

Viability
Assessment
Review

Lady Ann Road, Soothill, Batley, Kirklees

Kirklees Council



Ref: 2021/62/94280/E

December 2023

Quality Assurance

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Contents

Non-technical Summary

Report

1	Introduction	1
	RICS Professional Statement	1
	Objectivity, Impartiality and Reasonableness	2
	Confirmation of Instructions	2
	Conflicts of Interest	2
	Transparency of Information	2
	Area Wide Viability Assessment	2
	Information Relied Upon	2
	Engagement	3
2	Scheme Details	4
	Location	4
	The Site	5
	Existing Use(s)	5
	Proposed Scheme	6
	Scheme Mix/Areas	8
3	Planning Policy Requirements	9
	Affordable Housing	9
	Non – Housing S106 Requirements	9
	Community Infrastructure Levy	10
	Housebuilders Design Guide SPD – June 2021	10
4	Review of Gross Development Value	11
	GDV Summary	12
	Applicant’s Assessment	13
	AspinallVerdi’s Assessment	14
	New Build Asking Values	14
	Value Assumptions	19
5	Cost Assumptions	21
	Development Cost Summary	22
	Abnormal Development Costs	25
	Non – Housing S106 Costs	25
	Timing / Phasing Assumptions	25
6	Benchmark Land Value	27
	Applicant’s Assessment	27
	Aspinall Verdi’s Assessment	28
7	Summary and Conclusions	29
	Key Outputs	30
	Sensitivity Analysis	31
	Authorisation	32

Tables & Figures

Table ES 1 - GDV Comparison Summary - Policy Compliant	ii
Table ES 2 - Development Cost Comparison Summary	iii
Figure 2.1 - Location Map - wider context	4
Figure 2.2 - Red Line Site Plan	5
Figure 2.3 - Site Photos	6
Figure 2.4 - Site Layout Plan	7
Table 2.1 - Scheme Mix and Areas Summary	8
Table 3.1 - Nationally Described Space Standards	10
Table 4.1 - GDV Comparison Summary - Policy Compliant	12
Table 4.2 - Proposed Schedule of Accommodation	13
Figure 4.2 - Meadow Heights Site Plan	15
Table 4.5 - AspinallVerdi Market Value Assumptions	19
Table 4.6 - AspinallVerdi Affordable Value Assumptions	20
Table 5.1 - Development Cost Comparison Summary	22
Table 5.2 - Applicant's Abnormal Cost Breakdown	25
Table 6.1 - Kirklees Benchmark Land Values	27
Table 7.1 - Appraisal Outturn	30
Table 7.2 - Sensitivity Analysis of GDV and Land Cost	31

Appendices

Appendix 1 - Terms & Conditions
Appendix 2 - Clarification Questions
Appendix 3 - QS Cost Review
Appendix 4 - Policy Compliant RLV Appraisal
Appendix 5 - 100% Market Housing Appraisal
Appendix 6 - 8% Affordable Housing Appraisal

Non-technical Summary

- ES 1 This Non-technical Summary should be read in conjunction with the main report and general assumptions and definitions attached hereto.
- ES 2 AspinallVerdi have been instructed by Kirklees Council (hereafter referred to as “the Council”) to undertake an independent Viability Assessment (VA) review to determine whether or not the proposed development at Lady Ann Road, Soothill, Kirklees can deliver the planning obligations required by local planning policy.
- ES 3 The application (2021/62/94280/E) seeks planning permission for the development of 65 dwellings with associated infrastructure.
- ES 4 The Applicant, D. Noble Limited has submitted a Viability Assessment dated December 2022. Based on their assumptions of costs and values, their report concludes that the proposed scheme is not viable to support any affordable housing either onsite or as a commuted sum.
- ES 5 Based on our detailed analysis of the values and costs we are of the opinion that the scheme is able to deliver 5 affordable housing units (7.69%) and a non-housing s106 contribution of £416,478.**

Appraisal Summary

- ES 6 The following table sets out a comparison summary between the assumptions and values contained in the Kirklees Council, Whole Plan Viability Assessment, dated May 2019; the assumptions and values applied by the Applicant; and our current assumptions and values.
- ES 7 Further detailed comments and analysis are contained within the main report.

Table ES 1 - GDV Comparison Summary - Policy Compliant

	Local Plan Values	Applicants' Values	AspinallVerdi Values	Comment on differences
Market Values £ psm / £ psf				
Terrace	£2,153 psm (£200 psf)	£2,153 psm (£200 psf)	Average £2,314 psm (£215 psf)	We have undertaken an assessment of the local property market (see section 4) and consider that the proposed units have been undervalued by the applicant.
Semi-Detached				
Sub-total		£14,433,800	£15,690,000	Difference of £1,256,200
Affordable Housing Values £ psm / £ psf				
Affordable / Social Rent	£588 psm (£55 psf)	£588 psm (£55 psf)	£861 psm (£80 psf)	The Applicant has adopted the transfer values set out in the Interim Affordable Housing Policy 2020. Whereas we have adopted the transfer values set out in the Kirklees Transfer Values Viability Assessment (February 2022).
Intermediate / Shared Ownership	£999 psm (£93 psf)	£999 psm (£93 psf)	£1,292 psm (£120 psf)	The Applicant has adopted the transfer values set out in the Interim Affordable Housing Policy 2020. Whereas we have adopted the transfer values set out in the Kirklees Transfer Values Viability Assessment (February 2022).
Sub-total		£1,208,956	£1,540,035	Difference of £331,079
Total		£15,642,756	£17,230,035	£1,587,279.45

Table ES 2 - Development Cost Comparison Summary

Item	Local Plan Costs	Applicants' Costs	AspinallVerdi Costs	Comment on differences
Site Acquisition Costs				
Stamp Duty	N/A	5%	Standard rate (HMRC scale for Stamp Duty Tax (SDLT))	The Applicant has included 5% for SDLT. Our SDLT level is calculated in Argus Developer using the Standard rate (HMRC scale) for Stamp Duty Land Tax (SDLT). (N.B – SDLT is not calculated on negative land values)
Agent Fees		n/a	1%	The Applicant has not included agent fees in relation to the site acquisition. A typical allowance would be 1%, which we have included in our appraisals. (N.B – SDLT is not calculated on negative land values)
Legal Fees	N/A	2.25%	0.5%	The Applicant has included legal fees at 2.25%. A typical allowance would be 0.5% which we have included in our appraisals. (N.B – SDLT is not calculated on negative land values)

Unit Build Costs				
Superstructure (including 5% contingency)		£6,329,051	£6,329,051	The Applicant has provided a cost plan which is summarised in this table.
Site Overheads		£1,203,734	£1,203,734	We instructed MAC Construction Consultants to review these, their report can be found at Appendix 3. MAC consider the costs to appropriate expect for the cost of the 'additional foundations' which has reduced the overall cost by £189,555.70. Further detail can be found in the attached report.
Plot Development (including 5% contingency)		£2,489,916	£2,300,360	
External Works (including 5% contingency)		£2,429,735	£2,429,735	
Sub-total for Base Build (inc external works)	£1,195 psm (£111 psf) Includes 10% for external works	£12,452,274	£12,262,718.30	Difference of £189,555.70
Contingency	3%	Including in base build costs at 5%	Including in base build costs at 5%	The Applicant has included a 5% contingency allowances within their build cost allowance which is considered reasonable.
Professional Fees	8%	£826,146 6.63%	£826,146 6.73%	The Applicant has included specific cost items in relation to the professional fees which amount to £826,146 which equates to 6.63% of the hard build costs. We consider this cost to be appropriate and have included this in our financial appraisal.

Abnormal Works	No allowance for abnormal costs as they are specific to each site	£478,000 (£55,775 per gross acre)	£478,000 (£55,775 per gross acre)	The Applicant provided an itemised breakdown of the abnormal costs for this development. We instructed MAC Construction to review these costs who have prepared a report which is included at Appendix 3. See Abnormal Development Costs section below for detailed analysis.
Finance	6.00%	0%	7%	We understand that D. Noble Limited is a privately funded company and therefore not included a finance rate in their appraisals. In our appraisal we have adopted a finance rate of 7%.
Disposal Costs				
Marketing	3.50% combined			We consider this allowance to be acceptable and have allowed for 1% marketing, 0.5% for agent fees and 1% for legal fees. Typically for the affordable units marketing costs are only applied to the shared ownership units.
Sales Agent Fees	N/A	2.5%	2.5%	
Sales Legal Fees	N/A			
Profit				
Open Market Housing	20%	20%	17.5%	The range is typically between 15 – 20% profit on GDV (Paragraph 018 PPG Viability- Reference ID: 10-018-20190509). We have adopted a 17.5% profit on GDV, this is discussed further in section 6.
Affordable Housing	6.0%	N/A	6.0%	We typically apply a profit of 6% in the policy compliant financial appraisal (onsite provision). This level is reduced as such because of the negligible risk of disposal because such units can be pre-sold

to a Registered Provider prior to commencement of the construction.

Nick Hirst
Planning and Development Services
Kirklees Council
Huddersfield
HD1 9EL

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46 The Calls
Leeds, LS2 7EY

For the Attention of Nick Hirst, Senior Planning Officer

Dear Richard

1 Introduction

- 1.1 We refer to your instructions requesting a Viability Assessment (VA) review in respect of the planning application for the site situated between Lady Ann Road and Primrose Hill. The application (2021/62/94280/E) seeks planning permission for the development of 65 dwellings with associated infrastructure.
- 1.2 The Applicant, D. Noble Limited has submitted a Viability Assessment dated December 2022. Based on their assumptions of costs and values, their report concludes that the proposed scheme is not viable to support any affordable housing either onsite or as a commuted sum.
- 1.3 We have reviewed the costs and values presented by the applicant and have undertaken our own analysis as of October and November 2023.

RICS Professional Statement

- 1.4 Our VA has been carried out in accordance with the RICS Financial Viability in Planning: Conduct and Reporting Professional Statement 1st edition, May 2019.
- 1.5 Our VA is also carried out in accordance with the following:
 - National Planning Policy Framework (NPPF, September 2023).
 - Planning Practice Guidance (PPG, September 2019).
 - Assessing viability in planning under the National Planning Policy Framework 2019 for England (March 2021).

Objectivity, Impartiality and Reasonableness

- 1.6 We have carried out our review in collaboration with the Council (as Local Planning Authority (LPA) and the Applicant/Landowner. At all times we have acted with objectivity, impartially and without interference when carrying out our viability assessment and review.

Confirmation of Instructions

- 1.7 We attach at Appendix 1 our Terms and Conditions. We confirm that that in preparing this report, no performance-related or contingent fees have been agreed.
- 1.8 Note that we have not been instructed to inspect the site.

Conflicts of Interest

- 1.9 We confirm that we have no conflict of interest in providing this advice and we have acted independently and impartially.

Transparency of Information

- 1.10 Transparency and fairness are key to the effective operation of the planning process. The presumption is that this viability assessment will be published in full, except where this may compromise delivery of the proposed application scheme or infringe other statutory and regulatory requirements.

Area Wide Viability Assessment

- 1.11 We confirm that we have / have not acted for Kirklees Council in respect of the preparation of an area wide Local Plan or CIL viability assessment.

Information Relied Upon

- 1.12 For the purposes of our appraisals, we have relied on the following information:
- Viability Assessment prepared by D. Noble - dated December 2022
 - Clarification questions and subsequent responses - received 27th July 2023
 - Review of cost information prepared by MAC Construction Consultants - received 19th October.
 - Kirklees Community Infrastructure Levy Viability Update – May 2019
 - Kirklees Transfer Values Viability Assessment - February 2022
- 1.13 All the above information is logged electronically and can be provided should you require.

Engagement

- 1.14 At all stages of the viability process, we have advocated reasonable, transparent and appropriate engagement between the parties. We have documented this in the form of written clarification questions which are contained at Appendix 2.

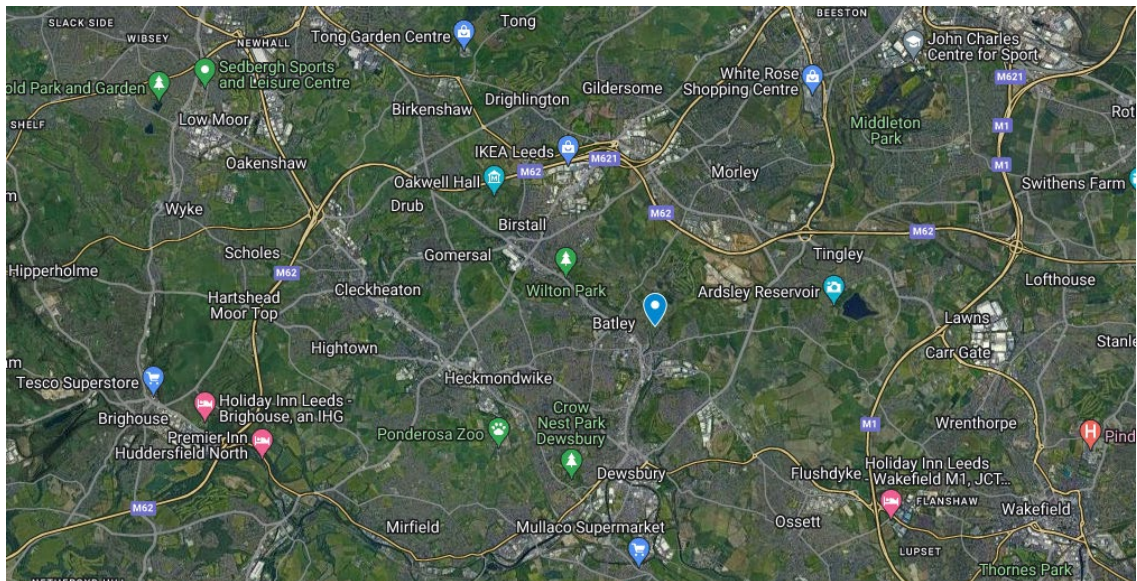
2 Scheme Details

2.1 This section of our report sets out our understanding of the scheme.

Location

- 2.2 Figure 2.1 shows the location of the proposed site which is situated off Lady Ann Road, Soothil, Batley. Soothil is a small village in the town of Batley, West Yorkshire and lies 1.5 miles northeast from the town of Dewsbury.
- 2.3 The site lies 1 mile to the east of Batley town centre. Batley train station is 0.5 miles away with services to Leeds, Huddersfield, Manchester and Halifax.
- 2.4 Batley is a market town in West Yorkshire and is part of the Metropolitan Borough of Kirklees. The town is well connected by road to nearby towns and cities, the M62 runs to the north of Batley providing access to cities like Leeds and Manchester. The A652 and A653 then run through or nearby, connecting the town to more nearby areas.
- 2.5 The closest neighbouring city is Leeds, located roughly 7 miles away. After this is Huddersfield (8 miles), Wakefield (8 miles), and Bradford (9 miles).

Figure 2.1 - Location Map - wider context



Source: Google My Maps, October 2023

The Site

- 2.6 The site has a gross area of approximately 8.57 acres (3.47 hectares) and a net developable area of 5.2 acres (2.2 acres). The site is situated between Lady Ann Road and Primrose Hill. The south-eastern edge of the site bounds directly onto Lady Ann Road, alongside which runs a small watercourse called Howley Beck. The north-eastern site boundary is marked mainly by dense bushes/trees beyond, which is the Lady Ann Business Park. The domestic timber fencing of the rear gardens of the terraced houses on Primrose Hill form the Western boundary, while a 1m high wooden fence and bushes form the northern boundary.¹

Figure 2.2 - Red Line Site Plan



Source: Self Architects (December 2022), October 2023

Existing Use(s)

- 2.7 The site slopes, steeply in places, up to 1:6, in a west to south east direction. Currently the site is covered in overgrown weeds, reeds, trees and rough grass. A row of mature TPO trees cuts the site roughly in half from east to west. An informal footpath runs through the site from Howley Street to Lady Ann Road. The path runs along the northern edge of the site, where it meets and then follows the route of Howley Beck down towards Lady Ann Road. A metal girder pipe support across the beck is used as an informal bridge across to Lady Ann Road.²

¹ Design and Access Statement page 4

² Design and Access Statement page 4

Figure 2.3 - Site Photos



Source: Self Architects (December 2022), October 2023

Proposed Scheme

- 2.8 D. Noble (the Applicant) have submitted a planning application (2021/62/94280/E) for the development of 65 dwellings comprising 3-, 4- and 5-bedroom terrace and semi-detached properties with associated car parking and landscaping works.

Figure 2.4 - Site Layout Plan



Source: Self Architects (December 2022), October 2023

Scheme Mix/Areas

2.9 The total Gross Internal Area (GIA) of the scheme is 8,176.21 sqm (88,008 sqft). Table 2.1 below shows the breakdown of the schemes mix.

Table 2.1 - Scheme Mix and Areas Summary

Property	House Type	No of Beds	sqm (per unit)	No of units	Total sqm
B3 T1 - No Garage	Terrace	3	102.38	7	716.65
B3 T2 - No Garage	Semi detached	3	105.72	16	1,691.58
B3 T3 - No Garage	Semi detached	3	105.72	8	845.79
B4 T1 - Integral Garage	Semi detached	4	142.42	8	1,139.36
B4 T2 - Integral Garage	Semi detached	4	147.90	6	887.41
B4 T3 - Integral Garage	Semi detached	4	145.76	10	1,457.65
B4 T4 - No Garage	Semi detached	4	127.09	6	762.55
B5 T1 - Integral Garage	Semi detached	5	166.48	2	332.96
B5 T2 - Integral Garage	Semi detached	5	171.13	2	342.25
Total				65	8,176.21

Source: D Noble, October 2023

2.10 It should be noted that the areas of the homes are significantly above the nationally described space standards. We would comment that the size of units does impact upon the viability of the project due to increased build costs. .

3 Planning Policy Requirements

- 3.1 In this section we set out the planning policy which is relevant in respect of viability.
- 3.2 The Council's Local Plan provides a long-term development strategy, setting out policies and proposals for new housing, shopping and employment. It consists of a number of documents:
- Kirklees Local Plan (adopted February 2019)
 - Local Plan Strategy and Policies (adopted February 2019)
 - Local Plan allocations and designations (adopted February 2019)

Kirklees Local Plan (2013 – 2031)

- 3.3 Policy LP11 – Housing Mix and Affordable Housing states that for development of more than 10 homes, including proposals involving self-contained residential units. The proportion of affordable homes should be 20% of the total units on market housing sites.
- 3.4 The site is allocated for housing in the Kirklees Local Plan (HS74).

Affordable Housing

- 3.5 The interim affordable housing policy (2020) states that the tenure split for the affordable homes is 55% affordable rent (7 units) and 45% (6 units) intermediate. This is based on evidence in the Kirklees SHMA (2016).
- 3.6 The Kirklees Transfer Values Viability Assessment (February 2022) states that the transfer values to be adopted are as follows
- Affordable & Social rent - £861 psm
 - Intermediate / Shared Ownership - £1,292 psm
- 3.7 We have adopted these tenures and transfer values in our policy complaint appraisal.

Non – Housing S106 Requirements

- 3.8 D.Noble have included the following contributions in their assessment
- Travel Plan - £10,000
 - Metro - £43,248
 - Education - £71,848
 - Bio-diversity net gain: £180,780
 - Landscaping: £43,238
 - POS Shortfall: £67,364

3.9 The total non-housing contribution amounts to £416,478 which we have adopted in our policy compliant appraisal. We understand that the total amount is subject to change.

Community Infrastructure Levy

3.10 We understand that the Council currently do not have an adopted CIL charging schedule. The development will therefore not be liable for this charge.

Housebuilders Design Guide SPD – June 2021

3.11 The Council provides this document to guide the development of new homes in the District. The Council adopts the Nationally Described Space Standards and presents the following table

Table 3.1 - Nationally Described Space Standards

Number of bedrooms (b)	Number of bed spaces / persons (p)	1 storey dwellings (sqm)	2 storey dwellings (sqm)	3 storey dwellings (sqm)	Built-In Storage (sqm)
1b	1p	39 (37) ⁽⁸⁾			1.0
	2p	50	58		1.5
2b	3p	61	70		2.0
	4p	70	79		
3b	4p	74	84	90	2.5
	5p	86	93	99	
	6p	95	102	108	
4b	5p	90	97	103	3.0
	6p	99	106	112	
	7p	108	115	121	
	8p	117	124	130	
5b	6p	103	110	116	3.5
	7p	112	119	125	
	8p	121	128	134	
6b	7p	116	123	129	4.0
	8p	125	132	138	

Table 1 Nationally described space standards: minimum gross internal floor areas and storage (sqm)

Source: Nationally Described Space Standards, July 2021

4 Review of Gross Development Value

- 4.1 We set out on the following table (Table 4.1 - GDV Comparison Summary - page over) our review of the gross development value (GDV) of the scheme.
- 4.2 This sets out a direct comparison between the assumptions and values contained in the Kirklees Local Plan and CIL Viability Addendum, May 2019; the assumptions and values applied by the Applicant; and our current assumptions and values.
- 4.3 Further detailed comments and analysis on the values is set out below.

GDV Summary

Table 4.1 - GDV Comparison Summary - Policy Compliant

	Local Plan Values	Applicants' Values	AspinallVerdi Values	Comment on differences
Market Values £ psm / £ psf				
Terrace	£2,153 psm (£200 psf)	£2,153 psm (£200 psf)	Average £2,314 psm (£215 psf)	We have undertaken an assessment of the local property market (see section 4) and consider that the proposed units have been undervalued by the applicant.
Semi-Detached				
Sub-total		£14,433,800	£15,690,000	Difference of £1,256,200
Affordable Housing Values £ psm / £ psf				
Affordable / Social Rent	£588 psm (£55 psf)	£588 psm (£55 psf)	£861 psm (£80 psf)	The Applicant has adopted the transfer values set out in the Interim Affordable Housing Policy 2020. Whereas we have adopted the transfer values set out in the Kirklees Transfer Values Viability Assessment (February 2022).
Intermediate / Shared Ownership	£999 psm (£93 psf)	£999 psm (£93 psf)	£1,292 psm (£120 psf)	The Applicant has adopted the transfer values set out in the Interim Affordable Housing Policy 2020. Whereas we have adopted the transfer values set out in the Kirklees Transfer Values Viability Assessment (February 2022).
Sub-total		£1,208,956	£1,540,035	Difference of £331,079
Total		£15,642,756	£17,230,035	£1,587,279.45

Applicant's Assessment

- 4.4 D.Noble have carried out an assessment of the local property market within the last two years. They have relied upon new build transactions within a radius of 1.65 miles of the site, the majority of these transactions being located in Morley and are therefore considered to not be comparable to the proposed development. D.Noble have also reviewed second hand transactions within a 1-mile radius of the site to arrive at a blended sales rate of £200 psf which has been applied across all the unit types.
- 4.5 D.Noble considers that private dwellings on the proposed scheme could produce a GDV of £17,600,800.00 assuming 100% private housing. Table 4.2 below provides a summary of the value adopted for each unit assuming a 100% private housing scheme.

Table 4.2 - Proposed Schedule of Accommodation

House Type	No of Beds	House Type	No of Units	Floor Area (sqm)	Total Floor Area (sqm)	D Noble Ltd GDV	Total GDV	£ psm
B3 T1 - No Garage	3	Terrace	7	102.38	716.65	£220,400.00	£1,542,800.00	£2,152.78
B3 T2 - No Garage	3	Semi detached	16	105.72	1,691.58	£227,600.00	£3,641,600.00	£2,152.78
B3 T3 - No Garage	3	Semi detached	8	105.72	845.79	£227,600.00	£1,820,800.00	£2,152.78
B4 T1 - Integral Garage	4	Semi detached	8	142.42	1,139.36	£306,600.00	£2,452,800.00	£2,152.78
B4 T2 - Integral Garage	4	Semi detached	6	147.90	887.41	£318,400.00	£1,910,400.00	£2,152.78
B4 T3 - Integral Garage	4	Semi detached	10	145.76	1,457.65	£313,800.00	£3,138,000.00	£2,152.78
B4 T4 - No Garage	4	Semi detached	6	127.09	762.55	£273,600.00	£1,641,600.00	£2,152.78
B5 T1 - Integral Garage	5	Semi detached	2	166.48	332.96	£358,400.00	£716,800.00	£2,152.78
B5 T2 - Integral Garage	5	Semi detached	2	171.13	342.25	£368,000.00	£736,000.00	£2,150.44
			65		8,176		£17,600,800.00	

Source: D Noble, October 2023

- 4.6 D.Noble have also prepared a policy compliant appraisal which includes 7 Shared Ownership units (54%) and 6 Affordable Rented units (46%). This is not in accordance with the Kirklees SHMA which recommends 55% Rented and 45% Shared Ownership.
- 4.7 The total GDV in their policy compliant appraisal amounts to £15,642,756.

AspinallVerdi's Assessment

4.8 This section of the report provides an assessment of the current residential market. The outputs of this section are used to inform the sales values used in our financial appraisal.

New Build Asking Values

4.9 We have identified two developments within Batley, consisting of 3 and 4 bed properties currently for sale. The locations of these developments can be seen in Figure 4.1 and are discussed in further detail below.

- Meadow Heights by Persona Homes
- The Orchards by Keepmoat

Figure 4.1 - New Build Developments in Batley



Source: Google My Maps, October 2023

Meadow Heights, Persona Homes

4.10 Meadow heights is located in Hanging Heaton, roughly 1.2 miles from the subject site. This development offers the option for shared ownership. Transport links, including the M1 and M62, along with Batley train station only being 0.1 miles away; and a range of amenities nearby.


Figure 4.2 - Meadow Heights Site Plan



Source: Persona Homes, October 2023

4.11 There are currently 15 units for sale at this development, consisting of the Wyatt and the Elmslie. Table 4.3 below provides a summary of these units.

Table 4.3 - Asking Prices at Meadow Heights

Information	Image
<p>The Wyatt</p> <p>3 Bed Semi-Detached</p> <p>Market Value: £240,000</p> <p>Shared Ownership: £60,000 (25%)</p> <p>Floor Area: 80.4 sqm</p> <p>Price per sqm: £2,985</p>	
<p>The Elmslie</p> <p>3 Bed Semi-Detached</p> <p>Market Value: £257,500</p> <p>Shared Ownership: £64,375 (25%)</p> <p>Floor Area: 86.7 sqm</p> <p>Price per sqm: £2,970</p>	

Source: Persona Homes, October 2023

4.12 These two properties types are relatively similar with both having a family bathroom, an en-suite, a rear garden, a downstairs cloakroom and reasonable storage throughout. There is little difference between these properties, with the Elmslie offering 6.3 sqm of additional floor space. These units are smaller than the proposed 3 bed semi-detached units (B3 T2 & T3). We therefore expect these units at Lady Ann Road to have a higher absolute value than the two units at this development.

The Orchards by Keepmoat

- 4.13 This development sits on the edge of Batley, roughly 1.3 miles away from the subject site and is made up of 2, 3 and 4 bedroom homes. The site benefits from good transport links, with Batley station being only 0.5 mile away, along with access to the M1 and M62. Keepmoat are also offering the houses on a shared ownership basis. Additionally, the homes are fitted with energy-saving technology, that according to Keepmoat can reduce energy costs by up to 50%.
- 4.14 There are currently 13 properties from this development, on the market, consisting of a mix of 3 and 4 bed detached and semi-detached dwellings.




Figure 4.3 - The Orchards Site Plan



Source: Keepmoat, October 2023

- 4.15 There are currently 3, four bed detached properties for sale at this development which are summarised in Table 4.4 below.

Table 4.4 - Asking Prices at The Orchards

Information	Image
<p>The Stratford</p> <p>3 Bed Semi-Detached</p> <p>Asking Price: £282,995</p> <p>Floor Area: 106 sqm</p> <p>Price per sqm: £2,669</p>	
<p>The Drayton</p> <p>3 Bed Semi-Detached</p> <p>Asking Price: £269,995</p> <p>Shared Ownership: £134,975</p> <p>Floor Area: 101 sqm</p> <p>Price per sqm: £2,673</p>	
<p>The Preston</p> <p>4 Bed Semi-Detached</p> <p>Asking Price: £309,995</p> <p>Floor Area: N/A</p>	
<p>The Milford</p> <p>4 Bed Detached</p> <p>Asking Price: £364,995</p> <p>Floor Area: 115 sqm</p> <p>Price per sqm: £3,173</p>	

Source: Rightmove, October 2023

- 4.16 Similarly, to the previous development, the Orchards offers a number of the properties to be bought under a shared ownership scheme, which can cut the price by circa 50% (as seen with the Drayton).
- 4.17 The Stratford and Drayton have similar floor areas to the B3 T2 and T3 units, we would therefore expect the values at the proposed development to be similar.

Value Assumptions

- 4.18 We have undertaken an assessment of the local property market in Soothill which has included a review of new build asking prices within close proximity to the development site.
- 4.19 Based on our assessment of the local property market, consider that the proposed units have been undervalued by the applicant. Table 4.5 provides the value assumptions for each property type which we have adopted.

Table 4.5 - AspinallVerdi Market Value Assumptions

Type	Beds	House Type	No. Units	Size (sqm)	GDV per Unit	£ psm	Total GDV
B3 T1 - No Garage	3	Terrace	3	102	£225,000	£2,198	£675,000
B3 T2 - No Garage	3	Semi detached	10	106	£275,000	£2,601	£2,750,000
B3 T3 - No Garage	3	Semi detached	8	106	£275,000	£2,601	£2,200,000
B4 T1 - Integral Garage	4	Semi detached	5	142	£325,000	£2,282	£1,625,000
B4 T2 - Integral Garage	4	Semi detached	6	148	£330,000	£2,231	£1,980,000
B4 T3 - Integral Garage	4	Semi detached	10	146	£325,000	£2,230	£3,250,000
B4 T4 - No Garage	4	Semi detached	6	127	£285,000	£2,242	£1,710,000
B5 T1 - Integral Garage	5	Semi detached	2	166	£370,000	£2,222	£740,000
B5 T1 - Integral Garage	5	Semi detached	2	171	£380,000	£2,221	£760,000
Total			52				£15,690,000

Source AspinallVerdi, December 2023

Affordable Housing Values

4.20 Table 4.6 below provides the value assumptions adopted for the affordable units. we have adopted the transfer values set out in the Kirklees Transfer Values Viability Assessment (February 2022).

Table 4.6 - AspinallVerdi Affordable Value Assumptions

Type	Beds	No. Units	Size (sqm)	GDV per Unit	£ psm	Total GDV
B3 T1 - No Garage - Affordable Rented	3	4	102	£88,148	£861	£352,594
B3 T2 - No Garage - Shared Ownership	3	6	106	£136,595	£1,292	£819,570
B4 T1 - Integral Garage - Affordable Rented	4	3	142	£122,624	£861	£367,872
Total	13					£1,540,035

Source AspinallVerdi, December 2023.

4.21 The total GDV for a policy complaint scheme amounts to £17,230,035.

4.22 The total GDV for a 100% market housing scheme amounts to £19,215,000.

5 Cost Assumptions

- 5.1 We set out on the following table (Table 5.1 - Development Cost Comparison Summary – page over) our review of the development costs.
- 5.2 This sets out a direct comparison between the assumptions and costs contained in the Kirklees Local Plan and CIL Viability Addendum, May 2019; the assumptions and costs applied by the Applicant; and our current assumptions and costs.
- 5.3 Further detailed comments and analysis on the costs is set out below.

Development Cost Summary

Table 5.1 - Development Cost Comparison Summary

Item	Local Plan Costs	Applicants' Costs	AspinallVerdi Costs	Comment on differences
Site Acquisition Costs				
Stamp Duty	N/A	5%	Standard rate (HMRC scale for Stamp Duty Tax (SDLT))	The Applicant has included 5% for SDLT. Our SDLT level is calculated in Argus Developer using the Standard rate (HMRC scale) for Stamp Duty Land Tax (SDLT). (N.B – SDLT is not calculated on negative land values)
Agent Fees		n/a	1%	The Applicant has not included agent fees in relation to the site acquisition. A typical allowance would be 1%, which we have included in our appraisals. (N.B – SDLT is not calculated on negative land values)
Legal Fees	N/A	2.25%	0.5%	The Applicant has included legal fees at 2.25%. A typical allowance would be 0.5% which we have included in our appraisals. (N.B – SDLT is not calculated on negative land values)
Unit Build Costs				

Superstructure (including 5% contingency)		£6,329,051	£6,329,051	The Applicant has provided a cost plan which is summarised in this table. We instructed MAC Construction Consultants to review these, their report can be found at Appendix 3. MAC consider the costs to appropriate expect for the cost of the 'additional foundations' which has reduced the overall cost by £189,555.70. Further detail can be found in the attached report.
Site Overheads		£1,203,734	£1,203,734	
Plot Development (including 5% contingency)		£2,489,916	£2,300,360	
External Works (including 5% contingency)		£2,429,735	£2,429,735	
Sub-total for Base Build (inc external works)	£1,195 psm (£111 psf) Includes 10% for external works	£12,452,274 £1,532.05 psm / £142 psf	£12,262,718.30 (£1,499.96/ £139.34 psf)	Difference of £189,555.70
Contingency	3%	Including in base build costs at 5%	Including in base build costs at 5%	The Applicant has included a 5% contingency allowances within their build cost allowance which is considered reasonable.
Professional Fees	8%	£826,146 6.63%	£826,146 6.73%	The Applicant has included specific cost items in relation to the professional fees which amount to £826,146 which equates to 6.63% of the hard build costs. We consider this cost to be appropriate and have included this in our financial appraisal.
Abnormal Works	No allowance for abnormal costs as they are specific to each site	£478,000 (£55,775 per gross acre)	£478,000 (£55,775 per gross acre)	The Applicant provided an itemised breakdown of the abnormal costs for this development. We instructed MAC Construction to review these costs who have prepared a report which is included at Appendix 3.

				See Abnormal Development Costs section below for detailed analysis.
Finance	6.00%	0%	7%	We understand that D. Noble Limited is a privately funded company and therefore not included a finance rate in their appraisals. In our appraisal we have adopted a finance rate of 7%.
Disposal Costs				
Marketing	3.50% combined			We consider this allowance to be acceptable and have allowed for 1% marketing, 0.5% for agent fees and 1% for legal fees. Typically for the affordable units marketing costs are only applied to the shared ownership units.
Sales Agent Fees	N/A	2.5%	2.5%	
Sales Legal Fees	N/A			
Profit				
Open Market Housing	20%	20%	17.5%	The range is typically between 15 – 20% profit on GDV (Paragraph 018 PPG Viability- Reference ID: 10-018-20190509). We have adopted a 17.5% profit on GDV, this is discussed further in section 6.
Affordable Housing	6.0%	N/A	6.0%	We typically apply a profit of 6% in the policy compliant financial appraisal (onsite provision). This level is reduced as such because of the negligible risk of disposal because such units can be pre-sold to a Registered Provider prior to commencement of the construction.

Abnormal Development Costs

5.6 The Applicant has provided a schedule of abnormal development costs which amount to £478,000 (£55,775 per gross acre) which are summarised in Table 5.2 below.

Table 5.2 - Applicant's Abnormal Cost Breakdown

Item	Cost (£)
Steps and staggers to retaining plots	£71,000
Tanking to split-level dwellings	£195,000
Rear garden retaining walls	£87,000
Cut and Fill and removal to roads and footpaths	£125,000
Total	£478,000

Source: D Noble, October 2023

5.7 As part of our instruction from the Council, we appointed MAC Construction to review these costs. Appendix 3 provides their report which has been prepared by Alex Finn of MAC, a Chartered Quantity Surveyor.

5.8 MAC Construction consider these costs to be appropriate, we have therefore adopted these in our financial appraisal.

5.9 It should be noted that the allowance for Biodiversity Net Gain above is incorrect and the Council have clarified to us that this cost is £180,780.

Non – Housing S106 Costs

5.10 The total non-housing contribution amounts to £416,478 which we have included within our financial appraisals. See section 3 of our report for further details.

Timing / Phasing Assumptions

5.11 D noble have adopted the following development programme

- Construction: 28 months (2 per month)
- Sales period: 28 months (2 units a month) starting 10 months into the construction period.

5.12 In our financial appraisals we have adopted the following timing assumptions

- Pre construction: 6 months
- Construction: 21 months
- Sales period: 21 months (starting 6 months into the construction period)

- 5.13 The above assumptions model typical sales periods in housing developments where sales commence partway into the construction phase. We would comment that the developer is likely to secure off plan sales which will accelerate the sales period, this impacts positively upon project cashflow and therefore finance costs.

6 Benchmark Land Value

- 6.1 The value of a site is a key consideration within a viability assessment as the ‘cost’ of the land or Benchmark Land Value (BLV) needs to be taken into account within any financial appraisal. Fundamentally, a landowner will sell an asset which has development potential, when they consider that the development potential of the site is being fairly reflected within the price being paid. Otherwise, the site will essentially remain in its existing use with no incentive for the landowner to bring the site forward for development.
- 6.2 The Planning Practice Guidance (PPG) on viability advocates an Existing Use Value (EUUV) plus premium approach. The PPG (Paragraph: 013 and 014 Reference ID: 10-014-20190509) states that the BLV should:
- Be based upon an Existing Use Value (EUUV).
 - Allow for a premium to landowners (as an incentive) - whilst allowing a sufficient contribution to fully comply with policy requirements. The premium must also be considered within the context of any abnormal costs associated with the development.
 - Reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees.

Applicant’s Assessment

- 6.3 D Noble have adopted a land value of £650,000 which equates to £75,846 per gross acre and £125,000 per net acre. They have cited the Kirklees Transfer Values Viability Assessment (February 2022) which provides Benchmark Land Values across the Borough (see Table 61 below). Soothill is located in the low value area.

Table 6.1 - Kirklees Benchmark Land Values

Value Level	Indicative Benchmark Land Value (Per Ha)	Indicative Benchmark Land Value (Per Acre)
1 (Low)	£247,150 - £370,725	£100,000 - £150,000
2 (Medium)	£617,875 - £741,450	£250,000 - £350,000
3 (High)	£988,600 - £1,235,750 +	£400,000 - £500,000 +

Source: Kirklees Transfer Values Viability Assessment (February 2022), October 2023

Aspinall Verdi's Assessment

- 6.4 To determine the site value, we have sought to value the land in its existing use, our approach has therefore been as follows
- Determine the sites Existing Use Value using data from Carter Jonas.
 - Determine an appropriate Premium.
- 6.5 We have reviewed the Farmland Market Update Q2 2023³ research bulletin prepared by Carter Jonas. The report sets out the value per acre for different types of farmland across the UK. In the Yorkshire and Humber region, land values range between £5,550 and £11,000 for pasture and arable land per acre.
- 6.6 Given the topography of the site and the fact that this is likely to be only suitable as pasture land we consider that £5,500 per acre is an appropriate level of value.
- 6.7 The housing site is approximately 8.57 acres (3.47 hectares) which generates an existing use value of £47,135.

Premium

- 6.8 The premium, which is the second component when determining the BLV should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. It must also allow a sufficient contribution to fully comply with policy requirements and be considered within the context of any abnormal costs associated with the development.
- 6.9 The Homes and Communities Agency (now Homes England) (in August 2010) published a consultation paper on transparent assumptions for Area Wide Viability Modelling⁴. This notes that, 'typically, this gap or premium will be expressed as a percentage over EUV for previously developed land and as a multiple of agricultural value for greenfield land'⁵. For greenfield land, benchmarks tend to be in a range of 10 to 20 times agricultural value'. This approach is reflected national planning guidance for area wide viability studies.
- 6.10 The site has a significant amount of abnormal costs amounting to £478,000 (£55,775 per gross acre) which should be reflected in the premium. we would consider that as a maximum the premium would be no more than 10 times the EUV – which would equate to £471,350, this could be reasonably rounded to £475,000. We therefore consider £475,000 to be an appropriate benchmark land value for this site given its topography, location and the abnormal costs associated with developing the site.

³ <https://www.carterjonas.co.uk/rural-research/farmland-market-update-q2-2023>

⁴ The HCA Area Wide Viability Model, Annex 1 Transparent Viability Assumptions, August 2010, Consultation Version

⁵ The HCA Area Wide Viability Model, Annex 1 Transparent Viability Assumptions, August 2010, Consultation Version para 3.3

7 Summary and Conclusions

- 7.1 This section of our report sets our viability assessment results. The basis of the financial assessment is set out in the preceding sections within the assumption presented explicitly.
- 7.2 D.Noble Limited have produced a viability report recommending that the site cannot deliver any of the affordable housing required by policy.
- 7.3 The main difference between the Applicant's assessment and ours relates to the following assumptions
- **Gross Development Value** - We consider that the proposed units have been undervalued by the applicant. The applicant adopted a blended rate of £200 psf however based on our evidence we consider the blended rate to be £215 psf.
 - **Build Costs** - We instructed MAC Construction Consultants to review the build costs and abnormal costs, their report can be found at Appendix 3. MAC consider the costs to appropriate expect for the cost of the 'additional foundations' which has reduced the overall cost by £189,555.70. Further detail can be found in the attached report.
 - **Profit** - The potential risk for this development has been priced into the appraisal through the inclusion of the abnormal costs and a 5 % contingency allowance. We have therefore adopted a 17.5% profit on GDV for the market units.
 - **Benchmark Land Value** - We therefore consider £475,000 to be an appropriate benchmark land value for this site given its topography, location and the abnormal costs associated with developing the site.
- 7.4 In addition, we would reiterate that the floor areas of the homes are significantly above nationally described space standards. We would comment that the size of units does impact upon the viability of the project due to increased build costs.
- 7.5 The next section provides a summary of the financial appraisal which we have prepared. Please refer to Appendix 4, 5 and 6 for a copy of the financial appraisals.

Key Outputs

7.6 The key outputs from our financial appraisals are summarised in Table 7.1, these has been prepared on a residual basis.

Table 7.1 - Appraisal Outturn

Assumptions	Policy Compliant (20%) appraisal	100% Market Housing	8% Affordable Housing
Total GDV	£17,230,034	£19,215,000	£18,460,557
Total Development Costs	£14,345,975	£15,852,375	£15,277,293
Non-Housing S106 Contributions	£416,478	£416,478	£416,478
Profit on GDV – blended	£2,884,059 (16.74%)	£3,363,625 (17.5%)	£3,183,263 (17.24%)
Residual Land Value	-£313,625	£994,402	£495,409
Benchmark Land Value	£475,000	£475,000	£475,000

Source: AspinallVerdi, November 2023

- 7.7 Our policy complaint appraisal with on-site affordable housing produces a negative residual land value of £313,625 based on a 17.5% profit on GDV for the market units and 6% profit on GDV for the affordable units – blended 16.2%. On this basis, the scheme is unviable.
- 7.8 Our 100% market housing appraisal with no-onsite affordable housing and £416,478 of non-housing s106 contributions produces a positive residual land value of £994,402 based on a 17.5% profit on GDV. The residual land value in this appraisal is above the benchmark and is therefore considered viable.
- 7.9 We have prepared an appraisal which includes 5 affordable units (7.69%) and £416,478 of non-housing s106 contributions. This appraisal produces a positive residual land value of £495,409 which is above our benchmark land value and is therefore considered viable.

7.10 Based on our detailed analysis of the values and costs we are of the opinion that the scheme is able to deliver 5 affordable housing (7.69%) units and a non-housing s106 contribution of £416,478.

7.11 At the Council's request, we have prepared an additional appraisal which adopt a profit of 15% on GDV (6% on GDV for the affordable units) for the market units to determine the percentage of affordable housing which could be delivered. All the other assumptions remain the same as detailed in this report. The appraisal which includes 8 affordable units (split 50:50 between shared ownership and affordable rent) produces a residual land value of £529,823 which is above our benchmark land value. On the basis of 15% profit on GDV the scheme would be able to deliver 8 affordable units and the non-housing s106 contribution of £416,478.

Sensitivity Analysis

7.12 The RICS Practice Statement requires that all VAs and subsequent reviews must provide a sensitivity analysis of the results and an accompanying explanation and interpretation in respective calculations on viability, having regard to risks and an appropriate return(s). This is to:

- allow both the Applicant and decision maker to consider how changes in inputs to a financial appraisal affect viability, and
- understand the extent of these results, to arrive at an appropriate conclusion on viability of the application scheme.

7.13 This also forms part of an exercise to 'stand back' and apply a viability judgment to the outcome of a report.

7.14 In this respect, we have carried out sensitivity analysis on the 8% affordable housing appraisal to show the impact of fluctuations to build costs and sales values on the scheme's viability. Table 7.2 shows how movements up and down in build costs and sales values would impact on the GDV profit amount and the land cost.

Table 7.2 - Sensitivity Analysis of Profit Amount and Land Cost

	Construction: Rate /ft ²				
Sales: Rate /ft ²	-5.000%	-2.500%	0.000%	+2.500%	+5.000%
	132.37 /ft ²	135.86 /ft ²	139.34 /ft ²	142.82 /ft ²	146.31 /ft ²
-5.00 /ft ²	(£719,321) 17.252%	(£452,618) 17.288%	(£190,192) 17.269%	£84,328 17.270%	£359,680 17.223%
-2.50 /ft ²	(£869,761) 17.242%	(£607,337) 17.248%	(£344,913) 17.254%	(£73,552) 17.264%	£201,799 17.248%
0.00 /ft ²	(£1,020,229) 17.232%	(£757,805) 17.238%	(£495,381) 17.244%	(£230,128) 17.252%	£43,919 17.259%
+2.50 /ft ²	(£1,170,698) 17.223%	(£908,273) 17.228%	(£645,849) 17.234%	(£383,425) 17.240%	(£113,962) 17.250%
+5.00 /ft ²	(£1,321,166) 17.213%	(£1,058,742) 17.219%	(£796,317) 17.225%	(£533,893) 17.230%	(£271,467) 17.236%

Source: AspinallVerdi, November 2023

- 7.15 The sensitivity analysis above shows that with cost savings and improvements to the GDV, the residual land value of the scheme increases further and therefore the ability of the scheme to provide more affordable housing. For example, with a 2.5% decrease in costs (with the values staying the same) the residual value amounts to approximately £757,805 which is circa £300,000 above our benchmark land value.

Authorisation

- 7.16 Should you have any questions or queries in respect of any aspect of this report, please do not hesitate to contact AspinallVerdi.
- 7.17 For and on behalf of Aspinall Verdi Ltd:

Yours faithfully

(checked by)

Matthew Wroe
Principal Consultant

Atam Verdi, MRICS
Registered Valuer
Chairman



Appendix 1 - Terms & Conditions

AspinallVerdi – Property Regeneration Consultants

Standard Terms of Appointment

Definitions

“AspinallVerdi” refers to Aspinall Verdi Limited trading as AspinallVerdi – Property Regeneration Consultants providing professional planning and surveying services for property development and regeneration.

“Client” refers to the client named in the Fee Proposal provided with these terms. In the case of sub-contract commissions, the Client is the lead contractor for these purposes.

“Fee Proposal” refers to any letter, email, proposal document, tender, Invitation To Negotiate, Invitation To Tender, bid submission etc., taken all together, containing a description of the scope of the services and professional fees.

Description of services to be provided

AspinallVerdi shall provide the services described within the Fee Proposal.

In the event of any inconsistency, the Fee Proposal will apply over these Standard Terms of Appointment.

Client's Obligations

The Client will provide in a timely manner all necessary information reasonably required, enabling AspinallVerdi to carry out the services during the appointment.

The Client acknowledges that AspinallVerdi is entitled to rely upon the accuracy, sufficiency and consistency of any information supplied to it by the Client. AspinallVerdi accepts no liability for any inaccuracies contained in any information provided by the Client or any third party on behalf of the Client.

The Client shall ensure that they have a representative authorised to make decisions on their behalf.

Unless otherwise specifically agreed, the Client authorises AspinallVerdi to speak to or meet with any other person it may need to contact in order to provide the services during the appointment.

Changes to the scope of instructions

The Client shall notify AspinallVerdi in writing of any instruction to vary the services.

Abortive work - AspinallVerdi reserves the right to make additional charges in the event that the scope of the services is modified during the appointment, or additional information is provided by the Client requiring additional or abortive work, or any other unforeseen circumstance prevents the timely completion of the appointment.

Unforeseen delays - Where information required to carry out the services is not provided by the Client in a timely manner, or any other unforeseen circumstance prevents the timely completion of the appointment, AspinallVerdi reserves the right to issue an interim invoice based on the tasks in the Fee Proposal that have been completed and/or by reference to time incurred (in hours/days) on the Client's behalf multiplied by the previously agreed hourly/daily rates.

Material variations - Where there are material variations to the scope of the appointment our professional fees will be based on an amended Fee Proposal or by reference to time incurred (in hours/days) on the Client's behalf multiplied by the previously agreed hourly/daily rates.

Additional meetings / conference calls – Where the Client requires additional formal meetings or conference calls in lieu of meetings over and above those specified in the Fee Proposal, these will be charged based on the agreed hourly/daily rates.

AspinallVerdi reserves the right to amend these terms of appointment as a consequence of any variation of the services.

Conflicts of Interest

AspinallVerdi will undertake a search of other clients, properties and roles to protect its Clients against any potential conflicts of interest that may exist within the firm.

AspinallVerdi employees must not accept or carry out any instruction where there may be, or reasonably construed to be, a conflict of interest.

If such a conflict of interest arises or becomes known after the instruction has been accepted, AspinallVerdi will withdraw from any instruction unless such conflict of interest is fully disclosed in writing to all relevant parties and all such parties agree that the instruction may be accepted or continued by AspinallVerdi.

Professional Fees

All fees for work carried out by AspinallVerdi will be as agreed in the Fee Proposal.

Disbursements

The Client will pay all incidental expenses incurred by AspinallVerdi, including without limitation: all travel expenses incurred, accommodation, subsistence, special delivery postage/carrier services, copying, Land Registry Title plans, Ordnance Survey plans, photography, advertising, professional photography, "For Sale / All Enquiries" Boards, printed brochure etc, unless otherwise agreed in the Fee Proposal.

Car mileage will be recharged at 0.55 pence per mile.

Any disbursements properly incurred but not yet processed at the time of any invoice will be invoiced separately.

Payment Terms

The Client shall pay the agreed fees and disbursements to AspinallVerdi for the performance of the services in such instalments as are set out in the Fee Proposal.

All fees and charges including disbursements are exclusive of Value Added Tax (VAT) which if due shall be paid concurrently in addition. VAT will be charged at the prevailing rate.

Payment shall be made within 30 days of the invoice date.

AspinallVerdi reserves the right to charge interest and debt recovery costs in respect of any amounts that remain unpaid after 30 days of the invoice date. Interest will be calculated at a rate of 4% a year above the Bank of England's base rate from time to time on any invoice which remains unpaid 30 days after the invoice date. Such interest will accrue on a daily basis.

Documentation

The copyright in all documents prepared by AspinallVerdi in providing the services shall remain the property of AspinallVerdi. Subject to payment by the Client of the fees properly due to AspinallVerdi under this agreement AspinallVerdi grants to the Client an irrevocable non-exclusive royalty-free licence to copy and use the documents for any purpose related to the project. The costs of copying any documents for the Client by AspinallVerdi shall be recharged to the Client.

AspinallVerdi shall not be liable for any use of the documents for any purpose other than that for which they were prepared and provided by AspinallVerdi or for any use by a third party.

No reliance will be placed by the Client on draft reports or other work products (oral or written) provided by AspinallVerdi as these may vary significantly from any final report or work product.

Intellectual Property

The Client will keep confidential and not disclose any methodologies and/or technology utilised by AspinallVerdi in providing the services.

AspinallVerdi does not normally release digital copies of spreadsheets, valuations and/or development appraisals, although hard copies and pdf copies can be provided.

AspinallVerdi is the beneficial owner of all Intellectual Property Rights arising out of or in connection with the provision of the services to the Client.

Reporting

Unless otherwise agreed, AspinallVerdi will provide an electronic pdf version of the final report/output.

AspinallVerdi reserves the right to charge for the production of paper copies or reports. Incidental expenses for additional paper copies will be recharged together with administration time for the preparation and collation of further reports.

AspinallVerdi reserves the right to charge for the production of 'Accessible reports' where these have not been specified by the Client from the outset.

Should the Client require AspinallVerdi to present the final report, the time costs and disbursements associated with this service will be recharged, unless otherwise agreed in the Fee Proposal.

Data Protection

As a result of AspinallVerdi's relationship with the Client, AspinallVerdi will hold personal data about individuals within the Client's business. AspinallVerdi will process that information only in connection with providing the services and for the purpose of contacting them about other services AspinallVerdi may offer i.e. our mutual legitimate business interests.

Assignment

Neither the Client nor AspinallVerdi shall assign the whole or any part of this agreement without the consent of the other in writing. Such consent shall not be unreasonably withheld.

Land and Property Agency Sales and Acquisitions:

Type of Agency

Unless otherwise agreed in writing, you appoint AspinallVerdi as a sole agent with sole selling rights for the duration of this agreement. Sole agent means that the Client agrees a not to appoint or employ any other agent for the purposes for which AspinallVerdi are so appointed during the course of this agreement and be that the sole agent has sole selling rights.

Sole Selling Rights

You are liable to pay remuneration to AspinallVerdi, in addition to any other costs or charges agreed, in each of the following circumstances:

if unconditional contracts for the sale of the property are exchanged in the period during which we have sole selling rights, even if the purchaser was not found by us but by another agent or by any other person, including yourself;

if unconditional contracts for the sale of the property are exchanged after the expiry of the period during which we have sole selling rights but to a purchaser who was introduced to you during that period or with whom we had negotiations about the property during that period.

Agency Period

The Client appoints AspinallVerdi from the date of this agreement for a minimum period of 6 calendar months, after which the agreement may be terminated by either party by giving the other 15 working days' notice in writing to this effect.

Agency Fees

AspinallVerdi's commission will be calculated as a percentage of the purchase price – as set out in the Fee Proposal, plus VAT.

AspinallVerdi will submit an invoice for our commission / fees to your solicitor on exchange of contracts. You shall, as soon as reasonably possible after instructing your solicitor to deal with your property sale, instruct your solicitor to provide us with an undertaking to pay our invoice from the monies held in your client account with your solicitor, and you shall confirm to us when this instruction has been provided. You agree that we may send our invoice direct to your solicitor for settlement, and that your solicitor is authorised to pay that invoice. However, for the avoidance of doubt, you remain fully liable for payment of the invoice for our commission / fees at all times and we may recover payment from you direct if we do not receive payment from your solicitor.

Our invoice is payable upon completion of the sale of the property, or by a payment schedule for a 'subject to planning' or other more complex land and/or development transaction as set out in the Fee Proposal.

Ready, Willing and Able Purchaser

A purchaser is a "ready, willing and able purchaser" if he / she is prepared and is able to exchange contracts for the purchase of your Property. You will be liable to pay remuneration to us, in addition to any other costs or charges agree. If such a purchaser is introduced by us in accordance with your instructions and this must be paid even if you subsequently withdraw and contracts for sale are not exchanged, irrespective of your reasons.

Referral and Introductory Fees

Where AspinallVerdi refer the Client or Land and/or Property to a third party in furtherance of the Clients objectives, business plan, economic plan, Local Plan etc., AspinallVerdi reserves the right to claim a reasonable fee or commission in respect of such service, referral, introduction which will be charged to the third party.

Vacant Properties

AspinallVerdi will not accept responsibility for the maintenance or repair of damage to the property at any time, or insurance of properties under their agency, unless specifically instructed to do so in writing.

Professional Indemnity insurance

AspinallVerdi is required to comply with the regulations of the Royal Institution of Chartered Surveyors and the Royal Town Planning Institute in respect of the maintenance of professional indemnity insurance.

The level of PI Insurance cover appropriate for the instruction being undertaken is limited to £5 million. AspinallVerdi shall on the written request of the Client provide evidence that PI insurance is in place.

AspinallVerdi's liability to the Client arising out of these terms of appointment shall be limited to the amount specified above. AspinallVerdi will not be liable for any consequential, special, indirect or exemplary damages, costs or losses or any damages, costs or losses attributable to lost profits or opportunities.

Liability of Employees

The duties and responsibilities owed to the Client are solely and exclusively those of AspinallVerdi. No employee of AspinallVerdi shall be liable to you for any loss or damage howsoever arising as a consequence of the acts or omissions of such employee (including negligent acts or omissions) save and to the extent that such loss or damage is caused by the fraud, dishonesty, wilful misconduct or unauthorised conduct on the part of such employee.

RICS Regulation

AspinallVerdi is regulated by the RICS for the provision of surveying services. This means we agree to uphold the RICS Rules of Conduct for firms and all other applicable mandatory professional practice requirements of the RICS, which can be found at www.rics.org. As an RICS regulated firm we have committed to cooperating with the RICS in ensuring compliance with its standards. The firm's nominated RICS Responsible Principal is Atam Verdi, MRICS Chairman.

Complaints

In the event that the Client has a complaint the Client shall be entitled to have access to the complaints handling procedure maintained by AspinallVerdi, copies of which are available on request from a Director.

A dispute resolution service is available should the complaint not be settled satisfactorily between the parties.

Notice

Any notice to be given under this Agreement shall be in writing and delivered by hand or sent by recorded delivery post to the party at the address showing in this Agreement or to such an address as the other party may have specified from time to time by written notice to the other.

Suspension and Termination

If the Client materially breaches its obligations under this agreement AspinallVerdi may serve on the Client a notice specifying the breach and requiring its remedy within 28 days, and if the Client thereafter fails to remedy that breach within that period AspinallVerdi may terminate this agreement by giving written notice to the Client. The Client shall pay the fees and disbursements to AspinallVerdi for work incurred prior to the termination.

The Client has the right to terminate this agreement at any time on giving reasonable notice to AspinallVerdi and AspinallVerdi has the right to terminate this agreement at any time on giving reasonable notice to the Client.

If a conflict arises during the course of AspinallVerdi's work with the Client it may not be able to continue to act for the Client. If such a conflict arises AspinallVerdi will discuss the position with the Client and agree an appropriate course of action.

Law

English law shall apply to this agreement and if there is any dispute, the English courts will have exclusive jurisdiction.

Appendix 2 - Clarification Questions

Ref	Item reference	AspinallVerdi Question	Applicant's Response
1	Site Area	What is the gross and net developable site area? (acres/ha)	Net developable area = 5.2 acres/ 2.22 hectares Gross developable area = 8.57 acres/ 3.47 hectares
2	Site Plan / Boundary	Please provide the site layout plan and red-line boundary	Please refer to drawings within folder labelled Site Layout & Red Line Boundary
3	Site Photos	Please provide photos of the site.	Please refer to design and access statement where you will find existing photos of the site.
4	Accommodation Schedule	Please provide a breakdown of the house types (i.e., semi-detached/detached).	Please refer to accommodation schedule provided within the accommodation schedule folder.
5	Accommodation Schedule	Please provide this in MS Excel format which includes the floor area in sqm.	Please refer to accommodation schedule provided within the accommodation schedule folder.
6	Planning Status	Please provide the current planning status of the site (i.e. is the site allocated) including the planning application number.	Please refer to Allocation folder provided. The town planning application No. is 2021/62/94280/E
7	Land price paid / to be paid (in accordance with PPG Paragraph: 014 Reference ID: 10-014-20190509, Revision date: 09 05 2019)	Does the applicant own the site or have an option/promotion agreement in place? Can evidence regarding the sale or purchase of the site be provided?	An agreement is in place for the land, please refer to the Option Agreement folder.
8	Existing Use Value (PPG) – paragraph: 015 Reference ID: 10-015-20190509 Premium (PPG) Paragraph: 016 Reference ID: 10-016-20190509	Please provide evidence to support your land value of £980,000 (£161,450 per ace). This should include comparable land value evidence and explicitly state what the existing use value of the land is. What level of premium has been applied?	Please refer to the Land Value – Support Evidence folder which contains a document which aided us in reaching our land value. The figures indicted on page 15 are comparative with our valuation.

9	Build Cost	Please provide a breakdown of the total hard build cost allowance for the residential units that have been adopted.	Please refer to page 1 of the Appendix A document with regards to plot development and house build superstructure.
9	Contingency Allowance	Please confirm if a contingency allowance has been applied in their appraisals? If so, can the percentage and the items which it has been applied to be explicitly stated along with the rationale?	Yes. Please refer to pages 20 & 25 of our Appendix A. A contingency of 5% has been applied.
10	External Works Allowance	Please confirm if there is an external works allowance included within the financial appraisals? If so, can the percentage and the items to which it has been applied to be explicitly stated along with the rationale?	Yes. As per Appendix A page 1 and 2. A figure of £2,419,112 was indicated.
11	Professional Fees	Please confirm which items the professional fees allowance has been applied to and provide the rationale?	Please see Design Consultants Fee's, page 13 of Appendix A.
12	Profit	Please confirm what level of profit you have assumed and on what basis – i.e., profit on GDV?	13.0% & 2.3% respectively on GDV respectively for Non-Social & Inc Social calculations. Please refer to page 1 of Appendix A.
13	Finance	Please explain what finance/interest rate (cost) you have assumed in the appraisal.	0.0% Please refer to page 1 of Appendix A.
14	Market research	Please provide your market evidence in Excel format to support the valuation of the completed units.	Please refer to document contained within the market evidence folder.
15	Non-Housing S106	Please confirm if there are any non-housing s106 contributions required? If so, please provide these with supporting evidence.	The Appendix documents have been updated to reflect the BNG figure the council require us to pay which is £360,410. We are also required to undertake works to the highway at the junction of Lady Ann Rd and Soothill Ln, please refer to the S106 – Non-Housing Folder for evidence of these works.
16	Financial Appraisal	Please provide a working model of the financial appraisal which you have prepared.	We are not willing to provide this information as it contains sensitive information of our business.

17	Timing Assumptions	Please confirm the timing assumptions which you have adopted in your financial appraisal. Please be explicit regarding the build and sales rate.	Please refer to page 21 of Appendix A for clarification on the estimated weeks to complete the development.
18	Cashflow	Please provide the cash flow associated with the appraisal.	We are not willing to provide this information as it contains sensitive information of our business.
19	Abnormal Costs	Please provide a breakdown of the abnormal costs which amount to £331,096. Does this cost relate to items 1-9 on page 16 of your report?	Please refer to page 16 of our Viability Report. Please also refer to the pages within the Appendix A document which specifically note the abnormal costs.

Appendix 3 - QS Cost Review



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Commercial Viability Report

For the site known as

Land at Lady Ann Road, Soothill, Batley

on behalf of

Aspinal Verdi

Prepared by:

Mohsin Ali
of MAC Construction Consultants

Report Issue Date:

19/10/2023

Ref:

CMN42014

This document has been prepared and checked in accordance with the MAC Quality Assurance procedures and authorised for release by David Beckett BSc (Hons), Director.



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MANAGEMENT
PROJECT
MANAGEMENT
PROJECT
SERVICES

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CONTENTS

- 1.0 INTRODUCTION**
- 2.0 ASSESSMENT OF EXISTING INFORMATION**
- 3.0 ARITHMETICAL CHECK**
- 4.0 COST PERAMETERS**
- 5.0 NEXT STEPS**

Appendix 1 – Table of Queries

1.0 Introduction

- 1.1 MAC were appointed to assess the Financial Viability Assessment (FVA) of the Land at Lady Ann Road, Soothill, Batley - inclusive of reviewing the submitted abnormal costs, preparing clarification questions and production of this report.
- 1.2 Information was received on 12th July 2023, and initial responses were issued on the 21st of July 2023. Following this, MAC received responses to comments and a second round of clarifications were issued on 14th September 2023 with subsequent responses being received on 15th September 2023. This report is drafted as a formal response.

2.0 Assessment of existing information

- 2.1 MAC reviewed the existing information on record, namely, "21.94280 Viability Report", "21.94280 VR appendix A" and "21.94280 VR appendix B".
- 2.2 Following a detailed review of the information noted above, particularly "21.94280 VR appendix A" and "21.94280 VR appendix B". MAC drafted and issued 44 queries (in addition to those previously requested by Aspinal Verdi). These queries (and responses) are included within Appendix 1.
- 2.3 MAC received responses from D Nobles Ltd and have included further detail to their responses. These are contained within Appendix 1.

3.0 Arithmetical check

- 3.1 An arithmetical check was undertaken on the cost plan and the submission was found to be arithmetically correct from D Nobles Ltd.

4.0 Findings

- 4.1 As part of D Noble's abnormal costs, they have accounted for carbon reduction. When queried, this was clarified to include increased insulation within the external walls, floor and roof and a higher specification glazing.
- 4.2 Ecology has been identified as an area of abnormal costs with reference to the Brooks Ecological' report. MAC have queried the need for £12k for additional surveys since the report indicates that it is reasonable to assume that water voles are no longer present. D Nobles have as yet not provided a justification for these costs.
- 4.3 D Nobles have stated that a flood risk on the site has needed to be assessed and consulted extensively with the Environment Agency and Lead Local Flood Authority. As per the provided flood risk assessment report, it is proposed to raise ground levels in order to achieve the required finished floor levels to mitigate flooding. D Nobles have confirmed these costs have already been included/spread amongst other cost line items.
- 4.4 The site is on a relatively steep slope and therefore will require works to mitigate this aspect, including retainment of land (mainly as retaining walls within the houses themselves). This has thus resulted in 'abnormal' costs to capture the requirement for split levels and stepped foundations.
- 4.5 Section 37/38 inspection fees have been based on estimates taken from previous projects, D Nobles have confirmed they have yet to obtain a specific quote for this project. MAC would advise these costs are substantiated to demonstrate accuracy.
- 4.6 MAC requested D Noble's to provide 3nr quotations for all consultant fees to demonstrate value for money. D Noble's rejected to provide this information so this could not be assessed.

- 4.7 £45k for air testing has been allowed. Further justification on these costs have not been provided. D Nobles have stated that these costs are reasonable that they insert into all their viability studies.
- 4.8 MAC requested quotations for the FRA, D Noble's rejected to provide this information but did state they have exceeded this figure due to planning queries.
- 4.9 It is noted in the SI that strip footings should be mostly acceptable. MAC have queried whether this should be the basis by which any allowance for raft foundations be calculated from. D Nobles have responded that the use of strip footings would be equally as costly, due to the steep nature of the site. The majority of the strip footings would be extremely deep and in a lot of cases probably require mass fill concrete too. Whilst MAC agree in principle that in areas deeper foundation solutions would be required, it seems excessive to allow the E/O rate for the entire site without further consideration.
- 4.10 The steep site and its consequent requirement for stepped foundations/split levels has resulted in abnormal drainage connection costs.
- 4.11 D Nobles have confirmed that although the requirement to no longer provide gas is not until 2025, it is their commercial decision to continue utilising gas until this point. They have asserted that the removal of gas doesn't automatically offer a saving on a project, as the electric infrastructure just becomes more expensive.
- 4.12 MAC queried the need for 1000m³ of surplus material needing to be carted off site given the scheme to have stepped foundations and therefore not require for it to be completely flat. D Nobles responded clarifying that this is the difference for the cut and fill required across the whole site as well as other excavations that then need to be removed from site. The split level of the site doesn't negate muck not needing to go off site.
- 4.13 D Nobles have stated that due to a lack of detailed calculations, they have not been able to obtain an accurate quote for the attenuation tank but confirm that their last tank cost £350k.
- 4.14 A sum of £132k has been included to lay services during road construction. D Nobles have asserted that services can't be laid until the back edge of kerb is set out, as stipulated by utility companies and therefore the road can't be constructed around the services.

5.0 Next steps

- 5.1 Generally, despite their being numerous queries on build and abnormal costs, MAC believe D Nobles' costs have been adequately challenged. Due to the steepness of the site, this has contributed to a number of abnormal costs which would otherwise not have been experienced on a level site.
- 5.2 Although D Nobles' submitted costs are not disproportionate to what is currently reflective of in the housebuilding market, there are a number of areas that MAC suggest further enquiry.
- 5.3 Firstly, despite their justification – the allowances submitted for raft foundations seem excessive and not aligned with the SI report. Reducing the extra over costs in this element will afford a significant saving to the overall project, currently estimated at £352,032.00, as well as £26,000.00 for 'abnormal foundations in blockwork' and £36,000.00 for 'abnormals foundations additional excavation and mass fill'. Based on the information provided by D Nobles, the SI report recommends strip foundations and piling to the eastern boundary. We would expect D Noble's to provide accurate costings rather than assumptions which do not align with recommendations. It would be good to understand the reasoning and quantities behind "abnormal foundations in blockwork" and "abnormal founds (lean mix)". Based on the Geotechnical report stating piled foundations may be required to the eastern boundary, D

Nobles should provide their substructure assessment on this basis, at the quantity required and cost should be amended to reflect prior to approval. From reviewing the flood overlay map, it appears that several (we have assumed 20) units are effected from this. Using D Noble's pricing, this would result in a total cost of additional foundations of £162,476.30 (a cost saving of £189,555.70).

- 5.4 Whilst D Nobles have stated that it is their commercial decision to pursue a gas-based solution in lieu of electricity, it would be prudent to request costs for an electric based solution as a means of comparison and future proofing the scheme.
- 5.5 Also, there are additional costs included as an extra over for excavating oversite topsoil. This is on top of bulk excavation costs, which appear above and beyond to what is necessary. Further clarity is suggested to avoid items being double counted in the cost assessment.
- 5.6 In relation to the attenuation tank costed at £300k, D Nobles' response citing that their last tank costed £350k does not provide cost assurances. Acknowledged this is an estimate, it is worth obtaining further clarity on the required tank in line with site requirements. With the previous point considered, MAC deem the estimated costs reasonable, when reviewed with the 1,165m³ advised in the drainage design.
- 5.7 D Nobles have stated in their viability report, "*based on the evidence provided in the way of viability reports we conclude that the site is not viable to support the inclusion of affordable housing.*" MAC recommends, should the Council still deem affordable housing to be a pressing criterion, that D Nobles are requested to review their cost assessments to sensible incorporate affordable housing.



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APPENDIX 1

Table of Queries

Queries from Viability Assessor - D Nobles Ltd Response

Ref	Item	MAC Query 21.07.23	D Noble Response	MAC Review 02.08.23	MAC Query 14.09.23	D Noble Response
1	D Noble Viability Report (Pg16)	1. Surface water storage: Can you please provide detail as to why the extent of attenuation is required for this site?	Please refer to surface water drainage design folder contents.	Not shared by applicant.	MAC have reviewed FRA. Volume of attenuation has increased slightly.	
2	D Noble Viability Report (Pg16)	2. Carbon Reduction - This is arguably standard in all modern housing developments across the country. What else other than EVC (standard) costs are included?	Increased insulation within external walls, floors and roofs and higher specification glazing is factored within our costs as per noted on page 16 of our viability report.	Closed; presume higher spec glazing refers to triple-glazing or similar.		
3	D Noble Viability Report (Pg16)	3. Planning Fees - Can you please provide further details? Are these in addition to the development fees allowance in the appraisal?	Our town planning fees for the development are shown on page 14 in addition to development consultants fees shown on the same page.	Closed; planning application = £85.5k, Planning consultant = £10k.		
4	D Noble Viability Report (Pg16)	4. Ecology - Can you please provide further details in terms of what is required and cost implication?	Please refer to the ecology works folder which contains evidence documents.	Closed; 'Brooks Ecological' report and EIA conclude that it is reasonable to assume that water voles are no longer present. £12k (Page 14 Appendix A) for surveys appears excessive. Can these costs be justified through a quotation/invoice?		
5	D Noble Viability Report (Pg16)	5. Geotechnical - Can you please provide further detail in terms of what is required and the cost?	Please refer to the Geotechnical folder which contains the relevant Phase 1 & 2 reports.	Presume the findings of this report have been included/spread in the costs of the project?		Correct
6	D Noble Viability Report (Pg16)	6. Flood Risk Assessment - Can you please provide further detail in terms of what is required and the cost?	Please refer to the flood risk assessment folder that has been provided.	As per the report, it is proposed to raise ground levels in order to achieve the required finished floor levels to mitigate flooding. Assume this costs have been already included/spread amongst other cost line items.		Correct
7	D Noble Viability Report (Pg16)	7. Topography - Can you please provide further detail in terms of what is required and the cost?	Please refer to the Topographical Survey folder provided, which contains the topo survey for the site. The site is on a relatively steep slope and therefore will require works to mitigate this aspect, including retainment of land (mainly as retaining walls within the houses themselves).	Closed; costs have been include to account for split levels etc.		
8	D Noble Viability Report (Pg16)	8. Retaining - Can you please provide further detail in terms of what is required and the cost?	Please refer the design and access statement which indicates the house types drawings and site sections and indicates the retaining walls required.	Closed; 20LM per property costed		
9	D Noble VR Appendix A (Pg3)	Can you provide substantiation/drawings for the quantity of cut/fill detailed across page 3.	Please refer to the correspondence from SELF Architects on this matter contained within the cut and fill folder.	Closed		
10	D Noble VR Appendix A (Pg4)	Can you please provide substantiation for attenuation tank requirements.	Please refer to the drawings contained within the surface water storage folder.	Not shared by applicant.	Closed; SW drainage design received. 1165m3 of attenuation required.	Closed; SW drainage design received. 1165m3 of attenuation required.
11	D Noble VR Appendix A (Pg4)	What is included within the laying of services during road construction rate?	Water, gas, electricity and damage services laid to local authority requirements.	Closed		
12	D Noble VR Appendix A (Pg5)	Please provide quotation for S37/38 inspection fees.	We have based our estimate on previous projects. We are not able to yet provide a specific quote for this project.	Closed		
13	D Noble VR Appendix A (Pg8)	What has been included within play equipment allowance?	Please refer to play equipment folder.	Closed; as per P48 in DAS.		
14	D Noble VR Appendix A (Pg10)	Can you provide substantiation/drawings for the quantity of retaining walls.	Please refer to the DAS. All the plots on the development will be either split level or stepped foundations requiring retainment. Many of the plots along the west of the development will require retaining walls within their gardens as shown on the site sections within the DAS.	Closed; 20LM per property		
15	D Noble VR Appendix A (Pg13)	Based on information held on similar schemes, please provide 3nr quotations for each discipline of consultant fees.	We are not willing to share this information as it is sensitive our and our consultants business's.	Applicant rejected request	Can Nobles provide value for money in this instance? Names could be redacted	The consultants fees are based on previous recent sites and are reasonable costs we put into all viability studies.
16	D Noble VR Appendix A (Pg13)	Regarding air testing - Is every house type different on site?	There are 9 house types planned. Each property will need air tightness testing we envisage.	Applicant rejected request	Can Nobles provide value for money in this instance? Names could be redacted	As item 15.
17	D Noble VR Appendix A (Pg13)	Please provide quotation for FRA.	We are not willing to share this information as it is sensitive our and our consultants business's.	Applicant rejected request	Can Nobles provide value for money in this instance? Names could be redacted	We have already exceeded the figure in the viability report as we had to do flood modelling which is very costly and continue to go back to the planner after they queried sections multiple times.
18	D Noble VR Appendix A (Pg14)	Based on information held on similar schemes, please provide 3nr quotations for transport statement & ecology survey.	We are not willing to share this information as it is sensitive our and our consultants business's.	Applicant rejected request	Can Nobles provide value for money in this instance? Names could be redacted	As item 15.
19	D Noble VR Appendix A (Pg17)	Please provide detail on requirement for raft foundations.	Similar raft foundations from another one of our developments is shown within the folder - raft foundation examples.	Cannot be located in the folder	It is noted on the SI that strip footings should be mostly acceptable. Should the allowance for raft foundations not be calculated from this, rather than site-wide? Only plots 14-21 drawings are provided, despite 88,008sqft being allowed for in CP.	If we were to use strip footings the costs would be equally as high as due to the steep nature the site, the majority of the strip footings would be extremely deep and in a lot of cases probably require mass fill concrete too.

Queries from Viability Assessor - D Nobles Ltd Response

Ref	Item	MAC Query 21.07.23	D Noble Response	MAC Review 02.08.23	MAC Query 14.09.23	D Noble Response
20	D Noble VR Appendix A (Pg17)	Please provide detail on requirement for abnormal foundations.	As above item 19, all the plots foundations on the development will be either stepped or split level and therefore will be abnormal.	Closed; based on the split levels instead of it being flat, agree for this to be included as abnormal		
21	D Noble VR Appendix A (Pg17)	What is included within the £2,500 for plot "drainage complete"?	This is allowance for abnormal drainage connections due to stepped foundation requirements.	Closed		
22	D Noble VR Appendix A (Pg17)	What are the rough areas for excavation of service trenches per plot?	We estimate 12m ² per plot.	Closed; £42/m ²		
23	D Noble VR Appendix A (Pg17)	What are the rough m ² areas for PCC flags to house paths & drives?	We estimate 45m ² per plot.	Closed; £26/m ²		
24	D Noble VR Appendix A (Pg17)	Please provide detail on requirement for abnormal costs - split levels.	This figure is factored into the house type design, due extra stair cases required and associated support and also the foundation design associated works/ arrangements.	Is this not being double counted? Split level foundations and drainage costs have been included (as per above). Item cost = £32.5k.		No this is an extra over to what is already allowed in order to show it as an abnormal on the viability report.
25	D Noble VR Appendix A (Pg18)	What are the rough m ² areas for tarmac of drives?	We estimate 43m ² per plot.	Closed; £93/m ²		
26	D Noble VR Appendix A (Pg18)	Please provide detail of "clear rubbish".	This cost is associated with the clearance of formwork etc needed for the stepped/ split level foundations.	Closed		
27	D Noble VR Appendix A (Pg18)	What is the average garden size for each plot.	The average is 130m ² .	Closed		
28	D Noble VR Appendix A (Pg18)	Please provide detail on requirement for abnormal costs - split levels.	Split level properties require extra/ more complex - to normal properties inc.: staircases, floors, floor junctions, drainage, foundations and time to. This is factored within our cost estimates.	See comment 24; costs appear to also be included for this item elsewhere.		As item 24.
29	D Noble VR Appendix A (Pg18)	Please provide drawing to quantify fence length.	Please refer to page 46 of the DAS. The 1.5m high fence shown is listed as a 1.8m high fence within our Appendix A as we believe a 1.8m high fence will actually be required.	Closed		
30	D Noble VR Appendix A (Pg19)	Please provide detail behind all stats quotes per plot (is gas required?).	Gas is required. Stats information is an estimate based on other projects.	Are the other referenced projects comparable to this project? Why is Gas required? Isn't this one of the carbon reduction means?		The requirement to no longer provide gas is not until 2025 and it is our commercial decision to continue utilising gas until this point, like many other contractors. The removal of gas also doesn't automatically offer a saving on a project as the electric infrastructure just becomes more expensive.
31	D Noble VR Appendix A (Pg20)	How have you concluded the scheme to be 208 weeks? Could you provide the development programme.	We have provided our most conservative estimate based on current material supply and skilled worker availability. We are not able to share our programme as it contains sensitive information we do not wish to share.	Applicant rejected request	Closed; reasonable assessment.	
32	D Noble VR Appendix A (Pg20)	Item 4.1: Can you advise why the kitchen rate is as per private and not a blend of private and affordable as it is for the house types?	We are not clear on this question or reference made to the Appendix A location. Please could further clarification be provided?	Anomaly; ignore.		
33	D Noble VR Appendix A (Pg20)	Further detail of allowances would be good for your preliminary breakdown?	Unfortunately we are unable to provide extra information on this item.	Closed; detailed on P20-24 (Appendix A)		
34	D Noble VR Appendix B (Pg1)	Can you please detail where the costs for social housing is broken down?	Social housing related costs are indicated on pages 1 and 25.	Closed		
35	D Noble VR Appendix B (Pg1)	Can you please detail where the sale prices for social housing is obtained from?	Please refer to the document contained within the Land Value - Support Evidence folder.	Not shared by applicant.	Closed; reasonable assessment.	
36	D Noble VR Appendix B (Pg3)				Cutting down and felling of trees is costed at £30k - how many trees have been allowed for as this appears excessive.	Approx 25 trees to remove and large.
37	D Noble VR Appendix B (Pg3)				Tree protection fencing. Are not the plans to cut down all trees (as above), which trees require protection? Can this item be omitted?	There is a large bank of trees between plots 54 and 55 to be retained and protected.
38	D Noble VR Appendix B (Pg3)				What is the difference between removal of existing boundaries and general site clearance? Isn't it the same kind of work?	It is the same kind of work just split into 2 items.
39	D Noble VR Appendix B (Pg3)				Final site clearance on completion of £7k; is this not covered in the plot clearance totals? If not what is the difference?	Plot clearance is prior and on completion there is a general stack of materials and items to remove across the site.
40	D Noble VR Appendix B (Pg3)				E/O for excavation of oversite topsoil. Why is this not covered in the Bulk Excavation costs of £168k?	Split into 2 and for room on site.
41	D Noble VR Appendix B (Pg3)				How have you made an assessment that 10,000 m ³ of surplus material will need to be carted off site? Isn't the scheme to have stepped foundations and therefore not require for it to be completely flat?	This is the difference for the cut and fill required across the whole site as well as other excavations that then need to be removed from site. The split level of the site doesn't negate muck not needing to go off site.
42	D Noble VR Appendix B (Pg3)				Additional cartaway of 2.6k m ³ may be required? Can you confirm if this will or will not be required?	Yes it will.
43	D Noble VR Appendix B (Pg4)				Are there any quotations for the attenuation tank?	No as we need detailed calculations for an accurate quote, however our last tank cost us £350k.
44	D Noble VR Appendix B (Pg5)				Sum allowed for £132k for laying of services during road construction. Is this the typical construction methodology? Arent services laid out before?	The services can't be laid until the back edge of kerb is set out, this is stipulated by the utility companies. The road can't be constructed around the services. Its not that the entire tarmac finish is done then the services go in, but the stoned up road and kerb race has to be in.

Appendix 4 - Policy Compliant RLV Appraisal

APPRAISAL SUMMARY**ASPINALLVERDI**

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
Market Housing	52	72,173	217.39	301,731	15,690,000
Affordable Rented	7	9,007	79.99	102,924	720,465
Shared Ownership	<u>6</u>	<u>6,828</u>	120.03	136,595	<u>819,569</u>
Totals	65	88,008			17,230,034

NET REALISATION**17,230,034****OUTLAY****ACQUISITION COSTS**

Residualised Price			645,327		
Residualised Price (Negative land)			(958,952)		
				(313,625)	
Agent Fee		1.00%	6,453		
Legal Fee		0.50%	3,227		
				9,680	

CONSTRUCTION COSTS**Construction**

	ft ²	Build Rate ft ²	Cost	
Market Housing	72,173	139.34	10,056,586	
Affordable Rented	9,007	139.34	1,255,035	
Shared Ownership	<u>6,828</u>	139.34	<u>951,414</u>	
Totals	88,008 ft²		12,263,035	12,263,035

Other Construction Costs

Abnormal Costs			478,000	
				478,000

Section 106 Costs

Section 106 Costs			416,478	
				416,478

PROFESSIONAL FEES

Professional Fees			826,146	
				826,146

MARKETING & LETTING

Marketing		1.00%	166,414	
				166,414

DISPOSAL FEES

Sales Agent Fee		0.50%	82,548	
Sales Legal Fee		1.00%	165,096	
				247,644

TOTAL COSTS BEFORE FINANCE**14,093,772****FINANCE**

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				252,204

TOTAL COSTS**14,345,975****PROFIT****2,884,059****Performance Measures**

Profit on Cost%	20.10%
Profit on GDV%	16.74%
Profit on NDV%	16.74%

APPRAISAL SUMMARY**ASPINALLVERDI**

IRR% (without Interest)

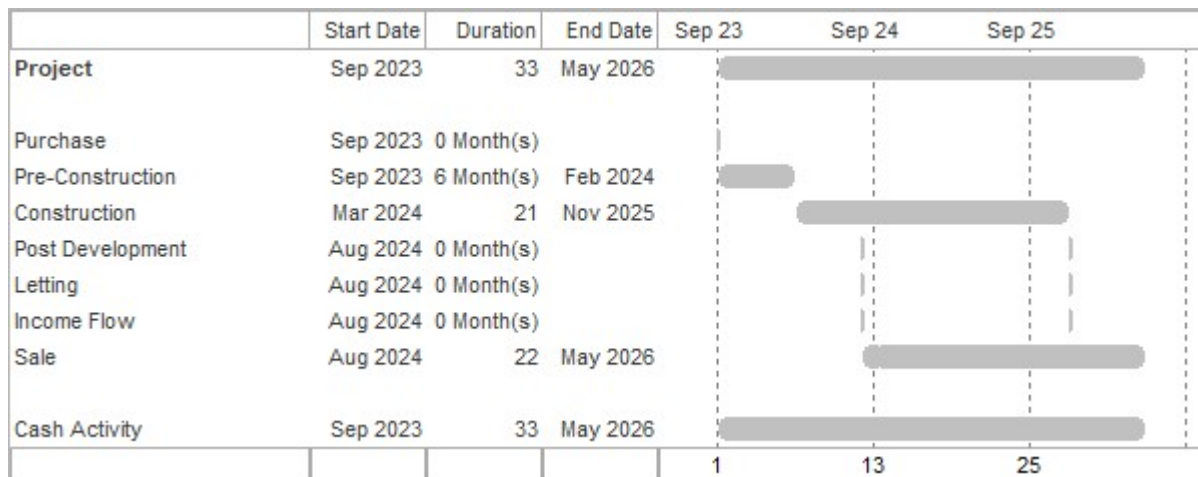
53.22%

TIMESCALE AND PHASING CHART

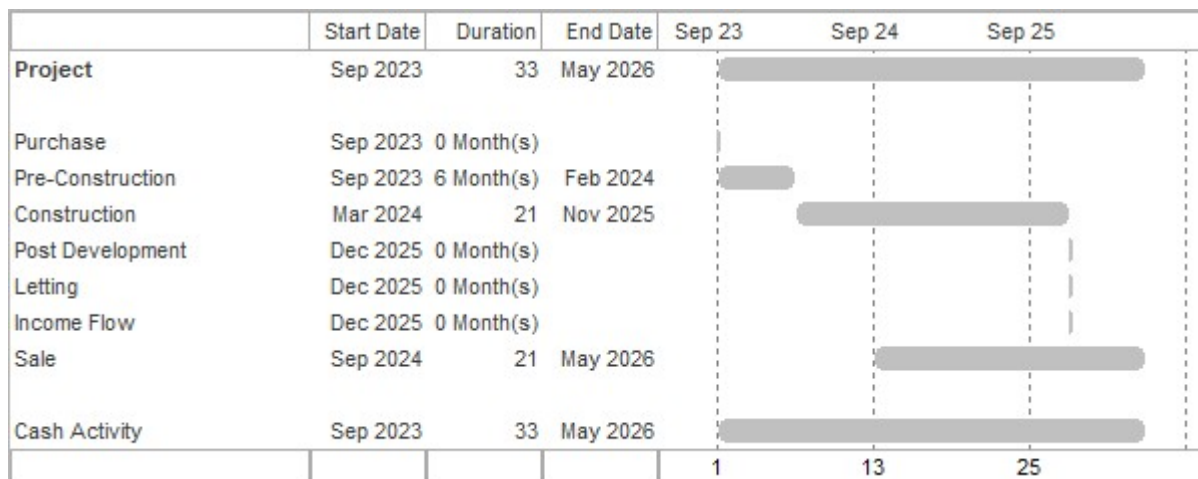
ASPINALVERDI

Project Timescale	
Project Start Date	Sep 2023
Project End Date	May 2026
Project Duration (Inc Exit Period)	33 months

All Phases



1. Market



TIMESCALE AND PHASING CHART

ASPINALVERDI

2. Affordable

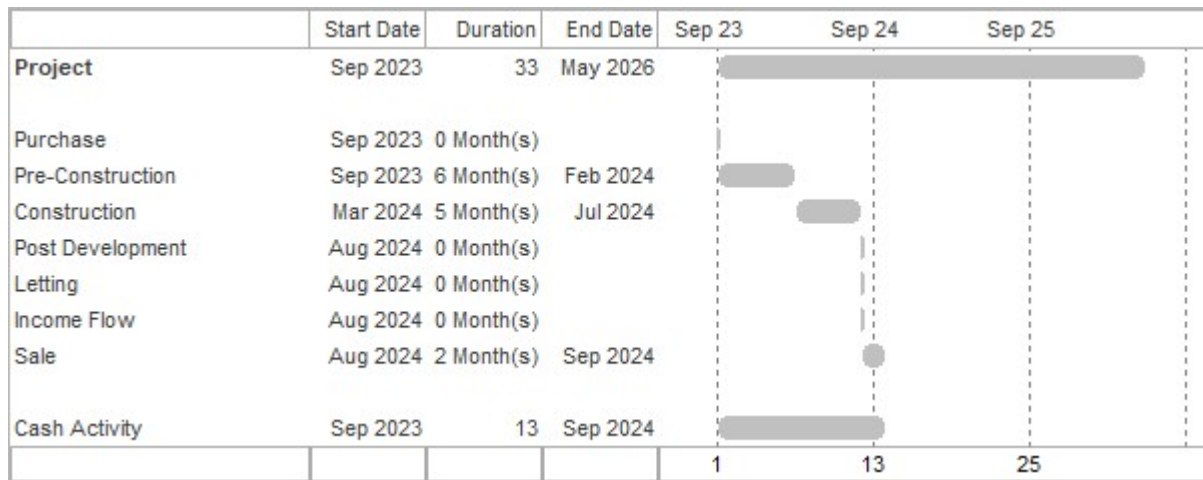


Table of Land Cost and Profit on GDV%

Construction: Rate /ft²					
Sales: Rate /ft²	-5.000%	-2.500%	0.000%	+2.500%	+5.000%
	132.37 /ft²	135.86 /ft²	139.34 /ft²	142.82 /ft²	146.31 /ft²
-5.00 /ft²	£80,430 16.804%	£360,873 16.765%	£641,315 16.714%	£921,758 16.655%	£1,203,545 16.596%
-2.50 /ft²	(£83,416) 16.780%	£197,027 16.776%	£477,470 16.726%	£757,913 16.674%	£1,038,355 16.613%
0.00 /ft²	(£247,261) 16.753%	£33,182 16.769%	£313,625 16.739%	£594,067 16.689%	£874,510 16.633%
+2.50 /ft²	(£411,106) 16.727%	(£130,664) 16.743%	£149,779 16.746%	£430,222 16.701%	£710,665 16.652%
+5.00 /ft²	(£574,952) 16.701%	(£294,509) 16.717%	(£14,066) 16.733%	£266,377 16.713%	£546,819 16.665%

Sensitivity Analysis : Assumptions for Calculation

Construction: Rate /ft²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market Housing	1	£139.34	2.00 Up & Down
Affordable Rented	2	£139.34	2.00 Up & Down
Shared Ownership	2	£139.34	2.00 Up & Down

Sales: Rate /ft²

Original Values are varied in Fixed Steps of £2.50

Heading	Phase	Rate	No. of Steps
Market Housing	1	£217.39	2.00 Up & Down
Affordable Rented	2	£79.99	2.00 Up & Down
Shared Ownership	2	£120.03	2.00 Up & Down

Appendix 5 - 100% Market Housing Appraisal

APPRAISAL SUMMARY**ASPINALLVERDI**

Appraisal Summary for Phase 1 Market

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
Market Housing	65	88,008	218.33	295,615	19,215,000

NET REALISATION**19,215,000****OUTLAY****ACQUISITION COSTS**

Residualised Price			994,402		
Stamp Duty			39,220		994,402
Effective Stamp Duty Rate		3.94%			
Agent Fee		1.00%	9,944		
Legal Fee		0.50%	4,972		
					54,136

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost	
Market Housing	88,008	139.34	12,263,035	12,263,035

Other Construction Costs

Abnormal Costs			478,000	478,000
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Section 106 Costs

Section 106 Costs			416,478	416,478
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PROFESSIONAL FEES

Professional Fees			826,146	826,146
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MARKETING & LETTING

Marketing		1.00%	192,150	192,150
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DISPOSAL FEES

Sales Agent Fee		0.50%	96,075	
Sales Legal Fee		1.00%	192,150	
				288,225

TOTAL COSTS BEFORE FINANCE**15,512,572****FINANCE**

Timescale	Duration	Commences
Pre-Construction	6	Sep 2023
Construction	26	Mar 2024
Sale	26	Sep 2024
Total Duration	38	

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)

Land	201,700	
Construction	136,877	
Other	1,227	
Total Finance Cost		339,803

TOTAL COSTS**15,852,375****PROFIT****3,362,625****Performance Measures**

Profit on Cost%	21.21%
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APPRAISAL SUMMARY**ASPINALLVERDI**

Profit on GDV%	17.50%
Profit on NDV%	17.50%
IRR% (without Interest)	43.66%

TIMESCALE AND PHASING CHART

ASPINALLVERDI

Project Timescale	
Project Start Date	Sep 2023
Project End Date	Oct 2026
Project Duration (Inc Exit Period)	38 months

1. Market

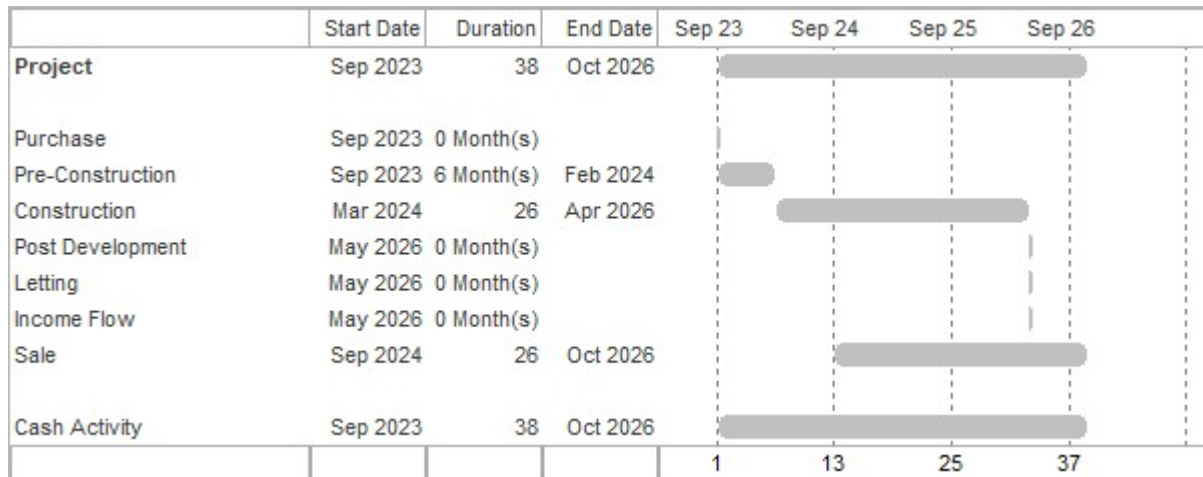


Table of Land Cost and Profit Amount

Sales: Rate /ft²					
Construction: Rate /ft²	-5.000%	-2.500%	0.000%	+2.500%	+5.000%
	207.42 /ft²	212.87 /ft²	218.33 /ft²	223.79 /ft²	229.25 /ft²
-5.000%	(£871,087)	(£1,190,596)	(£1,510,104)	(£1,829,612)	(£2,149,120)
132.37 /ft²	£3,194,494	£3,278,559	£3,362,625	£3,446,691	£3,530,756
-2.500%	(£613,237)	(£932,745)	(£1,252,253)	(£1,571,761)	(£1,891,269)
135.86 /ft²	£3,194,494	£3,278,559	£3,362,625	£3,446,691	£3,530,756
0.000%	(£355,386)	(£674,894)	(£994,402)	(£1,313,910)	(£1,633,419)
139.34 /ft²	£3,194,494	£3,278,559	£3,362,625	£3,446,691	£3,530,756
+2.500%	(£91,995)	(£417,043)	(£736,551)	(£1,056,059)	(£1,375,568)
142.82 /ft²	£3,194,494	£3,278,559	£3,362,625	£3,446,691	£3,530,756
+5.000%	£184,232	(£156,560)	(£478,700)	(£798,209)	(£1,117,717)
146.31 /ft²	£3,194,490	£3,278,559	£3,362,625	£3,446,691	£3,530,756

Sensitivity Analysis : Assumptions for Calculation

Sales: Rate /ft²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market Housing	1	£218.33	2.00 Up & Down

Construction: Rate /ft²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market Housing	1	£139.34	2.00 Up & Down

Appendix 6 - 8% Affordable Housing Appraisal

APPRAISAL SUMMARY**ASPINALLVERDI****Lady Ann Road - 8% Affordable Housing****Appraisal Summary for Merged Phases 1 2**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Market Housing	60	81,959	217.67	297,333	17,840,000
Affordable Rented	2	2,635	79.99	105,386	210,772
Shared Ownership	<u>3</u>	<u>3,414</u>	120.03	136,595	<u>409,785</u>
Totals	65	88,008			18,460,557

NET REALISATION**18,460,557****OUTLAY****ACQUISITION COSTS**

Residualised Price			936,632	
Residualised Price (Negative land)			(441,223)	
				495,409
Stamp Duty			12,270	
Effective Stamp Duty Rate		1.31%		
Agent Fee		1.00%	9,366	
Legal Fee		0.50%	4,683	
				26,320

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost	
Market Housing	81,959	139.34	11,420,167	
Affordable Rented	2,635	139.34	367,161	
Shared Ownership	<u>3,414</u>	139.34	<u>475,707</u>	
Totals	88,008 ft²		12,263,035	
				12,263,035

Other Construction Costs

Abnormal Costs			478,000	
				478,000

Section 106 Costs

Section 106 Costs			416,478	
				416,478

PROFESSIONAL FEES

Professional Fees			826,146	
				826,146

MARKETING & LETTING

Marketing		1.00%	183,157	
				183,157

DISPOSAL FEES

Sales Agent Fee		0.50%	91,249	
Sales Legal Fee		1.00%	182,498	
				273,747

TOTAL COSTS BEFORE FINANCE**14,962,291****FINANCE**

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				315,002

TOTAL COSTS**15,277,293****PROFIT****3,183,263****Performance Measures**

Profit on Cost%	20.84%
Profit on GDV%	17.24%

APPRAISAL SUMMARY**ASPINALLVERDI****Lady Ann Road - 8% Affordable Housing**

Profit on NDV%	17.24%
IRR% (without Interest)	46.46%

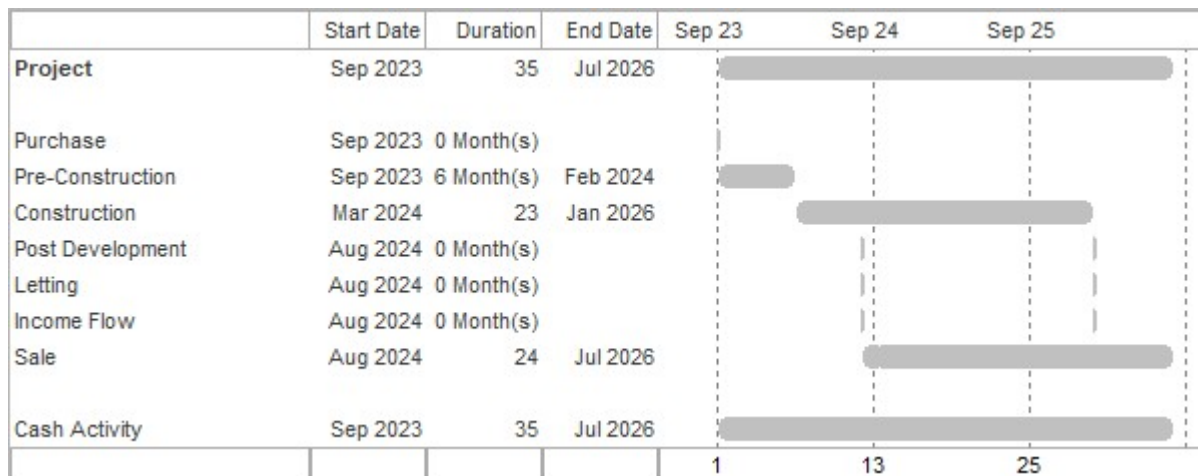
TIMESCALE AND PHASING CHART

ASPINALVERDI

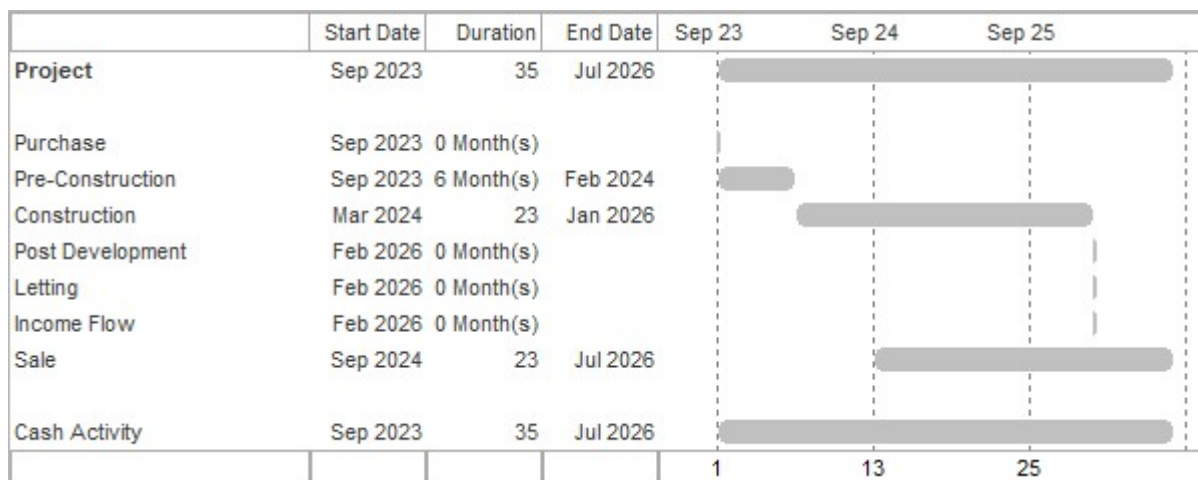
Lady Ann Road - 8% Affordable Housing

Project Timescale	
Project Start Date	Sep 2023
Project End Date	Jul 2026
Project Duration (Inc Exit Period)	35 months

All Phases



1. Market

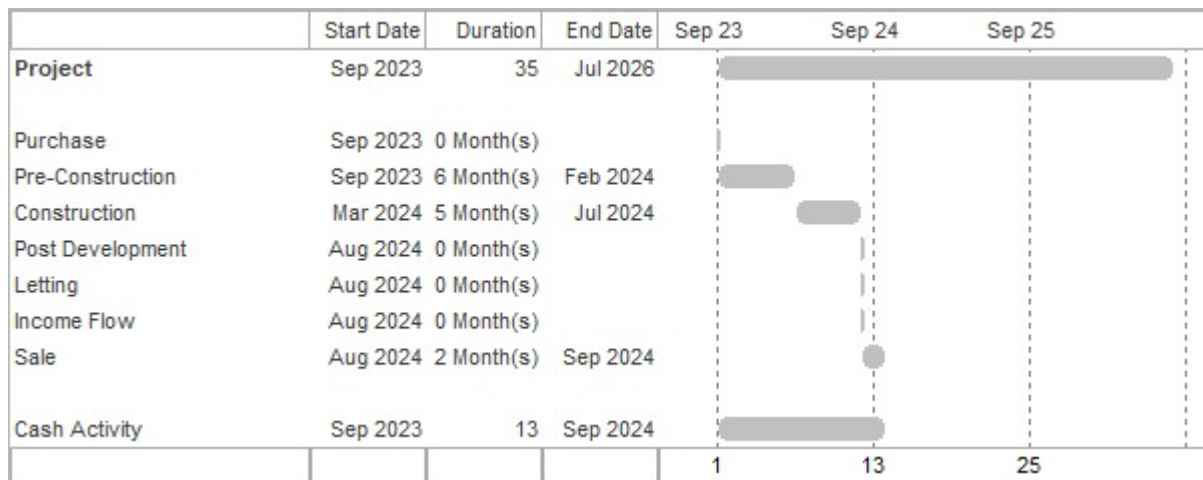


TIMESCALE AND PHASING CHART

ASPINALVERDI

Lady Ann Road - 8% Affordable Housing

2. Affordable



Lady Ann Road - 8% Affordable Housing

Table of Land Cost and Profit on GDV%

Construction: Rate /ft²					
Sales: Rate /ft²	-5.000%	-2.500%	0.000%	+2.500%	+5.000%
	132.37 /ft²	135.86 /ft²	139.34 /ft²	142.82 /ft²	146.31 /ft²
-5.00 /ft²	(£719,321) 17.252%	(£452,618) 17.288%	(£190,192) 17.269%	£84,328 17.270%	£359,680 17.223%
-2.50 /ft²	(£869,761) 17.242%	(£607,337) 17.248%	(£344,913) 17.254%	(£73,552) 17.264%	£201,799 17.248%
0.00 /ft²	(£1,020,229) 17.232%	(£757,805) 17.238%	(£495,381) 17.244%	(£230,128) 17.252%	£43,919 17.259%
+2.50 /ft²	(£1,170,698) 17.223%	(£908,273) 17.228%	(£645,849) 17.234%	(£383,425) 17.240%	(£113,962) 17.250%
+5.00 /ft²	(£1,321,166) 17.213%	(£1,058,742) 17.219%	(£796,317) 17.225%	(£533,893) 17.230%	(£271,467) 17.236%

Sensitivity Analysis : Assumptions for Calculation

Construction: Rate /ft²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market Housing	1	£139.34	2.00 Up & Down
Affordable Rented	2	£139.34	2.00 Up & Down
Shared Ownership	2	£139.34	2.00 Up & Down

Sales: Rate /ft²

Original Values are varied in Fixed Steps of £2.50

Heading	Phase	Rate	No. of Steps
Market Housing	1	£217.67	2.00 Up & Down
Affordable Rented	2	£79.99	2.00 Up & Down
Shared Ownership	2	£120.03	2.00 Up & Down

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