MAXEY GROUNDS

VIABILITY ASSESSMENT

OF

SITE AT SUNNYDALE CLOSE
SURFLEET
SPALDING
LINCOLNSHIRE

FOR

ASHWOOD HOMES

ASSESSMENT DATE
13th AUGUST 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: 20087

22-24 Market Place
March
Cambridgeshire PE15 9JH

T: 01354 602030
E: professional@maxeygrounds.co.uk
maxeygrounds.co.uk

Maxey Grounds is the trading name of Maxey Grounds & Co LLP, a Limited Liability Partnership. Regulated by RICS.

MAXEY GROUNDS

INDEX

INDEX 2

NON-TECHNICAL SUMMARY 4

INSTRUCTIONS 6

- CLIENT 6
- PURPOSE OF FVA 6
- ASSET TO BE APPRAISED 6
- SCHEME-SPECIFIC/AREA WIDE FVA 6
- INTEREST IN THE PROPERTY 6
- CLASSIFICATION OF PROPERTY 6
- RICS GUIDANCE/PROFESSIONAL STATEMENTS 6
- BASES OF VALUE 7
- APPRAISAL DATE 7
- IDENTITY OF VALUER 7
- MATERIAL INVOLVEMENT 7
- STATUS OF THE VALUER 7
- CURRENCY 7
- FEE 8
- ASSUMPTIONS AND CAVEATS 8
- SPECIAL ASSUMPTIONS 9
- EXTENT OF INVESTIGATIONS 9
- NATURE AND SOURCES OF INFORMATION PROVIDED 10
- USE AND PUBLICATION OF THIS REPORT 10
- RICS VALUATION – PROFESSIONAL STANDARDS 10
- APPRAISAL METHODOLOGY 10
- LAND VALUE 11
- VALUER COMPETENCE 11

INSPECTION 12

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

SENSITIVITY ANALYSIS 17

CONCLUSIONS 18

APPRAISAL CONCLUSIONS 18
SIGNATURE 18

APPENDICES 19

APPENDIX I – COPY OF INSTRUCTION CORRESPONDENCE 19
APPENDIX II – COPIES OF PLANS 25
APPENDIX III – SCHEDULE OF COMPARABLE EVIDENCE 42
APPENDIX IV – COSTS, VALUES AND OTHER ASSUMPTIONS ADOPTED AND S106 REQUIREMENTS 45
APPENDIX V – HCA APPRAISAL TOOL OUTPUT – POLICY-COMPLIANT SCHEME 49
APPENDIX VI – HCA APPRAISAL TOOL OUTPUT – 6 AFFORDABLE HOUSING UNITS AND REDUCED S106 CASH CONTRIBUTIONS 53

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 Sunnydale Close, Surfleet, Spalding, Lincolnshire. The proposed development comprises 77 residential units, with 25% affordable housing provision and other cash S106 contributions.

The Gross Development Value (GDV) is calculated using market evidence from similar schemes in the area, and therefore values of between £1,799 and £2,425 per m^2 for houses have been adopted, giving sale values of between £177,000 and £295,000 for market units, 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 £1,080 per m^2 has been adopted, which is the average BCIS lower quartile figure. Due to ground conditions, the proposed units will need to be constructed with wider strip foundations and increased slab levels, these costs have been added on separately. Additional build costs of £750 per garage has also been used to allow for this in our calculations and these are based upon actual build costs of similar schemes by the developer in the area.

Additional costs for increased slab levels, the additional filling to the road and site, and the dewatering are due to the Flood Risk of the area. They are based on budgeted figures using development of sites with similar ground conditions in the area and are considered standard development costs in this area.

Other costs adopted, including 6% for Design & Professional Fees, 2.5% Contingency, standard road construction costs, costs for garages and driveways, plot specific external works of £2,000 per plot, 2.5% for marketing, £750 for legal fees on sale and an interest rate of 6.25%, which have all been previously accepted on sites in this area.

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 agricultural 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 £797,500, say £795,000.

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
77 units with 25% Affordable Housing and Full S106 Cash Contributions	-£736,811
77 units with 6 Affordable Housing and Reduced S106 Cash Contributions of £200,000	+£1,742

The fully policy-compliant scheme shows a substantial financial deficit once land value, construction and other costs have been deducted from GDV. Removing all affordable housing and contributions resulted in a surplus, therefore we have adjusted the provision levels to conclude that the scheme can withstand delivery of 6 on-site affordable units and £200,000 in S106 cash contributions. We have conducted a sensitivity analysis which shows variations of the scheme, the results of this are outlined further in the Report, but our conclusion is that the scheme can deliver reduced affordable housing and S106 cash contributions than those imposed by the Local Plan.

MAXEY GROUNDS

INSTRUCTIONS

We refer to instructions from Ashwood Homes 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 8th June 2020, a copy of which is in Appendix I of this Report.

Client

This report has been prepared for Ashwood Homes Ltd of Gateway Business Park, 1 Goodison Road, Spalding, Lincolnshire PE12 6FY

Purpose of FVA

This FVA is required to establish the viability of development of the site having regard to the requirements for affordable housing and potential other section 106 planning requirements that might be imposed in connection with a planning application that will be submitted for residential development.

Asset to be Appraised

The appraisal is of a development site known as Land off Sunnydale Close, Surfleet, Spalding, Lincolnshire.

Scheme-Specific/Area Wide FVA

This FVA is in relation to providing a response to the issue of viability on a site-specific scheme. We have not provided any advice to the Local Planning Authority.

Interest in the Property

This FVA is conducted on the basis that the land it refers to is owned freehold with vacant possession.

Classification of Property

The property is proposed to be developed by Ashwood Homes with 77 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, evidence of this is in Appendix III, which we are required to report, together with the price paid for land, as appropriate.

Appraisal Date

The appraisal and any valuations provided within this report are as at 13th August 2020.

Identity of Valuer

The appraisal has been undertaken by J R Maxey MA (Cantab) FRICS FAAV RICS Registered Valuer, assisted by 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. We have carried out work for Ashwood Homes in the past but we have no interest in the proposed transaction.

Status of the Valuer

The appraisal has been prepared by 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.

They have been assisted by a corporate member of the Royal Institution of Chartered Surveyors.

Currency

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

MAXEY GROUNDS

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 appraisal. 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.

MAXEY GROUNDS

Nature and Sources of Information Provided

We have been provided with copies of all plans for the 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 our own records and discussions with other Local Agents, Developers and other evidence sources including Rightmove Plus. Affordable rental levels have been determined by confirming the maximum Local Housing Allowance Rates on Direct Gov for the area. Figures for appropriate levels of management and repairs costs have been confirmed by local planning authorities, as utilized 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 adopted have been provided by the Client or assumed using our own knowledge, benchmark levels and from published price information by BCIS.

All inputs and information relied upon for this appraisal are researched, evidenced and, in our opinion, reasonably justified, and details are in Appendix III and IV.

Use and Publication of this Report

This appraisal is provided for the stated purpose and for the sole use of the party to whom it is addressed. Maxey Grounds & Co LLP accepts responsibility to the Client named at the start of this Report alone that this report has been prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor, but accept no responsibility whatsoever to any person other than the client himself.

RICS Valuation – Professional Standards

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

Appraisal Methodology

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

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

The 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, 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 that the normal requirement of 25% affordable housing is adopted, comprising 70% as affordable rented and 30% shared ownership. Where a nil provision is considered as an alternative, this is not applicable.

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

Land Value

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

The EUV of Grade 1 agricultural 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, the total benchmark land value of the site is £797,500, say £795,000.

Valuer Competence

The appraisal has been undertaken by a Chartered Surveyor who is a member 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 Land at Sunnydale Close, Surfleet, Spalding, Lincolnshire. The site location is shown on the Plans and Photographs within Appendix II.

Property Description

The property is a greenfield development site upon which it is proposed to develop 77 residential units. No construction work has yet commenced. Plans of the proposed scheme have been supplied by the Client and this appraisal has been based upon those plans. The gross site area is approximately 2.9 Hectares. The size of the units (Gross Internal Area) is provided by way of schedule on the plans and are also reproduced within the inputs to the Development Appraisal Tool, an electronic copy of which has been provided.

Gross Development Value (GDV)

GDV has been calculated using recent comparable evidence from similar schemes in the area.

For the Clyde house-type, there is limited evidence of 3-bedroom semi-detached houses of this size to form our opinion, therefore we have adjusted the figures used for the larger 2-bedroom semi-detached houses, which in our opinion, reflects the market. As such, we have adopted a sale value of £177,000 for this type.

For the Aire, Avon and Coronation house-types, all of which are 3-bedroom semi-detached houses which gradually increase in size from 81m^2 to 87m^2, there is strong comparable evidence of new-builds. We have used the most up-to-date sale figures which produces sale values of between £190,000 and £202,000.

The comparable evidence for 3-bedroom detached houses i.e. Nene, Lock and Mere, varies widely in value and house size due with the biggest influencing factor being whether it is from a larger development or a more exclusive size. As such, we have adopted a similar figure achieved at Atherton Gardens, making these house-types worth £230,000.

Similarly, for the 4-bedroom detached house types, the comparable evidence widely varies in value and house size, with the smaller, more exclusive developments achieving higher sale prices. For the Ribble house-type, which is a 4-bedroom detached house, there is little evidence of a similar size, therefore we have adopted a value in line with a slightly larger dwelling on a similar-sized development. We have used a similar value for the Severn due

to the size of the living accommodation being similar to that of the Ribble, with then an integral single garage on top.

For the larger 4-bedroom detached houses, there is strong recent comparable evidence for properties of that size on larger developments, therefore we have adopted £270,000 and £295,000, which we think accurately reflect the market for this type of house.

For the Shared Ownership and Affordable Rented values, we have adjusted market levels down to reflect the fact they don't have a garage.

Costs

A build cost of £1,080 per m^2 has been adopted, which is the average BCIS lower quartile figure. Due to the ground conditions, we have then allowed for an additional £11.00 per m^2 for the wider strip foundations and £29.00 per m^2 for the increased slab levels. An additional cost of £750 per garage has also been used to reflect the required wide strip foundations. These levels are based upon actual build costs of similar schemes by the developer in the area.

The additional costs for increased slab levels, well-point dewatering, additional stone and filling to roads and the site are to meet planning conditions which have been imposed on sites in that area with similar ground conditions in the past. They are considered standard development costs in this area. The costs adopted have been budgeted based on ground report findings and using benchmark costs from other sites developed by the Client.

Other costs adopted, including 6% for Design & Professional Fees, 2.5% Contingency, standard road construction costs, costs for garages and driveways, plot specific external works of £2,000 per plot, 2.5% 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 of just over £22,000 for the diversion of a high voltage power line.

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 a total of £560,789 S106 cash contributions to be provided. Thereafter the alternative scenario is appraised involving 6 affordable housing units and reduced S106 cash contributions of £200,000.

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 £72,500. This is based upon an agricultural value of £25,000 per gross hectare. 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 around £795,000.

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

Appraisal Outputs

The full output of the HCA DAT tool for a full policy-compliant scheme is set out within Appendix V i.e. 77 units with 25% affordable housing and S106 cash contributions. This scheme produces a **deficit** of around £736,000.

If all affordable housing and S106 cash contributions are removed, this results in a small surplus. Therefore, we have analysed various types of contribution.

Appendix VI gives the amended output figures for a scheme with 6 affordable housing units and reduced S106 cash contributions of £200,000.

MAXEY GROUNDS

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 for a fully policy-compliant scheme at Sunnydale Close, Surfleet. As per the Planning Practice Guidance, it is necessary to investigate why there is such a difference between these two positions, therefore we have compared the closest typology used in 2017 i.e. greenfield site for 150 dwellings with the site at Sunnydale Close, Surfleet. We have adopted the percentages and values per unit accepted in the Local Plan Viability and applied them to a site of 77 units to get a direct comparison on costs. The differences are highlighted below:

Appraisal Input	**2017 Viability Study (Rates/Percentages for 150 dwellings)**	**Sunnydale Close, Surfleet (77 dwellings)**
Density	30 dwellings per Ha	26.6 dwellings per Ha
Average Value	£1,900 per sqm	£2,217 per sqm
Average Dwelling Size	100 sqm	105 sqm
Build Cost	£911 per sqm	£1,080 per sqm
Externals	£701,470 (10% on build cost)	£2,693,118 (34.6% on build cost)
Contingency	3% on build cost	2.5% on build cost
Professional Fees	7% on build cost	6% on build cost
S106	Up to £5,000 per dwelling	£7,283 per dwelling
Sales/Marketing	3% on revenue	2.5% on revenue
Developer Profit	17.5% Market, 6% Affordable	17.5% Market, 6% Affordable
BLV	£300,000 per Ha	£275,000 per Ha
Abnormals	£770,000 (£10,000 per unit)	£0 (£0 per unit)

The main points affecting the viability position for the site at Sunnydale Close, Surfleet in comparison with the Local Plan position are as follows:

- The density of the scheme is lower than assumed in the Local Plan study, which has a negative impact on viability. The scheme is for 77 units on 2.9 Ha.

- The build costs adopted have increased by around 18.6% compared with the Local Plan viability study, which was conducted around 3 years ago, therefore a significant uplift is expected. The build cost adopted for the site at Sunnydale Close, Surfleet is based on the BCIS lower quartile cost of construction alone. Additional costs for wider strip foundations and increasing the slab levels have been added in addition to this. The foundation and level issues were not points modelled in the Local Plan Viability study.

- The sales values are around 16.7% higher than the figures used the in Local Plan viability study, and this is reasonable considering price inflation since 2017. The values adopted for Sunnydale Close, Surfleet are based on what has been achieved on other new-build sites in the locality, and this constitutes clear and strong evidence to justify the values adopted.
  However, with the build costs having increased more than sale prices, this implies that the difference between these figures has narrowed since the Local Plan testing. This results in 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 abnormals in the Local Plan study totalling £10,000 per unit compared with our assessment of externals at Sunnydale Close, Surfleet totalling 34.6% on build cost, with no additional allowance for abnormals for the subject site, given all costs incurred are being encountered on most sites. Applying these figures combined to a site of 77 units would give figures for the Local Plan study of £701,470 for externals and £770,000 for abnormals, compared with £2,693,118 for externals in our model for Sunnydale Close, Surfleet; specifically, this is an overall difference of £1,221,648.
  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, extra filling to the road and site to increase levels, 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.

MAXEY GROUNDS

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 6 affordable housing units and S106 contributions of £200,000 is shown in the table below:

	At BCIS Level	+5%	-5%
GDV at Evidence Level	+£1,742	-£373,222	+£375,182
+5%	+£547,976	-	+£920,380
-5%	-£549,573	-£925,943	-

MAXEY GROUNDS

CONCLUSIONS

Appraisal Conclusions

We are of the opinion that a fully policy-compliant scheme for 77 units with 25% affordable dwellings and S106 cash contributions of 560,789 will show a financial deficit (present value) of around £736,000, based upon the current market value and affordable rents of the proposed units, the projected costs and profit level adopted within the appraisal and BLV for the site of £795,000.

We are further of the opinion that if the scheme had no affordable housing provision or S106 requirements this would result in a surplus. Therefore, we have adjusted the levels of affordable housing and S106 cash contributions and conclude that the scheme can provide delivery of 6 on-site affordable housing units (split as 4 affordable rented and 2 shared ownership) and £200,000 in S106 cash contributions.

Signature

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

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

Date of Report:
13th August 2020

MAXEY GROUNDS

APPENDICES

Appendix I – Copy of Instruction Correspondence

MAXEY GROUNDS

Your Ref:
Our Ref: JMK/JW/20087
Date: 8th June 2020

Mr A King
Ashwood Homes
Gateway Business Park
1 Goodison Road
Spalding
Lincolnshire
PE12 6FY

Dear Mr King,

Re: Confirmation of Financial Viability Assessment Instructions
Asset: Development Site at Sunnydale Close, Surfleet, Lincolnshire

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: Ashwood Homes

Purpose of Valuation: To establish viability of the proposed development

Asset to be Valued: Land at Sunnydale Close, 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.

[illegible]
maxeygrounds.co.uk

Chartered Surveyors, Auctioneers, Valuers, Land & Estate Agents since 1793

RICS

MAXEY
GROUNDS

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

Material Involvement: Neither Maxey Grounds & Co LLP nor the Valuers have any conflict of interest in preparing this viability assessment. We have previously carried out work for Ashwood Homes but we have no interest in the proposed transaction.

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

Special Assumptions: For the purposes of this FVA, we have assumed that the site under consideration is 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 £4,000 + 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 5th January 2020). Please sign and return one copy at your earliest convenience to agree the Conditions of Engagement & Terms of Business.

Yours sincerely

John Maxey

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 5th January 2021).

Signed: .....

Date: .....



MAXEY GROUNDS

MAXEY GROUNDS & CO LLP

STANDARD FINANCIAL VIABILITY ASSESSMENT CONDITIONS OF ENGAGEMENT & TERMS OF BUSINESS

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

1. The Client shall be the individual or body as identified in the covering Confirmation of FVA Instructions Letter
2. The purpose of the FVA shall be as set out in the covering Confirmation of FVA Instructions Letter.
3. The asset subject to the FVA shall be as set out in the covering Confirmation of FVA Instructions Letter
4. The interest to be appraised shall be as set out in the covering Confirmation of FVA Instructions Letter.
5. The classification of the asset to be appraised shall be as set out in the covering Confirmation of FVA Instructions Letter
6. Unless otherwise specifically set out in the covering Confirmation of FVA Instructions Letter, the value advised by Maxey Grounds & Co LLP shall be the Market Value, defined by the RICS Valuation- Global Standards 2020: "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion" and/or the Market Rent, defined by the RICS Valuation - Global Standards 2020 as: "The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion" and/or the statutory definition of Market Value defined by the Taxation of Chargeable Gains Act 1992 or Inheritance Tax Act 1984 or Finance Act 2005, 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 the 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;

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. 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 5th January 2020

MAXEY GROUNDS

Appendix II – Copies of Plans



KEY:

SITE BOUNDARY:

1800mm Facing Brick wall: (brick to match adjacent property)

Bin Collection Areas:

Affordable housing locations: *

SCHEDULE:

	Unit	Beds	Storey	SqFt	Parking	No
Market						
	Clyde	3	2	783	sg	10
	Aire	3	2	870	sg	6
	Avon	3	2	910	sg	8
	Coronation	3	2	932	sg	2
	Nene	3	2	1,077	sg	9
	Lock	3	2	1,079	sg	5
	Mere	3	2	1,079	sg	8
	Ribble	4	2	1,283	dg	1
	Severn	4	2	1,228	sdg	6
	Balmoral	4	2	1,460	dg	2
	Tay	4	2	1,770	dg	3
					Sub-Tot	58
Affordable Housing *						
	A516	1	2	516	ps	2
25%	A732	2	2	732	ps	5
	A902	3	2	902	ps	12
					Sub-Tot	19
					Total	77

REVISIONS:

Rev A: Electric cable easement added. 26.2.20

Rev B: Updated to Planners comments, numbers reduced to 77. 29.6.20

NKW DESIGN

PRELIMINARY

PROJECT: SUNNYDALE CLOSE, TURFLEET

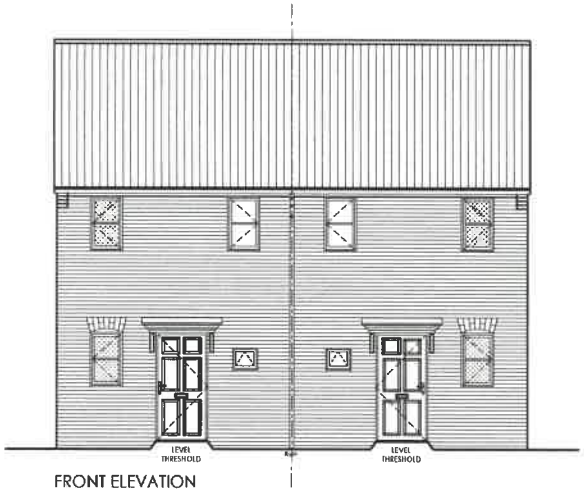
TITLE: PRELIMINARY PLANNING LAYOUT

CLIENT: ASHWOOD HOMES

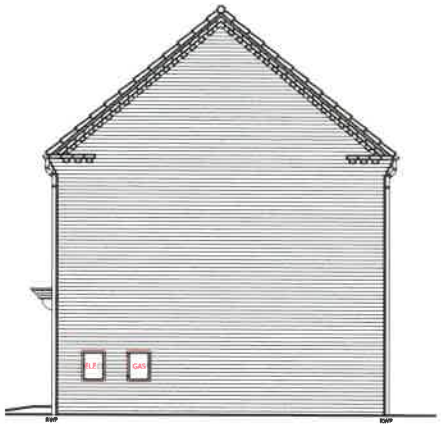
SPALDING, LINCOLNSHIRE

SCALE: 1:500 @ A1 | DATE: FEBRUARY 2020 | DRAWN: LM

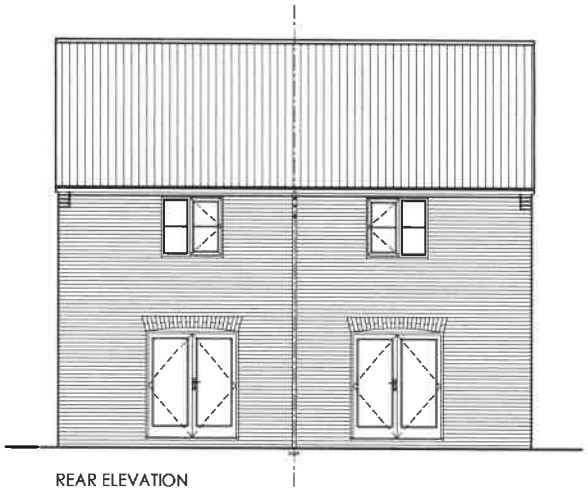
DRAWING NUMBER: 1280-003 | REV: B



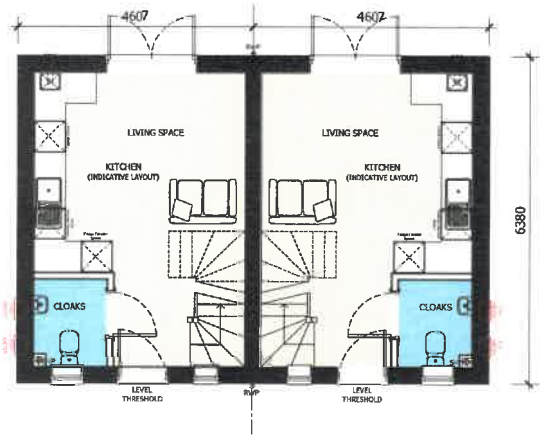
FRONT ELEVATION



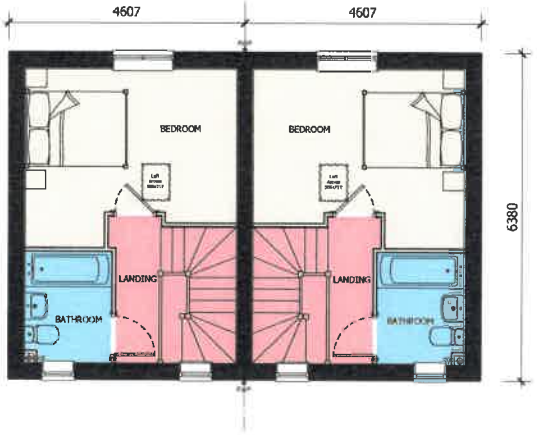
SIDE ELEVATION



REAR ELEVATION



GROUND FLOOR



FIRST FLOOR



SCALE BAR

REV	DATE	DESCRIPTION

ASHWOOD HOMES
1 Goodison Road, Lincs Gateway Business Park, Spalding, Lincs, PE12 6PY T: 01406 490890

PROJECT:
PROPOSED RESIDENTIAL DEVELOPMENT AT MASTER
MASTER

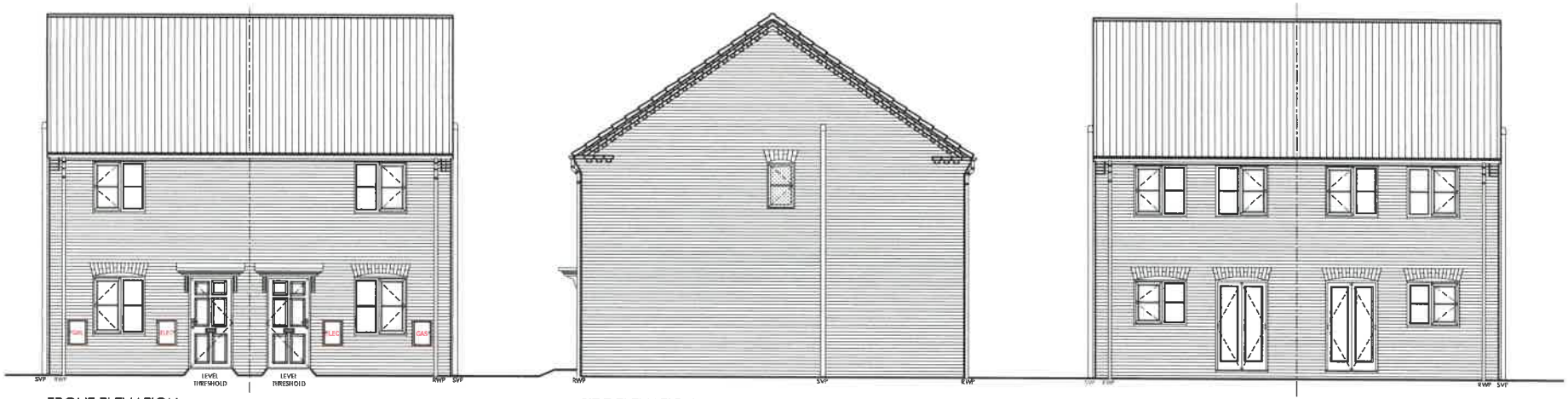
HOUSE TYPE:
A516(R) - 516 FT²

DRAWING TITLE:
DESIGN SHEET

SCALE: 1:100 @ A1	DATE: 10.09.2019
DRAWN: AR	REV: -

DRAWING No:
19.0 - A516(R) - 001

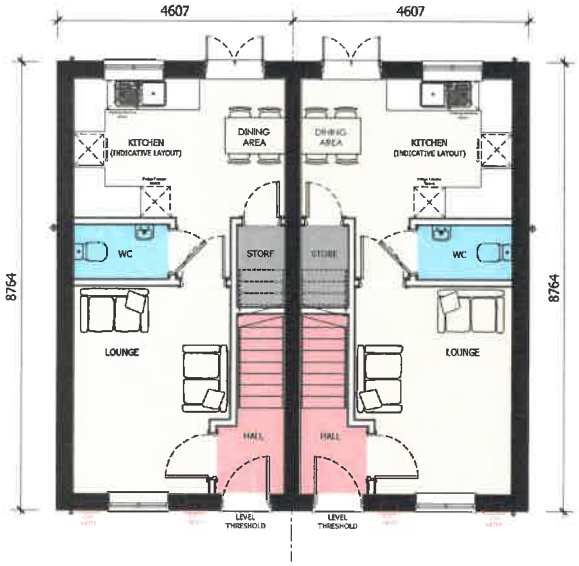
PLOTS AS : TBC
PLOTS OP : TBC



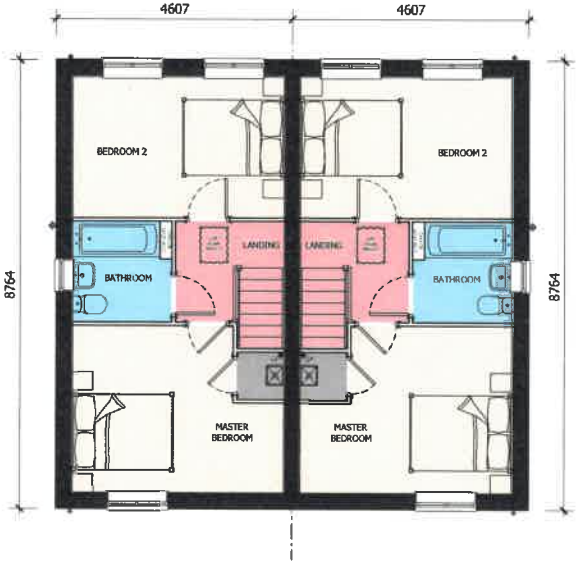
FRONT ELEVATION

SIDE ELEVATION

REAR ELEVATION



GROUND FLOOR



FIRST FLOOR



SCALE BAR

REV	DATE	DESCRIPTION

ASHWOOD HOMES
1 Goodison Road, Lincs Gateway Business Park, Spalding, Lincs, PE12 6FY T: 01406 490580

PROJECT:
PROPOSED RESIDENTIAL DEVELOPMENT AT
STREET
TOWN

HOUSE TYPE:
A732(R) - (732 FT²)

DRAWING TITLE:
DESIGN SHEET

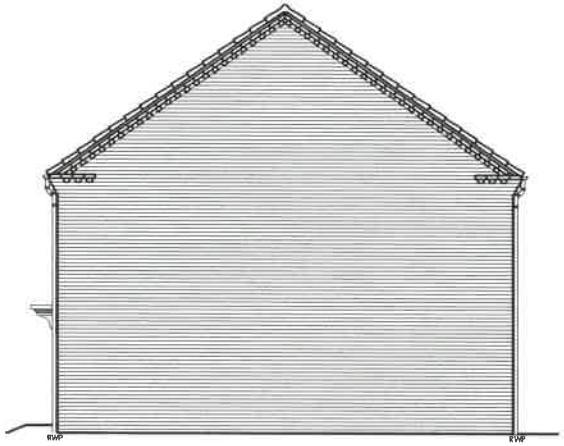
SCALE: 1:100 @ A3	DATE: 25.09.2019
DRAWN: XX	REV: -

DRAWING No:
19.0 - A732(R) - 001

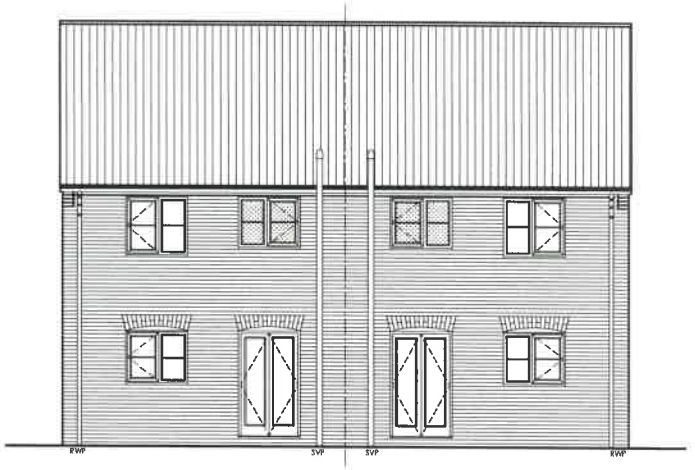
PLOTS AS : TBC
PLOTS OP : TBC



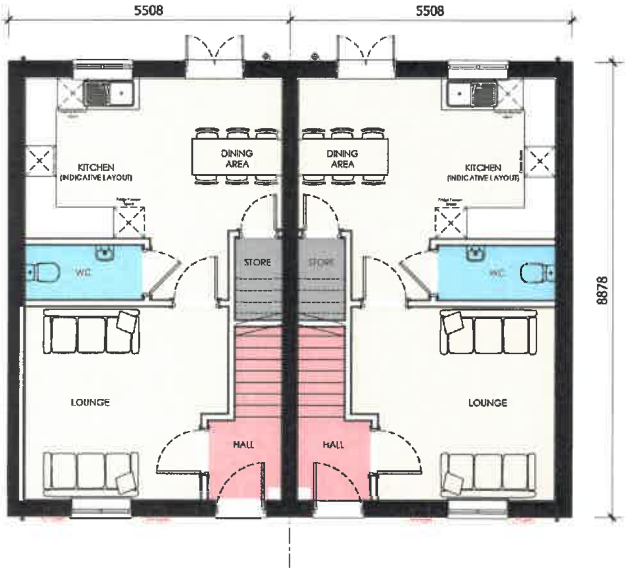
FRONT ELEVATION



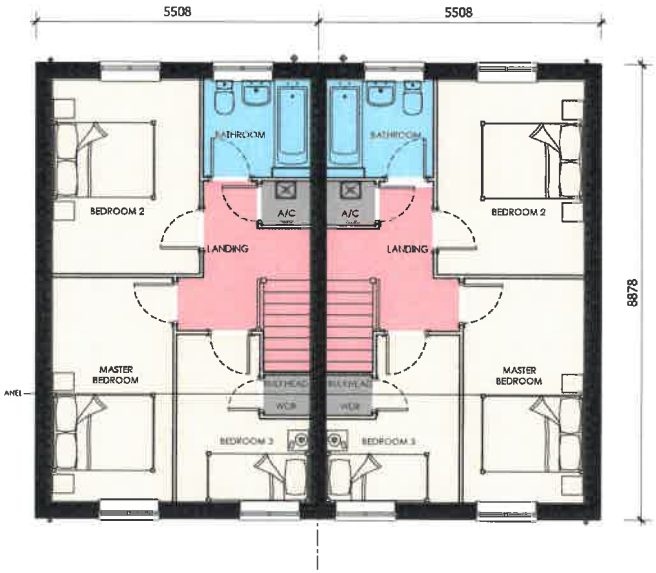
SIDE ELEVATION



REAR ELEVATION



GROUND FLOOR



FIRST FLOOR



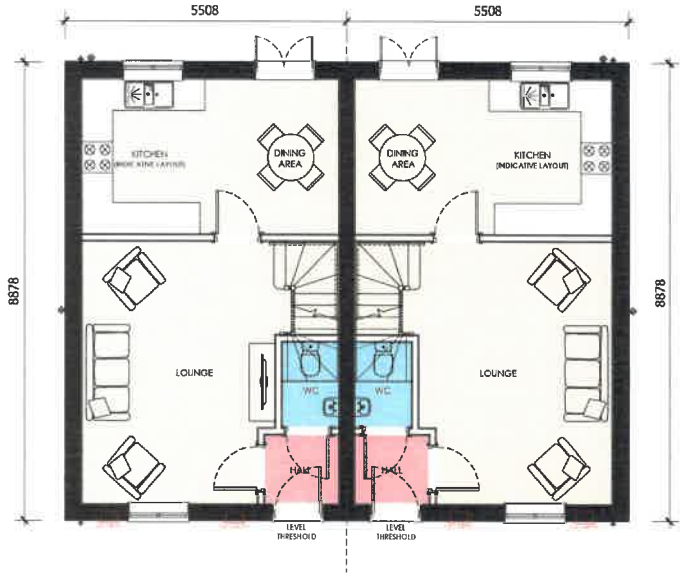
SCALE BAR

PLOTS AS : TBC
PLOTS OP : TBC

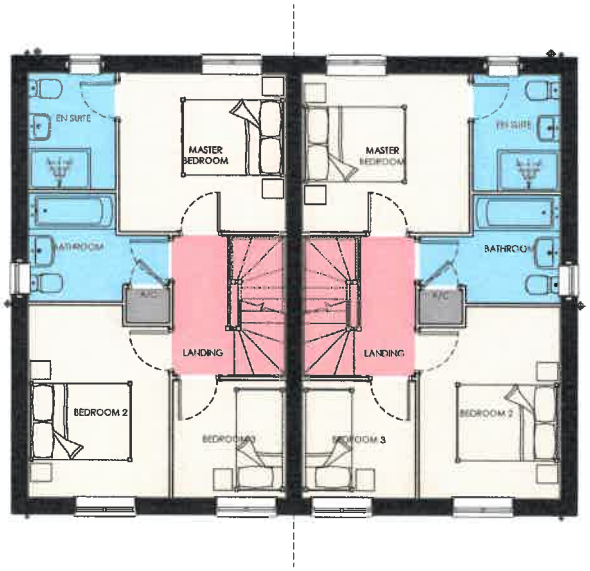
REV	DATE	DESCRIPTION

ASHWOOD HOMES
1 Goodison Road, Lincs Gateway Business Park, Spalding, Lincs. PE12 6FY T: 01406 490690

PROJECT: PROPOSED RESIDENTIAL DEVELOPMENT AT STREET TOWN	
HOUSE TYPE: A902(R) - (902 FT²)	
DRAWING TITLE: DESIGN SHEET	
SCALE: 1:100 @ A3	DATE: 11.09.2019
DRAWN: XX	REV: -
DRAWING No: 19.0 - A902(R) - 001	



GROUND FLOOR

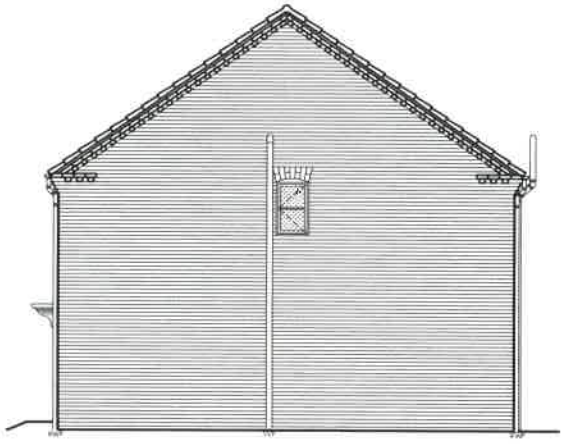


FIRST FLOOR

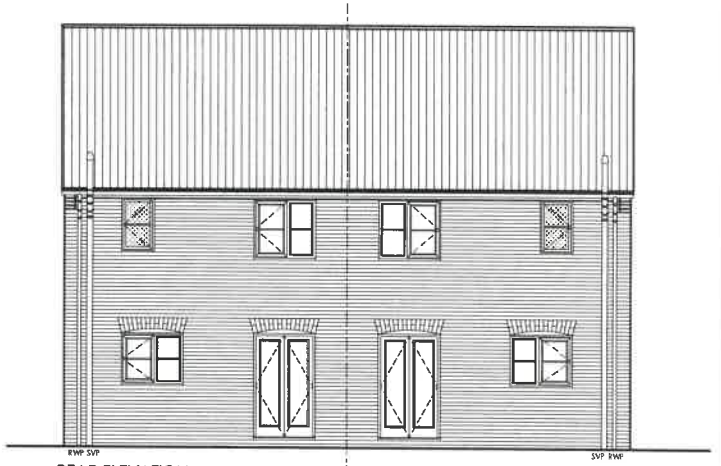




FRONT ELEVATION



SIDE ELEVATION



REAR ELEVATION



SCALE BAR

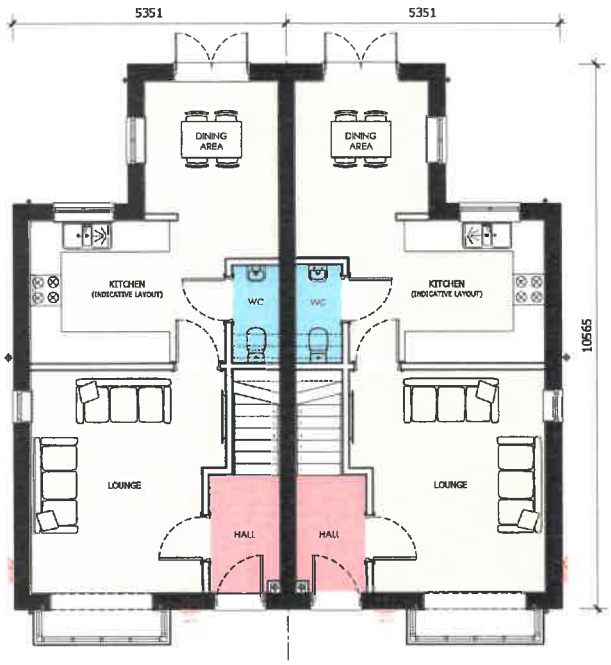
ASHWOOD HOMES

1 Goodison Road, Lincs Gateway Business Park, Spalding, Lincs, PE12 6FY T: 01406 490590

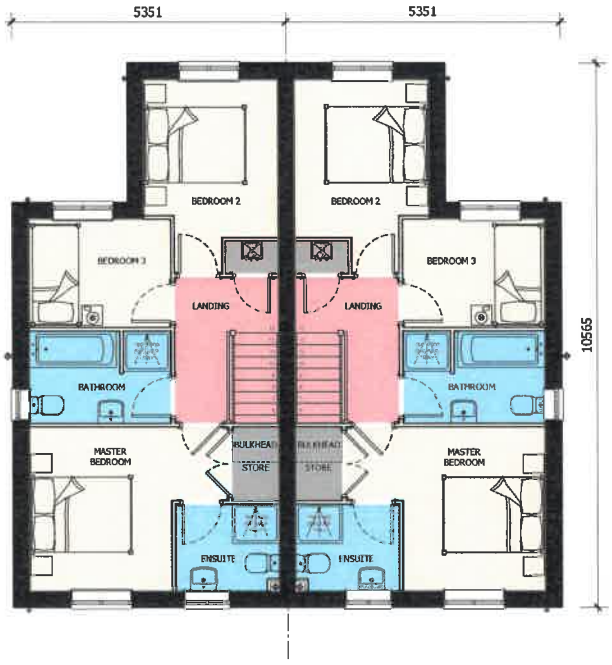
HOUSE TYPE: AIRE (902 FT²)

DRAWING TITLE: DESIGN SHEET

DRAWING NUMBER: AIRE-001



GROUND FLOOR



FIRST FLOOR

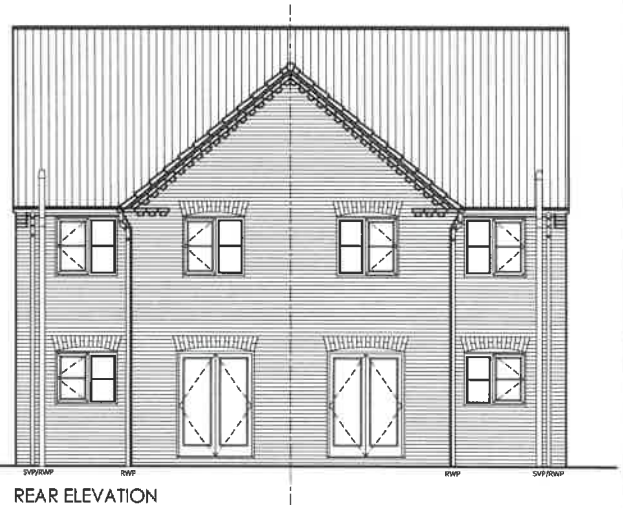




FRONT ELEVATION



SIDE ELEVATION



REAR ELEVATION



SCALE BAR

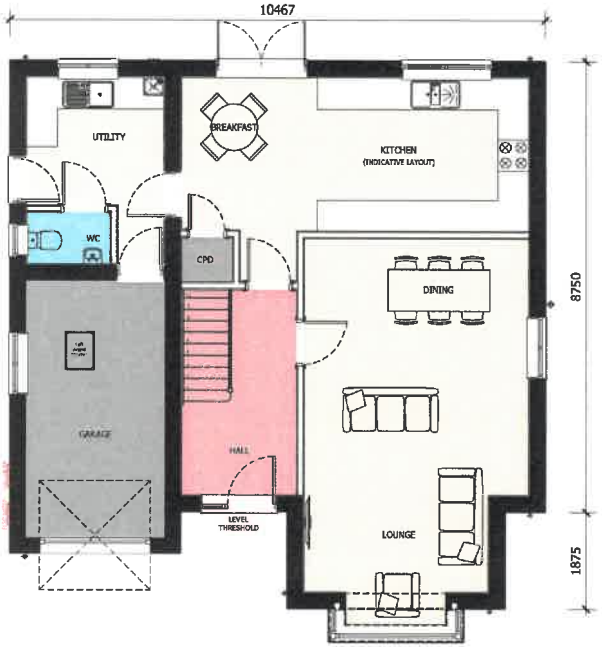
ASHWOOD HOMES

1 Goodison Road, Lincs Gateway Business Park, Spalding, Lincs, PE12 6FY T: 01406 490560

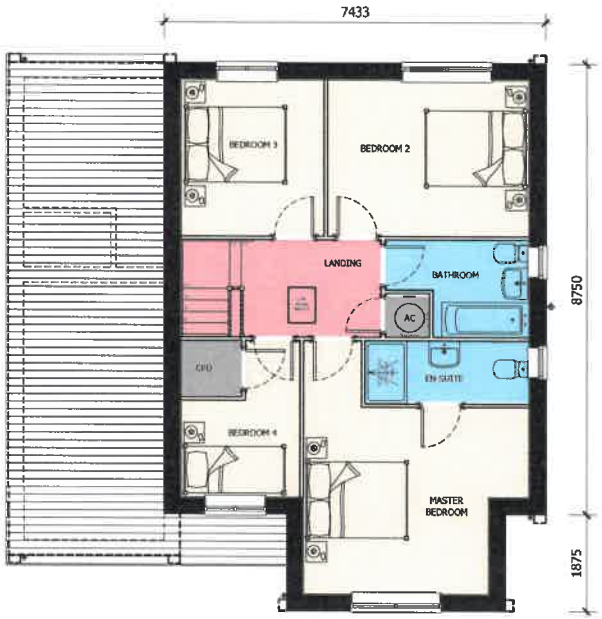
HOUSE TYPE: AVON (910 FT²)

DRAWING TITLE: DESIGN SHEET

DRAWING NUMBER: AVON-001



GROUND FLOOR PLAN

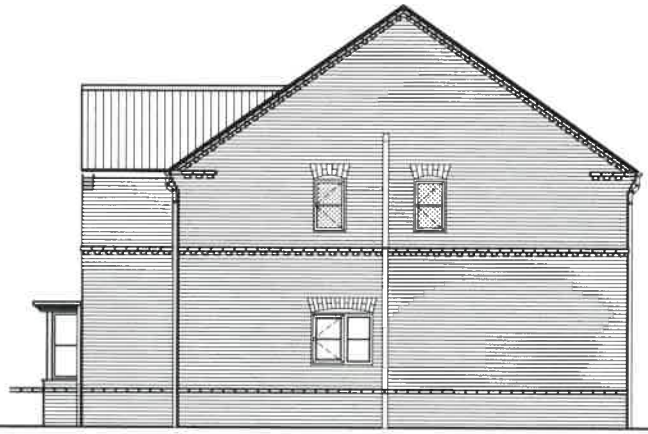


FIRST FLOOR PLAN

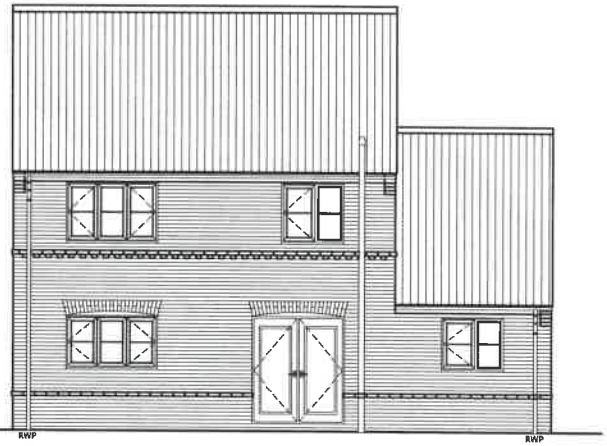




FRONT ELEVATION



SIDE ELEVATION



REAR ELEVATION



SCALE BAR

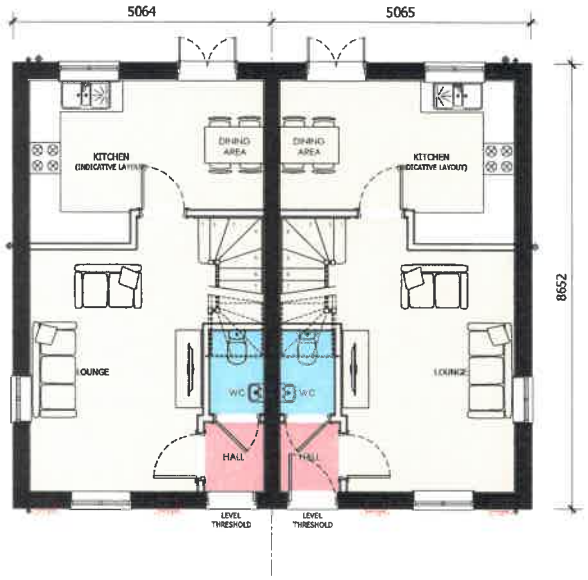
ASHWOOD HOMES

1 Goodison Road, Lincs Gateway Business Park, Spalding, Lincs, PE12 6FY T: 01406 490590

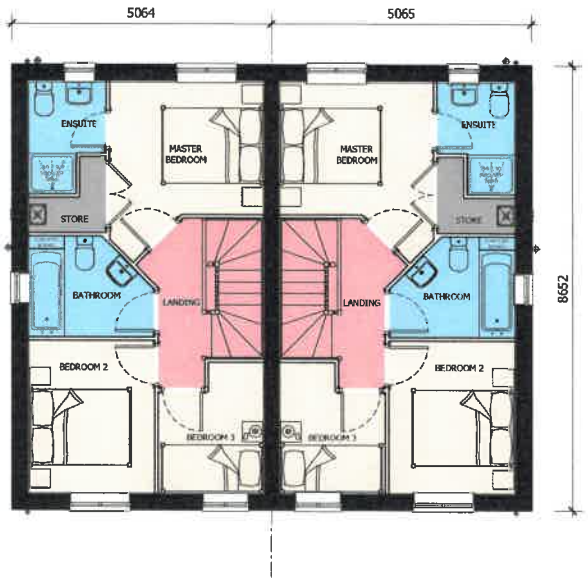
HOUSE TYPE: BALMORAL (1460)

DRAWING TITLE: DESIGN SHEET

DRAWING NUMBER: BALMORAL-001



GROUND FLOOR



FIRST FLOOR

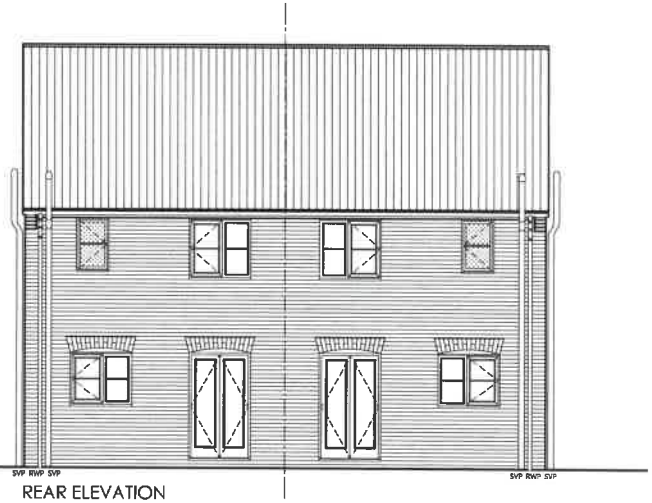




FRONT ELEVATION



SIDE ELEVATION



REAR ELEVATION



SCALE BAR

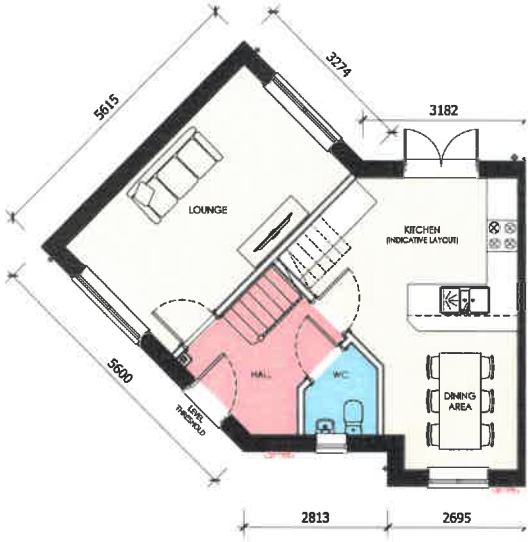
ASHWOOD HOMES

1 Goodison Road, Lincs Gateway Business Park,
Spalding, Lincs, PE12 6FY T: 01406 490590

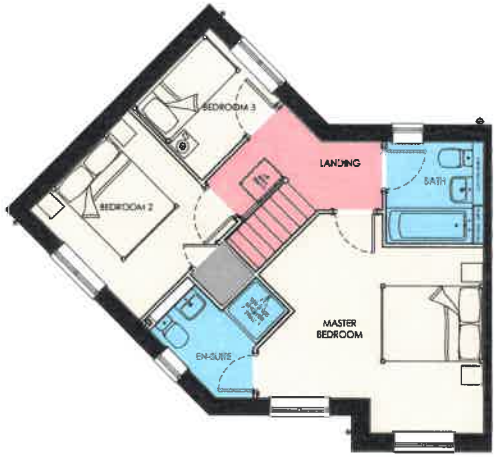
HOUSE TYPE: CLYDE (783 FT²)

DRAWING TITLE: DESIGN SHEET

DRAWING NUMBER: CLYDE-001



GROUND FLOOR



FIRST FLOOR

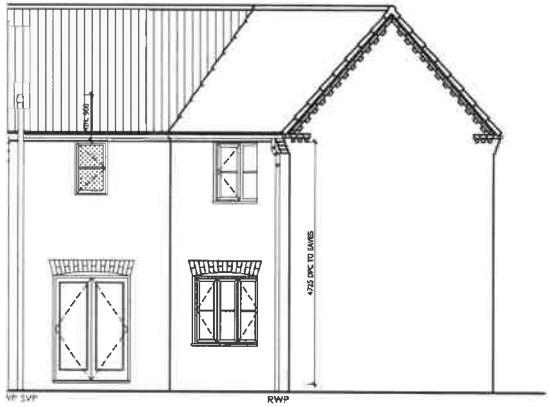




FRONT ELEVATION



SIDE ELEVATION



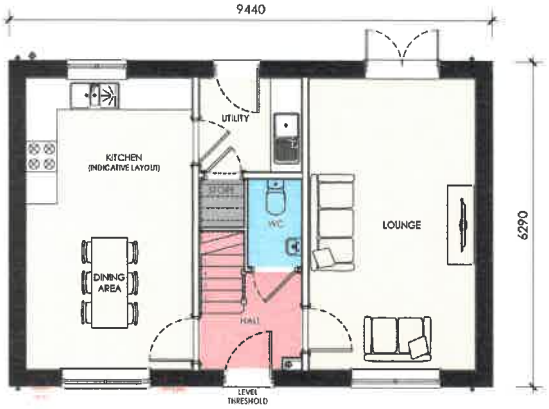
ASHWOOD HOMES

1 Goodison Road, Lincs Gateway Business Park,
Spalding, Lincs, PE12 6FY T: 01406 490590

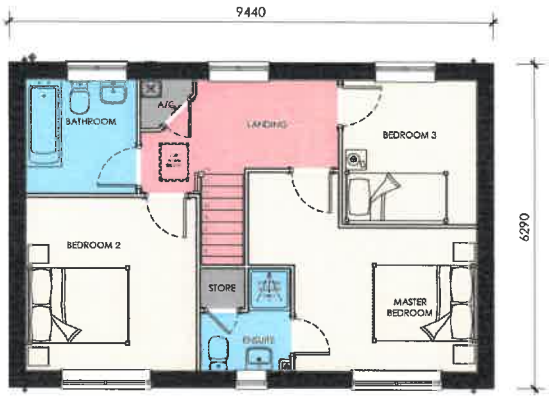
HOUSE TYPE: CORONATION (932 FT²)

DRAWING TITLE: DESIGN SHEET

DRAWING NUMBER: CORONATION-001



GROUND FLOOR

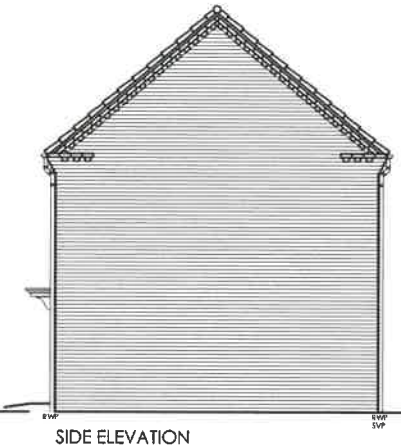


FIRST FLOOR





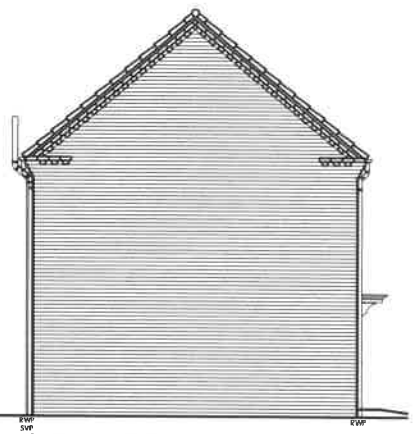
FRONT ELEVATION



SIDE ELEVATION



REAR ELEVATION



SIDE ELEVATION



1:100

SCALE BAR

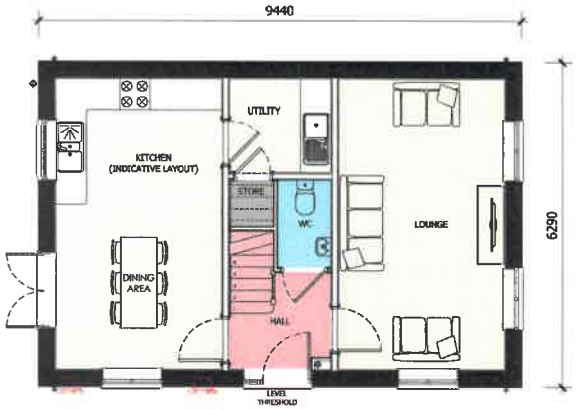
ASHWOOD HOMES

1 Goodison Road, Lincs Gateway Business Park,
Spalding, Lincs, PE12 6FY T: 01406 490590

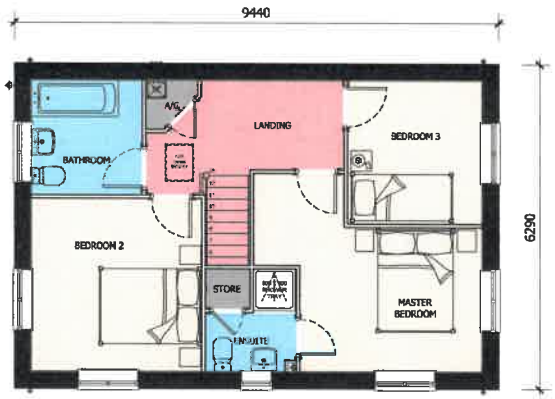
HOUSE TYPE: LOCK (1079 FT²)

DRAWING TITLE: DESIGN SHEET

DRAWING NUMBER: LOCK-001



GROUND FLOOR

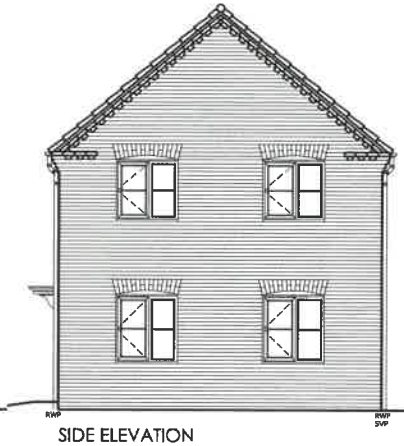


FIRST FLOOR

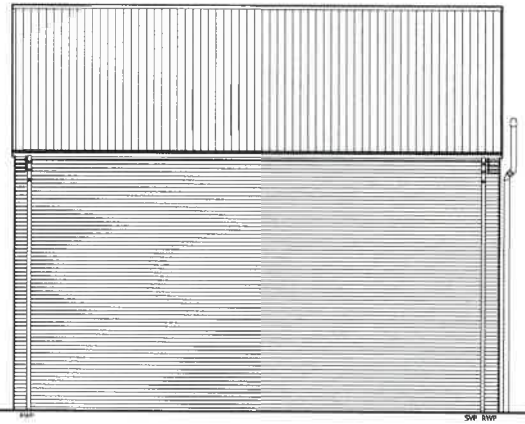




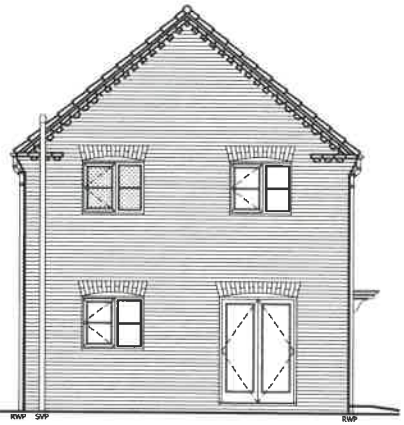
FRONT ELEVATION



SIDE ELEVATION



REAR ELEVATION



SIDE ELEVATION



SCALE BAR

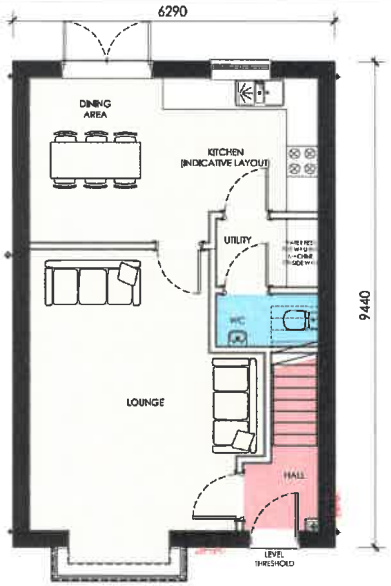
ASHWOOD HOMES

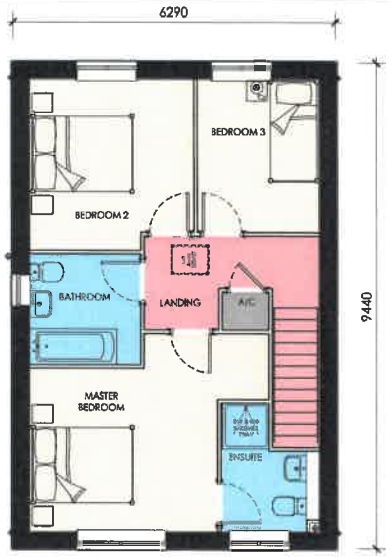
1 Goodison Road, Lince Gateway Business Park,
Spalding, Lincs. PE12 6FY T: 01406 490590

HOUSE TYPE: MERE (1080 FT²)

DRAWING TITLE: DESIGN SHEET

DRAWING NUMBER: MERE-001

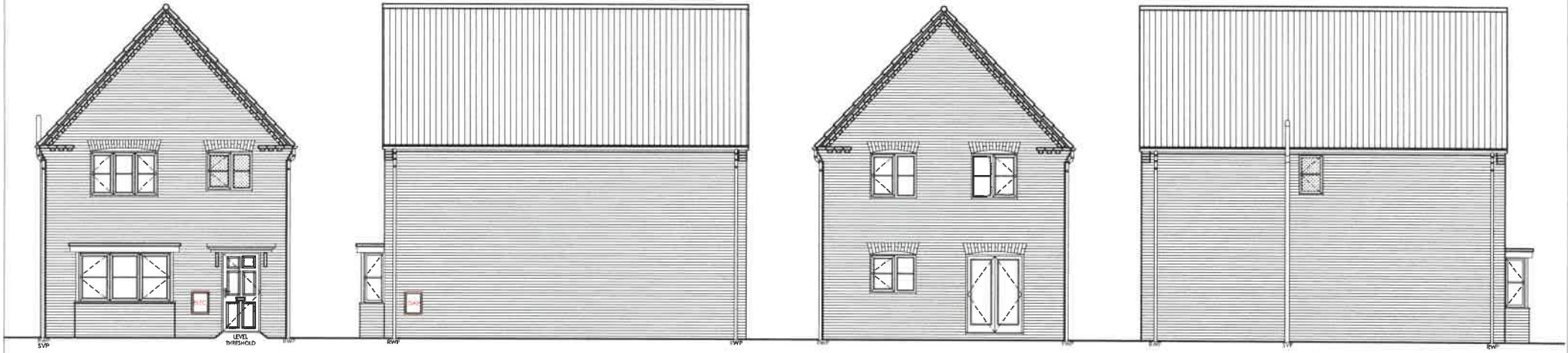






GROUND FLOOR

FIRST FLOOR



FRONT ELEVATION

SIDE ELEVATION

REAR ELEVATION

SIDE ELEVATION

1:100



SCALE BAR

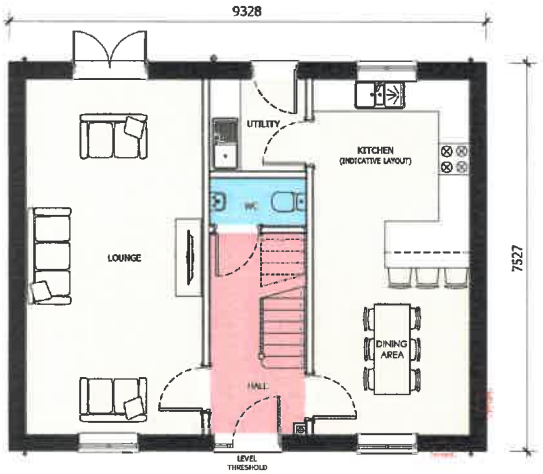
ASHWOOD HOMES

1 Goodlson Road, Linca Gateway Business Park, Spalding, Lincs, PE12 6FY T: 01406 490590

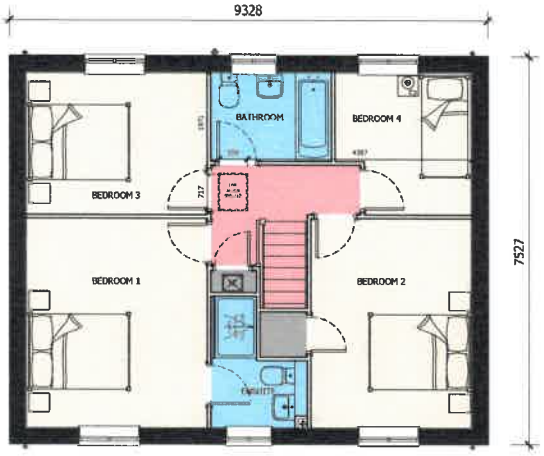
HOUSE TYPE: NENE (1065 FT²)

DRAWING TITLE: DESIGN SHEET

DRAWING NUMBER: NENE-001



GROUND FLOOR

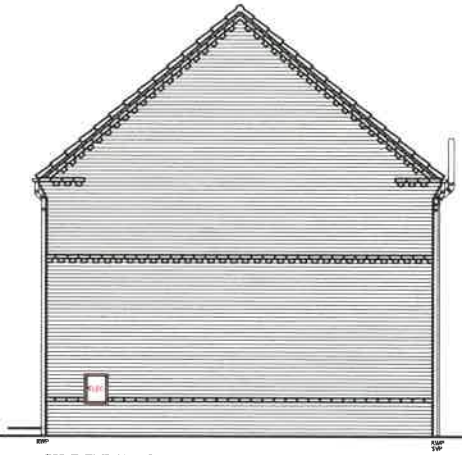


FIRST FLOOR





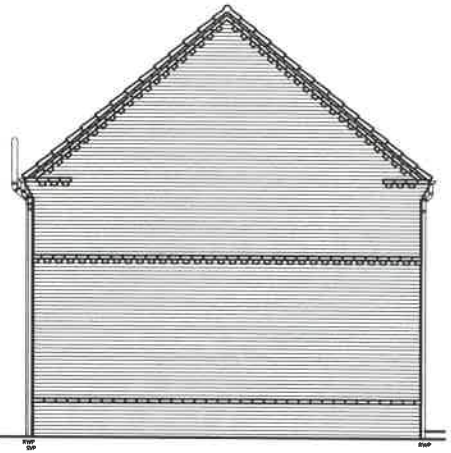
FRONT ELEVATION



SIDE ELEVATION



REAR ELEVATION



SIDE ELEVATION



1:100

SCALE BAR

ASHWOOD HOMES

1 Goodison Road, Lincs Gateway Business Park,
Spalding, Lincs, PE12 6FY T: 01406 490590

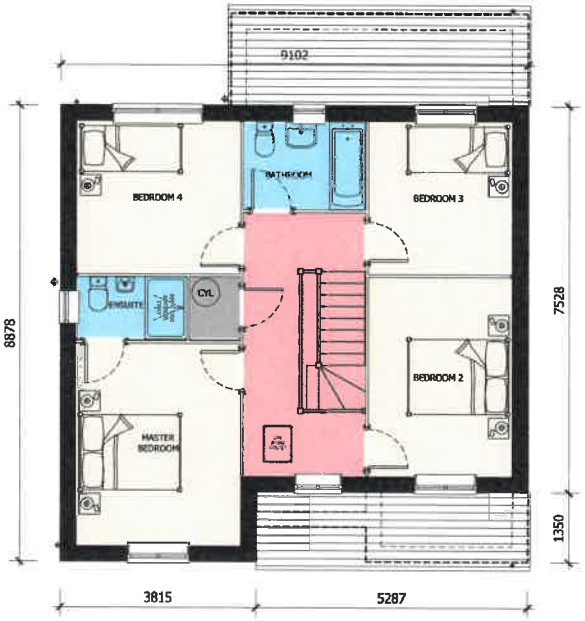
HOUSE TYPE: RIBBLE-V (1283 FT²)

DRAWING TITLE: DESIGN SHEET

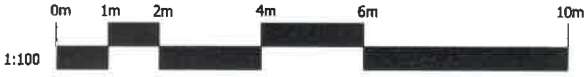
DRAWING NUMBER: RIBBLE-V-001



GROUND FLOOR



FIRST FLOOR



SCALE BAR

ASHWOOD HOMES

1 Goodison Road, Lincs Gateway Business Park, Spalding, Lincs, PE12 6FY T: 01406 490590

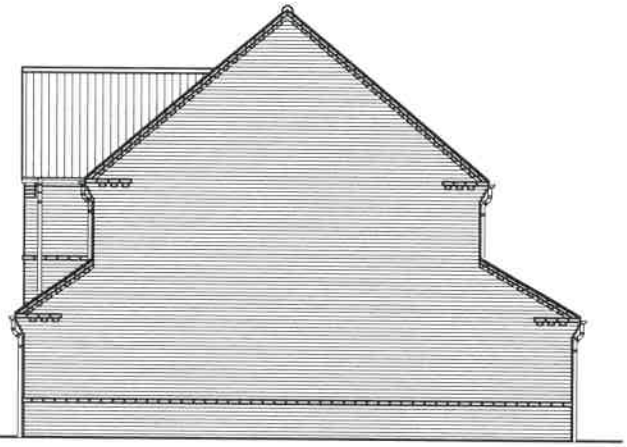
HOUSE TYPE: SEVERN (1345 FT²)

DRAWING TITLE: DESIGN SHEET

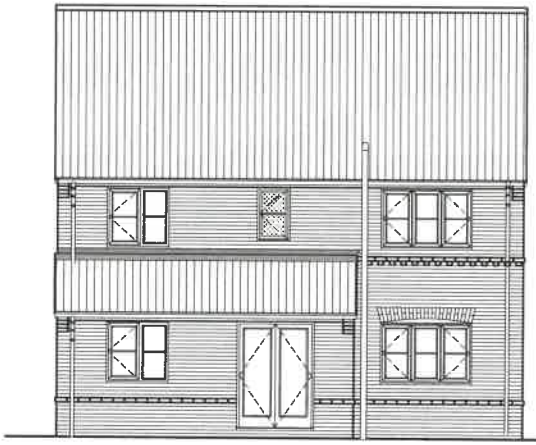
DRAWING NUMBER: SEVERN-001



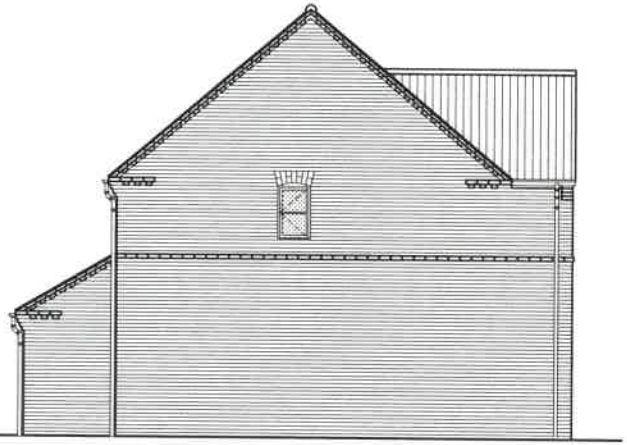
FRONT ELEVATION



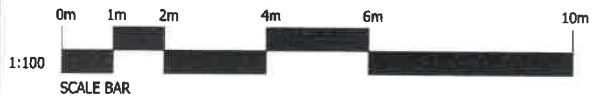
SIDE ELEVATION



REAR ELEVATION



SIDE ELEVATION



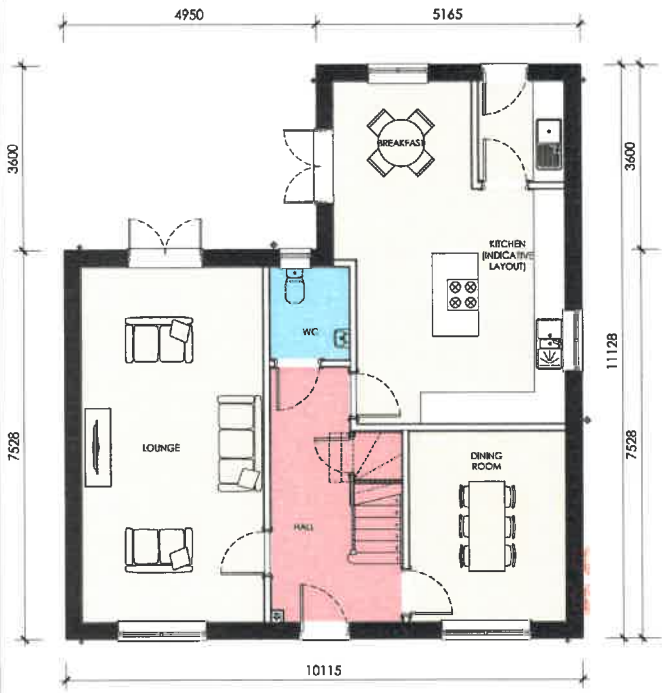
ASHWOOD HOMES

1 Goodison Road, Lincs Gateway Business Park,
Spalding, Lincs. PE12 6FY T: 01406 490500

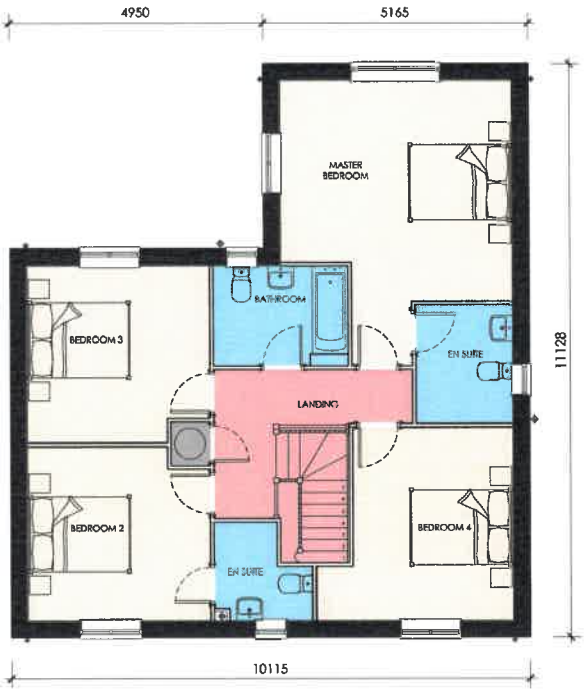
HOUSE TYPE: SEVERN (1345 FT²)

DRAWING TITLE: DESIGN SHEET

DRAWING NUMBER: SEVERN-002



GROUND FLOOR



FIRST FLOOR





FRONT ELEVATION



SIDE ELEVATION



REAR ELEVATION



1:100

SCALE BAR

ASHWOOD HOMES

1 Goodison Road, Lincs Gateway Business Park, Spalding, Lincs, PE12 6FY T: 01406 490590

HOUSE TYPE: TAY (1770 FT²)

DRAWING TITLE: DESIGN SHEET

DRAWING NUMBER: TAY-001

MAXEY GROUNDS

Appendix III – Schedule of Comparable Evidence

Address	Style	Beds	Price (£)	Area (sq m)	£/sq m	Status	Date	Parking/Garage	Notes
113 Atherton Gardens, Pinchbeck	Det	5	£269,995	124	£2,177	Completed	22/02/2019	Y - Double	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
73 Atherton Gardens, Pinchbeck	Det	5	£320,000	158	£2,025	Completed	20/12/2019	Y - Single	New build
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
23 Palgrave Way, Pinchbeck	Det	4	£249,995	121	£2,066	Completed	28/02/2019	Y - Single	New build
3 Dairy Close, Pinchbeck	Det	4	£289,950	122	£2,377	Completed	28/10/2019	Y - Single	New build
26 Roeburn Way, Spalding	Det	4	£254,000	123	£2,065	Completed	17/01/2020	Unknown	New build in 2013
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
4 Bentley Court, Spalding	Det	4	£269,950	134	£2,015	Completed	22/10/2019	Y - Single	New build
6 Dairy Close, Pinchbeck	Det	4	£279,950	134	£2,089	Completed	15/11/2019	Y - Single	New build
1 Bentley Court, Spalding	Det	4	£289,950	138	£2,101	Completed	20/09/2019	Y - Single	New build
72 Risegate Road, Gosberton	Det	4	£285,000	151	£1,887	Completed	22/03/2018	Y - Double	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
2 Lowther Avenue, Moulton	Det	4	£285,000	151	£1,887	Completed	25/06/2018	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
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
8 Tower Gardens, Sutterton	Det	4	£288,000	164	£1,756	Completed	22/03/2018	Y - Single	New build
25 Nicolette Way, Spalding	Det	3	£204,000	80	£2,550	Completed	20/12/2019	Y - Single	New build in 2017
8 Braydon Close, Spalding	Det	3	£193,995	80	£2,425	Completed	22/11/2019	Unknown	New build
83 Atherton Gardens, Pinchbeck	Det	3	£209,995	83	£2,530	Completed	18/10/2019	Off-Road Parking	New build
1 Irwell Close, Spalding	Det	3	£172,000	87	£1,977	Completed	20/12/2019	Single	New build
85 Atherton Gardens, Pinchbeck	Det	3	£227,000	92	£2,467	Completed	12/11/2019	Y - Single	New build
5 Dairy Close, Pinchbeck	Det	3	£245,000	93	£2,634	Completed	15/11/2019	Y - Single	New build
1 Welch Close, Whaplode	Det	3	£220,000	94	£2,340	Completed	22/11/2019	Single Int	New build
1 Lowther Avenue, Moulton	Det	3	£195,000	98	£1,990	Completed	27/07/2018	Unknown	New build
123 Atherton Gardens, Pinchbeck	Det	3	£212,995	100	£2,130	Completed	29/06/2018	Y - Single	New build
20 Orwell Drive, Spalding	Det	3	£225,595	112	£2,014	Completed	10/01/2020	Single	New build
8 Lowther Avenue, Moulton	Det	3	£239,995	119	£2,017	Completed	23/07/2018	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
6 Derwent Way, Spalding	Semi	3	£170,000	78	£2,179	Completed	17/02/2020	Off-Road Parking	New build in 2013
41 Witham Road, Spalding	Terr	3	£170,000	80	£2,125	Completed	13/12/2019	Unknown	New build
5 Irwell Close, Spalding	Terr	3	£170,000	80	£2,125	Completed	13/12/2019	O/R P	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
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
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
22 Palgrave Way, Pinchbeck	Semi	3	£182,500	83	£2,199	Completed	31/05/2019	Y - Single	New build
20 Palgrave Way, Pinchbeck	Semi	3	£181,995	83	£2,193	Completed	22/02/2019	Y - Single	New build
79 Atherton Gardens, Pinchbeck	Semi	3	£192,995	83	£2,325	Completed	29/11/2019	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
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
72 Vicount Close, Pinchbeck	E-Terr	3	£170,000	85	£2,000	Completed	11/02/2020	Off-Road Parking	New build in 2014

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				
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				
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				
23 Witham Road, Spalding	Semi	3	£195,995	87	£2,253	Completed	20/12/2019	Unknown	New build				
25 Witham Road, Spalding	Semi	3	£195,995	87	£2,253	Completed	20/12/2019	Unknown	New build				
35 Witham Road, Spalding	Semi	3	£190,000	87	£2,184	Completed	20/12/2019	Unknown	New build				
37 Witham Road, Spalding	Semi	3	£193,995	87	£2,230	Completed	22/11/2019	Unknown	New build				
39 Witham Road, Spalding	E-Terr	3	£170,000	87	£1,954	Completed	13/12/2019	Unknown	New build				
4 Braydon Close, Spalding	Semi	3	£193,995	87	£2,230	Completed	20/12/2019	Unknown	New build				
5 Braydon Close, Spalding	Semi	3	£193,995	87	£2,230	Completed	20/12/2019	Unknown	New build				
6 Braydon Close, Spalding	Semi	3	£191,995	87	£2,207	Completed	20/12/2019	Unknown	New build				
7 Braydon Close, Spalding	Semi	3	£192,995	87	£2,218	Completed	20/12/2019	Unknown	New build				
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				
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				
16 Lowther Avenue, Moulton	Semi	3	£197,000	99	£1,990	Completed	28/09/2018	Y - Single	New build				
38 Viscount Close, Pinchbeck	Semi	2	£145,000	61	£2,377	Completed	25/01/2019	Allocated Parking	New build in 2015				
8 Welch Close, Whaplode	Semi	2	£150,000	63	£2,381	Completed	20/01/2020	O/R P	New build				
1 Braydon Close, Spalding	E-Terr	2	£161,995	64	£2,531	Completed	20/12/2019	Unknown	New build				
4 Viscount Close, Pinchbeck	Semi	2	£148,000	67	£2,209	Completed	12/04/2019	Allocated Parking	New build in 2011				
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				
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				
1 Doyle Lane, Spalding	E-Terr	2	£161,995	72	£2,250	Completed	04/12/2019	O/R P	New build				
12 Doyle Lane, Spalding	M-Terr	2	£156,995	74	£2,122	Completed	28/03/2019	Unknown	New build				
Small 2-Beds													
217 Winsover Road, Spalding	M-Terr	2	£100,000	53	£1,887	Completed	01/11/2019	None	Good condition throughout but not modern				
43 Havelock Street, Spalding	E-Terr	2	£120,000	78	£1,538	Completed	18/15/19	None	Good condition throughout but not modern				
27 Medlock Crescent, Spalding	M-Terr	2	£102,000	50	£2,040	Completed	18/02/2019	OR P	Good condition throughout but not modern				
3 Poppy Close, Spalding	M-Terr	2	£106,000	73	£1,452	Completed	24/08/2018	OR P	Good condition, modern, new in 2014				
39a Delgate Avenue, Weston	E-Terr	2	£107,000	70	£1,529	Completed	19/12/2018	None	Good condition, modern, new in 2014				
39b Delgate Avenue, Weston	M-Terr	2	£125,000	70	£1,786	Completed	16/12/2019	None	Good condition, modern, new in 2014				
30 Bluebell Close, Spalding	M-Terr	2	£110,000	73	£1,507	Completed	14/06/2019	OR P	Good condition, modern, new in 2015				
10 Charlotte Walk, Quadring	M-Terr	2	£125,000	71	£1,761	Completed	25/11/2019	OR P	Good condition, 20 years old				
1b Six House Bank, West Pinchbeck	M-Terr	2	£125,000	63	£1,984	Completed	29/11/2019	OR P	Immaculately presented, new in 2006				
28 Churchgate, Sutterton	E-Terr	2	£135,000	69	£1,957	Completed	05/04/2019	OR P	Immaculately presented, new in 2004, large corner garden				
On the Market							**Marketed**						
Plot 8, Pinchbeck Fields, Pinchbeck	Det	5	£300,000	120	£2,500	Asking	06/07/2020	OR P/Single	New build	Discount 5% for incentives	£285,000	£2,375	
The Middlethorpe, Wardentree Lane, Pinchbeck	Det	5	£300,000	145	£2,069	Asking	24/06/2020	OR P/Single	New build	Discount 5% for incentives	£285,000	£1,966	
Risegate, Gosberton Risegate	Det	4	£295,000	135	£2,185	Asking	18/10/2019	OR P/Double	New build	Discount 5% for incentives	£280,250	£2,076	Now SSTC
The Raithby, Wardentree Lane, Pinchbeck	Det	4	£290,000	148	£1,959	Asking	24/06/2020	OR P/Single	New build	Discount 5% for incentives	£275,500	£1,861	Now SSTC
The Old Dairy, Pennyfields, Pinchbeck	Det	4	£279,950	100	£2,800	Asking	10/01/2020	OR P/Single	New build	Discount 5% for incentives	£265,953	£2,660	Price reduced on 14/7/20

MAXEY GROUNDS

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

APPENDIX IV COST AND OTHER ASSUMPTIONS ADOPTED

Viability Assessment	Ref 20087
Client	Ashwood Homes
Site	Site at London Sunnydale Close, Surfleet

Statement of Assumptions Made within Appraisal Calculations
Value for the site adopted is £795,000, based upon the existing use value of around £25,000 per gross hectare plus a premium of £250,000 per gross hectare. Site area is approx. 2.9 Ha.

Total of 77 Units (see detailed Accommodation Schedule)

19 Affordable Dwellings split into: 70% affordable rented (13)
30% shared ownership (6)

Construction and Development Costs (Standard)
Timescales 2 years construction period from 1st January 2021
OM Sales start from 1st July 2021 and finish 1st April 2023

Build Cost Market & Affordable Housing (6,941 sqm)		£ 1,080/ sqm	£7,496,280		
Additional Cost for Foundations (wide strip)	Houses	£11.00 per sqm	£76,351		
Increase Slab Levels (Ave. 1004mm)		£29.00 per sqm	£201,289		(77 plots @ £1,009 per plot)
Total House Build				**£7,773,920**	
6% Design and Professional Fees					
2.5% Contingency Allowance		(Greenfield site)			
SUDs and Storm Attenuation (inc. Attenuation Crates)			£247,710		(1,077 cu metres @ £230 /cu metre)
Roads	Approx 465m run of adopted roadway at £2,100 per m run		£976,500		
Parking	154 parking spaces at £600 per space		£92,400		
	Additional Driveway Areas		£106,444		(2,129 sqm @ £50 /sq m)
Garages	20 singles @ £9,000 each		£180,000		
	14 pairs @ £13,500 each		£189,000		
	4 doubles @ £13,000 each		£52,000		
Additional Cost for Foundations (wide strip)	38 x Garages	£750 each	£28,500		
Onsite establishment and welfare (inc. site office, services etc)			£15,000		
Plot specific external works (i.e. patio, fencing etc) @ £2,000 per plot			£154,000		
General Site Landscaping (inc. landscaping POS)			£42,690		
Well Point Dewatering (Both Sides)			£98,580		
Additional Stone to Road to make up levels (Ave. 695mm)			£129,131		(2,583 cu m @ £50 /cu m)
Additional Road Construction (Triax GeoGrid TX170-G under Additional Stone			£15,659		(3,196 sq m @ £4.90 /sq m)
Filling around Plots to Raise Levels (Ave. 890mm)			£253,629		(16,908 cu m @ £15 /cu m)
Clearing of Drains to Site Perimeter			£15,000		
Adopted Road Crossing of Ditch			£20,000		
HV 260m Electric Diversion Cost			£22,359		
Cycle Storage Shed	77 @ £708 each		£54,516		
Total Externals				**£2,693,118**	

Affordable Housing & S106 Contributions

Affordable Housing	19 units
Education Contribution	£433,344
NHS Contribution	£50,820
S106 Indexation	£72,625
Monitoring and Legal Costs	£4,000
Total Cash S106	**£560,789**

Finance and SDLT
SDLT on purchase price (£795,000) @ 3.68% £29,250
Finance costs of £15,000 arrangement costs plus £5,000 survey and valuation cost plus 6.25% interest(ave)

Marketing / agents' costs for Market units of 2.5% selling and £750 per unit legal costs
Developers return of 17.5% on Market units and 6% on Affordables

Accommodation Schedule & GDV

House Type	Storeys	Type	No. Units	Size (sqft)	Size (sqm)	Beds	Value/Sqm (£)	Value/Unit (£)	Total Sqm	GDV (£)		Parking/Garage	Plot Numbers
Market													
Clyde	2	Semi	10	783	73	3	2,425	177,000	730	1,770,000		2 x OR/Single	5, 6, 10, 11, 12, 13, 62, 63, 65, 66
Aire	2	Semi	6	870	81	3	2,346	190,000	486	1,140,000		2 x OR/Single	7, 8, 33, 34, 60, 61
Avon	2	Semi	8	910	85	3	2,318	197,000	680	1,576,000		2 x OR/Single	28, 29, 30, 31, 57, 58, 67, 68
Coronation	2	Semi	2	932	87	3	2,322	202,000	174	404,000		2 x OR/Single	56, 77
Nene	2	Det	9	1,077	100	3	2,300	230,000	900	2,070,000		2 x OR/Single	3, 4, 32, 35, 47, 51, 55, 59, 74
Lock	2	Det	5	1,079	100	3	2,300	230,000	500	1,150,000		2 x OR/Single	15, 48, 50, 64, 71
Mere	2	Det	8	1,079	100	3	2,300	230,000	800	1,840,000		2 x OR/Single	2, 14, 24, 25, 26, 54, 70, 72
Ribble	2	Det	1	1,283	119	4	2,101	250,000	119	250,000		2 x OR/Double	69
Severn	2	Det	4	1,229	114	4	2,193	250,000	456	1,000,000		2 x OR/Single Int	27, 52, 53, 73
Balmoral	2	Det	2	1,460	136	4	1,985	270,000	272	540,000		2 x OR/Single Int	1, 76
Tay	2	Det	3	1,770	164	4	1,799	295,000	492	885,000		2 x OR/Double	9, 49, 75
			58	Ave.	105	Ave.	2,217		5,609	**12,625,000**	**12,625,000**		
Shared Ownership													
A732	2	Semi	4	732	68	2	2,471	168,000	272	672,000		2 x OR/None	16, 17, 20, 21
A902	2	Semi	2	902	84	3	2,262	190,000	168	380,000		2 x OR/None	22, 23
			6						440	**1,052,000**	**1,052,000**		
Affordable Rented											**Rent (£/w)**		
A516	2	Semi	2	516	48	1	2,708	130,000	96	260,000	100.00	2 x OR/None	18, 19
A732	2	Semi/E-Terr	6	732	68	2	2,471	168,000	408	1,008,000	132.00	2 x OR/None	36, 38, 39, 40, 41, 43
A732	2	Mid-Terr	2	732	68	2	2,397	163,000	136	326,000	132.00	2 x OR/None	37, 42
A902	2	Semi/E-Terr	2	902	84	3	2,262	190,000	168	380,000	150.00	2 x OR/None	44, 46
A902	2	Mid-Terr	1	902	84	3	2,202	185,000	84	185,000	150.00	2 x OR/None	45
			13						892	**2,159,000**			
			77						6,941	**3,211,000**			
									AH	@ 65% =	**2,087,150**		(likely contribution from Housing Associ
										Total GDV =	**15,764,150**		

BCIS® RICS®

£/m2 study

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

Last updated: 18-Jul-2020 00:48

› Rebased to South Holland (99; sample 6)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
810. Housing, mixed developments (15)	1,271	639	1,106	1,236	1,389	2,884	1238
810.1 Estate housing							
Generally (15)	1,268	619	1,085	1,224	1,387	4,393	1594
Single storey (15)	1,424	810	1,204	1,369	1,600	4,393	262
2-storey (15)	1,227	619	1,068	1,195	1,338	2,671	1223
3-storey (15)	1,293	794	1,064	1,237	1,448	2,591	104
4-storey or above (15)	2,680	1,302	2,154	2,405	3,579	3,962	5
810.11 Estate housing detached (15)	1,642	954	1,238	1,397	1,650	4,393	21
810.12 Estate housing semi detached							
Generally (15)	1,262	750	1,088	1,243	1,389	2,339	377
Single storey (15)	1,396	901	1,194	1,379	1,553	2,339	75
2-storey (15)	1,230	750	1,087	1,209	1,351	2,137	288
3-storey (15)	1,205	899	975	1,177	1,284	1,837	14
810.13 Estate housing terraced							
Generally (15)	1,304	794	1,071	1,236	1,440	3,962	313
Single storey (15)	1,471	971	1,236	1,380	1,747	2,078	33
2-storey (15)	1,259	797	1,063	1,211	1,389	2,671	230
3-storey (15)	1,300	794	1,052	1,226	1,428	2,591	48
4-storey or above (10)	3,771	3,579	-	-	-	3,962	2

© RICS 2020

MAXEY GROUNDS

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

Surplus (Deficit) from Input land valuation at 20/7/2020 -£736,811

HCA DEVELOPMENT APPRAISAL TOOL

SUMMARY DETAIL

SCHEME

Site Address	Site at Sunnydale Close, Surfleet, Spalding	Date of appraisal	20/07/2020
Site Reference	20087	Net Residential Site Area	2.9
File Source		Author & Organisation	Maxey Grounds, 22-24 Market Place, March PE15 9JH
Scheme Description	77 Units with 19 Affordable Units and S106 Cash Contributions	Registered Provider (whe	0

Housing Mix (Affordable + Open Market)

Total Number of Units	77	*units*
Total Number of Open Market Units	58	*units*
Total Number of Affordable Units	19	*units*
Total Net Internal Area (sq m)	6,941	*sq m*
% Affordable by Unit	24.7%	
% Affordable by Area	19.2%	
Density	27	*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	2.90	*hectares*
Net Site Area	2.90	*hectares*
Net Internal Housing Area / Hectare	2,393	*sq m / hectare*

equals 10,424 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	£207,292	£0	£0	£0	£0	
4 Bed + House	£267,500	£0	£0	£0	£0	
Total Revenue £	**£12,625,000**	**£0**	**£0**	**£0**	**£0**	**£12,625,000**
Net Area (sq m)	5,609	-	-	-	-	5,609
Revenue (£ / sq m)	£2,251	-	-	-	-	

CAPITAL VALUE OF OPEN MARKET SALES **£12,625,000**

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 **£12,625,000** £ 2,251 psqm
BUILD COST OF OPEN MARKET HOUSING inc Contingency **£6,209,163** £ 1,107 psqm
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING **£6,415,837**

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		£438,496	£973,709	£1,412,205
3 Bed House		£247,959	£348,861	£596,820
4 Bed + House				
	£0	£686,455	£1,322,569	**£2,009,024**
£ psqm of CV (phase 1)	-	1,432	1,483	

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING) **£2,009,024**

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

OTHER SOURCES OF AFFORDABLE HOUSING FUNDING **£0**

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING) **£2,009,024**
BUILD COST OF AFFORDABLE HOUSING inc Contingency **£1,474,524** £ 1,107 psqm
CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING **£534,500**

Car Parking

No. of Spaces	Price per Space (£)	Value
154	-	£0

Value of Residential Car Parking			£0
Car Parking Build Costs		£92,400	

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			**£14,634,024**
TOTAL BUILD COST OF RESIDENTIAL SCHEME		**£7,776,087**	
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME			**£6,857,937**

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			**£14,634,024**
TOTAL BUILD COSTS		**£7,776,087**	
TOTAL CONTRIBUTION TO SCHEME COSTS			**£6,857,937**

External Works & Infrastructure Costs (£)			Per unit	% of GDV	per Hectare
Site Preparation/Demolition		£15,000	195	0.1%	5,172
Roads and Sewers		£1,247,734	16,204	8.5%	430,253
Housing Foundations (Wide Strip) and Increase Slab Levels (Ave.		£277,640	3,606	1.9%	95,738
Filling around Plots to Raise Levels (Ave. 890mm)		£253,629	3,294	1.7%	87,458
Well Point Dewatering (both sides)		£98,580	1,280	0.7%	33,993
Public Open Space		£42,690	554	0.3%	14,721
SUDS & Drainage		£262,710	3,412	1.8%	90,590
Plot specific external works		£208,516	2,708	1.4%	71,902
Garages		£449,500	5,838	3.1%	155,000
HV 260m Electric Diversion Cost		£22,359	290	0.2%	7,710
		£2,878,358		19.7%	992,537
Other site costs					
Fees and certification	6.0%	£455,321	5,913	3.1%	157,007
Other Acquisition Costs (£)		£0			
Site Abnormals (£)					
De-canting tenants		£0			
Decontamination		£0			
Other		£0			
Other 2		£0			
Other 3		£0			
Other 4		£0			
Other 5		£0			
		£0			
Total Site Costs inc Fees		**£3,333,679**	43,295		
Statutory 106 Costs (£)					
Education		£433,344	5,628		
Sport & Recreation		£0			
Social Infrastructure		£0			
Public Realm		£0			
Affordable Housing		£0			
Transport		£0			
Highway		£0			
NHS Contribution		£50,820	660		
S106 Indexation		£72,625	943		
Monitoring and Legal Costs		£4,000	52		
Community Infrastructure Levy		£0			
Other Tariff		£0			
Other 1		£0			
Other 2		£0			
Other 3		£0			
Other 4		£0			
Statutory 106 costs		**£560,789**	7,283		

Marketing (Open Market Housing ONLY)			per OM unit
Sales/letting Fees	2.5%	£315,625	5,442
Legal Fees (per Open Market unit):	£750	£43,500	750
Marketing (Affordable Housing)			per affordable unit
Developer cost of sale to RP (£)		£10,000	526
RP purchase costs (£)		£0	
Intermediate Housing Sales and Marketing (£)		£0	
Total Marketing Costs		**£369,125**	

Total Direct Costs			**£12,039,680**		
Finance and acquisition costs					
Land Payment		£795,000	13,707	per OM home	274,138 per hectare
Arrangement Fee		£15,000	4.8%	of interest	
Misc Fees (Surveyors etc)		£5,000	0.03%	of scheme value	
Agents Fees		£0			
Legal Fees		£5,963			
Stamp Duty		£29,250			
Total Interest Paid		£314,540			
Total Finance and Acquisition Costs			**£1,164,753**		
Developer's return for risk and profit					
Residential					
Market Housing Return (inc OH) on Valu	17.5%	£2,209,375	38,093	per OM unit	
Affordable Housing Return on Cost	6.0%	£86,314	4,543	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			**£2,295,689**		

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

TOTAL COST	**£15,500,121**	
Surplus/(Deficit) at completion 1/4/2023		(£866,097)
Present Value of Surplus (Deficit) at 20/7/2020		(£736,811)

Scheme Investment MIRR **16.9%** (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	-£4,174,220
Site Value (PV) per hectare	-£254,073 per hectare	-£120,864 per acre	

MAXEY GROUNDS

Appendix VI – HCA Appraisal Tool Output – 6 Affordable Housing Units and Reduced S106 Cash Contributions

Surplus (Deficit) from Input land valuation at 20/7/2020 £1,742

HCA DEVELOPMENT APPRAISAL TOOL

SUMMARY DETAIL

SCHEME

Site Address	Site at Sunnydale Close, Surfleet, Spalding	Date of appraisal	20/07/2020
Site Reference	20087	Net Residential Site Area	2.9
File Source		Author & Organisation	Maxey Grounds, 22-24 Market Place, March PE15 9JH
Scheme Description	77 Units with 19 Affordable Units and S106 Cash Contributions	Registered Provider (whe	0

Housing Mix (Affordable + Open Market)

Total Number of Units	77	*units*
Total Number of Open Market Units	71	*units*
Total Number of Affordable Units	6	*units*
Total Net Internal Area (sq m)	6,941	*sq m*
% Affordable by Unit	7.8%	
% Affordable by Area	5.8%	
Density	27	*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	2.90	*hectares*
Net Site Area	2.90	*hectares*
Net Internal Housing Area / Hectare	2,393	*sq m / hectare*

equals 10,424 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	£167,500	£0	£0	£0	£0	
3 Bed House	£206,275	£0	£0	£0	£0	
4 Bed + House	£267,500	£0	£0	£0	£0	
Total Revenue £	**£14,870,000**	**£0**	**£0**	**£0**	**£0**	**£14,870,000**
Net Area (sq m)	6,541	-	-	-	-	6,541
Revenue (£ / sq m)	£2,273	-	-	-	-	

CAPITAL VALUE OF OPEN MARKET SALES **£14,870,000**

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			**£14,870,000**	£ 2,273 psqm
BUILD COST OF OPEN MARKET HOUSING inc Contingency	**£7,240,887**	£ 1,107 psqm		
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING				**£7,629,113**

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		£109,624	£257,375	£366,999
3 Bed House		£123,980	£116,287	£240,266
4 Bed + House				
	£0	£233,604	£373,662	**£607,266**
£ psqm of CV (phase 1)	-	1,410	1,507	

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)			**£607,266**	
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)			**£607,266**	
BUILD COST OF AFFORDABLE HOUSING inc Contingency	**£442,800**	£ 1,107 psqm		
CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING				**£164,466**

Car Parking

No. of Spaces	Price per Space (£)	Value
154	-	£0

Value of Residential Car Parking		**£0**
Car Parking Build Costs	£92,400	

Ground rent

	Capitalised annual ground rent
Social Rented	£0
Shared Ownership	£0
Affordable Rent	£0
Open market (all phases)	£0
Capitalised Annual Ground Rents	**£0**

TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME		£15,477,266	
TOTAL BUILD COST OF RESIDENTIAL SCHEME	£7,776,087		
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME			**£7,701,179**

Non-Residential

	Cost	Values
Office	£0	£0
Retail	£0	£0
Industrial	£0	£0
Leisure	£0	£0
Community Use	£0	£0
Community Infrastructure Levy	£0	

CAPITAL VALUE OF NON-RESIDENTIAL SCHEME		£0	
COSTS OF NON-RESIDENTIAL SCHEME	**£0**		
CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL			**£0**

GROSS DEVELOPMENT VALUE OF SCHEME		£15,477,266	
TOTAL BUILD COSTS	£7,776,087		
TOTAL CONTRIBUTION TO SCHEME COSTS			**£7,701,179**

External Works & Infrastructure Costs (£)			Per unit	% of GDV	per Hectare
Site Preparation/Demolition		£15,000	195	0.1%	5,172
Roads and Sewers		£1,247,734	16,204	8.1%	430,253
Housing Foundations (Wide Strip) and Increase Slab Levels (Ave.		£277,640	3,606	1.8%	95,738
Filling around Plots to Raise Levels (Ave. 890mm)		£253,629	3,294	1.6%	87,458
Well Point Dewatering (both sides)		£98,580	1,280	0.6%	33,993
Public Open Space		£42,690	554	0.3%	14,721
SUDS & Drainage		£262,710	3,412	1.7%	90,590
Plot specific external works		£208,516	2,708	1.3%	71,902
Garages		£449,500	5,838	2.9%	155,000
HV 260m Electric Diversion Cost		£22,359	290	0.1%	7,710
		£2,878,358		18.6%	992,537
Other site costs					
Fees and certification	6.0%	£455,321	5,913	2.9%	157,007
Other Acquisition Costs (£)		£0			
Site Abnormals (£)					
De-canting tenants		£0			
Decontamination		£0			
Other		£0			
Other 2		£0			
Other 3		£0			
Other 4		£0			
Other 5		£0			
		£0			
Total Site Costs inc Fees		**£3,333,679**	43,295		

Statutory 106 Costs (£)			
Education	£200,000	2,597	
Sport & Recreation	£0		
Social Infrastructure	£0		
Public Realm	£0		
Affordable Housing	£0		
Transport	£0		
Highway	£0		
NHS Contribution	£0		
S106 Indexation	£0		
Monitoring and Legal Costs	£0		
Community Infrastructure Levy	£0		
Other Tariff	£0		
Other 1	£0		
Other 2	£0		
Other 3	£0		
Other 4	£0		
Statutory 106 costs	**£200,000**	2,597	

Marketing (Open Market Housing ONLY)			per OM unit
Sales/letting Fees	2.5%	£371,750	5,236
Legal Fees (per Open Market unit):	£750	£53,250	750
Marketing (Affordable Housing)			per affordable unit
Developer cost of sale to RP (£)		£10,000	1,667
RP purchase costs (£)		£0	
Intermediate Housing Sales and Marketing (£)		£0	
Total Marketing Costs		**£435,000**	

Total Direct Costs			**£11,744,766**	
Finance and acquisition costs				
Land Payment		£795,000	11,197 per OM home	274,138 per hectare
Arrangement Fee		£15,000	6.0% of interest	
Misc Fees (Surveyors etc)		£5,000	0.03% of scheme value	
Agents Fees		£0		
Legal Fees		£5,963		
Stamp Duty		£29,250		
Total Interest Paid		£252,070		
Total Finance and Acquisition Costs			**£1,102,282**	
Developer's return for risk and profit				
Residential				
Market Housing Return (inc OH) on Valu	17.5%	£2,602,250	36,651 per OM unit	
Affordable Housing Return on Cost	6.0%	£25,920	4,320 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			**£2,628,170**	

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

TOTAL COST	**£15,475,218**	
Surplus/(Deficit) at completion 1/4/2023		**£2,048**
Present Value of Surplus (Deficit) at 20/7/2020		**£1,742**

Scheme Investment MIRR **26.9%** (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value	5.1%	Peak Cash Requirement	-£3,941,568
Site Value (PV) per hectare	£601 per hectare	£286 per acre	