / Hectare	2,340	*sq m / hectare*

equals 10,192 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	£164,286	£0	£0	£0	£0	
3 Bed House	£191,216	£0	£0	£0	£0	
4 Bed + House	£279,545	£0	£0	£0	£0	
Total Revenue £	**£11,300,000**	**£0**	**£0**	**£0**	**£0**	**£11,300,000**
Net Area (sq m)	4,998	-	-	-	-	4,998
Revenue (£ / sq m)	£2,261	-	-	-	-	

CAPITAL VALUE OF OPEN MARKET SALES **£11,300,000**

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		**£11,300,000**	£ 2,261 psqm
BUILD COST OF OPEN MARKET HOUSING inc Contingency	**£5,891,393**	£ 1,179 psqm	
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING			**£5,408,608**

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		£110,575	£185,594	£296,169
3 Bed House		£122,302	£108,263	£230,565
4 Bed + House				
	£0	£232,877	£293,857	**£526,734**
£ psqm of CV (phase 1)	-	1,351	1,289	

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)		**£526,734**	
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)		**£526,734**	
BUILD COST OF AFFORDABLE HOUSING inc Contingency	**£452,640**	£ 1,179 psqm	
CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING			**£74,094**

Car Parking

No. of Spaces	Price per Space (£)	Value
133	-	£0

HCA Development Appraisal Tool — Printed 23/03/2020

Value of Residential Car Parking				£0	
Car Parking Build Costs			£79,800		
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				**£11,826,734**	
TOTAL BUILD COST OF RESIDENTIAL SCHEME			**£6,423,833**		
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME					**£5,402,902**
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				**£11,826,734**	
TOTAL BUILD COSTS			**£6,423,833**		
TOTAL CONTRIBUTION TO SCHEME COSTS					**£5,402,902**
External Works & Infrastructure Costs (£)			Per unit	% of GDV	per Hectare
Site Preparation/Demolition		£20,000	333	0.2%	8,696
Roads and Sewers		£869,000	14,483	7.3%	377,826
Services (Power, Water, Gas, Telco and IT)		£0			
General Site Landscaping		£25,000	417	0.2%	10,870
Street lighting		£22,500	375	0.2%	9,783
Public Open Space		£50,000	833	0.4%	21,739
SUDs		£75,000	1,250	0.6%	32,609
Plot specific external works		£120,000	2,000	1.0%	52,174
Other 1		£40,000	667	0.3%	17,391
Other 2		£263,000	4,383	2.2%	114,348
		£1,484,500		12.6%	645,435
Other site costs					
Fees and certification	8.0%	£501,528	8,359	4.2%	218,056
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		**£1,986,028**	33,100		
Statutory 106 Costs (£)					
Education		£95,000	1,583		
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		**£95,000**	1,583		
Marketing (Open Market Housing ONLY)			per OM unit		
Sales/letting Fees	3.0%	£339,000	6,164		
Legal Fees (per Open Market unit):	£650	£35,750	650		
Marketing (Affordable Housing)			per affordable unit		
Developer cost of sale to RP (£)		£5,000	1,000		
RP purchase costs (£)		£0			
Intermediate Housing Sales and Marketing (£)		£0			
Total Marketing Costs		**£379,750**			
Total Direct Costs			**£8,884,611**		
Finance and acquisition costs					
Land Payment		£632,500	11,500 per OM home	275,000 per hectare	

HCA Development Appraisal Tool — Printed 23/03/2020

Arrangement Fee		£10,000	3.8% of interest
Misc Fees (Surveyors etc)		£3,000	0.03% of scheme value
Agents Fees		£0	
Legal Fees		£6,325	
Stamp Duty		£21,125	
Total Interest Paid		£265,830	
Total Finance and Acquisition Costs			**£938,780**
Developer's return for risk and profit			
Residential			
Market Housing Return (inc OH) on Valu	17.5%	£1,977,500	35,955 per OM unit
Affordable Housing Return on Cost	6.0%	£26,496	5,299 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			**£2,003,996**

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

TOTAL COST	£11,827,387	
Surplus/(Deficit) at completion 1/3/2023		(£653)
Present Value of Surplus (Deficit) at 13/3/2020		(£540)

Scheme Investment MIRR **24.1%** (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value	5.3%	Peak Cash Requirement	-£3,063,264
Site Value (PV) per hectare	-£235 per hectare	-£115 per acre	