MAXEY GROUNDS

VIABILITY ASSESSMENT

OF

AMENDED DEVELOPMENT PROPOSAL
OFF SUNNYDALE CLOSE
SURFLEET
LINCOLNSHIRE

FOR

ASHWOOD HOMES

ASSESSMENT DATE
9th December 2021

BY

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NON-TECHNICAL SUMMARY

This is a financial viability assessment to establish the viability of a scheme for residential development at a site off Sunnydale Close, Surfleet, Lincolnshire for 48 dwellings with 25% affordable housing plus estimated S106 cash contributions of £305,816. Consent was previously refused on the site due to the scale of development (planning reference H17-0793-20), therefore a new application has been submitted under reference H17-1187-21 and this appraisal is for the purposes of establishing the viability of this new scheme.

The gross development value (GDV) is calculated using market evidence from the house sales of a site developed by Ashwood Home at Station Road, Surfleet and other new-build development sites nearby where direct comparable aren't available from Station Road. As such, values of between £2,128 and £2,542 per m^2 have been adopted, giving sale values of between £185,000 and £350,000 for market units, which accurately reflects the market for the various types of dwelling.

A basic build costs of £1,239 per m^2 has been adopted, which is the weighted average BCIS lower quartile figure calculated on a pro-rata basis to reflect the number of different types of dwelling i.e. detached, semi-detached and quad houses, plus the additional cost of wide-strip foundations and increased slab levels at £40 per m^2, giving an overall build cost of £1,279 per m^2. The enhanced foundations for the garages has been added as a capital sum, as opposed to allocated on a price per m^2 and is deemed appropriate for this scale of development.

A basic road construction cost of £2,300 per linear metre has been for adopted roads and £1,500 per linear metre for private roads. Due to the ground conditions, additional stone is required under the roads to make up levels plus Triax and Geotextile. There is also additional footpath links totally 173m which has been allocated for a price of £300 per linear metre. These costs are based upon figures from developments in the local area and are considered appropriate.

The cost for SUDs, storm attenuation, dewatering, filling around plots to raise levels, works to ditch, HV electric diversion cost and sustainability initiatives were provided by the Client for the initial scheme of 77 units under reference H17-0793-20, and adjusted on a pro-rata basis where appropriate for this scheme of 48 units.

Other costs adopted, including 6% for design and professional fees, 2.5% contingency, costs for garages and driveways, plot specific external works of £2,500 per plot, 3% for marketing, £750 per unit for legals, and an interest rate of 6.25% are all deemed appropriate for a site in this area.

A profit level of 17.5% has been adopted for market units and 6% for affordable housing, which is considered to be the minimum level of profit a developer would accept to undertake this scheme.

As required under NPPF and PPG, we have adopted the Existing Use Value (EUV) + Premium approach to lane value. An EUV for the land of £25,000 per gross hectare has been adopted which is Grade 1 agricultural value. To this, a premium of £250,000 per gross hectare has been added which is deemed a sufficient sum to bring the land forward for development. This gives an overall BLV of £275,000 per gross hectare and thus £520,000 for the site.

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
48 units with 25% affordable housing plus S106 cash contributions of £305,816	-£1,282,666
48 units with no affordable housing or S106 cash contributions	-570,572

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

A full policy-compliant scheme for a site of 48 units with 25% affordable housing plus S106 cash contributions of £305,816 is clearly not viable with a financial **deficit** (present value) of £1,282,666 once land cost, construction and other costs have been deducted from GDV. If all the affordable housing and S106 cash contributions are removed, the development is still not viable, unless the developer accepts a profit level of below 17.5%.

INSTRUCTIONS

We refer to instructions from Ashwood Homes to provide a Financial Viability Assessment (FVA) for the site dated and our Conditions of Instructions Letter and Standard FVA Conditions Of Engagement & Terms of Business dated 2nd December 2021, a copy of which is in Appendix I of this Report.

Client

This report has been prepared for Ashwood Homes.

Purpose of FVA

This FVA is required to establish the viability of development of site having regard to the requirements for affordable housing and potential other section 106 planning requirements that might be imposed in connection with a planning application that has been submitted for residential development of 48 units.

Asset to be Appraised

The appraisal is of a development site situated off Sunnydale Close, Surfleet. The site is identified by the plans in Appendix II.

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 48 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, together with the price paid for land, as appropriate.

Appraisal Date

The appraisal and any valuations provided within this report are as at 9th December 2021.

Identity of Valuer

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

Material Involvement

Neither Maxey Grounds & Co LLP nor the named Valuers have any conflict of interest in preparing this appraisal. 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 corporate members of the Royal Institution of Chartered Surveyors who are also members of the RICS Valuer Registration Scheme, acting as External Valuers.

Currency

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

Fee

In accepting these instructions, no performance-related or contingent fees have been agreed.

Assumptions and Caveats

1. In making this report, Maxey Grounds & Co LLP has met the relevant requirements of the RICS Financial Viability in Planning: Conduct and Reporting 1st Edition, May 2019 and any valuations within this appraisal have been carried out in accordance with the RICS Valuation – Global Standards 2020 and that, unless otherwise stated, have made the following assumptions which Maxey Grounds & Co LLP is under no duty to verify:

a) that no high alumina cement, concrete or calcium chloride additive or other potentially deleterious or hazardous materials or techniques were used in the construction of the property or have since been incorporated;

b) that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that good title can be shown;

c) that the property and its value are unaffected by any matters which would be revealed by a local search and replies to the usual enquiries, or by any statutory notice, and that neither the property, nor its condition, nor its use, nor its intended use are or will be unlawful;

d) that inspection of those parts which have not been inspected would neither reveal material defects nor cause Maxey Grounds & Co LLP to alter the appraisal materially;

e) that no formal environmental assessment will be provided and that no contaminative or potentially contaminative uses have ever been carried out on the property and that there is no potential for contamination of the subject property from past or present uses of the property or from any neighbouring property. The report will not identify the existence of contamination but in the Surveyor's visual inspection concludes that there may be material contamination the Valuer will report that further investigation is required.

2. In arriving at conclusions, no allowance has been made for costs of acquisition or realisation, nor any VAT, Capital Gains Tax, nor any other tax, nor similar liability or claimable allowances which might arise on the sale of the property.

3. In arriving at our conclusions, no allowance has been made for personal goodwill, removable fittings, loose furniture or equipment.

4. We have not investigated the existence of mortgages, leases or hire purchase agreements in respect of plant and machinery, and our valuation assumes any such liabilities have been discharged.

5. We have not undertaken any site investigations to determine the suitability of ground conditions or services for any new extended or proposed buildings or dwellings.

6. In the case of agricultural property, we accept no responsibility regarding, and offer no advice on, the possibility of latent infestations of the soil or of any disease that may affect crops or stock.

7. With regard to Town and Country Planning matters, employees of local planning authorities always give information on the basis that it should not be relied upon and that formal searches should be made if confirmation of the information is required. Although for the purposes of this report we have assumed that such informal information is correct, we recommend that, if you should need to rely upon such information, you should instruct solicitors to instigate formal searches.

8. No indications of past or present contaminative land uses were noted during the inspection. Our inspection was only of a limited visual nature and we cannot give any assurances that previous uses on the site or in the surrounding areas have not contaminated sub-soils or ground waters. In the event of contamination being discovered further specialist advice should be obtained.

   However, should it be established subsequently that contamination, seepage or pollution exists at the property or on any neighbouring land, or that the premises have been or are being put to a contaminative use, this might reduce the values now reported.

We have assumed that the information and opinions we have been given are complete and correct in respect of the properties and that further investigations would not reveal more information sufficient to affect value. We consider that this assumption is reasonable in the circumstances.

Special Assumptions

For the purposes of this appraisal, we have assumed that the properties that are the subject of the planning application are completed in accordance with the plans that have been supplied to us, and on the timescale as set out in the Residential Planning Section of the HCA DAT spreadsheet.

Extent of Investigations

Whilst we have taken into account the apparent state of repair of the property in our appraisal, we have not carried out a building survey, nor have we inspected those parts of the property that are covered, unexposed or inaccessible. Unless otherwise stated, such parts have been assumed to be in good repair and condition. We cannot express an opinion about, or advise upon, the condition of uninspected parts and this Report shall not be taken as making any implied representation or statement about such parts. We have not arranged for the testing of electrical, heating or other services and we cannot, therefore, give any warranty as to the soundness of these items. Whilst the site has been

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

Nature and Sources of Information Provided

We have been provided with copies of all plans for the proposed development by 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 Gove for the area. Figures for appropriate levels of management and repair 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 calculated on a pro-rata basis from the requirements requested on the previous scheme for the site. Other costs 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 assumed costs of construction are set out in Appendix IV of this report and are based upon knowledge and experience of other similar development schemes, information and costs provided by the Client, and upon published price information, such as BCIS.

Anticipated timescales for development are stated in Appendix IV.

Information on the Section 106 requirements likely to be sought by the Planning Authority has been estimated on a pro-rata basis from the previous contributions requested on the original plans for the site for 77 units. 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, also having regard to 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 70% of any affordable housing 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 arable 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 £517,000, say £520,000.

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.

INSPECTION

Date of Inspection

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

Property Address

The property is a development site Sunnydale Close, Surfleet, Lincolnshire. The site location is shown on the Plans and Photographs within Appendix II.

Property Description

The property is a greenfield development site upon which it is proposed to develop 48 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 1.88 Hectares. The size of the units (Gross Internal Area) is provided by way of schedule from the Client and within the inputs to the Development Appraisal Tool, an electronic copy of which has been provided.

Gross Development Value

Ashwood Homes have recently built and sold units on another site at Station Road, Surfleet, as such we have used the sold prices from this development and adjusted where appropriate.

There were a number of Clyde house types on the Station Road development which have sold for £185,000, as such, we have adopted this value for the Clyde type at Sunnydale Close.

There aren't any direct comparables for the Aire, Avon and Coronation house types (which are all 3-bedroom semi-detached houses) at the Station Road development, however there are number of property 3-bed semi-detached properties which are larger. As such, we have adopted a similar rate per m^2 for the Aire, Avon and Coronation types giving sale values of £210,000, £210,000 and £215,000 respectively.

The Rutland, Mere and Lock house types are all 3-bedroom detached houses of around 100m^2 and there are direct comparables at the Station Road development. As such, we have also adopted £250,000 for these house types for the development at Sunnydale Close.

There are direct comparables for the Ribble house type at Station Road, as such, we have adopted the same price, and then adjusted upwards for the few that have additional parking space. Therefore, we have adopted sale values of £290,000 and £295,000 for the Ribble at Sunnydale Close.

There aren't any direct comparables for the Severn house type at Station Road, however the accommodation is similar to the Ribble, but the Severn is marginally smaller. Therefore, we have adjusted the sale price for the Ribble down to reflect the smaller GIA, giving a sale price of £285,000 for the Severn.

There is a direct comparable for the Tay house type at the Station Road development, as such, we have adopted the same sale price of £350,000.

Costs

A build cost of £1,279 per m^2 has been adopted, which is the average BCIS lower quartile figure to reflect the different types of dwelling (detached houses, semi-detached houses and terraced houses), plus the additional works for the enhanced foundations required on this site. The build cost for the integral garages has been allowed for in the overall build cost for the relevant units, however we have allocated a separate capital cost for the detached garages which are based upon actual build costs of similar schemes by the developer in the area. An additional capital cost for enhanced foundations for the garages has also been added separately.

Expanding on the build costs further, we have adopted a basic build cost based on BCIS lower quartile costs for the area, but looking at the dwelling type (detached, semi-detached and terraced houses) individually. Breaking down the stated BCIS figure to the dwelling types gives figures of £1,305 per m^2 for detached houses, £1,150 per m^2 for semi-detached houses and £1,132 per m^2 for terraced housing. If we apply these figures to the housing mix being provided this gives an average figure of £1,239 per m^2. We have then added a further £40 per m^2 to this basic build cost to allow for the extra over usual construction costs for wide strip foundations and increased slab levels. This gives an overall house build cost of £1,279 per m^2.

Looking at the "generally" figure, it is very close to the cost per m^2, with decent sample sizes , for semi-detached and terraced units, and in our view this suggests that the majority of the "generally" sample are semi-detached or terraced units. We can find no information as to the makeup of sites for the "generally" figure, but on the basis of our rationale explained above, then clearly an adjustment is both required and warranted to accurately reflect the mix of different dwelling types on a development, particularly where there are large numbers of detached dwellings, as is the case at Sunnydale Close, Surfleet.

BCIS shows a significant increase for detached houses which would be expected – an additional elevation with a finished brickwork skin rather than a common cavity internal wall between attached housing, additional windows in this elevation, additional eaves timber to the roof and additional scaffolding whilst it is constructed are only some of the additional costs that are incurred with detached units rather than semi-detached or terraced units. As such, adopting the "generally" figure does not accurately reflect the

housing mix at Sunnydale Close, Surfleet, which clearly departs from the mix within the sample used to determine the “generally” BCIS figure.

The costs for SUDs, storm attenuation, site works (including dewatering and filling around plots to raise levels), works to ditch, HV 260m electric diversion cost and sustainability initiatives have been provided by the Client when we did the appraisal for the initial scheme under consent reference H17-0793-20 and adjusted on a pro-rata basis where appropriate to reflect the amended number of units or the size of the site.

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 £2,500 per plot, 3% for marketing, £750 for legals and an interest rate of 6.25% have all been previously accepted on sites in this area.

Services

The cost of normal service provision to each unit i.e. electricity connection, water connection, sewer connection, and water infrastructure charges and ancillary costs such as BT conduit, are included within the BCIS total build figure.

There is an additional cost of diverting 260m of high voltage electricity line of £22,359.

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. The planning application reference with South Holland District Council is H17-1187-21.

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 an estimated total of £305,816 S106 cash contributions to be provided. Thereafter the alternative scenario is appraised involving no affordable units and no s106 cash contributions.

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

We have adopted an existing use value of the site of £47,000. This is based upon an agricultural value of £25,000 per gross hectare. To this, we have added a premium of £275,000 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 £520,000.

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

Appraisal Outputs

The full output of the HCA DAT tool for a full policy-compliant scheme is set out within Appendix V i.e. 48 units with 25% affordable housing and S106 cash contributions totalling £305,816. This scheme produces a **deficit** of £1,282,666.

If all affordable housing and S106 cash contributions are removed, this still results in a significant **deficit** of £570,572. The output for this appraisal is within Appendix VI.

Justification for Viability Assessment

During viability testing which helped formulate the South East Lincolnshire Local Plan, various typologies were tested which resulted in a positive viability position with planning policies applied, rather than the deficit that is shown for the site at 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 48 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 (48 dwellings)
Density	30 dwellings per Ha	25.5 dwellings per Ha
Average Value	£1,900 per m^2	£2,567 per m^2
Average Dwelling Size	100m^2	87m^2
Build Cost	£911 per m^2	£1,279 per m^2
Externals	£558,342 (10% on build cost)	£2,359,348 (42.3% 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	£6,371 per dwelling
Sales/Marketing	3% on revenue	3% on revenue
Developer Profit	17.5% Market, 6% Affordable	17.5% Market, 6% Affordable
BLV	£300,000 per Ha	£275,000 per Ha
Abnormals	£480,000 (£10,000 per unit)	£22,359 (£466 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 48 units on 1.88 Ha and it is understood that the layout and density of this scheme have been agreed as appropriate with the council.

- The average size of the dwellings at Sunnydale Close, Surfleet are smaller than those for the Local Plan study, reflecting appropriate designs for the site and area, but which impacts the viability position by reducing GDV.

- The build costs adopted have increased by around 40% compared with the Local Plan viability study, which was conducted around 4 years ago, therefore a significant uplift is expected, particularly with the Covid-19 pandemic putting additional pressure on the supply chain. The build cost adopted for Sunnydale Close, Surfleet is based on the BCIS lower quartile cost of construction for various dwelling types to reflect the mix of units actually being constructed at Sunnydale Close, Surfleet, plus additions on a price per m^2 for wider strip foundations and increased slab levels. The foundation and level issues were not points modelled in the Local Plan Viability study.

- The sales values are around 35% higher than the figures used the in Local Plan viability study, and this is reasonable considering price inflation since 2017, however the average dwelling size at Sunnydale Close, Surfleet is 13m^2 smaller than in the Local Plan viability study, which pushes the price per m^2 up. The values adopted for Sunnydale Close, Surfleet are based on what has been achieved on another site developed by the Client in Surfleet, along with other comparable

evidence where direct comparisons can't be made, and this constitutes clear and strong evidence to justify the values adopted.

However, with the build costs having increased around 40% and the sale values increasing by 35%, this puts increased pressure on the viability position.

- There is clearly a difference between the way externals and abnormals have been categorised, with externals in the Local Plan study totalling 10% on build cost and the externals at Sunnydale Close, Surfleet totalling 42.3% on build cost, and abnormals in the Local Plan study totalling £10,000 per unit and the abnormals for Sunnydale Close, Surfleet totalling £466 per unit. Applying these figures combined to a site of 48 units would give figures for the Local Plan study of 558,342 for externals and £480,000 for abnormals, compared with £2,359,348 for externals and £22,359 for abnormals for Sunnydale Close, Surfleet specifically, this is an overall difference of around £1,343,365.

  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, filling around plots to raise levels, extra filling to the road, as well as Triax and Geotextile, wide-strip foundations, increasing slab 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.

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 no affordable housing or S106 cash contributions is shown in the table below:

	At BCIS Level	**+5%**	**-5%**
GDV at Evidence Level	-£570,572	-£854,030	-£287,487
+5%	-£175,344	-	+£107,378
-5%	-£965,867	-£1,249,737	-

CONCLUSIONS

Appraisal Conclusions

We are of the opinion that a fully policy-compliant scheme for 48 units with 25% affordable dwellings and S106 cash contributions totalling £305,816 will show a financial **deficit** (present value) of £1,282,666, 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 £520,000.

We are further of the opinion that if the scheme had no affordable housing provision and no S106 cash contributions, there is still a significant **deficit** of £570,572.

As such, the site is clearly not viable for development on the basis of the provision of affordable housing and S106 cash contributions at the level proposed by South Holland District Council. If the requirement for affordable housing and S106 cash contributions were removed, the site still appears non viable unless the developer is to accept a profit level below 17.5%.

Signature

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

John Maxey

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

Victoria McIlroy

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

Date of Report:
9th December 2021

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APPENDICES

Appendix I – Copy of Instruction Correspondence

MAXEY GROUNDS

Your Ref:
Our Ref: VJM/20087
Date: 2nd December 2021

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

Dear Sirs,

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

I refer to your instructions to provide a Financial Viability Assessment (FVA) for the revised proposal for residential development of the above site. 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: Development Site at Sunnydale Close, Surfleet

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.

22-24 Market Place
March
Cambridgeshire PE15 9JH

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

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

Maxey Grounds is the trading name of Maxey Grounds & Co LLP, a Limited Liability Partnership. Regulated by RICS. Registered in England & Wales. Registration Number: OC357348. Registered Office: 22-24 Market Place, March, Cambridgeshire PE15 9JH. Members: Alan J. Faulkner MSc MRICS FAAV MCIArb MNAEA MARLA, John R. Maxey MA (Cantab) FRICS FAAV, Shirley A. Pollard BA MRICS FAAV, Paula A.V. Clarke ANAEA. Associates: Victoria J. McIlroy BSc (Hons), MRICS, FAAV, Natalie T. Leary MSc, BA (Hons), MRICS, FAAV

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

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

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

Special Assumptions: For the purposes of this FVA, we have assumed that the sites under consideration are developed on the basis of the type of development and timescale as described within each model.

Nature and source of the information to be relied upon: Maxey Grounds & Co LLP are able to rely upon any information provided by the Client referred to in the FVA.

Extent of Investigation: As per FVA Conditions of Engagement & Terms of Business.

Valuation Fee: Our fee will be £3,000 + 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 15 May 2020). Please sign and return one copy at your earliest convenience to agree the Conditions of Engagement & Terms of Business.

Yours faithfully

Victoria McIlroy

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

(Enc)

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

Signed:.....

Date .....

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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 2003, broadly defined as: "The price which the property might reasonably be expected to fetch if sold in the open market at that time, but that price must not be assumed to be reduced on the grounds that the whole property is to be placed on the market at one and the same time" and/or the Investment Value, defined by the RICS Valuation - Global Standards 2020 as: "The value of an asset to the owner or a prospective owner for individual investment or operational objectives" and/or the Fair Value, defined by the RICS Valuation - Global Standards 2020 as: "The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties" and/or the Fair Value, defined by the International Accounting Standards Board as: "The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date".
7. The valuation date shall be as set out in the covering Confirmation of FVA Instructions Letter.
8. Unless otherwise specifically set out in the covering Confirmation of FVA Instructions Letter Maxey Grounds & Co LLP warrant that they have had no previous material involvement in the property.
9. The valuation shall be undertaken by/under the supervision of a Corporate Member of the Royal Institution of Chartered Surveyors who is also a member of the RICS Valuer Registration Scheme, acting as an External Valuer.
10. Maxey Grounds & Co LLP's aggregate liability arising out of, or in connection with this FVA, whether arising from negligence, breach of contract, or any other cause whatsoever, shall in no event exceed £2,000,000. This clause shall not exclude or limit Maxey Grounds & Co LLP's liability for actual fraud, and shall not limit the liability for death or personal injury caused by their negligence.
11. None of Maxey Grounds & Co LLP's employees, partners, or consultants individually has a contract with the Client or owes the Client a duty of care or personal responsibility. The Client agrees that they will not bring any claim against any such individuals personally in connection with the services provided.
12. If the Client suffers loss as a result of Maxey Grounds & Co LLP's breach of contract or negligence, Maxey Grounds & Co LLP's liability shall be limited to a just and equitable proportion of the Client's loss having regard to the extent of responsibility of any other party. Maxey Grounds & Co LLP's liability shall not increase by reason of a shortfall in recovery from any other party, whether that shortfall arises from an agreement between the Client and them, the Client's difficulty in enforcement, or any other cause.
13. The FVA provided by Maxey Grounds & Co LLP shall be in pounds sterling.
14. In preparing the report, Maxey Grounds & Co LLP will meet the relevant requirements of the RICS Financial Viability Planning: Conduct and Report 1st Edition, May 2019 and, although FVA work is outside the scope of the RICS Valuation Standards, any valuation utilised in the appraisal has been prepared in accordance with RICS Valuation – Global Standards 2020. This guidance requires the Valuer to make an objective and justified assessment of the viability position and requires a clear distinction between the objective report and any subsequent advocacy/negotiation in terms of agreeing a viability position.
15. The following assumptions which, unless otherwise stated in the covering Confirmation of FVA Instructions letter, Maxey Grounds & Co LLP is under no duty to verify:

a) that no high alumina cement, concrete or calcium chloride additive or other potentially deleterious or hazardous materials or techniques were used in the construction of the property or have since been incorporated;

b) that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that good title can be shown;

c) that the property and its value are unaffected by any matters which would be revealed by a local search and replies to the usual enquiries, or by any statutory notice, and that neither the property, nor its condition, nor its use, nor its intended use are or will be unlawful;

d) that inspection of those parts which have not been inspected would neither reveal material defects nor cause Maxey & Grounds & Co LLP to alter the valuation materially;

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e) that no formal environmental assessment will be provided and that no contaminative or potentially contaminative uses have ever been carried out on the property and that there is no potential for contamination of the subject property from past or present uses of the property or from any neighbouring property. The report will not identify the existence of contamination but if the Valuer's visual inspection concludes that there may be material contamination the Valuer will report that further investigation is required.

16. Maxey Grounds & Co LLP shall carry out such inspections and investigations as are, in the Valuer's professional judgment, appropriate and possible in the particular circumstances having regard to the apparent state of repair and condition of the property but shall be under no duty to carry out a structural survey nor to inspect those parts of the property which are covered, unexposed or inaccessible. Such parts will be assumed to be in good repair and condition. Maxey Grounds & Co LLP shall be under no duty to arrange for the testing of electrical, heating, plant or other services. The FVA provided by Maxey Grounds & Co LLP will not purport to express an opinion about or to advise upon the condition of uninspected parts and should not be taken as making any implied representation or statement about such parts.

17. Maxey Grounds & Co LLP shall, unless otherwise expressly agreed, rely upon information provided by the Client or the Client's legal or other professional advisers relating to tenure, tenancies and other relevant matters.

18. The FVA report is provided for the stated purpose of the named client. Maxey Grounds & Co LLP accepts responsibility to the Client alone that the report has been prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor but accepts no responsibility whatsoever to any person other than the Client himself. Any such person relies upon the report at his own risk, even if that third party pays all or part of Maxey Grounds & Co LLP's fees, or is permitted to see a copy of the valuation report. If Maxey Grounds & Co LLP do provide written consent to a third party relying on our valuation, any such third party is deemed to have accepted the terms of engagement, as set out herein.

19. The FVA will be undertaken by a Chartered Surveyor possessing the necessary local knowledge of the market, and the necessary skills and understanding to undertake the FVA competently.

20. Maxey Grounds & Co LLP shall charge a fee for the FVA as set out in the covering Confirmation of FVA Instructions Letter. That fee shall be settled in full within 28 days of the invoice date. Interest on amounts outstanding at the due date will be subject to interest from the invoice date until the date of actual payment at the rate of 4% per annum above Barclays Bank plc base rate from time to time.

21. Maxey Grounds & Co LLP, in line with the Rules of Conduct set out by RICS, have a written complaints handling procedure. If you are unhappy with any aspect of the service you receive in respect of these instructions to provide a valuation, a copy of this document is available upon request.

22. As a firm regulated by RICS, all reports produced by Maxey Grounds & Co LLP, including this FVA, are subject to monitoring by RICS. By accepting these Conditions of Engagement and Terms of Business your consent to inspection of the report by RICS personnel or their agents is implied.

23. Maxey Grounds & Co LLP's contract with the named client for the provision of this FVA is subject to English Law. Any dispute in relation to this contract, or any aspect of the FVA, shall be subject to the exclusive jurisdiction of the Courts of England and Wales, and shall be determined by the application of English Law, regardless of who initiates proceedings in relation to the FVA.

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

Version 15 May 2020

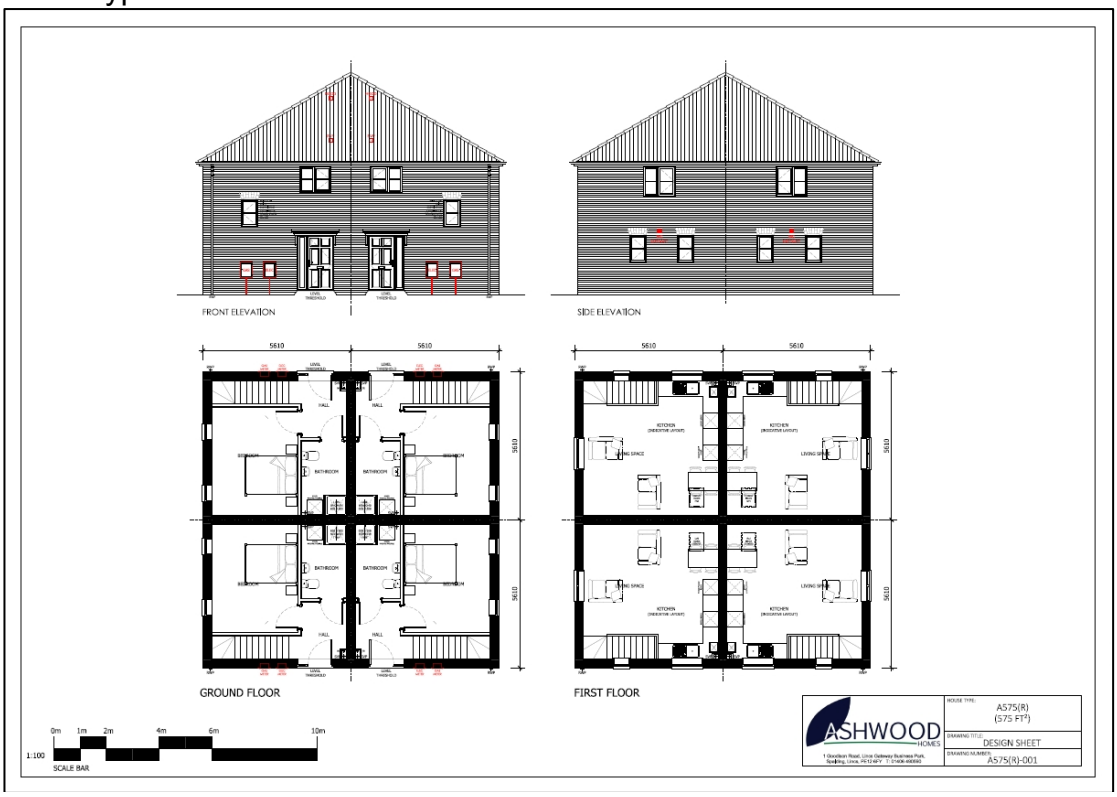
Appendix II – Copies of Plans and Photographs

Site Plan



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A575 Type



A732 Type



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A902 Type



Aire Type



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Avon Type



Clyde Type



Coronation Type



Lock Type



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Mere Type



Ribble Type



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Rutland Type



Stamford Type



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Severn Type





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Tay Type



Dee Type



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Appendix III – Schedule of Comparable Evidence

Station Road, Surfleet

Street Address/Plot No.	Parish	Style	Type	Beds	GIA (sqft)	GIA (sqm)	Gross Price	Gross £ per sqm	Status	Incentives	Net Price	Net £ per sqm	Reserved Date	Exchange Date	Parking	Garage	Notes
Plot 13 - Clyde	Surfleet	Semi	House	3	783	73	£185,000	£2,542	Completed	£0	£185,000	£2,542	27/02/2021	16/04/2021	2	None	
Plot 14 - Clyde	Surfleet	Semi	House	3	783	73	£185,000	£2,542	Completed	£0	£185,000	£2,542	27/02/2021	16/04/2021	2	None	
Plot 25 - Clyde	Surfleet	Semi	House	3	783	73	£185,000	£2,542	Completed	£0	£185,000	£2,542	26/11/2020	26/02/2021	2	None	
Plot 26 - Clyde	Surfleet	Semi	House	3	783	73	£185,000	£2,542	Completed	£319	£184,681	£2,538	17/01/2021	18/03/2021	2	None	First year's management fee paid
Plot 31 - Nene	Surfleet	Semi	House	3	1,065	99	£231,000	£2,334	Completed	£0	£231,000	£2,334	14/03/2021	17/06/2021	2	Single	Show home
Plot 23 - Nene	Surfleet	Semi	House	3	1,065	99	£221,500	£2,238	Completed	£150	£221,350	£2,236	10/01/2021	22/04/2021	2	Single	
Plot 3 - Nene	Surfleet	Semi	House	3	1,065	99	£220,000	£2,223	Completed	£0	£220,000	£2,223	22/08/2020	01/03/2021	2	Single	
Plot 6 - Nene	Surfleet	Semi	House	3	1,065	99	£220,000	£2,223	Completed	£0	£220,000	£2,223	12/11/2020	11/03/2021	2	Single	
Plot 9 - Nene	Surfleet	Semi	House	3	1,065	99	£220,000	£2,223	Completed	£0	£220,000	£2,223	29/11/2020	29/01/2021	2	Single	
Plot 4 - Lock	Surfleet	Semi	House	3	1,079	100	£220,000	£2,194	Completed	£1,500	£218,500	£2,179	03/09/2020	05/02/2021	2	Single	
Plot 7 - Lock	Surfleet	Semi	House	3	1,079	100	£215,000	£2,144	Completed	£250	£214,750	£2,142	03/04/2021	23/11/2021	2	Single	Turf, parking spaces spread out
Plot 8 - Lock	Surfleet	Semi	House	3	1,079	100	£220,000	£2,194	Completed	£250	£219,750	£2,191	24/10/2020	26/02/2021	2	Single	
Plot 22 - Lock	Surfleet	Semi	House	3	1,079	100	£221,500	£2,209	Completed	£150	£221,350	£2,207	04/01/2021	15/03/2021	2	Single	
Plot 30 - Lock	Surfleet	Semi	House	3	1,079	100	£220,000	£2,194	Completed	£250	£219,750	£2,191	09/08/2020	13/11/2020	2	Single	
Plot 5 - Lock	Surfleet	Det	House	3	1,079	100	£250,000	£2,493	Completed	£0	£250,000	£2,493	24/10/2020	07/01/2021	2	Single	
Plot 12 - Lock	Surfleet	Det	House	3	1,079	100	£250,000	£2,493	Completed	£0	£250,000	£2,493	18/02/2021	30/04/2021	2	Single	
Plot 15 - Ribble	Surfleet	Det	House	4	1,283	119	£285,000	£2,390	Completed	£10,000	£275,000	£2,306	31/05/2021	23/07/2021	2	Single	£10,000 reduction to complete in 8 wks
Plot 16 - Ribble	Surfleet	Det	House	4	1,283	119	£290,000	£2,432	Completed	£0	£290,000	£2,432	13/02/2021	17/06/2021	2	Double	
Plot 17 - Ribble	Surfleet	Det	House	4	1,283	119	£290,000	£2,432	Completed	£0	£290,000	£2,432	22/04/2021	06/08/2021	2	Double	
Plot 24 - Ribble	Surfleet	Det	House	4	1,283	119	£285,000	£2,390	Completed	£450	£284,550	£2,386	17/04/2021	23/06/2021	2	Single	Turf
Plot 29 - Ribble	Surfleet	Det	House	4	1,283	119	£285,000	£2,390	Completed	£5,000	£280,000	£2,348	26/04/2021	18/06/2021	2	Single	
Plot 2 - Stamford	Surfleet	Det	House	4	1,560	145	£342,000	£2,359	Completed	£0	£342,000	£2,359	14/11/2020	11/01/2021	4	Double	
Plot 1 - Tay	Surfleet	Det	House	4	1,770	164	£350,000	£2,128	Completed	£850	£349,150	£2,123	28/12/2020	09/04/2021	2	Double	Wardrobes
Plot 32 - Chester	Surfleet	Det	House	5	2,294	213	£395,000	£1,853	Reserved	£0	£395,000	£1,853	10/11/2020				

Street Address/Plot No	Parish	Style	Type	Beds	GIA (sqft)	GIA (sqm)	Gross Price	Gross £ per sqm	Status	Parking/Ga	Age	Date	Notes
61 Atherton Gardens	Pinchbeck	Semi	Bung	2	624	58	£177,000	£3,052	Completed	OR/Single	New	11/08/2020	Pinchbeck Fields Development (Larkfleet)
59 Atherton Gardens	Pinchbeck	Semi	Bung	2	624	58	£180,000	£3,103	Completed	OR/Single	New	28/02/2020	Pinchbeck Fields Development (Larkfleet)
71 Atherton Gardens	Pinchbeck	Det	Bung	2	624	58	£187,995	£3,241	Completed	OR/Single	New	09/03/2020	Pinchbeck Fields Development (Larkfleet)
4 Atherton Gardens	Pinchbeck	Det	Bung	2	624	58	£199,995	£3,448	SSTC	OR/Single	New	Nov 2020	Pinchbeck Fields Development (Larkfleet)
93 Atherton Gardens	Pinchbeck	Det	Bung	2	785	73	£224,995	£3,082	Completed	OR/Single	New	12/11/2019	Pinchbeck Fields Development (Larkfleet)
67 Atherton Gardens	Pinchbeck	Det	Bung	2	785	73	£227,000	£3,110	SSTC	OR/Single	New	Feb 2020	Pinchbeck Fields Development (Larkfleet)
89 Atherton Gardens	Pinchbeck	Det	Bung	2	785	73	£220,995	£3,027	Completed		New	25/06/2020	Pinchbeck Fields Development (Larkfleet)
Spalding Road	Pinchbeck	Det	Bung	3	1,162	108	£380,000	£3,519	SSTC	OR/Single	New	Sept 2020	
Spalding Road	Pinchbeck	Det	Bung	3	1,227	114	£375,000	£3,289	SSTC	OR/Double	New	Sept 2020	
Spalding Road	Pinchbeck	Det	Bung	3	1,399	130	£380,000	£2,923	SSTC	OR/Single	New	Sept 2020	
Spalding Road	Pinchbeck	Det	Bung	3	1,399	130	£385,000	£2,962	SSTC	OR/Single	New	Sept 2020	
Plot 6 Keston Road	Pinchbeck	Det	Bung	3	1,603	149	£350,000	£2,349	SSTC	OR/Single	New	Jul 2021	
3 Mersey Close	Spalding	M-Terr	House	2	678	63	£155,000	£2,460	Completed	OR/None	New	02/10/2020	
65 Saltern Drive	Spalding	M-Terr	House	2	689	64	£161,995	£2,531	Completed	OR/None	New	12/06/2019	
63 Saltern Drive	Spalding	M-Terr	House	2	689	64	£161,995	£2,531	Completed	OR/None	New	24/05/2019	
1 Braydon Close	Spalding	E-Terr	House	2	689	64	£161,995	£2,531	Completed	OR/None	New	20/12/2019	
67 Saltern Drive	Spalding	E-Terr	House	2	689	64	£161,995	£2,531	Completed	OR/None	New	24/05/2019	
61 Saltern Drive	Spalding	E-Terr	House	2	689	64	£159,995	£2,500	Completed	OR/None	New	17/05/2019	
5 Mersey Close	Spalding	E-Terr	House	2	699	65	£162,995	£2,508	Completed	OR/None	New	21/08/2020	
43 Atherton Gardens	Pinchbeck	Semi	House	3	796	74	£183,500	£2,480	SSTC	OR/None	New	Nov 2020	Pinchbeck Fields (Larkfleet)
The Dove Greenfields	Weston	Semi	House	3	878	82	£190,000	£2,328	SSTC	1 OR/None	New	23/06/2021	Added onto Rightmove date
Plot 57 Greenfields	Weston	Semi	House	3	878	82	£190,000	£2,328	Asking	1 OR/None	New	23/06/2021	Added onto Rightmove date
79 Atherton Gardens	Pinchbeck	Semi	House	3	893	83	£192,995	£2,325	Completed	OR/Single	New	29/11/2019	Pinchbeck Fields Development (Larkfleet)
81 Atherton Gardens	Pinchbeck	Semi	House	3	893	83	£192,995	£2,325	SSTC	OR/Single	New	Jan 2020	Pinchbeck Fields (Larkfleet)
77 Atherton Gardens	Pinchbeck	Semi	House	3	925	86	£206,995	£2,407	Completed	OR/Single	New	01/07/2020	Pinchbeck Fields Development (Larkfleet)
75 Atherton Gardens	Pinchbeck	Semi	House	3	925	86	£201,995	£2,349	Completed	OR/Single	New	29/11/2019	Pinchbeck Fields Development (Larkfleet)
105 Atherton Gardens	Pinchbeck	Semi	House	3	925	86	£199,995	£2,326	Completed	OR/Single	New	30/08/2019	Pinchbeck Fields (Larkfleet)
107 Atherton Gardens	Pinchbeck	Semi	House	3	925	86	£201,995	£2,349	Completed	OR/Single	New	31/10/2019	Pinchbeck Fields Development (Larkfleet)
Plot 151 Pinchbeck Fielc	Pinchbeck	Semi	House	3	925	86	£212,000	£2,465	SSTC	OR/None	New	May 2021	Pinchbeck Fields (Larkfleet) - The Winthorpe
Plot 152 Pinchbeck Fielc	Pinchbeck	Semi	House	3	925	86	£211,000	£2,453	SSTC	OR/None	New	Apr 2021	Pinchbeck Fields (Larkfleet) - The Winthorpe
33 Witham Close	Spalding	Semi	House	3	936	87	£183,995	£2,115	Completed	OR/None	New	26/06/2020	
29 Witham Close	Spalding	Semi	House	3	936	87	£195,995	£2,253	Completed	OR/None	New	22/04/2020	
27 Witham Close	Spalding	Semi	House	3	936	87	£195,995	£2,253	Completed	OR/None	New	28/02/2020	
35 Witham Close	Spalding	Semi	House	3	936	87	£190,000	£2,184	Completed	OR/None	New	20/12/2019	
25 Witham Close	Spalding	Semi	House	3	936	87	£195,995	£2,253	Completed	OR/None	New	20/12/2019	
23 Witham Close	Spalding	Semi	House	3	936	87	£195,995	£2,253	Completed	OR/None	New	20/12/2019	
6 Braydon Close	Spalding	Semi	House	3	936	87	£191,995	£2,207	Completed	OR/None	New	20/12/2019	
4 Braydon Close	Spalding	Semi	House	3	936	87	£193,995	£2,230	Completed	OR/None	New	20/12/2019	
5 Braydon Close	Spalding	Semi	House	3	936	87	£193,995	£2,230	Completed	OR/None	New	20/12/2019	
7 Braydon Close	Spalding	Semi	House	3	936	87	£192,395	£2,211	Completed	OR/None	New	20/12/2019	
35 Atherton Gardens	Pinchbeck	Semi	House	3	968	90	£222,995	£2,478	SSTC	OR/None	New	Nov 2020	Pinchbeck Fields (Larkfleet) - The Linwood (Plot 18)
33 Atherton Gardens	Pinchbeck	Semi	House	3	968	90	£219,995	£2,444	SSTC	OR/None	New	Nov 2020	Pinchbeck Fields (Larkfleet) - The Linwood (Plot 17)
Plot 60 Greenfields	Weston	Semi	House	3	1,108	103	£210,000	£2,039	Asking	1 OR/Single	New	23/06/2021	Added onto Rightmove date
The Heron Greenfields	Weston	Semi	House	3	1,108	103	£210,000	£2,039	SSTC	1 OR/Single	New	19/07/2021	Added onto Rightmove date
Plot 37 Greenfields	Weston	Semi	House	3	1,108	103	£205,000	£1,990	Asking	1 OR/Single	New	23/06/2021	Added onto Rightmove date

MAXEY GROUNDS

1 Palgrave Way	Pinchbeck	Det	House	3	893	83	£199,995	£2,410	Completed	OR/Single	New	31/01/2020	Pinchbeck Fields (Larkfleet) - Plot 56 (The Newton)
17 Atherton Gardens	Pinchbeck	Det	House	3	893	83	£216,500	£2,608	SSTC	OR/None	New	May 2021	Pinchbeck Fields (Larkfleet) - The Newton (Plot 9)
Plot 150 Pinchbeck Fields	Pinchbeck	Det	House	3	893	83	£216,500	£2,608	SSTC	OR/None	New	May 2021	Pinchbeck Fields (Larkfleet)
31 Atherton Gardens	Pinchbeck	Det	House	3	893	83	£210,500	£2,536	SSTC	OR/None	New	Feb 2020	Pincbech Fields (Larkfleet) - Plot 16 (The Newton)
83 Atherton Gardens	Pinchbeck	Det	House	3	893	83	£209,995	£2,530	SSTC	OR/Single	New	Jul 2019	Pinchbeck Fields (Larkfleet) - Plot 42 (The Newton)
Plot 159 Pinchbeck Fields	Pinchbeck	Det	House	3	958	89	£229,000	£2,573	SSTC	OR/Single	New	Jun 2021	
27 Atherton Gardens	Pinchbeck	Det	House	3	968	90	£210,000	£2,333	SSTC	OR/None	New	Jan 2020	Pinchbeck Fields (Larkfleet) - Plot 14 (The Linwood)
57 Atherton Gardens	Pinchbeck	Det	House	3	990	92	£227,000	£2,467	Completed	OR/Single	New	21/08/2020	Pinchbeck Fields Development (Larkfleet)
55 Atherton Gardens	Pinchbeck	Det	House	3	990	92	£229,000	£2,489	Completed	OR/Single	New	30/03/2020	Pinchbeck Fields Development (Larkfleet)
85 Atherton Gardens	Pinchbeck	Det	House	3	990	92	£227,000	£2,467	Completed	OR/Single	New	25/10/2019	Pinchbeck Fields Development (Larkfleet)
29 Atherton Gardens	Pinchbeck	Det	House	3	990	92	£229,000	£2,489	SSTC	OR/Single	New	Sept 2020	
5 Dairy Close	Pinchbeck	Det	House	3	1,011	94	£245,000	£2,606	Completed	OR/Single	New	15/11/2019	
8 Pennnyfield	Pinchbeck	Det	House	3	1,162	108	£250,000	£2,315	Completed	OR/Single	New	05/02/2020	
Plot 32 Greenfields	Weston	Det	House	4	1,259	117	£300,000	£2,564	Asking	2 OR/Doubl	New	23/06/2021	Added onto Rightmove date
Plot 34 Greenfields	Weston	Det	House	4	1,259	117	£285,000	£2,436	Asking	1 OR/Single	New	25/06/2021	Added onto Rightmove date
Plot 5 Greenfields	Weston	Det	House	4	1,259	117	£285,000	£2,436	Asking	1 OR/Single	New	25/06/2021	Added onto Rightmove date
Plot 4 Greenfields	Weston	Det	House	4	1,259	117	£285,000	£2,436	Asking	1 OR/Single	New	25/06/2021	Added onto Rightmove date
Plot 164 Pinchbeck Fields	Pinchbeck	Det	House	4	1,270	118	£275,000	£2,331	SSTC	OR/Double	New	May 2021	
3 Dairy Close	Pinchbeck	Det	House	4	1,313	122	£289,950	£2,377	Completed	OR/Single	New	28/10/2019	
38a Knight Street	Pinchbeck	Det	House	4	1,399	130	£318,000	£2,446	Completed	OR/Single	New	21/01/2021	
5 Bentley Court	Spalding	Det	House	4	1,442	134	£256,000	£1,910	Completed	Unknown	New	19/12/2019	
4 Bentley Court	Spalding	Det	House	4	1,442	134	£269,950	£2,015	Completed	Unknown	New	22/10/2019	
4 Dairy Close	Pinchbeck	Det	House	4	1,442	134	£279,950	£2,089	Completed	OR/Single	New	19/12/2019	
6 Dairy Close	Pinchbeck	Det	House	4	1,442	134	£279,950	£2,089	Completed	OR/Single	New	15/12/2019	
2 Bentley Court	Spalding	Det	House	4	1,485	138	£279,950	£2,029	Completed	1 OR/Single	New	07/05/2020	
3 Bentley Court	Spalding	Det	House	4	1,485	138	£290,000	£2,101	Completed	1 OR/Single	New	10/01/2020	
1 Bentley Court	Spalding	Det	House	4	1,485	138	£289,950	£2,101	Completed	1 OR/Single	New	20/09/2019	
Plot 3 Greenfields	Weston	Det	House	4	1,506	140	£295,000	£2,107	Asking	1 OR/Single	New	23/06/2021	Added onto Rightmove date, area estimated, doesn't inc Garage
Plot 30 Greenfields	Weston	Det	House	4	1,528	142	£350,000	£2,465	SSTC	2 OR/Doubl	New	23/06/2021	Added onto Rightmove date
Plot 28 Greenfields	Weston	Det	House	4	1,528	142	£350,000	£2,465	Asking	2 OR/Doubl	New	23/06/2021	Added onto Rightmove date
Plot 35 Greenfields	Weston	Det	House	4	1,528	142	£350,000	£2,465	Asking	2 OR/Doubl	New	23/06/2021	Added onto Rightmove date
73 Atherton Gardens	Pinchbeck	Det	House	4	1,700	158	£320,000	£2,025	Completed	OR/Double	New	20/12/2019	Pinchbeck Fields Development (Larkfleet) - The Edenham (Plot 37), completed at asking price
69 Atherton Gardens	Pinchbeck	Det	Chalet	4	1,948	181	£373,995	£2,066	SSTC	OR/Double	New	Jul 2020	Pinchbeck Fields
95 Atherton Gardens	Pinchbeck	Det	Chalet	4	1,948	181	£350,000	£1,934	SSTC	OR/Single	New	Aug 2020	Pinchbeck Fields Development (Larkfleet) - The Folkingham (Plot 48), asking price

MAXEY GROUNDS

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

COST AND OTHER ASSUMPTIONS ADOPTED

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

Statement of Assumptions Made within Appraisal Calculations
Site area approx. 1.88 Ha. BLV has been assessed as EUV at £25,000 per gross ha, plus premium of £250,000 per gross ha.
This gives overall BLV of £517,000, say £520,000.

Total of 48 x Units (see detailed Accommodation Schedule)

Policy level 12 x Affordable Dwellings splits in/ 70% affordable rented (8)
30% shared ownership (4)

Previously agreed rate 7 x Affordable Dwelling Affordable rented (4)
Shared ownership (3)

Construction and Development Costs (Standard)
Timescales — Construction 1st April 2022 - 1st October 2023
OM Sales start from 1st October 2022 and finish 1st January 2024

Build Cost Market & Affordable Housing (4,36		£1,239		£5,408,823	
Basic BCIS Build Cost broken down as follow		Total GIA (sqm)	Price per sqm		
	Detached:	2,535	£1,305	£3,308,175	
	Semi:	1,616	£1,150	£1,858,400	
	Terr:	214	£1,132	£242,248	
	Total:	4,365	£1,239		
Additional cost for foundations (wide strip)		Houses	£11.00 per sqm	£48,015	
Increase slab levels (ave. 1,004mm)			£29.00 per sqm	£126,585	
Total House Build					**£5,583,423**
Overall House Build £/sqm					**£1,279 per sqm**

6% Design and Professional Fees
2.5% Contingency Allowance

SUDs and Storm Attenuation:		£160,000	**£160,000**
Roads	Approx 311m run of adopted roadway at £2,300 per m run	£715,300	
	Approx 242m run of unadopted roadway at £1,500 per m run	£363,000	
	Triax and Geotextile under road	£10,574	
	Additional stone to roads to make up levels	£86,458	
	Additional footpath 173m @ £300 per m	£51,900	**£1,227,232**
Parking	107 parking spaces at £600 per space	£64,200	**£64,200**
Garages	15 x singles @ £12,000 each	£180,000	
	6 pairs @ £20,000 each	£120,000	
	5 doubles @ £17,000 each	£85,000	
	E/o wide strip reinforced foundations for garages @ £1,000 per single	£37,000	**£422,000**
Site Prep and Set Up Welfa	Onsite establishment and welfare (inc. site office, services etc)	£15,000	**£15,000**
Plot specific external works (i.e. patio, fencing etc) @ £2,500 per plot		£120,000	**£120,000**
General Site Landscaping		£28,000	**£28,000**
Site works:	Dewatering (both £212 per m	£65,932	
	Filling around plots to raise levels	£164,000	**£229,932**
Works to ditch:	Clearing of drains to perimeter	£15,000	
	Adopted road crossing to ditch	£20,000	**£35,000**
HV 260m electric diversion cost		£22,359	**£22,359**
Sustainability Initiatives:	Cycle storage shi £708 per unit	£33,984	
	EV charging poin £500 per unit	£24,000	**£57,984**
Total Externals			**£2,381,707**

Affordable Housing & S106 Contributions

Affordable Housing	7 no.	
Education Contribution	£270,136	
NHS Contribution	£31,680	
Monitoring and Legal Costs	£4,000	
Total Cash S106		**£305,816**

Finance, Disposal Costs and Profit
Stamp Duty Land Tax Land — £15,500
Finance costs of £8,000 arrangement costs plus £3,000 survey and valuation cost plus 6.25% interest(ave)

Marketing / agents' costs for Market units of 3% selling and £750 per unit legal costs
Developer cost of sale to RP — £3,000
Developers return of 17.5% on Market units and 6% on Affordables

MAXEY GROUNDS

BCIS®

RICS

£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.
Last updated: 20-Nov-2021 00:40
> Rebased to South Holland (100; 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)	1,352	740	1,182	1,312	1,475	3,071	1230
810.1 Estate housing							
Generally (15)	1,350	653	1,150	1,301	1,474	4,678	1519
Single storey (15)	1,517	862	1,289	1,467	1,689	4,678	252
2-storey (15)	1,304	653	1,133	1,270	1,425	2,844	1169
3-storey (15)	1,396	845	1,120	1,342	1,567	2,759	93
4-storey or above (15)	2,854	1,386	2,293	2,561	3,812	4,219	5
810.11 Estate housing detached (15)	1,746	1,014	1,305	1,502	1,757	4,678	21
810.12 Estate housing semi detached							
Generally (15)	1,348	798	1,159	1,318	1,478	2,490	362
Single storey (15)	1,505	997	1,303	1,479	1,661	2,490	76
2-storey (15)	1,308	798	1,150	1,286	1,433	2,253	273
3-storey (15)	1,284	958	1,021	1,266	1,386	1,956	13
810.13 Estate housing terraced							
Generally (15)	1,390	845	1,149	1,306	1,523	4,219	281
Single storey (15)	1,546	1,037	1,316	1,473	1,780	2,189	27
2-storey (15)	1,338	849	1,132	1,282	1,469	2,844	209
3-storey (15)	1,423	845	1,112	1,317	1,613	2,759	43
4-storey or above (10)	4,015	3,812	-	-	-	4,219	2

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MAXEY GROUNDS

Accommodation Schedule & GDV

House Type	Storey	Type	No. Unit	Size (sqft	Size (sqm	Beds	Value/Sqm (	Value/Unit	Total Sqn	GDV (£)		Parking/Garage	Plot Numbers
Market													
Clyde	2	Semi	8	783	73	3	2,542	£185,000	582	£1,480,000		2 x OR/Single	9, 10, 21, 22, 27, 28, 32, 33
Aire	2	Semi	1	902	84	3	2,505	£210,000	84	£210,000		2 x OR/Single	30
Avon	2	Semi	2	910	85	3	2,483	£210,000	169	£420,000		2 x OR/Single	37, 38
Coronation	2	Semi	2	932	87	3	2,482	£215,000	173	£430,000		2 x OR/Single	39, 40
Rutland	2	Det	5	1,077	100	3	2,498	£250,000	500	£1,250,000		2 x OR/Single	24, 25, 31, 36, 48
Mere	2	Det	5	1,080	100	3	2,491	£250,000	502	£1,250,000		2 x OR/Single	11, 23, 29, 42, 47
Lock	2	Det	2	1,080	100	3	2,491	£250,000	201	£500,000		2 x OR/Single	2, 12
Ribble	2	Det	3	1,283	119	4	2,432	£290,000	358	£870,000		2 x OR/Double	3, 43, 44
Ribble	2	Det	2	1,283	119	4	2,474	£295,000	238	£590,000		4 x OR/Double	5, 26
Severn	2	Det	5	1,229	114	4	2,495	£285,000	571	£1,425,000		3 x OR/Single Int	1, 4, 41, 45, 46
Tay	2	Det	1	1,770	164	4	2,128	£350,000	164	£350,000		4 x OR/Double	6
			36						3,543	**£8,775,000**	**8,775,000**		
Shared Ownership													
A732	2	Semi	2	732	68	2	2,500	£170,000	136	£340,000		2 x OR/None	7, 18
A902	2	Semi	2	902	84	3	2,381	£200,000	168	£400,000		2 x OR/None	19, 20
			4						304	**£740,000**	**740,000**		
Affordable Rented											**Rent (£/w)**		
A575	2	Quad	4	575	53	1	2,339	£125,000	214	£500,000	£92.00	2 x OR/None	13, 14, 15, 16
A732	2	Semi	2	732	68	2	2,500	£170,000	136	£340,000	£120.00	2 x OR/None	8, 17
Aire (A902)	2	Semi	2	902	84	3	2,505	£210,000	168	£420,000	£132.00	2 x OR/Single	34, 35

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

HCA Development Appraisal Tool — Printed 09/12/2021

Surplus (Deficit) from input land valuation at 2/12/2021 -£1,282,666

HCA DEVELOPMENT APPRAISAL TOOL

SUMMARY | DETAIL

SCHEME

Site Address	Site at Sunnydale Close, Surfleet	Date of appraisal	02/12/2021
Site Reference	20087	Net Residential Site Area	1.88
File Source		Author & Organisation	Maxey Grounds, 22-24 Market Place, March PE15 9JH
Scheme Description	48 Units with 25% (12 no.) Affordable Housing plus S106 Cash Contributions	Registered Provider (wher 0	

Housing Mix (Affordable + Open Market)

Total Number of Units	48	*units*
Total Number of Open Market Units	36	*units*
Total Number of Affordable Units	12	*units*
Total Net Internal Area (sq m)	4,361	*sq m*
% Affordable by Unit	25.0%	
% Affordable by Area	18.8%	
Density	26	*units/ hectare*
Total Number of A/H Persons	0	*Persons*
Total Number of Open Market Persons	0	*Persons*
Total Number of Persons	0	*Persons*
Gross site Area	1.88	*hectares*
Net Site Area	1.88	*hectares*
Net Internal Housing Area / Hectare	2,320	*sq m / hectare*

equals 10,103 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	£221,600	£0	£0	£0	£0	
4 Bed + House	£294,091	£0	£0	£0	£0	
Total Revenue £	**£8,775,000**	**£0**	**£0**	**£0**	**£0**	**£8,775,000**
Net Area (sq m)	3,541	-	-	-	-	3,541
Revenue (£ / sq m)	£2,478	-	-	-	-	

CAPITAL VALUE OF OPEN MARKET SALES **£8,775,000**

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 £8,775,000 £ 2,478 psqm

BUILD COST OF OPEN MARKET HOUSING Inc Contingency £4,642,162 £ 1,311 psqm

CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING **£4,132,838**

AH Residential Values

AH & RENTAL VALUES BASED ON NET RENTS

Type of Unit	Social Rented	Shared Ownership (all phases)	Affordable Rent (all phases)	Total
1 Bed Flat Low rise				
2 Bed Flat Low rise				
3 Bed Flat Low rise				
4 Bed + Flat Low rise				
1 Bed Flat High rise				
2 Bed Flat High rise				
3 Bed Flat High rise				
4 Bed + Flat High rise				
2 Bed House		£221,858	£285,290	£507,149
3 Bed House		£261,010	£390,724	£651,733
4 Bed + House				
	£0	£482,868	£676,014	£1,158,882
£ psqm of CV (phase 1)	-	1,518	1,310	

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING) **£1,158,882**

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

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

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING) **£1,158,882**

BUILD COST OF AFFORDABLE HOUSING Inc Contingency £1,075,000 £ 1,311 psqm

HCA Development Appraisal Tool — Printed 09/12/2021

CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING £83,882

Car Parking

No. of Spaces	Price per Space (£)	Value
107	-	£0

Value of Residential Car Parking		£0
Car Parking Build Costs	£64,200	

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		£9,933,882
TOTAL BUILD COST OF RESIDENTIAL SCHEME	£5,781,362	
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME		£4,152,520

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		£9,933,882
TOTAL BUILD COSTS	£5,781,362	
TOTAL CONTRIBUTION TO SCHEME COSTS		£4,152,520

External Works & Infrastructure Costs (£)		Per unit	% of GDV	per Hectare
Site Preparation/Demolition	£15,000	313	0.2%	7,979
Roads and Sewers	£1,227,232	25,567	12.4%	652,783
SUDs and Storm Attenuation	£160,000	3,333	1.6%	85,106
General Site Landscaping	£28,000	583	0.3%	14,894
Site works	£229,932	4,790	2.3%	122,304
HV 260m electric diversion cost	£22,359	466	0.2%	11,893
Sustainability initiatives	£57,984	1,208	0.6%	30,843
Plot specific external works	£120,000	2,500	1.2%	63,830
Garages	£422,000	8,792	4.2%	224,468
Clearing of drains to perimeter and adopted road to ditch crossing	£35,000	729	0.4%	18,617
	£2,317,507		23.3%	1,232,716
Other site costs				
Fees and certification 6.0%	£338,515	7,052	3.4%	180,061
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	£2,656,022	55,334		
Statutory 106 Costs (£)				
Education	£270,136	5,628		
Sport & Recreation	£0			
Social Infrastructure	£0			
Public Realm	£0			
Affordable Housing	£0			
Transport	£0			
Highway	£0			
Health	£31,680	660		
Public Art	£0			
Monitoring and Legal Costs	£4,000	83		
Community Infrastructure Levy	£0			
Other Tariff	£0			
Other 1	£0			
Other 2	£0			
Other 3	£0			
Other 4	£0			
Statutory 106 costs	£305,816	6,371		

HCA Development Appraisal Tool — Printed 09/12/2021

Marketing (Open Market Housing ONLY)			per OM unit			
Sales/letting Fees	3.0%	£263,250	7,313			
Legal Fees (per Open Market unit):	£750	£27,000	750			
Marketing (Affordable Housing)			per affordable unit			
Developer cost of sale to RP (£)		£3,000	250			
RP purchase costs (£)		£0				
Intermediate Housing Sales and Marketing (£)		£0				
Total Marketing Costs		**£293,250**				
Total Direct Costs			**£9,036,450**			
Finance and acquisition costs						
Land Payment		£520,000		14,444	per OM home	276,596 per hectare
Arrangement Fee		£8,000		3.5%	of interest	
Misc Fees (Surveyors etc)		£3,000		0.03%	of scheme value	
Agents Fees		£0				
Legal Fees		£3,900				
Stamp Duty		£15,500				
Total Interest Paid		£226,049				
Total Finance and Acquisition Costs			**£776,449**			
Developer's return for risk and profit						
Residential						
Market Housing Return (Inc OH) on Valu	17.5%	£1,535,625		42,656	per OM unit	
Affordable Housing Return on Cost	6.0%	£62,927		5,244	per affordable unit	
Return on sale of Private Rent	0.0%	£0		#DIV/0!	per PR unit	
Non-residential						
Office	£0					
Retail	£0					
Industrial	£0					
Leisure	£0					
Community-use	£0	£0				
Total Operating Profit			**£1,598,552**			
(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)						
TOTAL COST			£11,411,451			
Surplus/(Deficit) at completion 1/4/2024					(£1,477,569)	
Present Value of Surplus (Deficit) at 2/12/2021					(£1,282,666)	
Scheme Investment MIRR		7.8%	(before Developer's returns and interest to avoid double counting returns)			
Site Value as a Percentage of Total Scheme Value		5.2%		Peak Cash Requirement		-£3,575,197
Site Value (PV) per hectare		-£682,269	per hectare	-£318,066	per acre	

Appendix VI – HCA Appraisal Tool Output – No Affordable Housing or S106 Contribution

HCA Development Appraisal Tool — Printed 09/12/2021

Surplus (Deficit) from input land valuation at 2/12/2021 -£570,572

HCA DEVELOPMENT APPRAISAL TOOL

SUMMARY | DETAIL

SCHEME

Site Address	Site at Sunnydale Close, Surfeet	Date of appraisal	02/12/2021
Site Reference	20087	Net Residential Site Area	1.88
File Source		Author & Organisation	Maxey Grounds, 22-24 Market Place, March PE15 9JH
Scheme Description	48 Units with No Affordable Housing or S106 Cash Contributions	Registered Provider (whet 0	

Housing Mix (Affordable + Open Market)

Total Number of Units	48	*units*
Total Number of Open Market Units	48	*units*
Total Number of Affordable Units	0	*units*
Total Net Internal Area (sq m)	4,361	*sq m*
% Affordable by Unit	0.0%	
% Affordable by Area	0.0%	
Density	26	*units/ hectare*
Total Number of A/H Persons	0	*Persons*
Total Number of Open Market Persons	0	*Persons*
Total Number of Persons	0	*Persons*
Gross site Area	1.88	*hectares*
Net Site Area	1.88	*hectares*
Net Internal Housing Area / Hectare	2,320	*sq m / hectare*

equals 10,103 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	£144,286	£0	£0	£0	£0	
3 Bed House	£217,667	£0	£0	£0	£0	
4 Bed + House	£294,091	£0	£0	£0	£0	
Total Revenue £	**£10,775,000**	**£0**	**£0**	**£0**	**£0**	**£10,775,000**
Net Area (sq m)	4,361	-	-	-	-	4,361
Revenue (£ / sq m)	£2,471	-	-	-	-	

CAPITAL VALUE OF OPEN MARKET SALES **£10,775,000**

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 £10,775,000 £ 2,471 psqm

BUILD COST OF OPEN MARKET HOUSING Inc Contingency £5,717,162 £ 1,311 psqm

CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING **£5,057,838**

AH Residential Values

AH & RENTAL VALUES BASED ON NET RENTS

Type of Unit	Social Rented	Shared Ownership (all phases)	Affordable Rent (all phases)	Total
1 Bed Flat Low rise				
2 Bed Flat Low rise				
3 Bed Flat Low rise				
4 Bed + Flat Low rise				
1 Bed Flat High rise				
2 Bed Flat High rise				
3 Bed Flat High rise				
4 Bed + Flat High rise				
2 Bed House				
3 Bed House				
4 Bed + House				
	£0	£0	£0	£0
£ psqm of CV (phase 1)	-	-	-	

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING) £0

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) £0

BUILD COST OF AFFORDABLE HOUSING Inc Contingency £0 #DIV/0!

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CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING £0

Car Parking

No. of Spaces	Price per Space (£)	Value
107	-	£0

Value of Residential Car Parking £0
Car Parking Build Costs £64,200

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		£10,775,000
TOTAL BUILD COST OF RESIDENTIAL SCHEME	£5,781,362	
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME		£4,993,638

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		£10,775,000
TOTAL BUILD COSTS	£5,781,362	
TOTAL CONTRIBUTION TO SCHEME COSTS		£4,993,638

External Works & Infrastructure Costs (£)			Per unit	% of GDV	per Hectare
Site Preparation/Demolition		£15,000	313	0.1%	7,979
Roads and Sewers		£1,227,232	25,567	11.4%	652,783
SUDs and Storm Attenuation		£160,000	3,333	1.5%	85,106
General Site Landscaping		£28,000	583	0.3%	14,894
Site works		£229,932	4,790	2.1%	122,304
HV 250m electric diversion cost		£22,359	466	0.2%	11,893
Sustainability Initiatives		£57,984	1,208	0.5%	30,843
Plot specific external works		£120,000	2,500	1.1%	63,830
Garages		£422,000	8,792	3.9%	224,468
Clearing of drains to perimeter and adopted road to ditch crossing		£35,000	729	0.3%	18,617
		£2,317,507		21.5%	1,232,716
Other site costs					
Fees and certification	6.0%	£338,515	7,052	3.1%	180,061
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	£2,656,022	55,334	

Statutory 106 Costs (£)

Education	£0
Sport & Recreation	£0
Social Infrastructure	£0
Public Realm	£0
Affordable Housing	£0
Transport	£0
Highway	£0
Health	£0
Public Art	£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	£0

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Marketing (Open Market Housing ONLY)			per OM unit			
Sales/letting Fees	3.0%	£323,250	6,734			
Legal Fees (per Open Market unit):	£750	£36,000	750			
Marketing (Affordable Housing)			per affordable unit			
Developer cost of sale to RP (£)		£0				
RP purchase costs (£)		£0				
Intermediate Housing Sales and Marketing (£)		£0				
Total Marketing Costs		**£359,250**				
Total Direct Costs			**£8,796,634**			
Finance and acquisition costs						
Land Payment		£520,000	10,833	per OM home	276,596	per hectare
Arrangement Fee		£8,000	4.0%	of interest		
Misc Fees (Surveyors etc)		£3,000	0.03%	of scheme value		
Agents Fees		£0				
Legal Fees		£3,900				
Stamp Duty		£15,500				
Total Interest Paid		£199,612				
Total Finance and Acquisition Costs			**£750,012**			
Developer's return for risk and profit						
Residential						
Market Housing Return (Inc OH) on Valu	17.5%	£1,885,625	39,284	per OM unit		
Affordable Housing Return on Cost	6.0%	£0		per affordable unit		
Return on sale of Private Rent	0.0%	£0	#DIV/0!	per PR unit		
Non-residential						
Office	£0					
Retail	£0					
Industrial	£0					
Leisure	£0					
Community-use	£0	£0				
Total Operating Profit			**£1,885,625**			

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

TOTAL COST	£11,432,271	
Surplus/(Deficit) at completion 1/4/2024		**(£657,271)**
Present Value of Surplus (Deficit) at 2/12/2021		**(£570,572)**

Scheme Investment MIRR **20.3%** (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value	4.8%	Peak Cash Requirement	-£3,401,017
Site Value (PV) per hectare	-£303,496 per hectare	-£141,486 per acre	