Viability Assessment

Land off, Burn Road, Birchencliffe, Huddersfield

July 2022

RogerHannah

1. Executive Summary

<table>
<tr><td>Site</td><td>Land off, Burn Road, Birchencliffe, Huddersfield</td></tr>
<tr><td>Scheme</td><td>22 dwellings for market sale</td></tr>
<tr><td>GDV</td><td>The total GDV for the scheme equates to £9,830,000, which we have adopted within appraisal. This equates to an average price of £314 per sq ft across the proposed house types.</td></tr>
<tr><td>Build Costs</td><td>In terms of the base build cost for the proposed development, we have adopted a rate of £170 per sq ft inclusive of external works.

Further details of the base build costs are provided in Section 7 of this report.</td></tr>
<tr><td>Abnormal Costs</td><td>The applicant has undertaken a detailed review of the technical information relating to the site. A total cost of £957,162 has been included for abnormal works.</td></tr>
<tr><td>Profit</td><td>20% profit on GDV</td></tr>
<tr><td>Benchmark Land Value</td><td>We have adopted a Benchmark Land Value of £524,000 (£200,000 per acre) for the site.</td></tr>
<tr><td>Appraisal Results –</td><td>
<table>
<tr><th></th><th>Appraisal 1 – Policy Compliant</th><th>Appraisal 2 – Applicant's Proposal</th></tr>
<tr><td>Benchmark Land Value</td><td>£524,000</td><td>£524,000</td></tr>
<tr><td>Residual Land Value</td><td>(£103,214)</td><td>£243,918</td></tr>
<tr><td>Viability Concern</td><td>Yes</td><td>Marginal</td></tr>
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Appendix 1 – Financial Appraisals

220629 Burns Rd, Birchencliffe v1 PC

Appraisal Summary for Phase 1

Currency in £

REVENUE					
Sales Valuation	**Units**	**ft²**	**Sales Rate ft²**	**Unit Price**	**Gross Sales**
OMS	22	31,330	313.76	446,818	9,830,000
NET REALISATION				**9,830,000**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price (Negative land)			(103,214)		
				(103,214)	
Agent Fee			10,000		
Legal Fee			5,000		
				15,000	
CONSTRUCTION COSTS					
Construction					
	ft²	**Build Rate ft²**	**Cost**		
OMS	31,330	170.00	5,326,100	**5,326,100**	
Contingency		3.00%	188,498		
				188,498	
Other Construction Costs					
Part L Building Regs			150,436		
Abnormal Development Costs			957,162		
S106 Highways	22 un	790.00 /un	17,380		
S106 Sustainable Travel	22 un	495.00 /un	10,890		
Affordable Commuted Sum			342,000		
				1,477,868	
PROFESSIONAL FEES					
Professional Fees		7.00%	439,828		
				439,828	
MARKETING & LETTING					
Marketing		3.00%	294,900		
				294,900	
DISPOSAL FEES					
Sales Legal Fee	22 un	650.00 /un	14,300		
				14,300	
TOTAL COSTS BEFORE FINANCE				**7,653,281**	
FINANCE					
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)					
Land			(5,374)		
Construction			151,010		
Other			65,083		
Total Finance Cost				210,719	
TOTAL COSTS				**7,864,000**	
PROFIT					
				1,966,000	
Performance Measures					
Profit on Cost%		25.00%			
Profit on GDV%		20.00%			
IRR% (without Interest)		52.26%			

220629 Burns Rd, Birchencliffe v1 PC

Table of Gross Development Value and Land Cost

	Construction: Rate /ft²				
Sales: Rate /ft²	-5.000%	-2.500%	0.000%	+2.500%	+5.000%
	161.50 /ft²	165.75 /ft²	170.00 /ft²	174.25 /ft²	178.50 /ft²
-5.000%	£9,338,500	£9,338,500	£9,338,500	£9,338,500	£9,338,500
298.07 /ft²	£176,496	£316,277	£456,058	£595,857	£736,385
-2.500%	£9,584,250	£9,584,250	£9,584,250	£9,584,250	£9,584,250
305.91 /ft²	£73	£139,855	£279,636	£419,417	£559,198
0.000%	£9,830,000	£9,830,000	£9,830,000	£9,830,000	£9,830,000
313.76 /ft²	(£176,349)	(£36,568)	£103,214	£242,995	£382,776
+2.500%	£10,075,750	£10,075,750	£10,075,750	£10,075,750	£10,075,750
321.60 /ft²	(£352,771)	(£212,990)	(£73,209)	£66,573	£206,354
+5.000%	£10,321,500	£10,321,500	£10,321,500	£10,321,500	£10,321,500
329.44 /ft²	(£529,193)	(£389,412)	(£249,631)	(£109,850)	£29,932

Sensitivity Analysis : Assumptions for Calculation

Construction: Rate /ft²
Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
OMS	1	£170.00	2.00 Up & Down

Sales: Rate /ft²
Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
OMS	1	£313.76	2.00 Up & Down

220629 Burns Rd, Birchencliffe v1 MS

Appraisal Summary for Phase 1

Currency in £

REVENUE					
Sales Valuation	**Units**	**ft²**	**Sales Rate ft²**	**Unit Price**	**Gross Sales**
OMS	22	31,330	313.76	446,818	9,830,000
NET REALISATION				**9,830,000**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			243,918		
				243,918	
Stamp Duty			1,878		
Effective Stamp Duty Rate		0.77%			
Agent Fee			10,000		
Legal Fee			5,000		
				16,878	
CONSTRUCTION COSTS					
Construction	**ft²**	**Build Rate ft²**	**Cost**		
OMS	31,330	170.00	5,326,100		
Contingency		3.00%	188,498		
				5,514,598	
Other Construction Costs					
Part L Building Regs			150,436		
Abnormal Development Costs			957,162		
				1,107,598	
PROFESSIONAL FEES					
Professional Fees		7.00%	439,828		
				439,828	
MARKETING & LETTING					
Marketing		3.00%	294,900		
				294,900	
DISPOSAL FEES					
Sales Legal Fee	22 un	650.00 /un	14,300		
				14,300	
TOTAL COSTS BEFORE FINANCE				**7,632,020**	
FINANCE					
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)					
Land			15,887		
Construction			151,010		
Other			65,083		
Total Finance Cost				231,980	
TOTAL COSTS				**7,864,000**	
PROFIT					
				1,966,000	
Performance Measures					
Profit on Cost%		25.00%			
Profit on GDV%		20.00%			
IRR% (without Interest)		48.52%			

220629 Burns Rd, Birchencliffe v1 MS

Table of Gross Development Value and Land Cost

	Construction: Rate /ft²				
Sales: Rate /ft²	-5.000%	-2.500%	0.000%	+2.500%	+5.000%
	161.50 /ft²	165.75 /ft²	170.00 /ft²	174.25 /ft²	178.50 /ft²
-5.000%	£9,338,500	£9,338,500	£9,338,500	£9,338,500	£9,338,500
298.07 /ft²	(£172,073)	(£32,733)	£107,049	£246,830	£386,611
-2.500%	£9,584,250	£9,584,250	£9,584,250	£9,584,250	£9,584,250
305.91 /ft²	(£342,320)	(£207,995)	(£69,374)	£70,408	£210,189
0.000%	£9,830,000	£9,830,000	£9,830,000	£9,830,000	£9,830,000
313.76 /ft²	(£510,341)	(£377,216)	(£243,918)	(£106,015)	£33,767
+2.500%	£10,075,750	£10,075,750	£10,075,750	£10,075,750	£10,075,750
321.60 /ft²	(£678,363)	(£545,238)	(£412,113)	(£278,988)	(£142,656)
+5.000%	£10,321,500	£10,321,500	£10,321,500	£10,321,500	£10,321,500
329.44 /ft²	(£846,384)	(£713,259)	(£580,134)	(£447,009)	(£313,884)

Sensitivity Analysis : Assumptions for Calculation

Construction: Rate /ft²
Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
OMS	1	£170.00	2.00 Up & Down

Sales: Rate /ft²
Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
OMS	1	£313.76	2.00 Up & Down



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