MAXEY GROUNDS

Your Ref:
Our Ref: JRM 20046
Date: 3rd September 2020

Mr L Russell
Seagate Homes
Holbeach Manor
Fleet Road
Holbeach
Lincolnshire
PE12 7AX

Dear Mr Russell

Re: Viability Assessment, Site at Coalbeach Lane South, Surfleet, Lincolnshire

I refer to your email of 2nd September requesting that we consider the affect on the viability of the above site in the light of minor alterations of dwelling types .

This response is provided as an addendum to our report of 23rd March 2020 in the light of these amendments. It should be read in conjunction with that original report and is subject to the same conditions of engagement and terms as that report

Your instructions are that substitute house types are proposed for plots 4-7 and 36-39, in response to requests by the planning authority for scheme amendments. I understand that the variations mean that for these 8 plots the differences are as follows

Plot Number	Original Design	Revised Design
4	Lincoln 4 bed Det	Alnwick 3 bed Semi
5	Richmond 2 bed E Terr	Ludlow 3 bed Semi
6	Richmond 2 bed M Terr	Stirling 1 bed Semi
7	Richmond 2 bed E Terr	Stirling 1 bed Semi
36	Richmond 2 bed E Terr	Richmond 2 bed Semi
37	Richmond 2 bed M Terr	Richmond 2 bed Semi
38	Richmond 2 bed E Terr	Richmond 2 bed Semi
39	Ludlow 3 bed Det	~~Richmond~~ 2 bed Semi Walden
Floor area of these units	618 sq m	562 sq m

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Attached is the revised schedule of accommodation we have utilised to consider the variation to our proposed viable scheme, as set out in our original report, which concluded 5 affordable houses and £95000 total cash contribution could be provided on this site.

We have not re-tested a policy compliant scheme with the varied house types because it is clear from our revised model with 5 Affordable Units that such a scheme would not be viable given that the amendments reduce total build area by only about 1%.

Attached also is our output from the revised scheme which shows that with the revised plot types a scheme of 5 affordable units being 2 one bed room affordable rented, 1 two bed affordable rented and 2 two bed shared ownership with a S106 payment contribution of £100000 produces a viable scheme with a marginally (£5000) higher cash contribution than the original scheme.

As such our conclusion is that with the plot substitutions the scheme will support 5 affordable units with the tenure as above and with a marginal improvement in viability that would allow the cash contribution element to be increase to £100000

Yours sincerely/faithfully

[redacted]

J R MAXEY MA FRICS FAAV
For and on behalf of Maxey Grounds & Co LLP
jmaxey@maxeygrounds.co.uk

Enc:
Revised Stirling House type plan + Walden House type plan + Beckington House type (formerly Berkeley)
Revised accommodation schedule
Output from revised model with 5 affordable units and £100000 S106 cash contribution

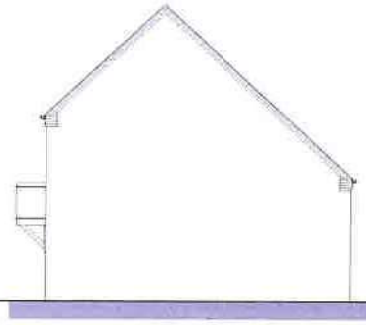
STUDIO 11 ARCHITECTURE

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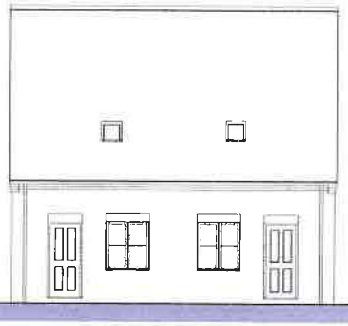
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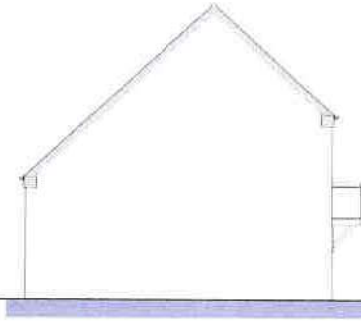
Front Elevation



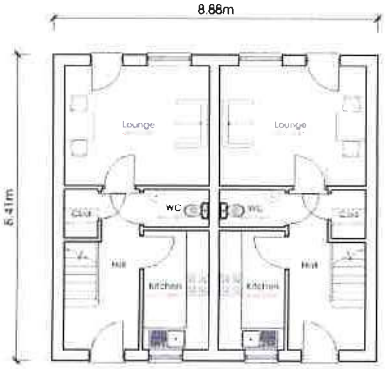
Side Elevation



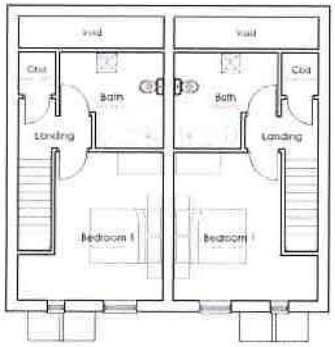
Rear Elevation



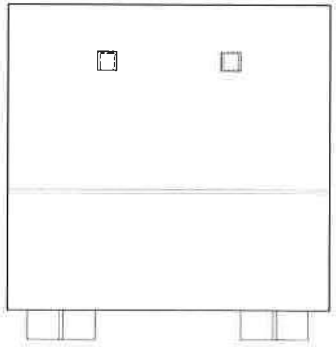
Side Elevation



Ground Floor Plan



First Floor Plan



Roof Plan

STUDIO11 architecture

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CLIENT	Seagate Homes Ltd
PROJECT	Proposed Residential Development at Coalbeach Lane South, Surfleet
DRAWING	Stirling - Floor Plans & Elevations

DRAWN	PROJECT DESIGNER	PROJECT DIRECTOR
EG	KB	KB
DATE	**SCALE**	**PAPER SIZE**
01.09.2020	1:100	A2

DRAWING NUMBER

415.Stir.P.01

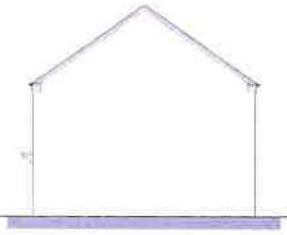
Working in partnership with Ralph Charman Associates & Barren Consultants

ARCHITECTURE

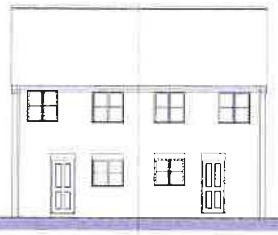
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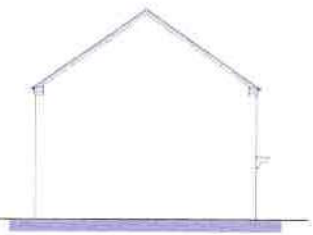
Front Elevation



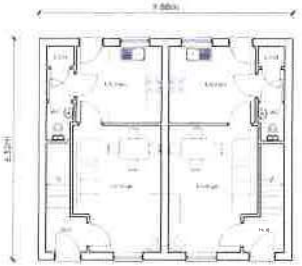
Side Elevation



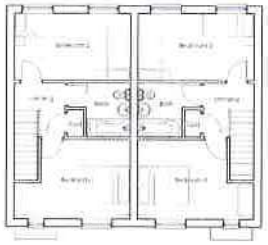
Rear Elevation



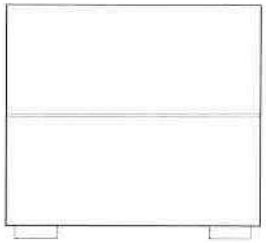
Side Elevation



Ground Floor Plan



First Floor Plan



Roof Plan

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CLIENT Seagate Homes Ltd

PROJECT Proposed Residential Development at Coalbeach Lane South Surfleet

DRAWING Walden - Floor Plans & Elevations

DRAWN	PROJECT DESIGNER	PROJECT DIRECTOR
EG	JMG	KB

DATE	SCALE	PAPER SIZE
03.09.2020	1:100	A1

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Front Elevation

Side Elevation

Rear Elevation

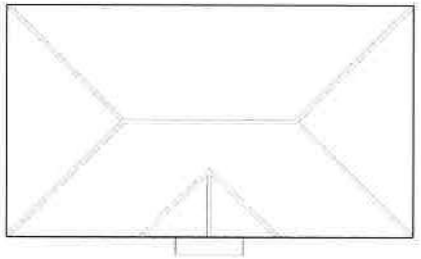
Side Elevation



Ground Floor Plan



First Floor Plan



Roof Plan

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CLIENT	Seagate Homes Ltd
PROJECT	Proposed Residential Development at Coalbeach Lane South, Surfleet
DRAWING	Beckington - Floor Plans & Elevations

DRAWN	PROJECT DESIGNER	PROJECT DIRECTOR
EG	JMG	KB

DATE	SCALE	PAPER SIZE
04.03.2020	1:100	A2

DRAWING NUMBER
415.Bec.P.01

ARCHITECTURE

Revised Version 03/09/2020 with 5 AH and reduced S106

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~~ Walden	2	Semi	5	775	72.0	2	N	2,291	165,000	360	825,000		13,14,39,50,51	
The Hylton	2	Semi	10	821	76.3	3	N	2,294	175,000	763	1,750,000		~~9~~, 11, 12, 27, 28, 41, 42, 48, 49 / 18, 19	
The Auckland	2	Semi	8	902	83.8	3	N	2,177	182,500	671	1,460,000		24, 30, 31, 43, 44 , 8, 9, 23	
The Alnwick	2	Semi	7	932	86.6	3	Y - Single	2,251	195,000	606	1,365,000		4, 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	Semi	1	932	86.6	3	Y - Single	2,251	195,000	87	195,000		5	
The Ludlow	2	Det	1	932	86.6	3	Y - Single	2,424	210,000	87	210,000		3,	
The ~~Berkeley~~ Beckington	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	1	1068	99.3	4	Y - Single	2,519	250,000	99	250,000		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	
			55							5,005	11,270,000			
Shared Ownership														
The Richmond	2	Semi	2	775	72.0	2	N	2,291	165,000	144	330,000	114.00	37, 38	Shared Ownership
			2							144	330,000			
Affordable Rented												Rent (£/w)		
The Richmond	2	Semi	1	775	72.0	2	N	2,291	165,000	72	165,000	114.00	36,~~38~~	Affordable Rent
Stirling	2	Semi	2	538	50.0	1	N	2,600	130,000	50	260,000	100	6,7	Affordable Rented
			3							122	425,000			
			60							5,271	755,000			
													@ 61% = 460,550	(likely contribution from Housing Association)
											Total GDV =	11,730,550		

Surplus (Deficit) from input land valuation at 13/3/2020 -£402

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 9JH
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)	5,326	*sq m*
% Affordable by Unit	8.3%	
% Affordable by Area	5.9%	
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	2,316	*sq m / hectare*

equals 10,066 sqft per acre

Average value (£ per unit)	Open Market Phase 1:	Open Market Phase 2:	Open Market Phase 3:	Open Market Phase 4:	Open Market Phase 5:	Total
1 Bed Flat Low rise	£0	£0	£0	£0	£0	
2 Bed Flat Low rise	£0	£0	£0	£0	£0	
3 Bed Flat Low rise	£0	£0	£0	£0	£0	
4 Bed + Flat Low rise	£0	£0	£0	£0	£0	
1 Bed Flat High rise	£0	£0	£0	£0	£0	
2 Bed Flat High rise	£0	£0	£0	£0	£0	
3 Bed Flat High rise	£0	£0	£0	£0	£0	
4 Bed + Flat High rise	£0	£0	£0	£0	£0	
2 Bed House	£165,000	£0	£0	£0	£0	
3 Bed House	£190,500	£0	£0	£0	£0	
4 Bed + House	£282,500	£0	£0	£0	£0	
Total Revenue £	£11,270,000	**£0**	**£0**	**£0**	**£0**	**£11,270,000**
Net Area (sq m)	5,010	-	-	-	-	5,010
Revenue (£ / sq m)	£2,250	-	-	-	-	

CAPITAL VALUE OF OPEN MARKET SALES **£11,270,000**

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			**£11,270,000**	£ 2,250 psqm
BUILD COST OF OPEN MARKET HOUSING Inc Contingency	**£5,905,538**	£ 1,179 psqm		
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING				**£5,364,463**

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	£255,592	£476,741
3 Bed House				
4 Bed + House				
	£0	£221,150	£255,592	**£476,741**
£ psqm of CV (phase 1)	-	1,390	1,486	

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)			**£476,741**
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)			**£476,741**
BUILD COST OF AFFORDABLE HOUSING Inc Contingency	**£372,485**	£ 1,179 psqm	
CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING			**£104,256**

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			**£11,746,741**	
TOTAL BUILD COST OF RESIDENTIAL SCHEME		**£6,357,823**		
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME				**£5,388,919**
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			**£11,746,741**	
TOTAL BUILD COSTS		**£6,357,823**		
TOTAL CONTRIBUTION TO SCHEME COSTS				**£5,388,919**

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	7.4%	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%	£496,376	8,273	4.2%	215,816
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		**£1,980,876**	33,015		
Statutory 106 Costs (£)					
Education		£100,000	1,667		
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		**£100,000**	1,667		
Marketing (Open Market Housing ONLY)			per OM unit		
Sales/letting Fees	3.0%	£338,100	6,147		
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		**£378,850**			
Total Direct Costs			**£8,817,549**		

Finance and acquisition costs

Land Payment		£632,500	11,500 per OM home	275,000 per hectare
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		£262,674		
Total Finance and Acquisition Costs			**£935,624**	

Developer's return for risk and profit

Residential			
Market Housing Return (inc OH) on Valu	17.5%	£1,972,250	35,859 per OM unit
Affordable Housing Return on Cost	6.0%	£21,804	4,361 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 **£1,994,054**
(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

TOTAL COST	£11,747,227	
Surplus/(Deficit) at completion 1/3/2023		(£485)
Present Value of Surplus (Deficit) at 13/3/2020		(£402)

Scheme Investment MIRR **24.2%** (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value	5.4%	Peak Cash Requirement	-£3,025,752
Site Value (PV) per hectare	-£175 per hectare	-£85 per acre	