MAXEY GROUNDS

VIABILITY ASSESSMENT

OF

SITE OFF CHAPEL GATE
SUTTON ST JAMES
SPALDING
LINCOLNSHIRE
PE12 0EJ

FOR

SCENIC HOMES LTD

ASSESSMENT DATE

24th AUGUST 2021

BY

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MAXEY GROUNDS

NON-TECHNICAL SUMMARY

This is a financial viability assessment to establish the viability of a scheme for residential development at a site known off Chapel Gate, Sutton St James.

The Gross Development Value (GDV) is calculated using market evidence from similar schemes in the area, mainly Wisbech, Holbeach and Spalding and, as such, values of between £2,014 and £2,941 per m^2 have been adopted, giving sale values of between £195,000 and £535,000 for market units, which accurately reflects the market for the various types of dwelling.

A basic build cost of £1,258 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 mid-terraced houses, and detached bungalows, plus the additional cost of piled foundations allocated on a price per m^2 basis. The piled foundations for the garages has been added as a capital sum and is deemed appropriate for this scale of development.

A basic road construction cost of £2,100 per linear metre has been used for adopted roads. This cost is based on figures from developments in the local area and are considered standard development costs in this area.

The cost of the vacuum drainage system of £50,000 has been provided by the Client as extra over the usual cost for service and road provision.

Costs for site demolition and site decontamination have been estimated at this stage using similar schemes in the area and have been deemed appropriate by the Client. The full extent of works is not yet known, however if the costs exceed those used in this appraisal, this will worsen the current viability position.

Other costs adopted, including 6.5% for Design & Professional Fees, 3% Contingency (given the site is part greenfield, part former agricultural yard with significant buildings), costs for garages and driveways, plot specific external works of £2,500 per plot, 3% for marketing, £750 for legal fees on sale and an interest rate of 6.25%, have all been adopted and are 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 land value. An EUV for the land of £25,000 per gross hectare has been adopted which is 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 i.e. £445,000 for the whole 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
30 units with 25% affordable housing and S106 cash contributions of £94,410	-£879,222
30 units with no affordable housing and no S106 cash contributions	-£458,120

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

A fully policy-compliant scheme is clearly not viable with a **deficit** of £879,222 once land cost, construction and other costs have been deducted from GDV. Furthermore, if the affordable housing and cash S106 contribution were removed, the site is still not viable with a **deficit** of £458,120. As such, the removal of all affordable housing and S106 contributions is fully justified, and the developer must be prepared to accept a profit level of below 17.5% in order to deliver this site.

INSTRUCTIONS

We refer to instructions 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 19th February 2021, a copy of which is in Appendix I of this Report.

Client

This report has been prepared for Scenic Homes Ltd.

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 for a Site off Chapel Gate, Sutton St James, Spalding, Lincolnshire PE12 0EJ.

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 Scenic Homes Ltd with a total of 30 new residential properties constructed for sale.

RICS Guidance/Professional Statements

In preparing this FVA, the Valuers have acted in accordance with the RICS Professional Statement Financial Viability in Planning: Conduct and Reporting 1st Edition, May 2019. The Valuers have acted 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, with both EUV and the Premium having been established using comparable evidence. We have also had regard to market evidence of development land, together with the price paid for it, as appropriate.

Appraisal Date

The appraisal and any valuations provided within this report are as at 24th August 2021.

Identity of Valuer

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

Material Involvement

Neither Maxey Grounds & Co LLP nor the named Valuers have any conflict of interest in preparing this appraisal.

Status of the Valuer

The appraisal has been prepared by corporate members of the Royal Institution of Chartered Surveyors who are also members of the RICS Valuer Registration Scheme, acting as External Valuers.

Currency

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 have been noted, however due to the nature of existing buildings on site, we have made an allowance for decontaminative works. 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 may have an adverse impact on 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.

Nature and Sources of Information Provided

We have been provided with copies of site plans and a schedule of the proposed property types by the Client. Copies of plans are attached as Appendix II to this report.

Evidence utilised to establish Market Values has been obtained from Rightmove Plus and HM Land Registry data.

Affordable rental levels have been calculated on the basis of 80% of the maximum market rental value achievable around the Sutton St James area, and have also been confirmed by enquiries of housing associations and the local planning authority. We have established figures for appropriate levels of management and repair costs through discussions with local planning authorities.

The BLV has been established having regard to the EUV and an appropriate premium sufficient to ensure land comes forward for development, whilst also having regard to the purchase price paid.

S106 requirements have been estimated using the S106 agreement for a previous consent on the site. Other costs have been 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 have been estimated on a per unit basis using the S106 agreement from the previous consent for the site. These include education contributions.

Affordable rents are based upon 80% of market rent 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.

We have adopted an EUV for the land of £25,000 per gross hectare i.e. agricultural value. To this, we have added a premium of £250,000 per gross hectare in order to bring it forward for development, therefore giving an overall BLV of around £445,000.

Valuer Competence

The appraisal has been undertaken by Chartered Surveyors who are members of the RICS Valuer Registration Scheme possessing the necessary local knowledge of the market, and the necessary skills and understanding to undertake the appraisal competently. The appraisal has been carried out in accordance with the RICS Financial Viability in Planning: Conduct and Reporting 1st Edition, May 2019.

INSPECTION

Date of Inspection

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

Property Address

The property is a site off Chapel Gate, Sutton St James, Spalding, Lincolnshire PE12 0EJ. The site location is shown on the Plans and Photographs within Appendix II.

Property Description

The property is partly greenfield, partly former agricultural yard upon which it is proposed to develop 30 new 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 1.62 Hectares. The size of the units (Gross Internal Area) has been provided on the plans from the client and is within the inputs to the Development Appraisal Tool, an electronic copy of which has been provided.

Gross Development Value

We have utilised new build comparable evidence from the Holbeach, Spalding and Wisbech areas, as these prices are comparable to Sutton St James. The sale prices adopted are explained in further detail below.

For Type 1, there is a 2-bed house of 68m^2 on the new-build Holbeach Meadows estate, with the end-terraced/semi-detached variant selling for £167,000 and the mid-terraced variant selling for £155,000. Type 1 is 72m^2, so marginally larger, therefore we have adjusted the sale price upwards to £170,000 for the end-terraced/semi-detached variant and £160,000 for the mid-terraced variant.

For Type 2, we have adopted a similar value as the Avon house type on the comparable spreadsheet. Both house types are 3-bedroom semi-detached houses, and whilst Type 2 is larger than the Avon, it doesn't have a garage, whereas the Avon does. Therefore, we have adopted £195,000 to allow for these factors.

Type 3 is similar to Type 2, it is a 3-bed semi-detached house and is only 3m^2 smaller than Type 2, however it does have a single garage. Therefore, we have adjusted the overall price adopted for Type 2 upwards to £197,000 to reflect the slightly smaller size but the addition of the garage.

Type 4 is a 3-bed detached house which is a very similar size to Type 2 and also has a garage. Looking at the comparables, there is generally a £20,000 premium for the same

size house being detached, as opposed to semi-detached. Therefore, we have valued Type 4 at £220,000.

Type 5 is a 4-bed detached house, with the living accommodation extending to 138m^2 plus a single integral garage. There isn't comparable evidence reflecting this size dwelling, there is the Harren which is smaller at 130m^2 and the Humber which is larger at 147m^2, although both have double garages, whereas Type 5 only has a single. Therefore, to reflect these factors, we have adopted a value in between the sale prices achieved for the Harren and Humber house types, as such, we have valued Type 5 at £295,000.

Type 6 is marginally smaller than Type 5, however has a double garage instead of a single. The market has shown that a double garage is valued more than reduced living space, therefore we have adjusted the value of Type 5 upwards to £300,000 for Type 6.

Type 7 is a 5-bed detached house with living space extending to 216m^2 with a double integral garage. In the comparable spreadsheet, there is also a 5-bed detached house with a double garage of a very similar size, the Barrowby house type, therefore we have adopted the same value of £435,000.

Type 8 is also a 5-bed detached house with double garage, however is significantly larger than Type 7 at 252m^2. There isn't any direct comparable evidence for a house of this size, the next size up is the Thames house type which is even larger at 285m^2. As such, we have adopted a sale value between the two different types to reflect the size of Type 8 and its accommodation, giving it a value of £525,000. Type 9 has exactly the same accommodation and gross internal area, however has the addition of a 3rd garage, which could also be used as an office or store. As such, we have adjusted the sale price adopted for Type 8 upwards to £535,000 to reflect this.

Type 10 is a spacious 3-bedroom detached bungalow with a double garage, with the living accommodation extending to 126m^2. There is some comparable evidence in this area for 3-bedroom detached bungalows of this size, most notably 6 Bette Campling Close in Sutton St James. Therefore, we have adopted the same sale price of £350,000.

Type 11 is also a 3-bedroom detached bungalow with a double integral garage, however the living accommodation is smaller at 102m^2. There is limited comparable evidence for new-build bungalows of this size, therefore we have adjusted the price per m^2 upwards to reflect the smaller size, but still adopted a sale value which is less overall than Type 10. The sale price adopted is £300,000.

Costs

A build cost of £1,258 per m^2 has been adopted, which is the weighted average BCIS lower quartile figure for the different house types i.e. detached, semi-detached and mid-terraced houses and detached bungalows, plus the cost of piling which equates on average across the site to an additional £43 per m^2. The build cost for the garages has

previously been accepted on viability work in the region, and then we have added the additional cost for piling as a capital sum.

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 and terraced houses and detached bungalows) individually. Breaking down the stated BCIS figure to the dwelling types gives figures of £1,265 per m^2 for detached houses, £1,112 per m^2 for semi-detached houses and £1,087 per m^2 for terraced housing. We have adopted £1,350 per m^2 for detached bungalows to reflect the higher build costs than two-storey dwellings, this accounts for the additional foundations (for larger footprints) and larger roof areas. If we apply these figures to the housing mix being provided this gives an average figure over the whole scheme of £1,215 per m^2. To this we have allocated the cost for piling on a per m^2 basis, which equates to around £43 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 Chapel Gate, Sutton St James.

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 Chapel Gate, Sutton St James, which clearly departs from the mix within the sample used to determine the "generally" BCIS figure.

The costs for SUDs, storm attenuation, storm headwalls and outfall to the IDB have been estimated based on knowledge of local schemes in the area.

We have used a basic road construction cost of £2,100 per linear metre for adopted roads. We have not allowed for any additional stone under the road at this stage, however if it becomes apparent that this is required, this will only worsen the current viability position. These road costs are based on actual costs for road construction in the region and are widely accepted as being reasonable.

A cost for site landscaping of £35,000 has been adopted to cover the area of public open space and the swale. We have also made an allowance for maintenance of the POS until it is transferred in this figure.

There is also some demolition required on site, with removal of asbestos and other decontamination works. We have estimated these costs at this stage, but they have been confirmed as appropriate by the Client. The extent of the works is not yet fully known, however if this cost exceeds the estimated amount, this will only worsen the viability position.

Cash S106 contributions have been estimated using the previous consent on this site, and calculated on a per plot basis to reflect the number of units proposed in this new scheme. If further contributions are requested, this will worsen the current viability position.

Other costs adopted, including 6% for Design & Professional Fees, 3% Contingency to reflect the previous use on part of the site, standard build costs for garages and driveways, plot specific external works of £2,500 per plot, 3% for marketing, £750 per unit for legal costs 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.

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. There was a previous consent for the site, and we have therefore adopted the S106 contributions from that consent on a per plot basis to reflect the number of units of this newly proposed scheme.

Condition

The site is part greenfield, part former agricultural yard with no development work yet commenced. Any structures on site will be demolished as part of the scheme and thus their existing condition is only relevant in relation to the cost of demolition, removal of asbestos and other decontamination works. The extent of works is not yet fully known.

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 £94,410 S106 cash contributions to be provided. We have calculated the cash S106 contributions on a per plot basis using the previous consent for the site. Thereafter, an

alternative scenario is appraised involving no affordable housing and no S106 cash contributions for comparison purposes.

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 assessed the BLV using an EUV plus premium approach. We have adopted an EUV of £25,000 per gross Hectare, giving an overall EUV of £40,500. A premium of £250,000 per gross hectare has been added to this, which is the minimum a landowner would expect to be paid in order to release the land for development. This gives a value of £275,000 per gross hectare, giving an overall BLV of the site of around £445,000.

Having undertaken valuations of the various dwelling types to arrive at the market value 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.

There is an extant consent, planning reference H20-0043-18, for 27 dwellings onsite with reduced affordable housing provision and S106 cash contribution levels. Since that consent was granted in February 2019 there has been a significant rise in build costs and thus viability for this new scheme requires re-appraisal.

Appraisal Outputs

The full output of the HCA DAT tool for a full policy-compliant scheme is set out within Appendix V i.e. 30 units with 25% affordable housing and S106 cash contributions of £94,410. This scheme produces a **deficit** of £879,222.

Appendix VI gives the amended output figures for a scheme with no affordable housing and no S106 cash contributions. This scheme produces a **deficit** of £458,120.

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 a policy-compliant scheme at the development site off Chapel Gate, Sutton St James, Spalding. 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 off Chapel Gate, Sutton St James. We have adopted the percentages and values per unit accepted in the Local Plan Viability and applied them to a site of 30 units to get a direct comparison on costs. The differences are highlighted in the following table:

Appraisal Input	2017 Viability Study (Rates/Percentages based on Greenfield - 150 dwellings)	Site off Sutton St James, Spalding (30 units)
Density	30 dwellings per Ha	18.5 dwellings per Ha
Average Value	£1,900 per m^2	£2,247 per m^2
Average Dwelling Size	100m^2	117m^2
Build Cost	£911 per m^2	£1,258 per m^2
Externals	£440,155 (10% on build cost)	£1,048,800 (24% on build cost) (inc. abnormals)
Contingency	3% on build cost	3% on build cost
Professional Fees	7% on build cost	6% on build cost
S106	Up to £5,000 per dwelling	£3,147 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	£300,000 (£10,000 per unit)	£0 (with externals)

The main points affecting the viability position for the site off Chapel Gate, Sutton St James in comparison with the Local Plan position are as follows:

- The build density (units per hectare) at Chapel Gate, Sutton St James is significantly lower than that used in the 2017 Local Plan Viability Study. The build density on a m^2 per Ha basis is also lower, for Chapel Gate, Sutton St James there is an average of 2,165m^2 per Ha, in the 2017 Viability Study they allowed for 3,000m^2 per Ha. This is a significant difference and puts considerable pressure on the viability position.

- The build costs adopted have increased by around 38% compared with the Local Plan viability study, which was conducted around 4 years ago, therefore a significant uplift is expected. The build cost adopted for Chapel Gate, Sutton St James is based on the weighted average of BCIS lower quartile cost of construction calculated on a pro-rata basis to reflect the different number of detached, semi-detached, mid-terraced houses and bungalows. There is also the added cost of having piled foundations, and this issue was not modelled in the Local Plan Viability study. To add further pressure onto the viability position, there are reports of significant increases in the price of materials due to limited supplies. This has not been reflected in BCIS figures, however higher cost of materials will only worsen the viability position.

- The sales values are around 18.3% higher than the figures used the in Local Plan viability study, and this is reasonable considering price inflation since 2017. However, pressure on viability is heightened by the fact build costs have increased by 38% and the sale values have only increased by 18.3%. The values adopted for Chapel Gate, Sutton St James are based on what has been achieved on other new

build sites around Sutton St James, with most comparables coming from Wisbech, Holbeach and Spalding, which are comparable to the Chapel Gate site.

- 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. We have categorised all externals at Chapel Gate, Sutton St James together totalling 24% on build cost. Applying these figures combined to a site of 30 units would give figures for the Local Plan study of £440,155 for externals and £300,000 for abnormals, i.e. a total of £740,155, compared with £1,048,800 for all externals and abnormals for Chapel Gate, Sutton St James specifically, this is an overall difference of £308,645.

  These increased costs are due to the fact the Local Plan study doesn't model the provision of garages or additional foundation works i.e. piling, which is becoming the norm on all sites in this region. This lead to an underassessment of the costs of infrastructure to a residential site.

The factors above combine to 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 and no S106 contributions is shown in the table below:

	At BCIS Level	+5%	-5%
GDV at Evidence Level	- £458,120	- £687,666	- £228,596
+5%	- £164,754	-	+ £64,359
-5%	- £751,683	- £981,616	-

CONCLUSIONS

Appraisal Conclusions

We are of the opinion that a fully policy-compliant scheme for 30 units with 25% affordable dwellings and full S106 cash contributions of £94,410 will show a financial **deficit** (present value) of £879,222, 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 £445,000.

We are further of the opinion that if these contributions were removed entirely, this **deficit** is reduced to £458,120. Therefore, it is clear that all affordable housing and S106 contributions should be removed, and the developer must be willing to accept a profit level of 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:
24th August 2021

This report has been signed electronically whilst the authors are working remotely. The Authors verify that they have produced the Report, are satisfied with the contents and affirm that it has been verified using the internal verification process which is in place at Maxey Grounds LLP.

APPENDICES

Appendix I – Copy of Instruction Correspondence

MAXEY GROUNDS

Your Ref:
Our Ref: JRM/BAC/21033
Date: 19th February 2021

Mr. J. Rawlings
Scenic Homes Limited
Open Field Barn
Delgate Bank
Weston Hills
Spalding
Lincolnshire
PE12 6DW

Dear Mr. Rawlings,

Re: Confirmation of Financial Viability Assessment Instructions
Asset: Site for 28 dwellings at Chapelgate, Sutton St. James, Spalding, Lincolnshire

I refer to instructions to provide a Financial Viability Assessment (FVA) of the above. This letter, together with our attached Standard Valuation Conditions of Engagement & Terms of Business, confirms the basis upon which the FVA will be undertaken.

Client: Scenic Homes Limited.

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

Asset to be Valued: Site at Chapelgate, Sutton St. James, Spalding, 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.

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. Jeary MSc, BA (Hons), MRICS, FAAV

MAXEY GROUNDS

Identity of Valuer: Mr. J.R. Maxey MA (Cantab) FRICS FAAV RICS Registered Valuer, for and on the behalf of Maxey Grounds & Co LLP.

Material Involvement: Neither Maxey Grounds & Co LLP nor Mr. J.R. Maxey has any conflict of interest in preparing this viability assessment.

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

Special Assumptions: For the purposes of this FVA, we have assumed that the 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: The fee will be £3,000 plus VAT for the Viability Assessment and Report and £200 plus VAT per hour, thereafter, for any subsequent negotiation work. 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 electronically, 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. The Report will not be issued until the signed copy has been received.

Yours sincerely,

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

(Enc)

Re: Site for 28 dwellings at Chapelgate, Sutton St. James, Spalding, Lincolnshire

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 .....

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 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;

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.

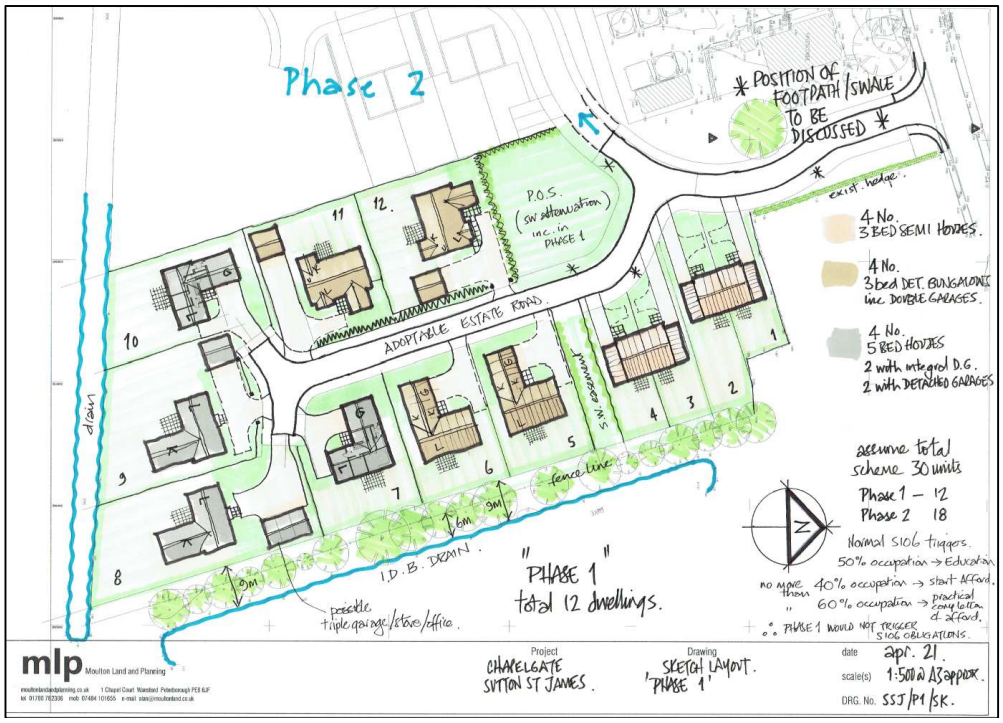
In this Agreement words importing one gender only include the other gender; words importing the singular include the plural number and vice versa; words importing persons include corporations and vice versa.

Version 15 May 2020

Appendix II – Copies of Plans and Photographs

MAXEY GROUNDS

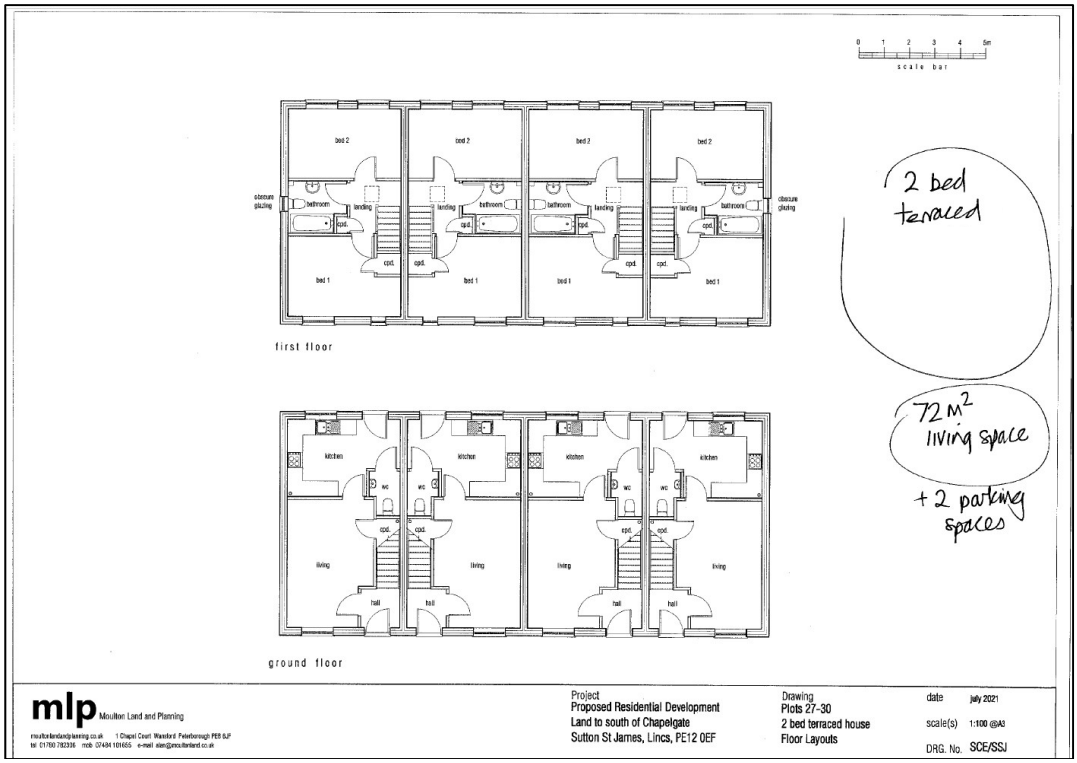
Site Layout Plan





House Types

Type 1

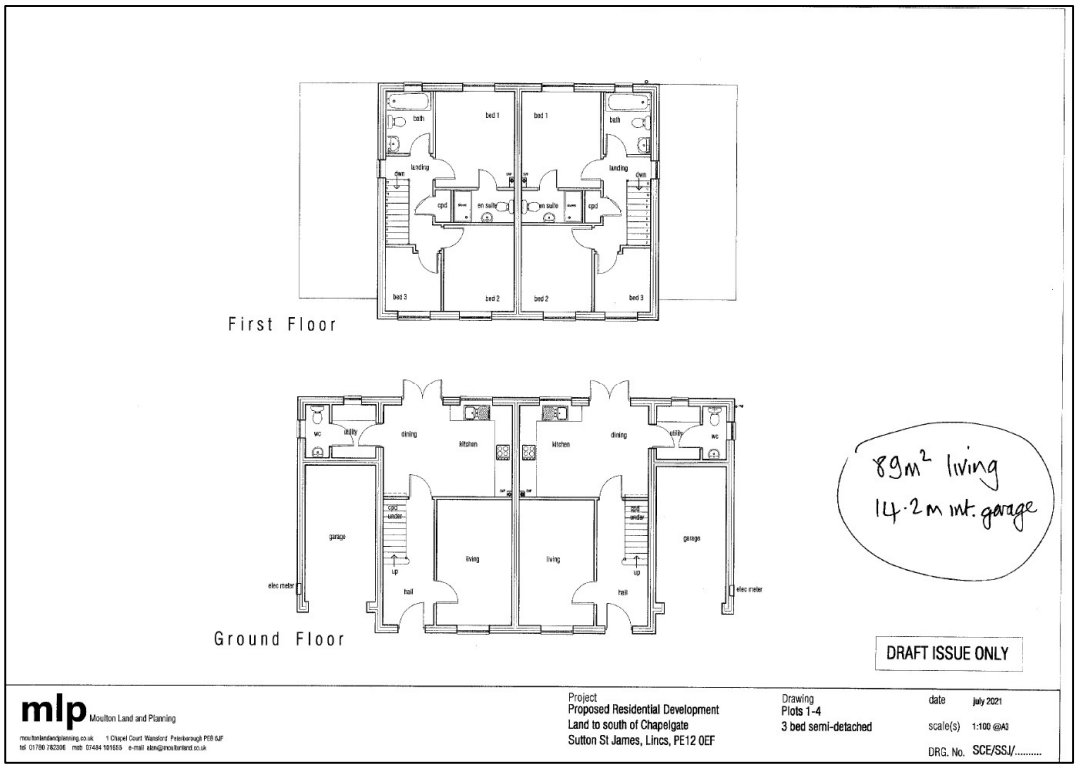


MAXEY GROUNDS

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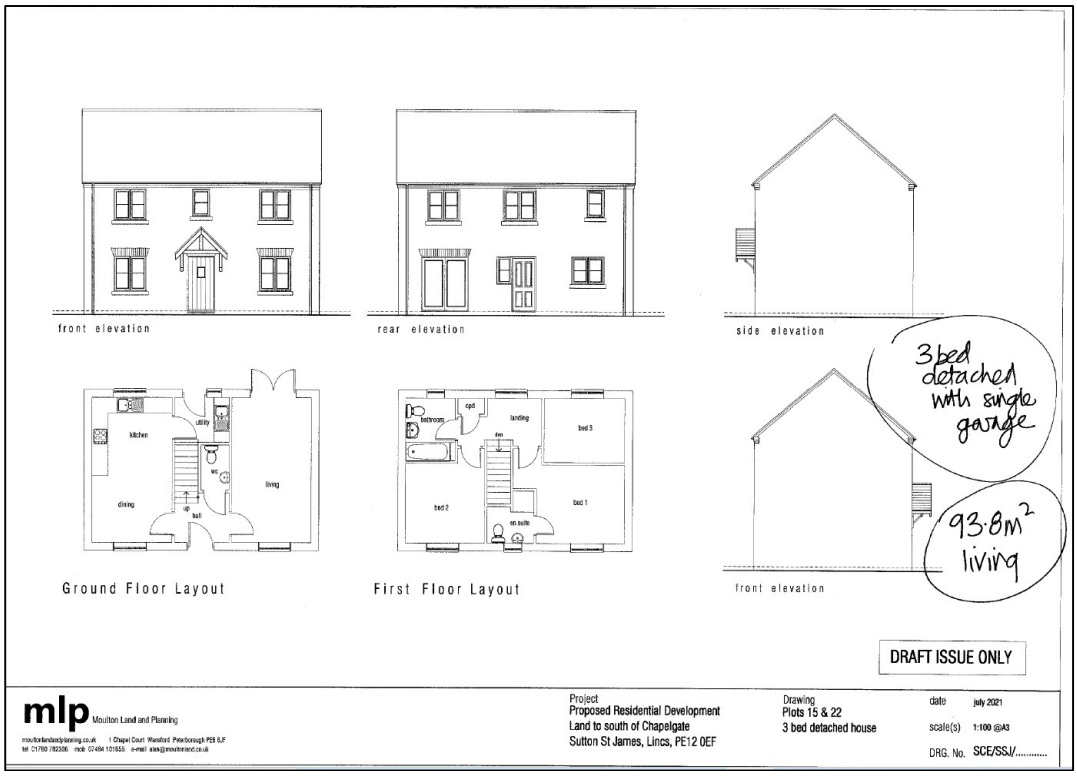


Type 3


First Floor
Ground Floor
89m² living
14·2m mt. garage
DRAFT ISSUE ONLY
mlp Moulton Land and Planning
Project
Proposed Residential Development
Land to south of Chapelgate
Sutton St James, Lincs, PE12 0EF
Drawing
Plots 1-4
3 bed semi-detached
date July 2021
scale(s) 1:100 @A3
DRG. No. SCE/SSJ/.....

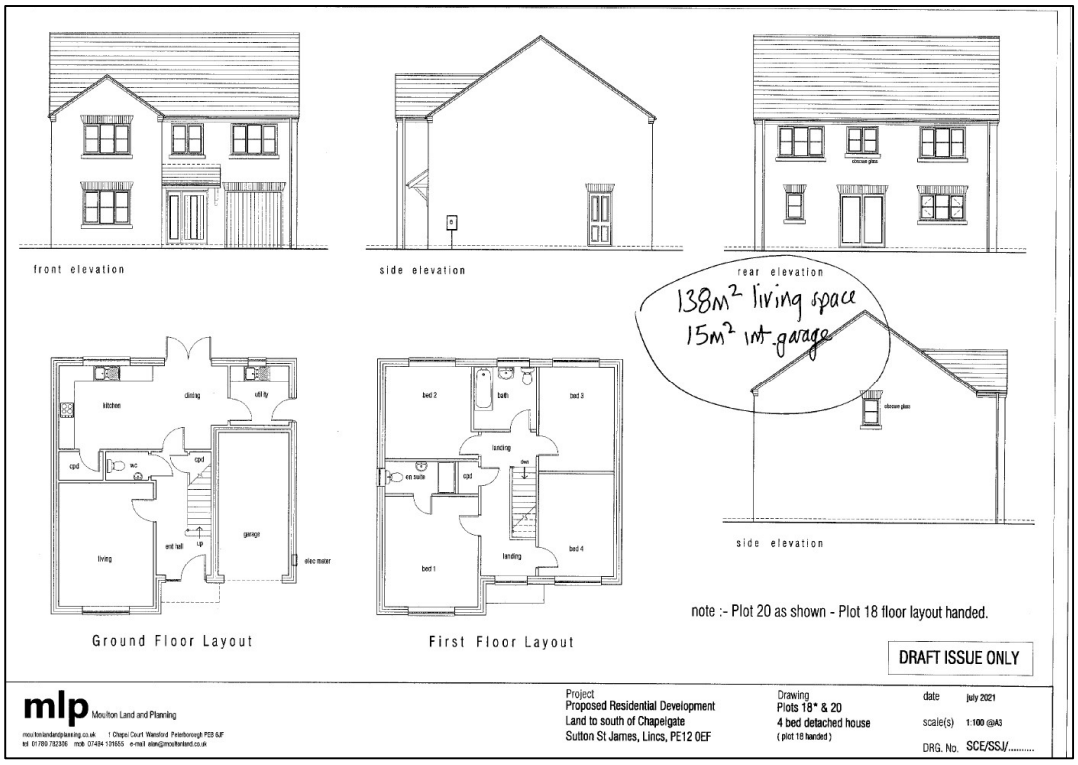
MAXEY GROUNDS

Type 4



MAXEY GROUNDS

Type 5

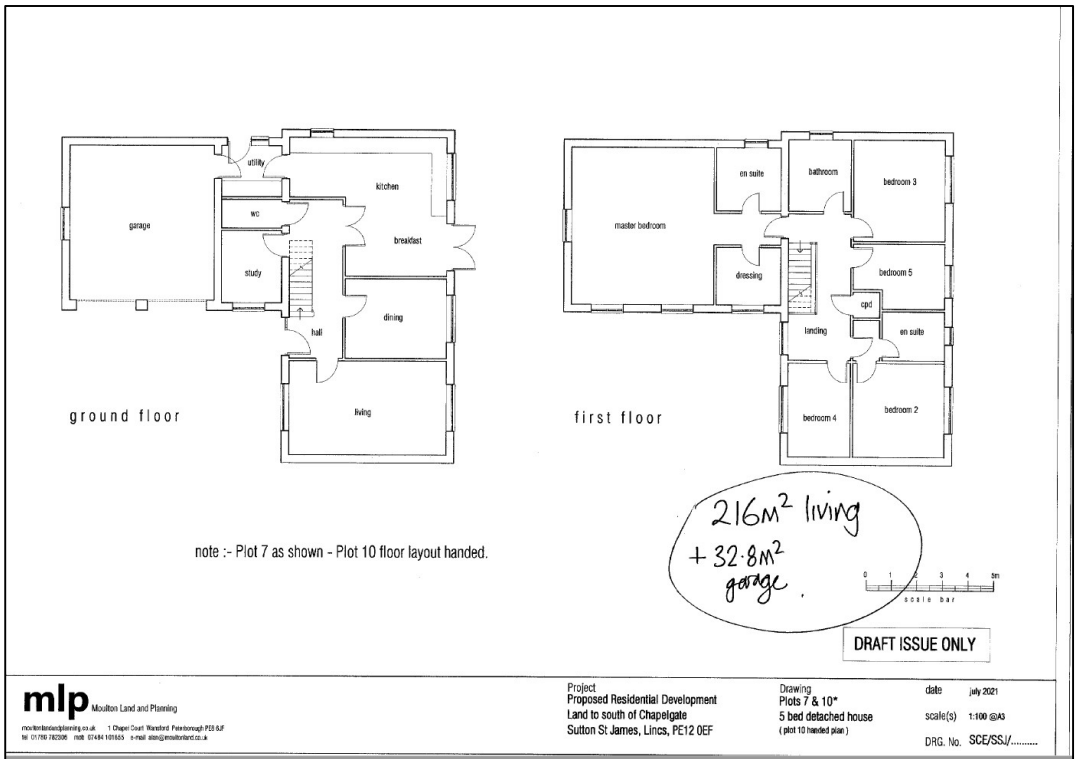


MAXEY GROUNDS

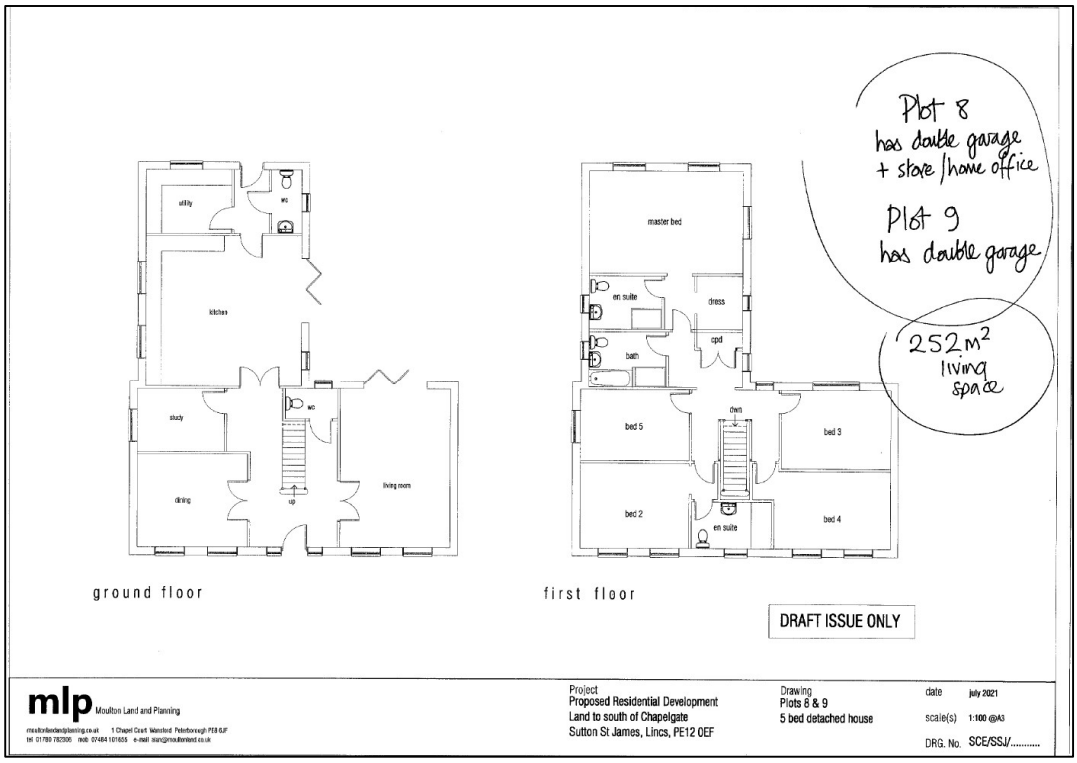
Type 6



Type 7

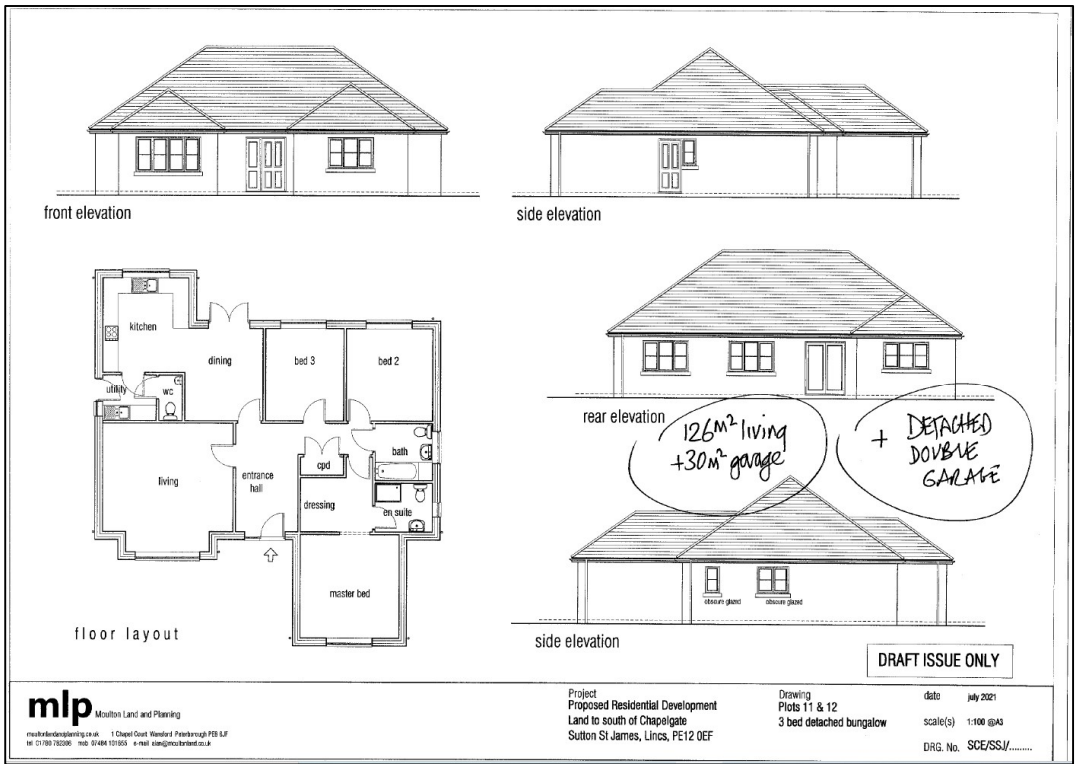

utility
kitchen
garage
wc
breakfast
study
dining
hall
living
ground floor
on suite
bathroom
bedroom 3
master bedroom
dressing
bedroom 5
cpd
landing
en suite
bedroom 4
bedroom 2
first floor
note :- Plot 7 as shown - Plot 10 floor layout handed.
216m² living
+ 32·8m² garage.
0 1 2 3 4 5m
scale bar
DRAFT ISSUE ONLY
mlp Moulton Land and Planning
Project
Proposed Residential Development
Land to south of Chapelgate
Sutton St James, Lincs, PE12 0EF
Drawing
Plots 7 & 10*
5 bed detached house
(plot 10 handed plan)
date july 2021
scale(s) 1:100 @A3
DRG. No. SCE/SSJ/.....

Types 8 and 9

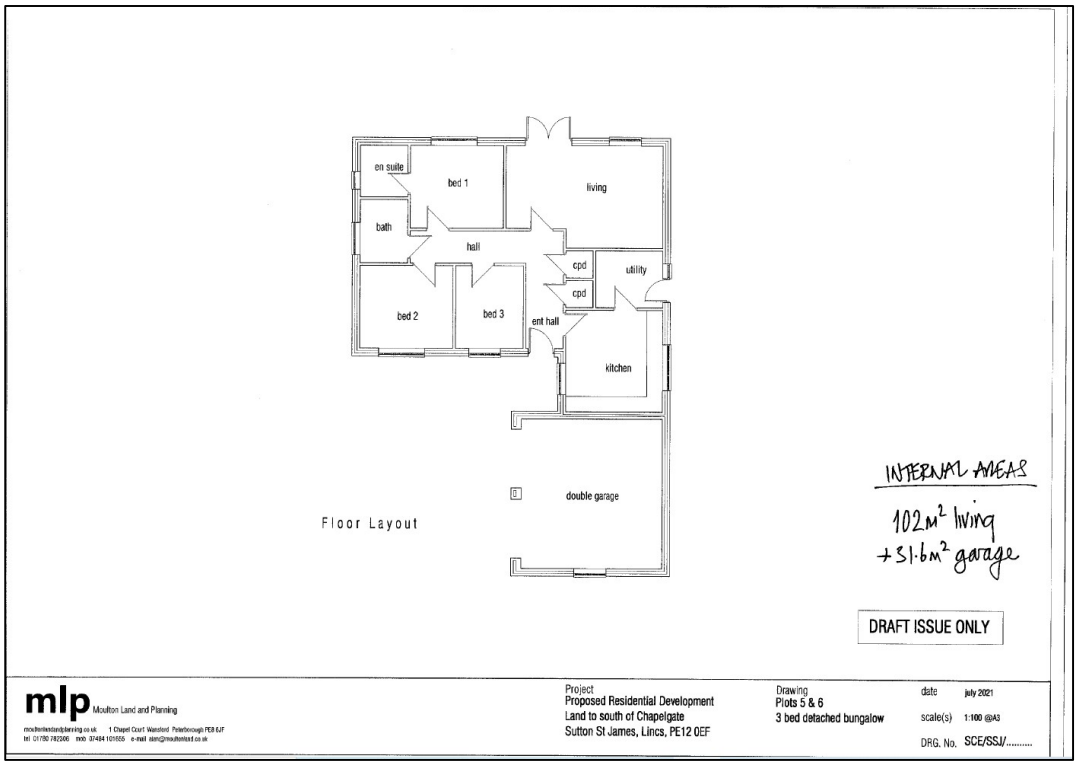

Plot 8
has double garage
+ store/home office
Plot 9
has double garage
252m²
living
space
utility
wc
kitchen
study
wc
dining
up
living room
ground floor
master bed
en suite
dress
cpd
bath
bed 5
dwn
bed 3
bed 2
en suite
bed 4
first floor
DRAFT ISSUE ONLY
mlp Moulton Land and Planning
Project
Proposed Residential Development
Land to south of Chapelgate
Sutton St James, Lincs, PE12 0EF
Drawing
Plots 8 & 9
5 bed detached house
date july 2021
scale(s) 1:100 @A3
DRG. No. SCE/SSJ/.....

MAXEY GROUNDS

Type 10



Type 11


en suite
bed 1
living
bath
hall
cpd
utility
cpd
bed 2
bed 3
ent hall
kitchen
double garage
Floor Layout
INTERNAL AREAS
102m² living
+31.6m² garage
DRAFT ISSUE ONLY
mlp Moulton Land and Planning
Project
Proposed Residential Development
Land to south of Chapelgate
Sutton St James, Lincs, PE12 0EF
Drawing
Plots 5 & 6
3 bed detached bungalow
date July 2021
scale(s) 1:100 @A3
DRG. No. SCE/SSJ/.....

MAXEY GROUNDS

Appendix III – Schedule of Comparable Evidence

MAXEY GROUNDS

Street Address/Plot No.	Parish	Style	Type	Beds	GIA (sqft)	GIA (sqm)	Gross Price	Gross £ per sqm	Incentives/Reductions	Net Sale Price	Net £ per sqm	Status	Parking/Garage	Age	Date	Notes
Holbeach Meadows (Ashwood Homes)																
Plot 1 - Thames	Holbeach	Detached	House	5	3,066	285	£575,000	£2,018	£0	£575,000	£2,018	Exchanged	2/Double	New		
Plot 2 - Thames	Holbeach	Detached	House	5	3,066	285	£575,000	£2,018	£10,919	£564,081	£1,980	Completed	2/Double	New		
Plot 13 - Thames	Holbeach	Detached	House	5	3,066	285	£575,000	£2,018	£1,500	£573,500	£2,013	SSTC	2/Double	New		
Plot 14 - Thames	Holbeach	Detached	House	5	3,066	285	£575,000	£2,018	£1,500	£573,500	£2,013	SSTC	2/Double	New		
Plot 11 - Barrowby	Holbeach	Detached	House	5	2,266	211	£435,000	£2,066	£0	£435,000	£2,066	Completed	2/Double	New		
Plot 3 - Ouse	Holbeach	Detached	House	4	1,814	169	£380,000	£2,254	£2,500	£377,500	£2,239	Completed	2/Double	New		
Plot 47 - Medway	Holbeach	Detached	House	4	1,603	149	£307,000	£2,061	£150	£306,850	£2,060	Completed	4/Double	New		
Plot 52 - Medway	Holbeach	Detached	House	4	1,603	149	£309,000	£2,074	£0	£309,000	£2,074	SSTC	4/Double	New		
Plot 16 - Humber	Holbeach	Detached	House	4	1,578	147	£300,000	£2,046	£150	£299,850	£2,045	Completed	2/Double	New		
Plot 49 - Humber	Holbeach	Detached	House	4	1,578	147	£303,000	£2,066	£0	£303,000	£2,066	Exchanged	2/Double	New		
Plot 50 - Humber	Holbeach	Detached	House	4	1,578	147	£303,000	£2,066	£0	£303,000	£2,066	Exchanged	2/Double	New		
Plot 51 - Harren	Holbeach	Detached	House	4	1,396	130	£270,000	£2,081	£150	£269,850	£2,080	Exchanged	2/Double	New		
Plot 12 - Bain	Holbeach	Detached	House	4	1,310	122	£280,000	£2,300	£0	£280,000	£2,300	Completed	2/Double	New		
Plot 48 - Bain	Holbeach	Detached	House	4	1,310	122	£280,000	£2,300	£672	£279,328	£2,294	Completed	4/Double	New		
Plot 15 - Ribble	Holbeach	Detached	House	4	1,283	119	£255,000	£2,139	£450	£254,550	£2,135	Completed	2/Double	New		
Plot 17 - Ribble	Holbeach	Detached	House	4	1,283	119	£252,000	£2,113	£150	£251,850	£2,112	Completed	2/Double	New		
Plot 53 - Ribble	Holbeach	Detached	House	4	1,283	119	£259,000	£2,172	£150	£258,850	£2,171	Exchanged	2/Single	New		
Plot 54 - Ribble	Holbeach	Detached	House	4	1,283	119	£259,000	£2,172	£0	£259,000	£2,172	Exchanged	2/Single	New		
Plot 68 - Ribble	Holbeach	Detached	House	4	1,283	119	£256,000	£2,147	£0	£256,000	£2,147	Completed	2/Single	New		
Plot 103 - Ribble	Holbeach	Link Detach	House	4	1,283	119	£259,000	£2,172	£150	£258,850	£2,171	Exchanged	1/Single	New		
Plot 66 - Mere	Holbeach	Detached	House	3	1,080	100	£227,000	£2,270	£500	£226,500	£2,265	Completed	1/Single	New		
Plot 67 - Mere	Holbeach	Detached	House	3	1,080	100	£227,000	£2,270	£150	£226,850	£2,269	Completed	1/Single	New		
Plot 4 - Lock	Holbeach	Detached	House	3	1,079	100	£227,000	£2,264	£150	£226,850	£2,262	Completed	2/Single	New		
Plot 5 - Lock	Holbeach	Detached	House	3	1,079	100	£227,000	£2,264	£150	£226,850	£2,262	Completed	2/Single	New		
Plot 6 - Lock	Holbeach	Detached	House	3	1,079	100	£227,000	£2,264	£0	£227,000	£2,264	Completed	2/Single	New		
Plot 18 - Lock	Holbeach	Detached	House	3	1,079	100	£227,000	£2,264	£0	£227,000	£2,264	Completed	1/Single	New		
Plot 63 - Lock	Holbeach	Detached	House	3	1,079	100	£227,000	£2,264	£150	£226,850	£2,262	Completed	1/Single	New		
Plot 64 - Lock	Holbeach	Detached	House	3	1,079	100	£227,000	£2,264	£0	£227,000	£2,264	Completed	1/Single	New		
Plot 65 - Lock	Holbeach	Detached	House	3	1,079	100	£227,000	£2,270	£0	£227,000	£2,270	Completed	1/Single	New		
Plot 19 - Mere	Holbeach	Semi	House	3	1,080	100	£207,000	£2,062	£0	£207,000	£2,062	Completed	1/Single	New		
Plot 22 - Mere	Holbeach	Semi	House	3	1,080	100	£210,000	£2,092	£0	£210,000	£2,092	Completed	2/Single	New		
Plot 21 - Lock	Holbeach	Semi	House	3	1,079	100	£210,000	£2,094	£0	£210,000	£2,094	Completed	2/Single	New		
Plot 43 - Avon	Holbeach	Semi	House	3	910	85	£195,000	£2,306	£1,500	£193,500	£2,288	Completed	2/Single	New		
Plot 44 - Avon	Holbeach	Semi	House	3	910	85	£195,000	£2,306	£0	£195,000	£2,306	Completed	2/Single	New		
Plot 45 - Avon	Holbeach	Semi	House	3	910	85	£195,000	£2,306	£0	£195,000	£2,306	Completed	2/Single	New		
Plot 46 - Avon	Holbeach	Semi	House	3	910	85	£195,000	£2,306	£3,000	£192,000	£2,270	Completed	2/Single	New		
Plot 7 - Sparta	Holbeach	Semi	House	3	870	81	£190,000	£2,350	£2,500	£187,500	£2,319	Completed	2/Single	New		
Plot 8 - Sparta	Holbeach	Semi	House	3	870	81	£190,000	£2,350	£0	£190,000	£2,350	Completed	2/Single	New		
Plot 9 - Sparta	Holbeach	Semi	House	3	870	81	£190,000	£2,350	£2,500	£187,500	£2,319	Completed	2/Single	New		
Plot 10 - Sparta	Holbeach	Semi	House	3	870	81	£190,000	£2,350	£2,515	£187,485	£2,319	Completed	2/Single	New		
Plot 20 - Sparta	Holbeach	Semi	House	3	870	81	£190,000	£2,350	£0	£190,000	£2,350	Completed	2/Single	New		
Plot 104 - Sparta	Holbeach	Semi	House	3	870	81	£191,000	£2,362	£150	£190,850	£2,360	SSTC	1/Single	New		
Plot 105 - Sparta	Holbeach	Semi	House	3	870	81	£191,000	£2,362	£150	£190,850	£2,360	SSTC	1/Single	New		
Plot 106 - Sparta	Holbeach	Semi	House	3	870	81	£191,000	£2,362	£0	£191,000	£2,362	SSTC	1/Single	New		
Plot 107 - Sparta	Holbeach	Semi	House	3	870	81	£191,000	£2,362	£0	£191,000	£2,362	SSTC	1/Single	New		
Plot 76 - Huntingdon	Holbeach	Semi	House	3	796	74	£178,000	£2,406	£150	£177,850	£2,404	Exchanged	2/None	New		

Plot 77 - Huntingdon	Holbeach	Semi	House	3	796	74	£178,000	£2,406	£0	£178,000	£2,406	SSTC	2/None	New					
Plot 78 - Huntingdon	Holbeach	Semi	House	3	796	74	£178,000	£2,406	£0	£178,000	£2,406	SSTC	2/None	New					
Plot 79 - Huntingdon	Holbeach	Semi	House	3	796	74	£178,000	£2,406	£150	£177,850	£2,404	SSTC	2/None	New					
Plot 82 - Huntingdon	Holbeach	Semi	House	3	796	74	£179,500	£2,426	£150	£179,350	£2,424	SSTC	2/None	New					
Plot 29 - Dee	Holbeach	Semi	House	2	732	68	£167,000	£2,455	£0	£167,000	£2,455	SSTC	2/None	New					
Plot 30 - Dee	Holbeach	Semi	House	2	732	68	£167,000	£2,455	£0	£167,000	£2,455	SSTC	2/None	New					
Plot 31 - Dee	Holbeach	Semi	House	2	732	68	£166,500	£2,447	£0	£166,500	£2,447	SSTC	2/None	New					
Plot 32 - Dee	Holbeach	Semi	House	2	732	68	£166,500	£2,447	£150	£166,350	£2,445	SSTC	2/None	New					
Plot 33 - Dee	Holbeach	Semi	House	2	732	68	£166,000	£2,440	£0	£166,000	£2,440	SSTC	2/None	New					
Plot 34 - Dee	Holbeach	Semi	House	2	732	68	£166,000	£2,440	£0	£166,000	£2,440	SSTC	2/None	New					
Plot 35 - Dee	Holbeach	E-Terr	House	2	732	68	£166,000	£2,440	£1,500	£164,500	£2,418	Exchanged	2/None	New					
Plot 38 - Dee	Holbeach	E-Terr	House	2	732	68	£162,000	£2,381	£0	£162,000	£2,381	SSTC	2/None	New					
Plot 39 - Dee	Holbeach	Semi	House	2	732	68	£161,000	£2,367	£4,000	£157,000	£2,308	Completed	2/None	New					
Plot 40 - Dee	Holbeach	Semi	House	2	732	68	£161,000	£2,367	£2,500	£158,500	£2,330	Completed	2/None	New					
Plot 41 - Dee	Holbeach	Semi	House	2	732	68	£161,000	£2,367	£1,963	£159,037	£2,338	Completed	2/None	New					
Plot 42 - Dee	Holbeach	Semi	House	2	732	68	£161,000	£2,367	£150	£160,850	£2,364	Completed	2/None	New					
Plot 55 - Dee	Holbeach	Semi	House	2	732	68	£166,000	£2,440	£150	£165,850	£2,438	Exchanged	2/None	New					
Plot 56 - Dee	Holbeach	Semi	House	2	732	68	£166,000	£2,440	£508	£165,492	£2,433	Exchanged	2/None	New					
Plot 57 - Dee	Holbeach	Semi	House	2	732	68	£166,000	£2,440	£0	£166,000	£2,440	SSTC	2/None	New					
Plot 58 - Dee	Holbeach	Semi	House	2	732	68	£166,000	£2,440	£150	£165,850	£2,438	SSTC	2/None	New					
Plot 59 - Dee	Holbeach	Semi	House	2	732	68	£166,500	£2,447	£150	£166,350	£2,445	SSTC	2/None	New					
Plot 60 - Dee	Holbeach	Semi	House	2	732	68	£166,500	£2,447	£150	£166,350	£2,445	SSTC	2/None	New					
Plot 61 - Dee	Holbeach	Semi	House	2	732	68	£166,500	£2,447	£150	£166,350	£2,445	SSTC	2/None	New					
Plot 62 - Dee	Holbeach	Semi	House	2	732	68	£166,500	£2,447	£0	£166,500	£2,447	SSTC	2/None	New					
Plot 36 - Dee	Holbeach	M-Terr	House	2	732	68	£155,000	£2,278	£0	£155,000	£2,278	SSTC	2/None	New					
Plot 37 - Dee	Holbeach	M-Terr	House	2	732	68	£155,000	£2,278	£0	£155,000	£2,278	Exchanged	2/None	New					
Plot 2 315 Broadgate	Sutton St Ed	Detached	House	4	2,303	214	£390,000	£1,822				Completed	Mult/Single Int	New	24/09/2020	On 0.25 Acre plot, large driveway for multiple cars, executive style home			
313 Broadgate	Sutton St Ed	Detached	House	4	2,303	214	£400,000	£1,869				Completed	Mult/Single Int	New	21/02/2019	On 0.25 Acre plot, large driveway for multiple cars, executive style home			
257A Broadgate	Sutton St Ed	Detached	House	4	2,044	190	£385,000	£2,026				Completed	Unknown	New	05/05/2021	Asking price, date shown on Rightmove Plus when			
Worlds End Road	Tydd St Man	Detached	House	4	2,034	189	£370,000	£1,958				SSTC	OR/Double Int	New	18/03/2021	removed from market			
314 Broadgate	Sutton St Ed	Semi	House	3	968	90	£189,995	£2,111				Completed	OR/Single	New	04/09/2020	Scenic Homes			
Cavell Way	Fleet, Spaldi	Detached	House	4	1,883	175	£369,950	£2,114				SSTC	OR/Double Int	New	03/02/2020	Asking price, date when added onto Rightmove			
Cavell Way	Fleet, Spaldi	Detached	House (Ch	4	2,066	192	£375,000	£1,953				SSTC	OR/Double	New	06/06/2021	Asking price, date when added onto Rightmove			
8 Cavell Way	Fleet, Spaldi	Detached	House	3	1,022	95	£229,500	£2,416				Completed	OR/Single Int	New	06/08/2020				
7 Cavell Way	Fleet, Spaldi	M-Terr	House	3	925	86	£165,000	£1,919				Completed	OR/Unknown	New	06/12/2019				
5 Cavell Way	Fleet, Spaldi	E-Terr	House	3	925	86	£170,000	£1,977				Completed	OR/Unknown	New	29/11/2019				
35b Kirkgate Street	Wisbech	Semi	House	3	1,259	117	£220,000	£1,880				Completed	2 OR/None	New	18/09/2020				
35c Kirkgate Street	Wisbech	Semi	House	3	1,259	117	£230,000	£1,966				Completed	2 OR/None	New	28/05/2020				
35 Kirkgate Street	Wisbech	Semi	House	3	1,259	117	£225,000	£1,923				Completed	2 OR/None	New	15/04/2020				
16 Fenmen Place	Walsoken	E-Terr	House	3	915	85	£182,500	£2,147				Sale Agreed	2 OR	New	17/06/2021	Sale agreed through WHB			
18 Fenmen Place	Walsoken	M-Terr	House	3	915	85	£187,500	£2,206				Sale Agreed	2 OR	New	17/06/2021	Sale agreed through WHB			
34 Fenmen Place	Walsoken	M-Terr	House	3	915	85	£182,500	£2,147				Sale Agreed	2 OR	New	03/06/2021	Sale agreed through WHB			
44 Fenmen Place	Walsoken	M-Terr	House	3	915	85	£182,500	£2,147				Sale Agreed	2 OR	New	17/06/2021	Sale agreed through WHB			
48 Fenmen Place	Walsoken	M-Terr	House	3	915	85	£180,000	£2,118				Sale Agreed	2 OR	New	09/06/2021	Sale agreed through WHB			
Plot 5 Old Lynn Road	Wisbech	E-Terr	House	3	904	84	£200,000	£2,381				SSTC	OR	New	17/06/2021	Joe England site, Lynn Road, Wisbech, sold with WHB			
Plot 6 Old Lynn Road	Wisbech	M-Terr	House	3	904	84	£190,000	£2,262				SSTC	OR	New	17/06/2021	Joe England site, Lynn Road, Wisbech, sold with WHB			
Plot 7 Old Lynn Road	Wisbech	E-Terr	House	3	904	84	£200,000	£2,381				SSTC	OR	New	02/07/2021	Joe England site, Lynn Road, Wisbech			
Plot 8 Old Lynn Road	Wisbech	Semi	House	3	904	84	£205,000	£2,440				SSTC	OR	New	29/06/2021	Joe England site, Lynn Road, Wisbech			

Plot 9 Old Lynn Road	Wisbech	Semi	House	3	904	84	£205,000	£2,440	Asking Price	OR	New	- Joe England site, Lynn Road, Wisbech, asking price, no viewings/offers yet
Plot 5 off Henry Warby Ave	Elm	Semi	House	3	818	76	£190,000	£2,500	SSTC	OR	New	24/06/2021
Plot 4 off Henry Warby Ave	Elm	Semi	House	3	818	76	£190,000	£2,500	SSTC	OR	New	02/06/2021
Plot 3 off Henry Warby Ave	Elm	Semi	House	3	818	76	£190,000	£2,500	SSTC	OR	New	17/05/2021
Plot 2 off Henry Warby Ave	Elm	Semi	House	3	818	76	£190,000	£2,500	SSTC	OR	New	02/03/2021
Plot 1 off Henry Warby Ave	Elm	Semi	House	3	818	76	£190,000	£2,500	SSTC	OR	New	10/02/2021
36 The Chase, The Levering	Wisbech	Detached	Chalet	2	979	91	£200,000	£2,198	SSTC	2 OR	New	29/05/2021 One-off new build
Plot 25 off Henry Warby Av	Elm	Semi	House	2	742	69	£175,000	£2,536	SSTC	OR	New	08/06/2021
Plot 24 off Henry Warby Av	Elm	Semi	House	2	742	69	£175,000	£2,536	SSTC	OR	New	26/04/2021
Plot 26 off Henry Warby Av	Elm	Semi	House	2	742	69	£175,000	£2,536	SSTC	OR	New	23/02/2021
26 Fenmen Place	Walsoken	M-Terr	House	2	592	55	£150,000	£2,727	Offer Pendi	1 OR	New	25/06/2021 Offer pending
6 Fenmen Place	Walsoken	E-Terr	House	2	592	55	£155,000	£2,818	Completed	1 OR	New	20/08/2020
38 Lowether Avenue	Moulton	Detached	Bungalow	3	1,625	151	£325,000	£2,152	Completed	Unknown	New	01/03/2019
30 Lowther Avenue	Moulton	Detached	Bungalow	3	1,431	133	£280,000	£2,105	Completed	Unknown	New	12/04/2019
24 Lowther Avenue	Moulton	Detached	Bungalow	3	1,431	133	£295,000	£2,218	Completed	Unknown	New	18/12/2018
6 Bette Campling Close	Sutton St Jar	Detached	Bungalow	3	1,345	125	£350,000	£2,800	Completed	2 OR/Double	New	30/08/2019
27 Westmoreland Road	Moulton	Detached	Bungalow	2	699	65	£185,000	£2,846	Completed	2 OR/None	New	06/08/2020
Weston Hills		Detached	Bungalow	3	1,399	130	£425,000	£3,269	SSTC	2/Double	New	12/02/2021 Added onto Rightmove date
Plot 23 Spinney Close	Holbeach	Detached	Bungalow	3	1,270	118	£300,000	£2,542	SSTC	2/Single	New	06/11/2020 Added onto Rightmove date
Plot 22 Spinney Close	Holbeach	Detached	Bungalow	3	1,270	118	£300,000	£2,542	SSTC	2/Single	New	06/11/2020 Added onto Rightmove date
Plot 16 Spinney Close	Holbeach	Detached	Bungalow	3	1,420	132	£350,000	£2,652	SSTC	2/Double	New	04/06/2020 Added onto Rightmove date
Plot 6 Keston Road	Pinchbeck	Detached	Bungalow	3	1,603	149	£350,000	£2,349	SSTC	2/Single	New	30/07/2021 Added onto Rightmove date
Spalding Road	Pinchbeck	Detached	Bungalow	3	1,399	130	£380,000	£2,923	SSTC	2/Single	New	09/09/2020 Added onto Rightmove date
Spalding Road	Pinchbeck	Detached	Bungalow	3	1,162	108	£380,000	£3,519	SSTC	2/Single	New	09/09/2020 Added onto Rightmove date
Spalding Road	Pinchbeck	Detached	Bungalow	3	1,227	114	£375,000	£3,289	SSTC	2/Double	New	09/09/2020 Added onto Rightmove date
Spalding Road	Pinchbeck	Detached	Bungalow	3	1,399	130	£385,000	£2,962	SSTC	2/Single	New	9/9.20 Added onto Rightmove date

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

COST AND OTHER ASSUMPTIONS ADOPTED

Viability Assessment	Ref 21033				
Client	Scenic Homes				
Site	Land off Chapel Gate, Sutton St James				
Statement of Assumptions Made within Appraisal Calculations					
Site area approx. 1.62 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 £445,500, say £445,000.					
Total of 30 x Units (see detailed Accommodation Schedule)					
8 x Affordable Dwellings split i 70% affordable rented (6)					
	30% shared ownership (2)				
Construction and Development Costs (Standard)					
Timescales	Construction 1st January 2022 - 1st January 2023				
	OM Sales start from 1st May 2022 and finish 1st April 2023				
Build Cost Market & Affordable Housing (3,502 sc		£1,215		£4,254,050	
Basic BCIS Build Cost broken down as follows:		Total GIA (sqm)	Price per sqm		
	Bungalow:	456	£1,350	£615,600	
	Detached:	1,666	£1,265	£2,107,490	
	E-Terr/Semi:	1,236	£1,112	£1,374,432	
	M-Terr:	144	£1,087	£156,528	
	Total:	3,502	£1,215		
Additional Cost for Piling		Houses	£5,000.00 per plot	£150,000	
Total House Build					£4,404,050
Overall House Build £/sqm					£1,258 per sqm
6.5% Design and Professional Fees					
3% Contingency Allowance					
SUDs and Storm Attenuation				£50,000	£50,000
Roads	Approx 318m run of adopted roadway at £2,100 per m run			£667,800	
	Drainage vaccum system e/o standard cost			£50,000	£717,800
Parking	60 parking spaces at £600 per space			£36,000	£36,000
Garages	6 x singles @ £9,000 each			£54,000	
	2 x single integrals @ £13,000 each			£26,000	
	7 x doubles @ £13,000 each			£91,000	
	2 x double integrals @ £25000,000 each			£50,000	
	1 x triple @ £17,500 each			£17,500	
	Additional Cost for Piling		£1,500.00 per plot (separate only, i.e. 14)	£21,000	£259,500
Site Demolition				£50,000	£50,000
Decontamination works				£75,000	£75,000
Set Up Welfare	Onsite establishment and welfare (inc. site office, services etc)			£10,000	£10,000
Plot specific external works (i.e. patio, fencing etc) @ £2,500 per plot				£75,000	£75,000
General Site Landscaping	inc. swale			£35,000	£35,000
Total Externals					£1,308,300
Affordable Housing & S106 Contributions					
Affordable Housing				25% provision	
Education Contribution				£94,410	
Total Cash S106					£94,410
Finance, Disposal Costs and Profit					
Stamp Duty Land Tax Land				£11,750	
Finance costs of £10,000 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					

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£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.
Last updated: 31-Jul-2021 00:38
> 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)	1,302	719	1,137	1,265	1,417	2,948	1223
810.1 Estate housing							
Generally (15)	1,298	634	1,106	1,252	1,419	4,491	1524
Single storey (15)	1,460	828	1,237	1,411	1,629	4,491	251
2-storey (15)	1,254	634	1,094	1,222	1,369	2,717	1172
3-storey (15)	1,337	808	1,080	1,283	1,502	2,683	96
4-storey or above (15)	2,734	1,323	2,190	2,445	3,640	4,074	5
810.11 Estate housing detached (15)	1,677	965	1,265	1,428	1,670	4,491	21
810.12 Estate housing semi detached							
Generally (15)	1,294	766	1,123	1,264	1,419	2,366	360
Single storey (15)	1,443	957	1,241	1,426	1,590	2,366	74
2-storey (15)	1,256	766	1,112	1,236	1,375	2,184	273
3-storey (15)	1,232	929	980	1,214	1,331	1,878	13
810.13 Estate housing terraced							
Generally (15)	1,338	808	1,103	1,265	1,478	4,074	291
Single storey (15)	1,500	992	1,279	1,414	1,730	2,101	29
2-storey (15)	1,290	815	1,087	1,236	1,421	2,717	215
3-storey (15)	1,353	808	1,065	1,276	1,494	2,683	45
4-storey or above (10)	3,857	3,640	-	-	-	4,074	2

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Accommodation Schedule

Market

Reference	Type	Style	Beds	Size (sqm)	Size (sqft)	No.	Parking/Garage	Price	Price/sqm	Total sqm	Total GDV	-	Plots	+5% GDV	-5% GDV
Type 2	Semi	House	3	92.0	990	4	2 OR/None	£195,000	£2,120	368	£780,000		23, 24, 25, 26	£204,750	£185,250
Type 3	Semi	House	3	89.0	958	4	2 OR/Single Int	£197,000	£2,213	356	£788,000		1, 2, 3, 4	£206,850	£187,150
Type 4	Detached	House	3	93.8	1,009	2	2 OR/Single	£220,000	£2,345	188	£440,000		15, 22	£231,000	£209,000
Type 5	Detached	House	4	138.0	1,485	2	2 OR/Single Int	£295,000	£2,138	276	£590,000		18, 20	£309,750	£280,250
Type 6	Detached	House	4	133.0	1,431	2	2 OR/Double	£300,000	£2,256	266	£600,000		19, 21	£315,000	£285,000
Type 7	Detached	House	5	216.0	2,324	2	2 OR/Double Int	£435,000	£2,014	432	£870,000		7, 10	£456,750	£413,250
Type 8	Detached	House	5	252.0	2,712	1	2 OR/Double	£525,000	£2,083	252	£525,000		9	£551,250	£498,750
Type 9	Detached	House	5	252.0	2,712	1	2 OR/Double + Office	£535,000	£2,123	252	£535,000		8	£561,750	£508,250
Type 10	Detached	Bungalow	3	126.0	1,356	2	2 OR/Double	£350,000	£2,778	252	£700,000		11, 12	£367,500	£332,500
Type 11	Detached	Bungalow	3	102.0	1,098	2	2 OR/Double Int	£300,000	£2,941	204	£600,000		5, 6	£315,000	£285,000
						22									

Affordable Rented

Reference	Type	Style	Beds	Size (sqm)	Size (sqft)	No.	Parking/Garage	Price	Price/sqm	Total sqm	Total GDV	Rent (£ pw)	Plots		
Type 1 ET	E-Terr	House	2	72.0	775	1	2 OR/None	£170,000	£2,361	72	£170,000	£120	30	£178,500	£161,500
Type 1 MT	M-Terr	House	2	72.0	775	2	2 OR/None	£160,000	£2,222	144	£320,000	£120	28, 29	£168,000	£152,000
Type 2	Semi	House	3	92.0	990	3	2 OR/None	£195,000	£2,120	276	£585,000	£138	14, 16, 17	£204,750	£185,250
						6									

Shared Ownership

Reference	Type	Style	Beds	Size (sqm)	Size (sqft)	No.	Parking/Garage	Price	Price/sqm	Total sqm	Total GDV	Rent (£ pw)	Plots		
Type 1 ET	E-Terr	House	2	72.0	775	1	2 OR/None	£170,000	£2,361	72	£170,000		27	£178,500	£161,500
Type 2	Semi	House	3	92.0	990	1	2 OR/None	£195,000	£2,120	92	£195,000		13	£204,750	£185,250
						2									
Total:						30				3,502	£7,868,000				

Appendix V – HCA Appraisal Tool Output – Policy-Compliant Scheme (25% Affordable Housing and Full S106 Cash Contributions)

HCA Development Appraisal Tool — Printed 24/08/2021

Surplus (Deficit) from input land valuation at 5/8/2021 -£879,222

HCA DEVELOPMENT APPRAISAL TOOL

SUMMARY | DETAIL

SCHEME

Site Address	Site off Chapel Gate, Sutton St James	Date of appraisal	05/08/2021
Site Reference	21033	Net Residential Site Area	1.62
File Source		Author & Organisation	Maxey Grounds, 22-24 Market Place, March PE15 9JH
Scheme Description	30 Units with 25% Affordable Housing plus S106 Cash Contributions	Registered Provider (wher 0	

Housing Mix (Affordable + Open Market)

Total Number of Units	30	units
Total Number of Open Market Units	22	units
Total Number of Affordable Units	8	units
Total Net Internal Area (sq m)	3,502	sq m
% Affordable by Unit	26.7%	
% Affordable by Area	18.7%	
Density	19	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	1.62	hectares
Net Site Area	1.62	hectares
Net Internal Housing Area / Hectare	2,162	sq m / hectare

equals 9,415 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	£236,286	£0	£0	£0	£0	
4 Bed + House	£390,000	£0	£0	£0	£0	
Total Revenue £	**£6,428,000**	**£0**	**£0**	**£0**	**£0**	**£6,428,000**
Net Area (sq m)	2,846	-	-	-	-	2,846
Revenue (£ / sq m)	£2,259	-	-	-	-	

CAPITAL VALUE OF OPEN MARKET SALES **£6,428,000**

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 £6,428,000 £ 2,259 psqm
BUILD COST OF OPEN MARKET HOUSING Inc Contingency £3,687,676 £ 1,296 psqm
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING **£2,740,324**

AH Residential Values

AH & RENTAL VALUES BASED ON NET RENTS

Type of Unit	Social Rented	Shared Ownership (all phases)	Affordable Rent (all phases)	Total
1 Bed Flat Low rise				
2 Bed Flat Low rise				
3 Bed Flat Low rise				
4 Bed + Flat Low rise				
1 Bed Flat High rise				
2 Bed Flat High rise				
3 Bed Flat High rise				
4 Bed + Flat High rise				
2 Bed House		£110,929	£279,088	£390,018
3 Bed House		£127,242	£320,952	£448,194
4 Bed + House				
	£0	£238,171	£600,040	£838,211
£ psqm of CV (phase 1)	-	1,374	1,220	

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING) **£838,211**

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) **£838,211**
BUILD COST OF AFFORDABLE HOUSING Inc Contingency £850,005 £ 1,296 psqm

HCA Development Appraisal Tool — Printed 24/08/2021

CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING -£11,794

Car Parking

No. of Spaces	Price per Space (£)	Value
60	-	£0

Value of Residential Car Parking		£0
Car Parking Build Costs	£36,000	

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		£7,266,211	
TOTAL BUILD COST OF RESIDENTIAL SCHEME	£4,573,681		
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME			£2,692,530

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		£7,266,211	
TOTAL BUILD COSTS	£4,573,681		
TOTAL CONTRIBUTION TO SCHEME COSTS			£2,692,530

External Works & Infrastructure Costs (£)			Per unit	% of GDV	per Hectare
Site Preparation/Demolition		£50,000	1,667	0.7%	30,864
Roads and Sewers		£717,800	23,927	9.9%	443,086
Site Set Up/Welfare		£10,000	333	0.1%	6,173
Site Landscaping		£35,000	1,167	0.5%	21,605
Decontamination Works		£75,000	2,500	1.0%	46,296
SUDs and Storm Attenuation		£50,000	1,667	0.7%	30,864
Site Specific Sustainability Initiatives		£0			
Plot specific external works		£75,000	2,500	1.0%	46,296
Garages		£238,500	7,950	3.3%	147,222
Piling for Garages		£21,000	700	0.3%	12,963
		£1,272,300		17.5%	785,370
Other site costs					
Fees and certification	6.5%	£288,699	9,623	4.0%	178,209
Other Acquisition Costs (£)		£0			

Site Abnormals (£)	
De-canting tenants	£0
Decontamination	£0
Other	£0
Other 2	£0
Other 3	£0
Other 4	£0
Other 5	£0
	£0

Total Site Costs Inc Fees		£1,560,999	52,033

Statutory 106 Costs (£)		
Education	£94,410	3,147
Sport & Recreation	£0	
Social Infrastructure	£0	
Public Realm	£0	
Affordable Housing	£0	
Transport	£0	
Highway	£0	
Health	£0	
Public Art	£0	
Flood work	£0	
Community Infrastructure Levy	£0	
Other Tariff	£0	
Other 1	£0	
Other 2	£0	
Other 3	£0	
Other 4	£0	
Statutory 106 costs	£94,410	3,147

HCA Development Appraisal Tool — Printed 24/08/2021

Marketing (Open Market Housing ONLY)			per OM unit		
Sales/letting Fees	3.0%	£192,840	8,765		
Legal Fees (per Open Market unit):	£750	£16,500	750		
Marketing (Affordable Housing)			per affordable unit		
Developer cost of sale to RP (£)		£3,000	375		
RP purchase costs (£)		£0			
Intermediate Housing Sales and Marketing (£)		£0			
Total Marketing Costs		**£212,340**			
Total Direct Costs			**£6,441,430**		
Finance and acquisition costs					
Land Payment		£445,000	20,227	per OM home	274,691 per hectare
Arrangement Fee		£10,000	6.7%	of interest	
Misc Fees (Surveyors etc)		£3,000	0.04%	of scheme value	
Agents Fees		£0			
Legal Fees		£3,338			
Stamp Duty		£11,750			
Total Interest Paid		£149,982			
Total Finance and Acquisition Costs			**£623,069**		
Developer's return for risk and profit					
Residential					
Market Housing Return (Inc OH) on Valu	17.5%	£1,124,900	51,132	per OM unit	
Affordable Housing Return on Cost	6.0%	£49,515	6,189	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			**£1,174,415**		
(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)					
TOTAL COST			**£8,238,514**		
Surplus/(Deficit) at completion 1/4/2023				**(£972,703)**	
Present Value of Surplus (Deficit) at 5/8/2021				**(£879,222)**	
Scheme Investment MIRR		**10.7%**	(before Developer's returns and interest to avoid double counting returns)		
Site Value as a Percentage of Total Scheme Value		6.1%		Peak Cash Requirement	-£2,815,825
Site Value (PV) per hectare		-£542,730	per hectare	-£242,992 per acre	

Appendix VI – HCA Appraisal Tool Output – No Affordable Housing and No Cash S106 Contributions

HCA Development Appraisal Tool — Printed 24/08/2021

Surplus (Deficit) from input land valuation at 5/8/2021 -£458,120

HCA DEVELOPMENT APPRAISAL TOOL

SUMMARY | DETAIL

SCHEME

Site Address	Site off Chapel Gate, Sutton St James	Date of appraisal	05/08/2021
Site Reference	21033	Net Residential Site Area	1.62
File Source		Author & Organisation	Maxey Grounds, 22-24 Market Place, March PE15 9JH
Scheme Description	30 Units with No Affordable Housing and No S106 Cash Contributions	Registered Provider (whet	0

Housing Mix (Affordable + Open Market)

Total Number of Units	30	*units*
Total Number of Open Market Units	30	*units*
Total Number of Affordable Units	0	*units*
Total Net Internal Area (sq m)	3,502	*sq m*
% Affordable by Unit	0.0%	
% Affordable by Area	0.0%	
Density	19	*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	1.62	*hectares*
Net Site Area	1.62	*hectares*
Net Internal Housing Area / Hectare	2,162	*sq m / hectare*

equals 9,415 sqft per acre

Average value (£ per unit)	Open Market Phase 1:	Open Market Phase 2:	Open Market Phase 3:	Open Market Phase 4:	Open Market Phase 5:	Total
1 Bed Flat Low rise	£0	£0	£0	£0	£0	
2 Bed Flat Low rise	£0	£0	£0	£0	£0	
3 Bed Flat Low rise	£0	£0	£0	£0	£0	
4 Bed + Flat Low rise	£0	£0	£0	£0	£0	
1 Bed Flat High rise	£0	£0	£0	£0	£0	
2 Bed Flat High rise	£0	£0	£0	£0	£0	
3 Bed Flat High rise	£0	£0	£0	£0	£0	
4 Bed + Flat High rise	£0	£0	£0	£0	£0	
2 Bed House	£165,000	£0	£0	£0	£0	
3 Bed House	£227,111	£0	£0	£0	£0	
4 Bed + House	£390,000	£0	£0	£0	£0	
Total Revenue £	**£7,868,000**	**£0**	**£0**	**£0**	**£0**	**£7,868,000**
Net Area (sq m)	3,502	-	-	-	-	3,502
Revenue (£ / sq m)	£2,247	-	-	-	-	

CAPITAL VALUE OF OPEN MARKET SALES **£7,868,000**

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			**£7,868,000**	£ 2,247 psqm
BUILD COST OF OPEN MARKET HOUSING Inc Contingency		**£4,537,681**	£ 1,296 psqm	
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING				**£3,330,319**

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!	

HCA Development Appraisal Tool — Printed 24/08/2021

CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING £0

Car Parking

No. of Spaces	Price per Space (£)	Value
60	-	£0

Value of Residential Car Parking		£0
Car Parking Build Costs	£36,000	

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		£7,868,000
TOTAL BUILD COST OF RESIDENTIAL SCHEME	£4,573,681	
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME		£3,294,319

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		£7,868,000
TOTAL BUILD COSTS	£4,573,681	
TOTAL CONTRIBUTION TO SCHEME COSTS		£3,294,319

External Works & Infrastructure Costs (£)			Per unit	% of GDV	per Hectare
Site Preparation/Demolition		£50,000	1,667	0.6%	30,864
Roads and Sewers		£717,800	23,927	9.1%	443,086
Site Set Up/Welfare		£10,000	333	0.1%	6,173
Site Landscaping		£35,000	1,167	0.4%	21,605
Decontamination Works		£75,000	2,500	1.0%	46,296
SUDs and Storm Attenuation		£50,000	1,667	0.6%	30,864
Site Specific Sustainability Initiatives		£0			
Plot specific external works		£75,000	2,500	1.0%	46,296
Garages		£238,500	7,950	3.0%	147,222
Piling for Garages		£21,000	700	0.3%	12,963
		£1,272,300		16.2%	785,370
Other site costs					
Fees and certification	6.5%	£288,699	9,623	3.7%	178,209
Other Acquisition Costs (£)		£0			

Site Abnormals (£)	
De-canting tenants	£0
Decontamination	£0
Other	£0
Other 2	£0
Other 3	£0
Other 4	£0
Other 5	£0
	£0

Total Site Costs Inc Fees	£1,560,999	52,033

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
Flood work	£0
Community Infrastructure Levy	£0
Other Tariff	£0
Other 1	£0
Other 2	£0
Other 3	£0
Other 4	£0

Statutory 106 costs	£0

HCA Development Appraisal Tool — Printed 24/08/2021

Marketing (Open Market Housing ONLY)			per OM unit			
Sales/letting Fees	3.0%	£236,040	7,868			
Legal Fees (per Open Market unit):	£750	£22,500	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		**£258,540**				
Total Direct Costs			**£6,393,220**			
Finance and acquisition costs						
Land Payment		£445,000	14,833	per OM home	274,691	per hectare
Arrangement Fee		£10,000	7.5%	of interest		
Misc Fees (Surveyors etc)		£3,000	0.04%	of scheme value		
Agents Fees		£0				
Legal Fees		£3,338				
Stamp Duty		£11,750				
Total Interest Paid		£131,621				
Total Finance and Acquisition Costs			**£604,708**			
Developer's return for risk and profit						
Residential						
Market Housing Return (Inc OH) on Valu	17.5%	£1,376,900	45,897	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			**£1,376,900**			
(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)						
TOTAL COST			£8,374,828			
Surplus/(Deficit) at completion 1/4/2023					(£506,828)	
Present Value of Surplus (Deficit) at 5/8/2021					(£458,120)	
Scheme Investment MIRR		**25.6%**	(before Developer's returns and interest to avoid double counting returns)			
Site Value as a Percentage of Total Scheme Value		5.7%		Peak Cash Requirement	-£2,588,526	
Site Value (PV) per hectare		-£282,790	per hectare	-£126,611	per acre	