Viability Assessment Review

Land off Burn Road, Birchencliffe, Huddersfield

Kirklees Council

Ref: 2021/94719

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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 Land off Burn Road, Birchencliffe, Huddersfield can deliver the planning obligations required by local planning policy.

ES 3 In January 2021, Wiggett Construction (hereafter referred to as 'the Applicant') submitted a reserved matters planning application in respect of the site (RED: 2021/61/94719/W) which seeks planning permission for the following:

> *Reserved Matters application pursuant to outline permission 2018/91838 for erection of a residential development formed of 22 dwellinghouses.*

ES 4 The Applicant has provided a viability assessment prepared by Roger Hannah in July 2022. Based on their assumptions of costs and values, they conclude that the proposed scheme with 20% affordable housing is unviable. Roger Hannah have prepared two appraisals, both has been undertaken on a fixed profit basis with a Benchmark Land Value (BVL) of £524,000.

ES 5 Their first appraisal is based on a policy compliant scheme which includes the affordable housing provision as a commuted sum payment and the non-housing s106 contributions. This scheme generates a deficit of c. £103,214 and is therefore considered unviable.

ES 6 Their second appraisal is based on a 100% market housing scheme. This scheme generates an RLV of £243,918 which is below Roger Hannah's adopted BLV and is therefore consider to be marginal.

ES 7 Based on our detailed analysis of the values and costs we are of the opinion that the scheme can deliver 4 on-site affordable units and the non-housing s106 contributions.

Appraisal Summary

ES 8 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 9 Further detailed comments and analysis are contained within the main report.

Table ES 1 - GDV Comparison Summary

	Local Plan Values	Applicants' Values	AspinallVerdi Values	Comment on differences
Market Values £ psm / £ psf				
Detached **Semi-Detached**	£2,153 psm (200 psf)	Average £3,380 psm (£314 psf)	Average £3,380 psm (£314 psf)	We consider Roger Hannah's assessment of the GDV to be consistent with local property market. We have therefore adopted their value assumptions for the market housing.
Sub-total		£9,830,000	£9,830,000	No change
Affordable Housing Values £ psm / £ psf				
Affordable / Social Rent	£588 psm (£55 psf)	£85,000 per unit	£116,067.50	We do not agree with Roger Hannah's assessment of the affordable housing value assumptions. See value assumptions section below. The local plan viability assessment, suggests that affordable or social rent units are 27.31% of market value. We have therefore adopted a discount rate of 72.69%.
Intermediate / Shared Ownership	£999 psm (£93 psf)	£85,000 per unit	£197,200	We do not agree with Roger Hannah's assessment of the affordable housing value assumptions. See value assumptions section below. The local plan viability assessment, suggests that shared ownerships units are 46.40% of the market value. We have therefore adopted a discount rate of 53.60%
First Homes	N/A	N/A	£297,500	Roger Hannah have not included any First Home units in their appraisals. We have followed PPG First Homes Guidance which states that the

discount must a minimum of 30% against the market value (Paragraph: 001 Reference ID: 70-001-20210524).

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	Standard rate (HMRC scale for Stamp Duty Tax (SDLT)	Standard rate (HMRC scale for Stamp Duty Tax (SDLT)	Our SDLT level is calculated in Argus Developer using the Standard rate (HMRC scale) for Stamp Duty Land Tax (SDLT).
Agent Fees	N/A	£10,000	£10,000	We consider this to be acceptable.
Legal Fees		£5,000	£5,000	We consider this to be acceptable.
Unit Build Costs				
New Build - Resi	£1,195 psm (£111 psf) Includes 10% for external works	£1,829 psm (£170 psf) Includes 10% for external works	£1,675 psm (£156 psf) Includes 10% for external works	Roger Hannah have adopted £1,829 psm (£170 psf) for the hard build costs including a 10% external works allowance. They have provided a cost estimate for a recently tendered scheme of a similar size and nature undertaken by Wiggett Construction which shows a higher build rate. Excluding the 10% external works allowance, the hard build costs equates to £1,646 psm (£153 psf). We have cross checked this build rate with present day BCIS rates (October 2022), rebased to Kirklees. The median rate for detached estate housing is £1,523 psm (£142 psf) which is lower than the Applicant's build rate. The BCIS sample also includes costs which are less and therefore the

				rate adopted by Roger Hannah is considered as being at the upper end of the range. In our financial appraisals we have adopted a build rate of £1,675 psm (£156 psf). This is based on the BCIS median rate and includes a 10% external works allowance. We would welcome a cost plan from the Applicant for this scheme to demonstrate the hard build cost which they have adopted. This is an explicitly stated in the RICS Guidance Note 'Assessing viability in planning under the National Planning Policy Framework 2019 for England (1st Edition, March 2021)'
Garages	Not mentioned, assumed to be in BCIS	Allowed for in the base build costs and no allowance has been made for the integral garages at this stage.	Included within hard build cost	No further comments.
Sub-total for Base Build (inc external works)		£5,326,100	£4,887,948	Difference of £438,152.
Contingency	3%	3%	3%	Roger Hannah has applied the contingency allowance to the hard build costs and abnormal cost allowance. Typically contingency is only applied to the hard build costs.
Professional Fees	8%	7%	7%	Roger Hannah has applied the professional fees allowance to the hard build costs and abnormal cost allowance. Typically, professional fees are only applied to the hard build costs.

Abnormal Works	No allowance for abnormal costs as they are specific to each site	£957,162	£697,162	Roger Hannah have provided an itemised breakdown of the abnormal costs for this development. We instructed RPP to review these costs who have prepared a report which is included at Appendix 3. See Abnormal Development Costs section below for detailed analysis.
Part L Building Regs	N/A	£6,838 per unit Total - £150,436	£4,847 per unit Total - £106,634	The Applicant has taken the Option 2 figure from the Future Homes Standard consultation document produced in 2019. They have then uplifted this by 41%, but have not provided the basis for this uplift. At this stage we have adopted a cost per unit of £4,847 per unit. However, we would welcome the Applicant to provide a list of the items and costs to be included at this scheme which supports a cost per unit of £6,838.
Finance	6.00%	6.50%	6.50%	We consider this to be acceptable.
Disposal Costs				
Marketing	3.50% combined	3%	3%	We consider this to be acceptable.
Sales Agent Fees	N/A	N/A	N/A	We consider this to be acceptable.
Sales Legal Fees	N/A	£650 per dwelling - £14,300	£650 per dwelling - £14,300	We consider this to be acceptable.
Profit				
Open Market Housing	20%	20%	20%	The range is typically between 15 – 20% profit on GDV (Paragraph 018 PPG Viability- Reference ID:

				10-018-20190509). We discuss this further in section 7.
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.

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For the Attention of Richard Gilbert, Senior Planning Officer

Dear Richard,

1 Introduction

1.1 We refer to your instruction which were enclosed in an email dated 24th August requesting a Viability Assessment review (VA) in respect of the reserved matters planning application for the site (RED: 2021/61/94719/W) which seeks planning permission for the following:

> *Reserved Matters application pursuant to outline permission 2018/91838 for erection of a residential development formed of 22 dwellinghouses.*

1.2 The Applicant, Wiggett Construction has submitted a Viability Assessment prepared by Roger Hannah (July 2022). Based on their assumptions of costs and values, the Applicant's report demonstrates that the proposed scheme with an affordable housing contribution is unviable. The Applicant has included the affordable housing contribution as a commuted sum of £342,000 in their policy compliant appraisal.

1.3 We have reviewed the costs and values presented by Roger Hannah and have undertaken our own analysis as of November 2022.

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, July 2021).
- 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 Roger Hannah - July 2022
- Clarification questions and subsequent responses - received 8th September 2022
- Review of cost information prepared by Rex Proctor & Partners – received 26th September
- Kirklees Community Infrastructure Levy Viability Update – May 2019

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 Burn Road in Birchencliffe, Huddersfield. Birchencliffe is a residential district to the north of Huddersfield and is located about two miles from the town centre and is close to Junction 24 of the M62.

2.3 Huddersfield is a large market town in the Metropolitan Borough of Kirklees. Located in West Yorkshire the town is approximately 15 miles south-west of Leeds, 23 miles north-west of Sheffield and 24 miles north east of Manchester. Road access to the town is provided by M62 which leads east to the M1 and A1(M). Huddersfield also has railway station and bus station, both of which serve Leeds, Sheffield, Manchester and the rest of the UK.

Figure 2.1 - Location Map



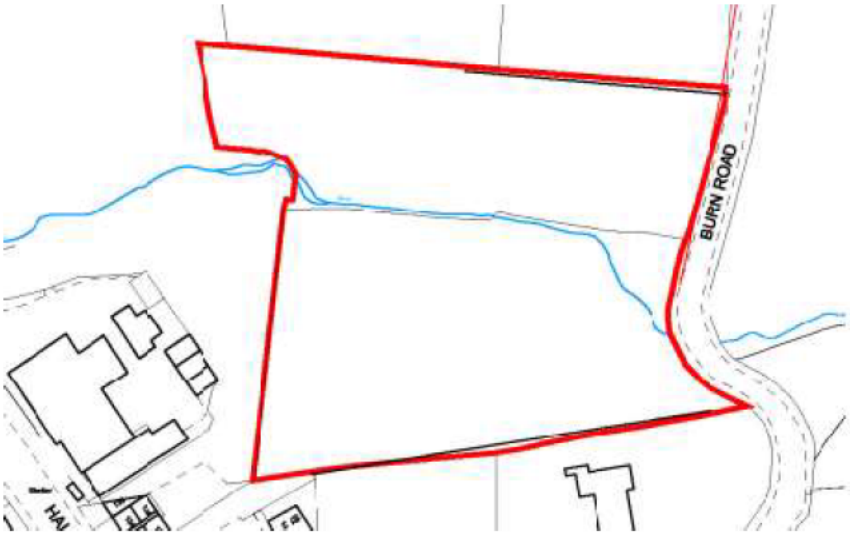
Source: Google My Maps (October 2022)

2.4 Huddersfield town centre is within two miles of the town centre, which includes a range of local amenities such as shops services, schools and community facilities. The proximity to the town centre makes the proposed development site attractive to future residents and will likely have a positive impact on values.

The Site

2.5 The site area is approximately 2.62 acres (1.06 hectares) and is largely rectangular in shape. The site is accessed from Burn Road, which connects with Yew Tree Road to the north and Halifax Road to the south.

Figure 2.2 - Red Line Site Plan



Source: HNA Architects (December 2021)

Existing Use(s)

2.6 The site is sloping to the north and east with steep slopes in some areas of the site, mostly to the south and east of the site. The land is greenfield (agricultural grazing land).

2.7 The southern edge is bounded by large residential properties and to the east Burn Road runs the full length of the boundary. The north and west boundary are surround surrounded by further greenfield agricultural land.

Proposed Scheme

2.8 Wiggett Construction (the Applicant have submitted a reserved matters planning application (RED: 2021/61/94719/W) in respect of the site for the erection of 22 residential dwellings offering 4- and 5-bedroom homes.

Figure 2.3 - Site Layout Plan



Source: HNA Architects (December 2021)

Scheme Mix/Areas

2.9 The total Gross Internal Area (GIA) of the scheme is 2,911 sqm (31,330 sqft). Table 2.1 below shows the breakdown of the schemes mix and values. We understand that all of the units include integral garages.

Table 2.1 - Scheme Mix and Areas Summary

Property	No of Beds	Sqft (per unit)	No. units	Total sqft
A - Detached	5	1,793	2	3,585
B - Detached	4	1,481	4	5,925
D - Semi Detached	4	1,363	10	13,625
E - Detached	4	1,721	1	1,721
F- Detached	4	1,349	4	5,397
G - Detached	4	1,076	1	1,076

Total		**22**	**31,330**

Source: Roger Hannah (July 2022)

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.

Affordable Housing / Commuted Sum Calculation

3.4 The tenure split for the affordable homes is 55% affordable rent and 45% intermediate. In line with latest government guidance a minimum of 25% of the affordable homes must be First Homes – forming part of the intermediate allocation. Therefore, 2 homes should be affordable or social rent (Rented), 1 home should be First Homes (FH) and 1 home should be other intermediate homes (shared ownership / Intermediate – SO).[1]

3.5 The local plan viability assessment, suggests that affordable or social rent units are 27.31% of market value and shared ownerships units are 46.40% of the market value. For first homes we have adopted 70% of market value in line with PPG First Homes guidance.[2]

3.6 Roger Hannah have included the affordable housing contribution as an off-site contribution of £342,000. This is due to the unique nature of the scheme offering larger house types. To reflect an affordable house type Roger Hannah have undertaken a search for asking prices for smaller 3-bedroom houses currently on offer in Huddersfield. They have explained this below;

'For this assessment, we have adopted a market value of £285,000 reflective of a 3-bedroom semi-detached house. To reflect an affordable product, we have appraised these as Shared

[1] Consultation Response from Kirklees Council - page 2
[2] https://www.gov.uk/guidance/first-homes - Paragraph 001 Reference ID: 70-001-20210524

Ownership at a discount at 30%. This results in a commuted sum payment of £85,500 per unit and a total affordable housing contribution of £342,000 which we have included in our policy compliant appraisal (equivalent to 4 affordable units).'

3.7 This approach is incorrect as it does not follow the supplementary planning document, see below. We also note that it appears Roger Hannah have adopted a discount rate of 70% as opposed to the 30% they have stated. A 30% discount would equate to £199,500 based on a market value of £285,000. This would amount to a commuted sum payment of £798,000 (4 x £199,500).

Council Approach to Commuted Sum

3.8 Principle 8 of the Affordable Housing and Housing Mix SPD (Draft September 2022) concerns the provision of affordable homes off site. The principle states the following

Where the trigger for provide affordable housing is reached, the affordable homes should be incorporated within the development.

Where this is not possible, a financial contribution, of at least equal value of median build costs for Kirklees recognised by the Royal Institute [sic] of Chartered Surveyors (RICS) Build Cost Information Service (BCIS), may be accepted to provide affordable homes elsewhere or to improve the existing housing stock. This will need to be justified and agreed with the Local Planning Authority.

A financial contribution may also be appropriate for apartment developments where a 20% affordable housing contribution would result in less than 3 affordable dwellings being provided. The 20% affordable housing contribution will normally be rounded to the nearest whole number.[3]

3.9 To calculate the commuted sum we have downloaded the latest BCIS data rebased to Kirklees to determine an appropriate build rate psm. This is then multiplied by the total floor area for 20% of total units (4 units in total). This approach has been confirmed by the Council.

3.10 For the purposes of our assessment, we have selected House Type F which is a four bedroom detached property. Individually, these properties have a floor area of 1,349 sqft (125 sqm), the total floor area amounts to 5,396 sqft (501 sqm).

3.11 The latest data from BCIS rebased to Kirklees states that for detached housing the median build rate is £1,523 psm.

3.12 The commuted sum is calculated as follows

- £1,532 psm x 501 sqm = **£767,532**

[3] Affordable Housing and Housing Mix SPD (Draft September 2022) – Page 16

Non – Housing S106 Requirements

3.13 The Kirklees Local Plan states the following contribution must be made in regard to the proposal;

- Public Open Space Contribution
- Off-site Highway Improvement Works - £790 per unit
- Education Contribution
- Sustainable Travel Contribution - £495 per unit

3.14 Roger Hannah have only included contributions for both highway and sustainable travel.

3.15 Kirklees Council have confirmed that the scheme is required to provide the following contributions

- Public Open Space Contribution - Total £35,000
- Off-site Highway Improvement Works - £790 per unit - Total £17,380
- Education Contribution - Total £23,299
- Sustainable Travel Contribution - £495 per unit - Total £10,890

3.16 The total non-housing contribution amounts to **£86,569** which we have included within our financial appraisals.

Community Infrastructure Levy

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

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

	Local Plan Values	Applicants' Values	AspinallVerdi Values	Comment on differences
Market Values £ psm / £ psf				
Detached **Semi-Detached**	£2,153 psm (200 psf)	Average £3,380 psm (£314 psf)	Average £3,380 psm (£314 psf)	We consider Roger Hannah's assessment of the GDV to be consistent with local property market. We have therefore adopted their value assumptions for the market housing.
Sub-total		£9,830,000	£9,830,000	No change
Affordable Housing Values £ psm / £ psf				
Affordable / Social Rent	£588 psm (£55 psf)	£85,000 per unit	£116,067.50	We do not agree with Roger Hannah's assessment of the affordable housing value assumptions. See value assumptions section below. The local plan viability assessment, suggests that affordable or social rent units are 27.31% of market value. We have therefore adopted a discount rate of 72.69%.
Intermediate / Shared Ownership	£999 psm (£93 psf)	£85,000 per unit	£197,200	We do not agree with Roger Hannah's assessment of the affordable housing value assumptions. See value assumptions section below. The local plan viability assessment, suggests that shared ownerships units are 46.40% of the market value. We have therefore adopted a discount rate of 53.60%

First Homes	N/A	N/A	£297,500	Roger Hannah have not included any First Home units in their appraisals. We have followed PPG First Homes Guidance which states that the discount must a minimum of 30% against the market value (Paragraph: 001 Reference ID: 70-001-20210524).

Applicant's Assessment

4.4 Roger Hannah carried out an assessment of comparable evidence of new homes which have sold in Huddersfield and the surrounding area since 2016. This evidence has been collated and analysed together to arrive at what Roger Hannah consider to be reasonable sales values to apply to the proposed units.

4.5 Roger Hannah have analysed a number of developments which we summarise below

- Harron Homes - Oaklands Heath, HD2 2EG - average asking value was £310 psf
- Harron homes - Highfield Manor, HD2 2HR - average asking value was £311 psf
- Brierstone - Hillcrest View, HD7 4FD - average asking value was £298 psf
- Linell Homes - Hollyfield View, HD3 4FX - average asking value was £314 psf
- Avant Homes - Fitzwilliam Grange, HD4 5DZ - average asking value was £265 psf
- Keepmoat Homes - Horizon, HD6 3LP - average asking value was £272 psf

4.6 Roger Hannah state that they would expect sales values at the proposed development to be in the order of £314 psf on average which they consider reflects the location and nature of proposed development and suggested house types.

4.7 Based upon the sales evidence summarised above, Roger Hannah considers that private dwellings on the proposed scheme could produce a GDV of £9,830,000 assuming 100% private housing.

4.8 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

Property	Type	Beds	Sq ft	No. Units	Total Sq ft	Market Values	£ psf	Total GDV
A	House	5	1793	2	3585	£555,000	£310	£1,110,000
B	House	4	1481	4	5925	£460,000	£311	£1,840,000
D	House	4	1363	10	13625	£430,000	£316	£4,300,000
E	House	4	1721	1	1721	£535,000	£311	£535,000
F	House	4	1349	4	5397	£425,000	£315	£1,700,000
G	House	4	1076	1	1076	£345,000	£321	£345,000
				22	**31330**		**£314**	**£9,830,000**

Source: Roger Hannah (July 2022)

AspinallVerdi's Assessment

4.9 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 Achieved Sales

4.10 We have reviewed transactions for new build houses which have sold in the HD2 and HD3 postcode areas during the last 24 months (September 2020 to September 2022). We have obtained the achieved values from the Land Registry; however this data does not disclose information relating to the unit type, size or specification.

4.11 To obtain the corresponding floor area, we have relied on the Energy Performance Certificate (EPC) and cross-referenced this with the sold value data. We have relied on other sources such as Rightmove, Zoopla and development brochures to ascertain the number of bedrooms, size (sqm / sqft) and specification of the units.

4.12 We have focused our search on properties which are comparable to the proposed units in terms of property type and number of beds. Table 4.3 below provides a summary of the properties which we have identified.

Table 4.3 - Sold Prices for Properties located within 1 miles of the site

Type	No. Sold	Avg. Size (sqm)	Sold Price Range	£ psm
4B House	34	121	£259,950 - £436,955	£2,386 - £3,096
5B House	15	214	£544,995 - £620,995	£2,634 - £2,853

Source: Land Registry (October 2022)

4.13 Within the data set, we have been able to identify units which have sold at Lindley Moor Meadows by Persimmon Homes, Crossfield Park II by Taylor Wimpey and Oaklands Heath by Harron Homes. We discuss each in turn below.

Oaklands Heath, Harron Homes

4.14 Oaklands Heath is located next to the subject site and can be accessed from Burn Road and is therefore considered to be the best comparable. This development consists of 2, 3, 4 and 5 bed luxury homes. The area is known as Birchencliffe and is mostly a residential area of Huddersfield, the town centre is approximately 2 miles from the town centre.

4.15 We have identified 22 of transactions for four and five bedroom new build properties at the development which sold within the review period. Figure 4.1 provides the scheme layout whilst Table 4.4 provides a summary of the 22 properties.

Figure 4.1 - Oaklands Heath - Harron Homes



Source: Harron Homes (October 2022)

Table 4.4 - Range of Sold Prices at Oaklands Heath

Type	No. Sold	Avg. Size (sqm)	Sold Price Range	£ psm
4B House	7	123	£289,995 - £436,995	£2,660 - £3,096
5B House	15	227	£544,995 -£620,995	£2,643 - £2,853

Source: Land Registry (October 2022)

4.16 Table 4.5 provides a summary of the units which have sold at this development by type.

Table 4.5 - Range of Sold Prices for Each House Type

Type	No. Sold	No. of Beds	Size (sqm)	Sold Price Range	£ psm
Aldfield – 4 bed semi detached	1	4	109	£289,995	£2,661
Windsor – 4 bed detached	2	4	114	£349,995 - £352,995	£3,043 - £3,096
Settle – 4 bed detached	2	4	122	£369,995 - £372,995	£3,033 - £3,057
Salcombe – 4 bed detached	2	4	143	£429,995 - £436,995	£3,056 - £3,071
Edlingham – 5 bed detached	5	5	204	£544,995 - £572,500	£2,672 - £2,806
Hedlingham – 5 bed detached	5	5	211	£579,995 - £601,995	£2,736 - £2,853
Berkhamstead – 5 bed detached	5	5	227	£599,995 - £620,995	£2,656 - £2,736

Source: Land Registry (November 2022)

4.17 We note the following

- The Settle house type which is a 4 bed detached property with integral garage has a slightly smaller floor area (36 sqm smaller) compared to the proposed house type F. The Settle house type has sold on average for £371,495.
- The Salcombe house type which is a 4 bed detached property with integral garage has a larger floor area (58 sqm larger) compared to the proposed house type B. The Salcombe house type has sold on average for £433,495.

- The Edlingham house type which is a 5 bed detached property has a larger floor area of (37 sqm larger) compared to the proposed house type A. The Edlingham house type has sold on average for £559,996.
- The Hedlingham and Berkhamstead have larger floor arears of between 45 and 61 sqm compared to the proposed house type A. We would expect these properties to achieve a higher value when compared to the proposed unit (type A).

4.18 Given the sites close proximity to the subject and similar sized house types we consider this to form the best comparable evidence. Our analysis also suggests that the values adopted by the Applicant are in line with the achieved values at this development in absolute value terms.

Lindley Moor Meadows, Persimmon Homes

4.19 Lindley Moor Meadows is located on the outskirts north west of Huddersfield and consist of 109 units 2, 3 and 4 bed homes. The area of Huddersfield is predominantly residential area and is approximately 1 mile away from the subject site.

4.20 We have identified 8 transactions for four bedroom new build properties at the development which sold within the review period. Figure 4.2 provides the scheme layout whilst Table 4.6 provides a summary of the 8 properties.

Figure 4.2 - Lindley Moor Meadows Layout



Source: Persimmon Homes (October 2022)

Table 4.6 - Sold Prices at Lindley Moor

Type	No. Sold	Avg. Size (sqm)	Sold Price Range	£ psm
4B House	8	109	£259,950 - £314,950	£2,386 - £2,750

Source: Land Reg (October 2022)

4.21 The properties sold at this development are generally smaller than the proposed units. On this basis, we would expect values for the larger properties to be higher than the achieved values at this development.

Crossfield Park II, Taylor Wimpey

4.22 Crossfield Park is located on north east outskirts of Huddersfield and is a neighbouring site to the Lindley Moor Meadows site. The area of Huddersfield is known as Lindley and is mostly a residential area of the town, which is approximately 1 mile away from the subject site.

4.23 We have identified 19 transactions for four bedroom new build properties at the development which sold within the review period. Figure 4.3 provides the scheme layout whilst Table 4.7 provides a summary of the 19 properties.

Figure 4.3 - Crossfield Park II - Taylor Wimpey



Source: Taylor Wimpey (October 2022)

Table 4.7 - Sold Prices at Crossfield Park

Type	No. Sold	Avg. Size (sqm)	Sold Price Range	£ psm
4B House	19	125	£299,995 - £363,995	£2,573 - £2,913

Source: Land Reg (October 2022)

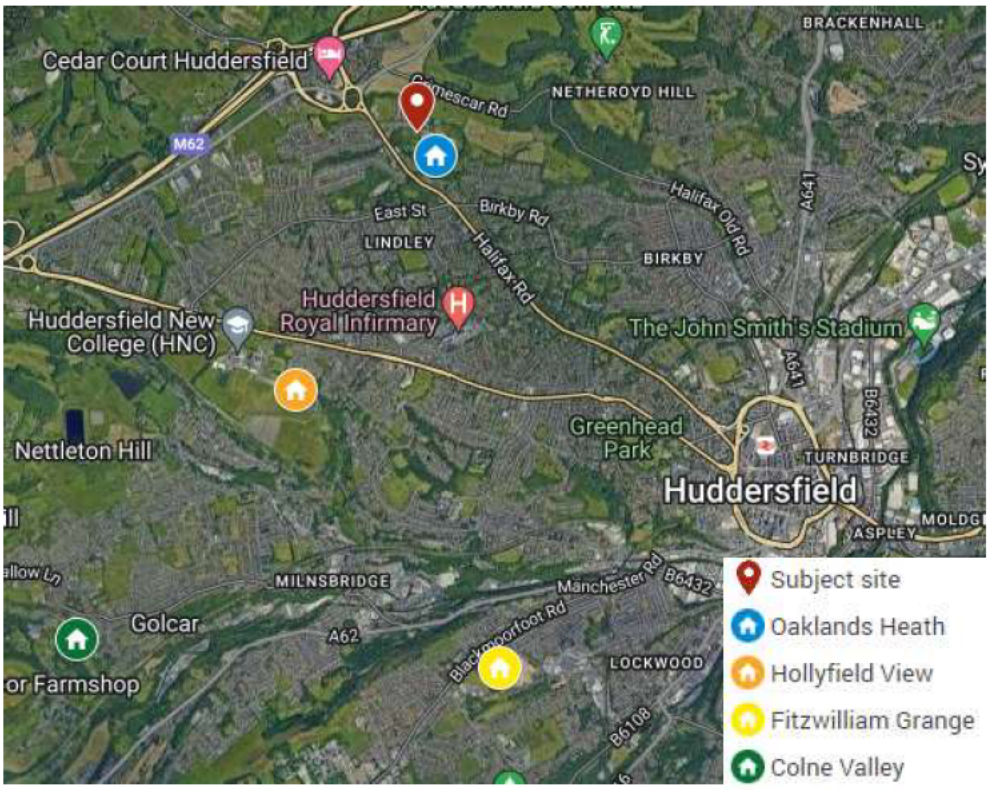
4.24 The largest property at this development is approximately 30 sqm smaller than the largest house type at the subject site. On this basis, we would expect values for the larger properties at the proposed development to achieve higher values than those at this development, this is due to the sites proximity to the motorway (M62).

New Build Asking Values

4.25 We have identified three new build developments within 4 miles of the development site which consist of 4 bed properties currently for sale. The locations of these developments can be seen in Figure 4.4 and are discussed in further detail below.

- Hollyfield View by Linell Homes
- Fitzwilliam Grange by Avant Homes
- Colne Valley by Brierstone Group

Figure 4.4 - New Build Developments in Huddersfield



Source: Google My Maps (November 2022)

Oaklands Heath, Harron Homes

4.26 There are currently four units for sale at this development which as discussed is located next to the subject site and can be accessed from Burn Road. Table 4.8 below provides a summary of these units.

Table 4.8 - Asking Prices at Oaklands Heath

Information	Image
5 Bed Detached / Edlingham Asking Price: £694,995 Floor Area: N/A	
2 Bed End Terrace / Hadleigh Asking Price: £248,995 Floor Area: N/A	
2 Bed Semi Detached / Hadleigh Asking Price: £248,995 Floor Area: N/A	

Source: Harron Homes, November 2022

4.27 We understand that the 5 bed detached property has come back onto the market and comes with a 5% deposit and removal services as part of the sales incentives.

4.28 We have been unable to identify the floor areas for each of these properties which makes it difficult to compare these with the proposed units.

Hollyfield View, Linell Homes

4.29 This development consists of 17 high specification homes in the residential area of Oakes, Huddersfield and is a collection of 3 and 4 bed homes. This development is 1.5 miles from the proposed development.

Figure 4.5 - Hollyfield View Development Plan



Source: Linell Homes (November 2022)

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

Table 4.9 - Asking Prices at Hollyfield View

Information	Image
4 Bed Detached / Curbar Asking Price: £375,000 108 sqm / 1,163 sqft £3,472 psm / £323 psf	
4 Bed Detached / Rowsley Asking Price: £395,000 124 sqm / 1,335 sqft £3,185 psm / £296 psf	

4 Bed Detached / Bakewell

Asking Price: £445,000

123 sqm / 1,324 sqft

£3,618 psm / £336 psf



Source: Rightmove (November 2022)

4.31 The units we have identified at this development are of similar size to the proposed four bedroom properties. The average sales value equates to £320 psf.(£3,450 psm) which is slightly higher than the Applicant's average value assumptions. The units also appear to have been built to a high specification.

Fitzwilliam Grange, Avant Homes

4.32 This development is located between Lockwood and Cowlersley south west of Huddersfield Town Centre, and is approximately 4 miles from the subject site. The development consists of 226 homes and is a collection of 2, 3 and 4 bed homes. We have focused on the 4 bed properties for sale at this development.

Figure 4.6 - Fitzwilliam Grange Development Plan



Source: Avant Homes (November 2022)

4.33 There are currently 5, four bedroom houses for sale at this development which are summarised in Table 4.5 below.

Table 4.10 - Asking Prices at Fitzwilliam Grange

Information	Image
4 Bed Detached / Holbury Asking Price: £309,995 114 sqm / 1,226 sqft £2,722 psm / £253 psf	

4 Bed Detached / Lathbury Asking Price: £349,995 131 sqm / 1,415 sqft £2,662 psm / £247 psf	
4 Bed Detached / Overbury Asking Price: £366,995 136 sqm / 1,463 sqft £2,700 psm / £251 psf	
4 Bed Detached / Sudbury Asking Price: £369,995 140 sqm / 1,503 sqft £2,650 psm / £246 psf	
4 Bed Detached / Ramsbury Asking Price: £379,995 140 sqm / 1,502 sqft £2,723 psm / £253 psf	

Source: Rightmove (November 2022)

4.34 This is a large scale development by a national house builder whereas the subject site proposes a bespoke development, which is small scale and is situated in a better location. We have therefore discounted this development from our analysis.

Colne Valley, Brierstone Group

4.35 The development is located outside of Huddersfield in a more rural location, 4 miles from the subject site. However, the house types are a similar size and are more bespoke than the traditional national house builder. The development consists of 13 homes and is a collection of 3 and 4 bed properties.

Figure 4.7 - Colne Valley Development Plan



Source: Brierstone Group

4.36 There are currently 2, four bedroom detached properties for sale at this development which are summarised in the Table 4.6 below.

Table 4.11 - Asking Prices at Colne Valley

Information	Image
4 Bed Detached / Bronte Asking Price: £525,000 158 sqm / 1,701 sqft £3,323 psm / £309 psf	

4 Bed Detached / Swallow

Asking Price: £535,000

164 sqm / 1,765 sqft

£3,262 psm / £303 psf



Source: Rightmove (November 2022)

4.37 Both properties which we have identified have floor areas which are similar to that of proposed house type E (1,721 sqm) and therefore provide a useful benchmark when valuing this unit. This development of bespoke large house types in Huddersfield provides a strong comparison and can be used to support the Applicant's value assumptions.

Value Assumptions

4.38 We have undertaken an assessment of the local property market in Birchencliffe which has included a review of new build achieved and asking prices.

- New Build Achieved - we have identified 49 properties in the HD3 and HD2 postcode which have sold across three developments. We consider that Oaklands Heaths by Harron Homes provides the best comparison given its proximity to the proposed site. Our analysis also suggests that the values adopted by the Applicant are in line with the achieved values at this development in absolute value terms.
- New Build Asking - We have identified three new build developments within 4 miles of the development site which consist of 4 bed properties currently for sale. The development by Brierstone Group consists of bespoke large house types, similar to that of the proposed development and therefore provides a strong comparison.

4.39 Based on our assessment of the local property market, we consider the Applicant's value assumptions be appropriate and have therefore adopted these within our financial appraisals. Table 4.12 provides the value assumptions for each property type.

Table 4.12 - AspinallVerdi Value Assumptions

Type	Beds	No. Units	Size (sqft)	GDV per Unit	£ psf	Total GDV
G (Detached)	4	1	1,076	£345,000	£320.26	£345,000
F (Detached)	4	4	1,349	£425,000	£315.00	£1,700,000
D (Semi Detached)	4	10	1,363	£430,000	£315.48	£4,300,000
B (Detached)	4	4	1,481	£460,000	£310.60	£1,840,000
E (Detached)	4	1	1,721	£535,000	£310.86	£535,000
A (Detached)	5	2	1,793	£555,000	£309.53	£1,110,000
Total		**22**	**31,330**			**£9,830,000**

Source AspinallVerdi (November 2022)

Affordable Housing Values

4.40 Roger Hannah have included the affordable housing contribution as an off-site contribution of £342,000. This is due to the unique nature of the scheme offering larger house types. To reflect an affordable house type Roger Hannah have undertaken a search for asking prices for smaller 3-bedroom houses currently on offer in Huddersfield. They have explained this below;

'For this assessment, we have adopted a market value of £285,000 reflective of a 3-bedroom semi-detached house. To reflect an affordable product, we have appraised these as Shared Ownership at a discount at 30%. This results in a commuted sum payment of £85,500 per unit and a total affordable housing contribution of £342,000 which we have included in our policy compliant appraisal (equivalent to 4 affordable units).

4.41 In section 7 we present two financial appraisals, the first provides 20% onsite affordable housing which equates to 4 units whilst the second models the Applicant's approach which includes a commuted sum payment equivalent to 4 affordable units.

4.42 The tenure split for the affordable homes is 55% affordable rent and 45% intermediate. In line with latest government guidance a minimum of 25% of the affordable homes must be First Homes – forming part of the intermediate allocation. Therefore, 2 homes should be affordable or social rent (Rented), 1 home should be First Homes (FH) and 1 home should be other intermediate homes (shared ownership / Intermediate – SO).[4]

4.43 The local plan viability assessment, suggests that affordable or social rent units are 27.31% of market value and shared ownerships units are 46.40% of the market value. For first homes we have adopted 70% of market value in line with PPG First Homes guidance.[5]

4.44 Based on the above, we have adopted the following values for four house type F units. We have included these values in our policy complaint appraisal with onsite provision.

Table 4.13 - Affordable Housing Values

Type	Tenure	Size (sqft)	Discount %	GDV per Unit
F	Rented	1,349	72.69%	£116,067.50
F	Rented	1,349	72.69%	£116,067.50
F	Shared Ownership	1,349	53.60%	£197,200.00
F	First Homes	1,349	30.00%	£297,500.00

Source: Aspinall Verdi (November 2022)

[4] Consultation Response from Kirklees Council - page 2
[5] https://www.gov.uk/guidance/first-homes - Paragraph 001 Reference ID: 70-001-20210524

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	Standard rate (HMRC scale for Stamp Duty Tax (SDLT)	Standard rate (HMRC scale for Stamp Duty Tax (SDLT)	Our SDLT level is calculated in Argus Developer using the Standard rate (HMRC scale) for Stamp Duty Land Tax (SDLT).
Agent Fees	N/A	£10,000	£10,000	We consider this to be acceptable.
Legal Fees		£5,000	£5,000	We consider this to be acceptable.
Unit Build Costs				
New Build - Resi	£1,195 psm (£111 psf) Includes 10% for external works	£1,829 psm (£170 psf) Includes 10% for external works	£1,675 psm (£156 psf) Includes 10% for external works	Roger Hannah have adopted £1,829 psm (£170 psf) for the hard build costs including a 10% external works allowance. They have provided a cost estimate for a recently tendered scheme of a similar size and nature undertaken by Wiggett Construction which shows a higher build rate. Excluding the 10% external works allowance, the hard build costs equates to £1,646 psm (£153 psf). We have cross checked this build rate with present day BCIS rates (October 2022), rebased to Kirklees. The median rate for detached estate housing is £1,523 psm (£142 psf) which is lower than the Applicant's build rate. The BCIS sample also includes costs which are less and therefore the

				rate adopted by Roger Hannah is considered as being at the upper end of the range. In our financial appraisals we have adopted a build rate of £1,675 psm (£156 psf). This is based on the BCIS median rate and includes a 10% external works allowance. We would welcome a cost plan from the Applicant for this scheme to demonstrate the hard build cost which they have adopted. This is an explicitly stated in the RICS Guidance Note 'Assessing viability in planning under the National Planning Policy Framework 2019 for England (1st Edition, March 2021)'
Garages	Not mentioned, assumed to be in BCIS	Allowed for in the base build costs and no allowance has been made for the integral garages at this stage.	Included within hard build cost	No further comments.
Sub-total for Base Build (inc external works)		£5,326,100	£4,887,948	Difference of £438,152.
Contingency	3%	3%	3%	Roger Hannah has applied the contingency allowance to the hard build costs and abnormal cost allowance. Typically contingency is only applied to the hard build costs.
Professional Fees	8%	7%	7%	Roger Hannah has applied the professional fees allowance to the hard build costs and abnormal cost allowance. Typically, professional fees are only applied to the hard build costs.

Abnormal Works	No allowance for abnormal costs as they are specific to each site	£957,162	£697,162	Roger Hannah have provided an itemised breakdown of the abnormal costs for this development. We instructed RPP to review these costs who have prepared a report which is included at Appendix 3. See Abnormal Development Costs section below for detailed analysis.
Part L Building Regs	N/A	£6,838 per unit Total - £150,436	£4,847 per unit Total - £106,634 (Difference £43,802)	The Applicant has taken the Option 2 figure from the Future Homes Standard consultation document produced in 2019. They have then uplifted this by 41%, but have not provided the basis for this uplift. At this stage we have adopted a cost per unit of £4,847 per unit. However, we would welcome the Applicant to provide a list of the items and costs to be included at this scheme which supports a cost per unit of £6,838.
Finance	6.00%	6.50%	6.50%	We consider this to be acceptable.
Disposal Costs				
Marketing	3.50% combined	3%	3%	We consider this to be acceptable.
Sales Agent Fees	N/A	N/A	N/A	We consider this to be acceptable.
Sales Legal Fees	N/A	£650 per dwelling - £14,300	£650 per dwelling - £14,300	We consider this to be acceptable.
Profit				
Open Market Housing	20%	20%	20%	The range is typically between 15 – 20% profit on GDV (Paragraph 018 PPG Viability- Reference ID:

				10-018-20190509). We discuss this further in section 7.
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 £957,162 (£365,329 per acre) which are summarised in Table 5.2 below. In addition to these costs we have also have received the following information;

- Drainage Layout
- WCL Construction Base Cost supporting evidence
- Arboriculture Impact Assessment and Method Statement
- Abnormal Costs – Groundworker
- WCL Abnormal Cost Statement

Table 5.2 - Applicant's Abnormal Cost Breakdown

Item	Cost (£)
Trees*	£10,000
Cut & Fill Earth Work*	£50,000
Box Culvert*	£65,000
Highway mass retaining wall*	£175,000
Retaining wall within properties 1-11*	£400,000
Railway sleeper retaining wall*	£40,000
Gas Membrane	£20,000
Contamination Hotspots	£21,000
New Adopted Footpath	£30,000
Piling 25% plots due to levels (5 plots)*	£35,000
Public ROW	£5,700
Under build*	£5,462
Oversized Attenuation*	£100,000
Total	**£957,162**

Source: Roger Hannah (June 2022)

5.7 The items which have an '*' beside them are in our opinion issues which would be known to the developer when acquiring a site of this type and therefore would inform their assessment of the land value to be paid for the site.

5.8 As part of our instruction from the Local Authority, we appointed Rex Procter and Partners to review these costs. Appendix 3 provides the detailed report which has been prepared by Alex Blenard of RPP, a Chartered Quantity Surveyor. Table 5.3 below show the cost items which RPP consider need to be reduced.

Table 5.3 - Cost Item Comparison

Item	RH Assumption	RPP Assumption	Difference £)
Retaining Wall within properties 1-11	£400,000	£175,000	-£225,000
Piling 25% Plots	£35,000	£0	-£35,000

Source: Roger Hannah and RPP (October 2022)

5.9 The total difference amounts to £260,000 which reduces the abnormal development costs to £697,162 (£266,208 per acre) which we have adopted in our financial appraisals.

Non – Housing S106 Costs

5.10 The total non-housing contribution amounts to **£86,569** which we have included within our financial appraisals. See section 3 of our report for further details.

Timing / Phasing Assumptions

5.11 Roger Hannah have adopted the following development programme

- Pre-construction: 3 months
- Construction: 13 months
- Sales period: 9 months (2.4 units a month) starting 8 months into the construction period.

5.12 The Applicant's total development programme is 20 months.

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

- Pre construction: 3 months
- Construction: 12 months
- Sales period: 9 months (starting 6 months into the construction period)

5.14 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 (EUV) 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 (EUV).
- 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 Roger Hannah stated the following in terms of their assessment of the BLV.

"The subject site is currently agricultural in nature and in our experience an EUV of £10,000 to £15,000 per acre is generally an accepted approach. Often with greenfield sites a multiplier is applied in terms of reflecting the premium which would be applied to reflect the amount which a reasonable landowner would expect in order to be a willing vendor of the site for development, i.e., between 10- 20 times."

6.4 To determine the site value, Roger Hannah sought to value the land in its existing use. They have identified a number of transactions, based on this evidence, they have adopted £10,000 per acre.

6.5 Given the sites allocation for development, they applied a premium of 20 times over the EUV to incentivise the landowner. This provides a Benchmark Land Value of £200,000 per acre for the site and an overall site value of £524,000.

Aspinall Verdi's Assessment

6.6 To determine the site value, we have sought to value the land in its existing use, our approach has therefore been as follows

- Analyse the Natural England Land Classification database to determine the grade and quality of land.
- Determine the sites Existing Use Value using data from Carter Jonas.
- Determine an appropriate Premium.

6.7 The Natural England classification database (see Figure 6.1 below) shows the location of Birchencliffe and the approximate location of the site. The site is classified as grade 4 poor agricultural land as classified by Natural England.

Figure 6.1 - Land Classification - Birchencliffe



Source: Natural Land Classification Database[6] (November 2022)

[6] http://publications.naturalengland.org.uk/publication/130043?category=5954148537204736

6.8 We have reviewed the Farmland Market Update Q3 2022[7] 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 £5,250 and £10,500 for pasture and arable land per acre.

6.9 We have also undertaken a review of various databases (CoStar and EGI) we have been unable to identify any sites which have not been considered by Roger Hannah.

6.10 Given the topography of the site and the fact that this is likely to be only suitable as pasture land we consider that £7,500 per acre is an appropriate level of value.

6.11 The housing site is approximately 2.62 acres (1.06 hectares) which generates an existing use value of £19,650.

Premium

6.12 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.

6.13 The Homes and Communities Agency (now Homes England) (in August 2010) published a consultation paper on transparent assumptions for Area Wide Viability Modelling8. 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'9. 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.

6.14 The site has a substantial amount of abnormal costs amounting to £697,162 (£266,208 per acre) which should be reflected in the premium. We do not agree with Roger Hannah's approach of adopting a 20x premium as we feel that this does not reflect the characteristics of the site.

6.15 Given the significant extent of the abnormal costs we would consider that as a maximum the premium would be no more than 10 times the EUV – which would equate to £196,500, this could be reasonably rounded to £200,000.

[7] https://www.carterjonas.co.uk/rural-research/farmland-market-update-q3-2022
[8] The HCA Area Wide Viability Model, Annex 1 Transparent Viability Assumptions, August 2010, Consultation Version
[9] 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 Roger Hannah 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

- **Abnormal Costs -** As part of our instruction from the Local Authority, we appointed Rex Procter and Partners to review these costs. Their report can be found at Appendix 3. The total difference amounts to £260,000 which reduces the abnormal development costs to £697,162 (£266,208 per acre) which we have adopted in our financial appraisal.
- **Benchmark Land Value -** Given the topography of the site and the fact that this is likely to be only suitable as pasture land we consider that £7,500 per acre is an appropriate for the sites existing use value. Given the significant extent of the abnormal costs we consider that as a maximum the premium would be no more than 10 times the EUV – which would equate to £196,500, this could be reasonably rounded to £200,000 (£76,000 per acre).
- **Hard Build Costs -** In our financial appraisal we have adopted a hard build cost of £1,675 psm (£156 psf) based on the BCIS median rate and a 10% external works allowance. We would welcome a cost plan from the Applicant for this scheme to demonstrate the hard build cost which they have adopted. This is a explicitly stated in the RICS Guidance Note 'Assessing viability in planning under the National Planning Policy Framework 2019 for England (1st Edition, March 2021)'.
- **Part L costs -** At this stage we have adopted a cost per unit of £4,847 per unit. However, we would welcome the Applicant to provide a costed schedule to justify such costs.

7.4 We would also reiterate the following

- **Non Housing S106 costs -** Additional costs have been confirmed by Kirklees Council which were not included in Roger Hannah's assessment. The total non-housing contribution amounts to **£86,569** which we have included within our financial appraisal.
- **Commuted sum calculation** - The calculation which RH has adopted does not following the method set out in the Affordable Housing SPD. Section 3 of our report provides the calculation which we have adopted in accordance with this guidance. At this stage we have not prepared an appraisal which includes the commuted sum.

7.5 The next section provides a summary of the financial appraisal which we have prepared. Please refer to Appendix 4 for a copy of the financial appraisal.

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 appraisal (on-site affordable housing)
Total GDV	£8,856,836
Total Development Costs	£7,180,929
Non-Housing S106 Contributions	£86,529
Profit on GDV – blended	£1,676,039 (19%)
Residual Land Value	£627,445
Benchmark Land Value	£200,000

Source: AspinallVerdi (November, 2022)

7.7 Our policy complaint appraisal with on-site affordable housing produces a residual land value of £627,445 based on a 20% profit on GDV for the market units and 6% profit on GDV for the affordable units – blended 19%. This produces a surplus of £427,445 over the benchmark land value and is therefore viable.

7.8 **Based on our detailed analysis of the values and costs we are of the opinion that the scheme can deliver 4 on-site affordable units and the non-housing s106 contributions.**

Sensitivity Analysis

7.9 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.

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

7.11 In this respect, we have carried out sensitivity analysis on our 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 GDV and the land cost.

Table 7.2 - Sensitivity Analysis of GDV and Land Cost

	Construction: Rate /ft²				
Sales: Rate /ft²	-5.000%	-2.500%	0.000%	+2.500%	+5.000%
	148.20 /ft²	152.10 /ft²	156.00 /ft²	159.90 /ft²	163.80 /ft²
-5.000%	£8,413,994 (£553,109)	£8,413,994 (£424,884)	£8,413,994 (£296,660)	£8,413,994 (£168,436)	£8,413,994 (£40,162)
-2.500%	£8,635,415 (£715,736)	£8,635,415 (£590,291)	£8,635,415 (£462,067)	£8,635,415 (£333,842)	£8,635,415 (£205,618)
0.000%	£8,856,836 (£874,394)	£8,856,836 (£750,920)	£8,856,836 (£627,445)	£8,856,836 (£499,249)	£8,856,836 (£371,025)
+2.500%	£9,078,257 (£1,033,052)	£9,078,257 (£909,578)	£9,078,257 (£786,104)	£9,078,257 (£662,631)	£9,078,257 (£536,431)
+5.000%	£9,299,678 (£1,191,709)	£9,299,678 (£1,068,236)	£9,299,678 (£944,762)	£9,299,678 (£821,289)	£9,299,678 (£697,815)

Source: AspinallVerdi (November 2022)

7.12 The sensitivity analysis above shows that with cost savings and improvements to the GDV, the residual land value of the scheme increases further. Even with a 2.5% increase in costs (with the values staying the same) the residual value amounts to approximately £500,000. This is approximately £24,000 below the Applicant's assessment of the benchmark land value.

7.13 With regards to the Part L costs, we have currently adopted a lower rate of £4,847 per unit compared with Roger Hannah's assumption of £6,838 per unit. The total difference amounts to £43,802. Even if we adopted the higher rate (subject to further evidence being provided), the effect on the RLV would be minimal and the scheme would still be able to provide the full on and off site planning contributions.

7.14 This analysis further supports our conclusion that the scheme can deliver a policy compliant scheme with on-site affordable housing.

Authorisation

7.15 Should you have any questions or queries in respect of any aspect of this report, please do not hesitate to contact AspinallVerdi.

7.16 For and on behalf of Aspinall Verdi Ltd:

Yours faithfully

Alasdair Ritchie
Consultant

0113 243 6644
alasdair@aspinallverdi.co.uk

(checked by)

Atam Verdi, MRICS
Registered Valuer
Chairman

0113 243 6644
atam@aspinallverdi.co.uk

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, etcetera, 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.

Professional Fees

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

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.

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, photography, advertising and other goods and services purchased on the Client's behalf (e.g. Land Registry Title plans, Ordnance Survey plans etc), unless otherwise agreed in the Fee Proposal.

These expenses will be recharged to the Client at cost.

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 are exclusive of Value Added Tax which if due shall be paid concurrently in addition.

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 the date for payment. Interest will be calculated at a rate of 3% per month or part month from the due date on any invoice which remains unpaid 30 days after the invoice date.

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.

Aspinall Verdi

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 plus 1 paper copy (if requested).

Incidental expenses for additional and/or 'accessible' copies will be recharged together with administration time for the preparation and collation of further reports.

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.

Confidentiality

All the work carried out by AspinallVerdi is on a confidential basis.

AspinallVerdi will not disclose any confidential information relating to the Client, which it obtains during the course of the instruction, to any person other than its own advisors.

AspinallVerdi will only disclose its files if required to do so by a court or other tr bunal of competent jurisdiction or otherwise only with the Client's written consent.

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.

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.

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 £1 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 respons bilities 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.

Law

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

210217 AspinallVerdi Standard Terms and Conditions_v6

Appendix 2 - Clarification Questions

Clarification Questions

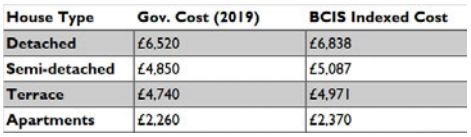
To: Jessica Mistry, Roger Hannah		cc:	Atam Verdi, AspinallVerdi Helen Reardon, AspinallVerdi Richard Gilbert, Kirklees Council
From:	Alasdair Ritchie, AspinallVerdi	Date:	6th September 2022

Land off Burn Road, Birchencliffe, Huddersfield

Private & Confidential

Date/Version - 220906 Land at Burn Road_Clarification Questions_v1

This is an initial set of questions from an initial review of the documents. Inadequate responses may lead to further questions and delays.

Ref	Document referenced	AspinallVerdi Question	Applicant's Response
1	**Roger Hannah Viability Assessment**	Site Area - What is the net site area? (acres/ha)	We have been advised by the developer that the net developable area is the gross area.
2	**Roger Hannah Viability Assessment**	Accommodation Schedule – Can you provide this in MS Excel format which includes the area and value assumptions adopted for each unit.	Please find attached
3	**Roger Hannah Viability Assessment**	Accommodation Schedule - can you confirm whether any of the properties include a garage, if so, can you state whether it is internal or external in the accommodation schedule.	Integral garages We have only allowed for base build costs and no allowance has been made for the garages at this stage.
4	**Roger Hannah Viability Assessment**	Do Wiggett Construction own the site or have an option / promotion agreement in place? Is there evidence regarding the sale or purchase of the site? If so, can you please provide this?	We are not aware of the circumstances; however it should be noted that the PPG makes it clear that the price paid is not a relevant justification to the assessment of the Benchmark Land Value of the site.
5	**Roger Hannah Viability Assessment**	Base Build Costs – Can you provide further detail (such as a cost plan) relating to the Base build cost of £170 per sqft and confirm what the build cost is without the external works allowance?	When undertaking the assessment, the applicant provided us with an indicative cost of £170 per sq ft. They have recently tendered a scheme of a similar size and nature with a base build of £194 per sq ft. This is reflective of recent build cost inflation. We have provided this as evidence (see attached) to support the base build cost adopted.
6	**Roger Hannah Viability Assessment**	Part L – can you provide your index calculation to support your assumption of £6,838 per unit?	
7	**Roger Hannah Viability Assessment**	Contingency allowance – can you confirm what this has been applied to?	Applied to base build & abnormals
8	**Roger Hannah Viability Assessment**	Professional Fees allowance – can you confirm what this has been applied to?	Applied to base build & abnormals These costs have been profiled to reflect fee expenditure i.e, more professional input up-front as part of the planning process and technical due diligence

House Type	Gov. Cost (2019)	BCIS Indexed Cost
Detached	£6,520	£6,838
Semi-detached	£4,850	£5,087
Terrace	£4,740	£4,971
Apartments	£2,260	£2,370

9	**Roger Hannah Viability Assessment**	Abnormal Costs – can evidence be provided to support the £957,162 included for abnormal costs. The report refers to technical information, can this be provided. We are also looking for evidence that a) these costs are to be incurred; b) on what basis has the costs been assessed?	See attached breakdown and supporting evidence.
10	**Roger Hannah Viability Assessment**	Benchmark Land Value – can evidence be provided to support your Existing Use Value of £1000 per acre?	We have had reference to area wide plan viability assessments and agricultural market trends where £10,000 per acre is generally accepted. We have also attached recent agricultural land comps as evidence. This shows the EUV of £10,000 per acre adopted is conservative.
11	**Roger Hannah Viability Assessment**	Financial Appraisals – can you provide the .wcfx files for the two financial appraisals which you have prepared.	Please find attached

Aspinall Verdi

rex procter and partners

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Whitehall Road | Leeds | LS1 4AW
0113 243 3731 | rpp.co.uk

Report

Review of Abnormal Costs

Land at Burn Road, Birchencliffe, Huddersfield

For

Aspinall Verdi

Document Created for:	**Matthew Wroe**
Prepared By:	**Alex Blenard**
Client:	**Kirklees Council**
Date:	**26 September 2022**
Job Number:	

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Contents:

1.00	Terms of Engagement /Basis of Instruction
2.00	Documentation Provided
3.00	Commentary on Costs
4.00	Conclusion

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1.00 TERMS OF ENGAGEMENT /BASIS OF INSTRUCTION

1.01 Rex Procter and Partners (RPP) have been appointed by Aspinall Verdi to appraise the abnormal costs presented by the applicant, Wiggett Homes (WH) in connection with their proposed scheme for 22nr dwellings on land at Burn Street, Birchencliffe, Huddersfield, Planning reference 2021/61/94719/W.

1.02 The project is now in the process of been considered for Planning Approval. The developer's planning consultants have presented a Viability Assessment which identifies Abnormal Development costs which detrimentally affect viability and the developer's ability to meet off-site affordable housing contribution and S106 contributions.

1.03 The review has been undertaken by a Chartered Quantity Surveyor; Alex Blenard BSc (Hons), DipSurv, MRIC, a director within the business with over 25 years' experience.

1.04 The applicant has undertaken a review of its technical information and has provided the following abnormal costs:

Abnomal Costs	
Trees	£ 10,000
Cut & Fill Earth work	£ 50,000
Box Culvert	£ 65,000
Highway mass retaining wall	£ 175,000
Retaining wall within properties 1-11	£ 400,000
Railway sleeper retaining wall	£ 40,000
Gas Membrane	£ 20,000
Contamination hotspots	£ 21,000
New Adopted Footpath	£ 30,000
Piling 25% plots due to levels (5 plots)	£ 35,000
Public ROW	£ 5,700
Underbuild	£ 5,462

Oversized attenuation 900mm pipes and manholes	£ 100,000

1.05 The abnormal costs equate to a total cost of £957,162 (£43,507 per plot).

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2.00 DOCUMENTATION PROVIDED

2.01 The following information has been provided to assist us in the analysis of the costs: -

- Viability Assessment – Land Off Burn Road, Birchencliffe, Huddersfield, July 2022 prepared by Roger Hannah
- Wiggett Construction Abnormals Cost Assessment, undated.
- Copy of e-mail dated 24 June 2022 Re: Burns Road – Abnormals Costs
- 1298-900P1 Drainage Layout
- Arboricultural Impact Assessment and Method Statement (Rev A)

2.02 In addition RPP have reviewed the information contained under application ref: 2021/61/94719/W on Kirklees Council planning portal.

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3.00 COMMENTARY

General

3.01 WH have submitted abnormal costs in the sum of £957,162. RPP have reviewed the abnormal cost submissions and would comment against the headings as follows: -

Trees - £10,000

3.02 The applicant states that to facilitate the development 20nr trees of trees will need to be removed from site and further works such as pruning to those that remain.

3.03 The Arboricultural Impact Assessment and Method Statement submitted identifies approximately 17nr trees or group of trees to be removed "to facilitate development" and 2nr due to "poor quality". A further 2nr trees are identified for removal subject to agreement of adjacent tree/landowner. The assessment of 20nr trees appears reasonable.

3.04 A further 7nr trees/tree groups are identified a requiring pruning. Additional protection of existing trees/root protection zones are identified.

3.05 There is no further detail provided as to the build up of the £10,000 but it is accepted that such allowance is reasonable for the works identified.

Cut and Fill Earthworks - £50,000

3.06 The Applicant has submitted costs in the sum of **£50,000** for the Cut and Fill Earthworks.

3.07 The Applicant states "We have estimated a movement of 7,000cum in undertaking cut and fill works, and have assumed the soil will remain on site for reuse.

3.08 The estimate of quantity has been provided by a Groundwork sub-contractor. No further information has been provided to validate this quantity.

3.09 The existing site levels range from 179AOD to 169AOD, a total level difference of 10m across the site with the low points being a valley running through the site. Given the level changes, the volumes identified by the Ground Sub-contractor (6,888m³) appear a reasonable assessment.

3.10 The cost of £50,000 equates to approximately, £7.25/m³. This would cover excavating, transporting, filling and general reprofiling of the site. It is likely there would also need to be an element of temporary stockpiling of material. This appears a reasonable allowance.

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Box Culvert - £65,000

3.11 The Applicant has submitted costs in the sum of **£65,000** for provision of a box Culvert.

3.12 An existing watercourse passes through the site and requires culverting as it passes under the proposed estate road, Planning Submission drawing Nr 4872-22 H01 shows the extent.

3.13 The Applicant has submitted costs from a Ground works sub-contractor based on "Boxed Culvert 1.6m wide 1m high and 26m long assume 2.7M depth." No further details of the breakdown are provided.

3.14 The drawing Nr 4872-22 H01 shows a length of Culvert of approximately 26m and a depth from finished round level of approximately 4.0m and a Culvert height of approximately 1,0m.

3.15 The costs submitted by the applicant based on 2.70m deep culvert appear high. RPP assessment of these costs are in the order of £50,000. However, noting that the drawings show the culvert c.4.0m deep, then a cost of C. **£65,000** would be anticipated.

Highway mass concrete retaining wall - £175,000

3.16 The Applicant has submitted costs in the sum of **£175,000** for Highway mass concrete retaining wall.

3.17 Planning Submission drawing Nr 4872-22 H01 shows the extent and section of a mass concrete retaining wall running adjacent to the estate road.

3.18 The Applicant has submitted costs from a Ground works sub-contractor based on "…average width 2.0m of concrete (672m³ concrete) assume 2 layers mesh in foundation" No further details of the breakdown are provided but this appears a reasonable assumption.

3.19 RPP have undertaken an assessment of the costs of construction the mass concrete retaining walls identified on drawing Nr 4872-22-H01. This resulted in costs of approximately £250,000. Therefore, the above is acceptable.

Retaining wall within properties 1-11 - £400,000

3.20 The Applicant has submitted costs in the sum of **£400,000** for retaining walls within properties 1-11.

3.21 The site plans accompanying the Planning Submission do not clearly show the location/layout of the retaining walls. However, Drawing Nr 1354-P-301 does show site sections which identifies retaining situations within the row of properties numbered 1 – 11 where each properties is split level (2 storey facing the road, 3 storeys facing the gardens. It is evident that such retaining requirements are an abnormal cost arising from the topography.

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3.22 By interpreting the Site sections there is approximately 115m of retaining structures. These retaining structures are approximately 2.85m.

3.23 The applicant has submitted Budget Costs from a groundworker who has stated the total length of 328Lm. From the information submitted this appears to be incorrect.

3.24 RPP have undertaken an assessment of the costs of construction the retaining walls to properties 1-11. These costs are approximately **£175,000**. The abnormal cost submission should be adjusted to reflect this amount.

Railway Sleeper Retaining Wall - £40,000

3.25 The Applicant has submitted costs in the sum of **£40,000** for Railway Sleeper retaining walls due to the topography of the site.

3.26 Planning Submission drawing Nr 6724.03 Rev A shows the extent of Railway sleeper retaining walls. The applicant has stated 158Lm. RPP have reviewed and can confirm this figure.

3.27 The applicant has not provided any further breakdown to the figure above. Based on 158m this equates to approximately £253/lm for a 1.20m high retaining structure. It is considered this a reasonable allowance.

Gas Membrane - £20,000

3.28 The Developer has submitted costs in the sum of **£20,000** for works associated with the provision of a gas membrane due to the flow rates of carbon dioxide.

3.29 The Site investigation accompanying the Planning Application categorises the site as a CS2 determination and states "Installation of Gas resistant membrane…..".

3.30 The total footprint of the development is approximately 1,590m². Based on a typical rate for gas membrane of c. £12.50/m², then the submitted cost of **£20,000** appears reasonable for this work.

Contamination Hotspots - £21,000

3.31 The Developer has submitted costs in the sum of **£21,000** for works associated with contamination hotspots.

3.32 The Phase 2 site investigation has identified contamination hotspots within the topsoil and made ground within the southern half of the site. It further suggests that these excessive readings mean the topsoil is not fit for reuse within these areas.

3.33 No further details have been provided on how the applicant has calculated the £21,000.

3.34 The approximate area of the site affected by these elevated readings is approximately 1,000m². The topsoil is required to be removed from this area as contaminated, a rate in the order of £50-75/m³ for active waste could be expected. The SI shows an average topsoil

depth of 300mm, thus generating 300m³ of contaminated topsoil to be removed off site. Therefore, a range of £15,000 - £22,500 could be anticipated.

3.35 The allowance used by the applicant appears a reasonable assessment based on the information available.

New Adopted Footpath - £30,000

3.36 The Applicant has submitted costs in the sum of £30,000 for a new adopted footpath on Burn Road.

3.37 According to the applicant the work has been requested by Kirklees highways. The extent of the footpath has been identified as an estimated 178m².

3.38 This work is not identified within the Planning Consultations but may have been requested as part of the Pre-App discussions.

3.39 The cost for this work present by the Applicant equates to £168/m². This is excessive for this work. RPP has done its only calculation and would expect this work to cost in the order of **£15,000**.

Piling 25% plots due to levels (5 plots) - £35,000

3.40 The Applicant has submitted costs in the sum of £35,000 for piling 5 plots due to "the proposed change in levels between the existing levels and proposed being over 2m and being uneconomical to use traditional foundations."

3.41 The plots identified are Plots 12,19,20,21,22, all within the Southeast quarter of the site.

3.42 It is beyond the remit of this commentary to decide if piling is the most suitable solution. From a Quantity Surveying perspective RPP would concur with the applicant that traditional foundations more than 2m are uneconomic. This would usually occur where made or poor grade exists, and the contractor would need to excavate through made ground to find suitable strata.

3.43 The Window samples contained within the Phase 2 ground investigation within the area of the plots above suggest maximum depth of made ground in this area of 0.80m with variable conditions beneath. The SI does suggest deeper foundation maybe required but does not suggest foundations will be in excess of 2.0m deep. In addition, the plots identified site with an area of the site that requires cutting to form site levels. This activity would therefore remove the made/poor ground prior to commencement of foundation excavate. Consequently, it is not considered any abnormal exist in respect of these plots requiring piling.

Public ROW - £5,700

3.44 The Applicant has submitted costs in the sum of £5,700 for a new PROW through the site. The applicant suggests this was at Kirklees council request.

3.45 The location of the PROW is not identified on the drawings.

3.46 There is not a response from the Rights of Way officer on the planning portal to establish the requirements.

3.47 If there is a requirement for a 120m upgrade/provision of a PROW then the £5,700 allocated by the applicant appears reasonable.

Underbuild - £5,462

3.48 The Applicant has submitted costs in the sum of £5,462 for 'Under build' because of levels to properties been stepped across the site. To reduce the requirement of external retaining walls, the applicant has allowed for under build to the following properties.

Plots 3,5,7,9,11,14,15,16,17,20,21,22.

3.49 The planning drawings clearly show this stepped arrangement of the properties and the requirement for underbuild to most of the units.

3.50 The applicant has not provided any additional breakdown to its allowance, but the allowance does appear reasonable considering there is approximately 40 - 50m² of underbuild requirement.

Oversized attenuation 900mm pipes and manholes £100,000

3.51 The Applicant has submitted costs in the sum of £100,000 for underground drainage attenuation.

3.52 No further cost build up has been provided.

3.53 The drainage drawing submitted as part of the planning application includes the following attenuation requirements.

40m³ of Cellular attenuation adjacent plot 1
58m³ of Cellular attenuation under visitor parking
45m of 900mm diameter concrete pipes located in front of Plot 18-22 – 29m³
48m of 900mm diameter concrete pipes located in front of Plot 1-8 – 31m³

3.54 The total volume of underground attenuation is 158m³. RPP's estimate of this volume of storage is in the order of **£130,000**. However, deduction do need to be made for standard sized drainage runs in lieu. Therefore, the applicants' approximate costs of **£100,000** appears reasonable.

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4.00 CONCLUSION

4.01 Following the review of abnormals above. The schedule below provides a summary of RPP's assessment of abnormals in relation to this application. :-

Abnomal Costs (RPP Assessment)		
Trees	£	10,000
Cut & Fill Earth work	£	50,000
Box Culvert	£	65,000
Highway mass retaining wall	£	175,000
Retaining wall within properties 1-11	£	175,000
Railway sleeper retaining wall	£	40,000
Gas Membrane	£	20,000
Contamination hotspots	£	21,000
New Adopted Footpath	£	30,000
Piling 25% plots due to levels (5 plots)	£	0
Public ROW	£	5,700
Underbuild	£	5,462
Oversized Attenuation	£	100,000
	£	**697,162**

4.03 The total value of allowable abnormals is anticipated to be approximately **£697,162.**

Aspinall Verdi

221117 Land at Burn Road, Huddersfield - PC

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
House Type A - 5 Bed	2	3,586	309.54	555,000	1,110,000
House Type B - 4 Bed	4	5,924	310.60	460,000	1,840,000
House Type D - 4 Bed	10	13,630	315.48	430,000	4,300,000
House Type E - 4 Bed	1	1,721	310.87	535,000	535,000
House Type G - 4 Bed	1	1,076	320.63	345,000	345,000
House Type F - 4 Bed - Rented	2	2,698	86.04	116,068	232,136
House Type F - 4 Bed - SO	1	1,349	146.18	197,200	197,200
House Type F - 4 Bed - FH	1	1,349	220.53	297,500	297,500
Totals	**22**	**31,333**			**8,856,836**

NET REALISATION		**8,856,836**
OUTLAY		
ACQUISITION COSTS		
Residualised Price	925,557	
Residualised Price (Negative land)	(298,111)	
		627,445
Stamp Duty (Land cost includes VAT)	36,306	
Effective Stamp Duty Rate	3.92%	
Agent Fee	10,000	
Legal Fee	5,000	
		51,306

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost	
House Type A - 5 Bed	3,586	156.00	559,416	
House Type B - 4 Bed	5,924	156.00	924,144	
House Type D - 4 Bed	13,630	156.00	2,126,280	
House Type E - 4 Bed	1,721	156.00	268,476	
House Type G - 4 Bed	1,076	156.00	167,856	
House Type F - 4 Bed - Rented	2,698	156.00	420,888	
House Type F - 4 Bed - SO	1,349	156.00	210,444	
House Type F - 4 Bed - FH	1,349	156.00	210,444	
Totals	**31,333 ft²**		**4,887,948**	
Contingency		3%	146,638	
				5,034,586
Other Construction Costs				
Part L Building Regs	18 un	4,847 /un	87,246	
Abnormal Development Costs			697,162	
Part L Building Regs	4 un	4,847 /un	19,388	
				803,796
Section 106 Costs				
S106 Education			23,299	
S106 POS			35,000	
S106 Highways	18 un	790 /un	14,220	
S106 Sustainable Travel	18 un	495 /un	8,910	
S106 Highways	4 un	790 /un	3,160	
S106 Sustainable Travel	4 un	485 /un	1,940	
				86,529
PROFESSIONAL FEES				
Professional Fees		7%	342,156	
				342,156
MARKETING & LETTING				
Marketing		3%	146,638	
				146,638
DISPOSAL FEES				
Sales Legal Fee	22 un	650 /un	14,300	
				14,300
TOTAL COSTS BEFORE FINANCE				**7,106,757**

FINANCE

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)

221117 Land at Burn Road, Huddersfield - PC

Total Finance Cost		74,172
TOTAL COSTS		**7,180,929**
PROFIT		**1,675,907**

Performance Measures

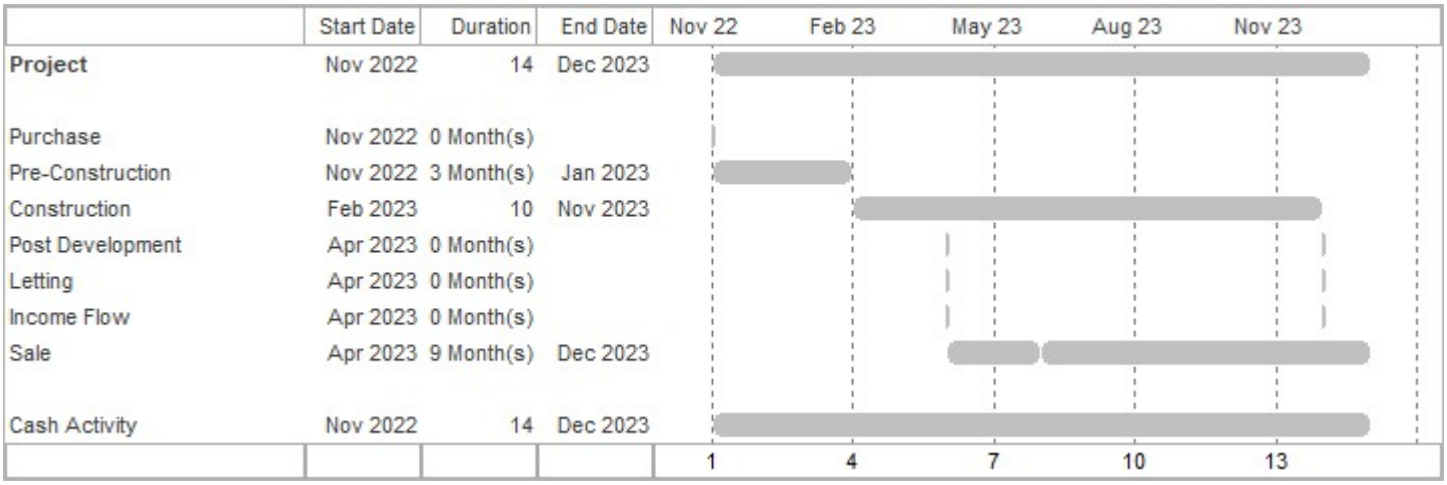
Profit on Cost%	23%
Profit on GDV%	19%
Profit on NDV%	19%
IRR% (without Interest)	103%

TIMESCALE AND PHASING CHART ASPINALLVERDI

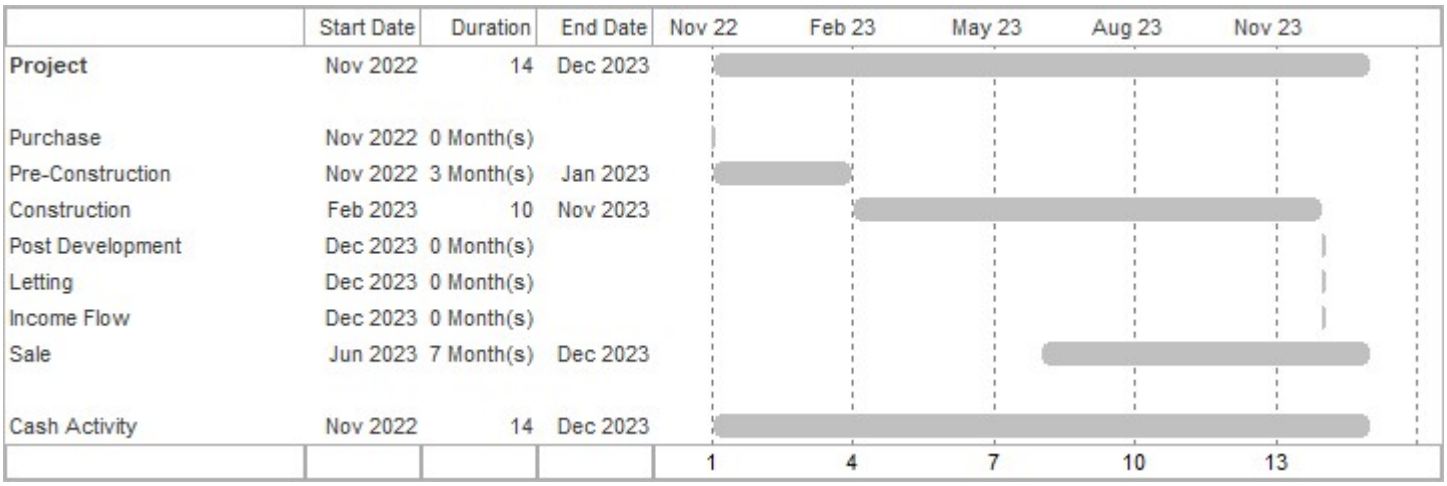
221117 Land at Burn Road, Huddersfield - PC

Project Timescale	
Project Start Date	Nov 2022
Project End Date	Dec 2023
Project Duration (Inc Exit Period)	14 months

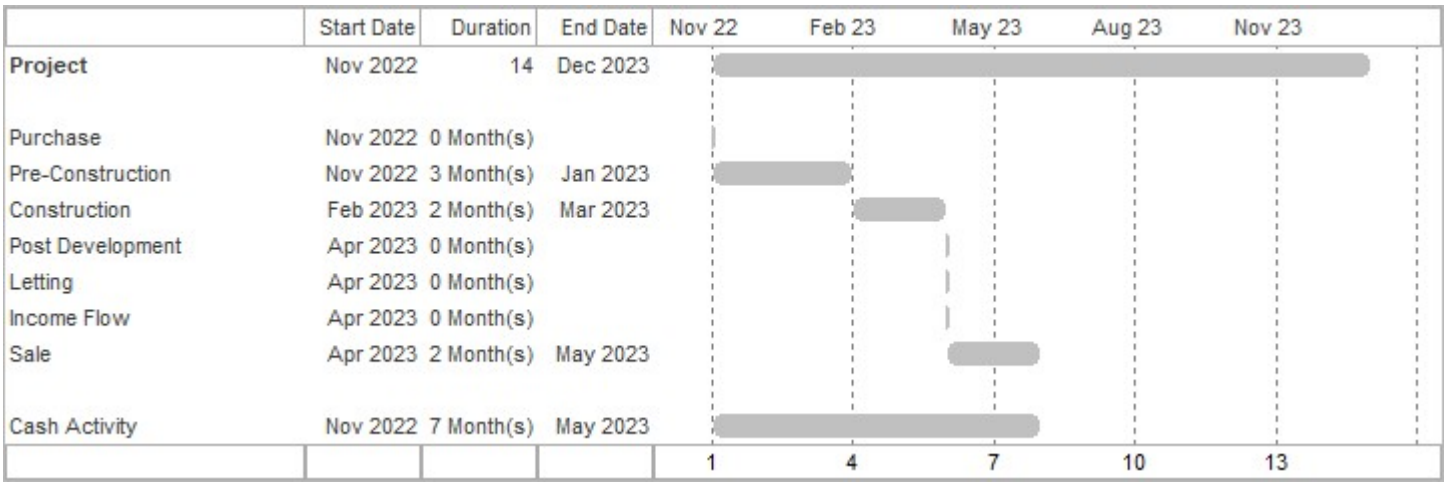
All Phases



1. Market Housing



2. Affordable Housing



221117 Land at Burn Road, Huddersfield - 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%
	148.20 /ft²	152.10 /ft²	156.00 /ft²	159.90 /ft²	163.80 /ft²
-5.000%	£8,413,994 (£553,109)	£8,413,994 (£424,884)	£8,413,994 (£296,660)	£8,413,994 (£168,436)	£8,413,994 (£40,162)
-2.500%	£8,635,415 (£715,736)	£8,635,415 (£590,291)	£8,635,415 (£462,067)	£8,635,415 (£333,842)	£8,635,415 (£205,618)
0.000%	£8,856,836 (£874,394)	£8,856,836 (£750,920)	£8,856,836 (£627,445)	£8,856,836 (£499,249)	£8,856,836 (£371,025)
+2.500%	£9,078,257 (£1,033,052)	£9,078,257 (£909,578)	£9,078,257 (£786,104)	£9,078,257 (£662,631)	£9,078,257 (£536,431)
+5.000%	£9,299,678 (£1,191,709)	£9,299,678 (£1,068,236)	£9,299,678 (£944,762)	£9,299,678 (£821,289)	£9,299,678 (£697,815)

Sensitivity Analysis : Assumptions for Calculation

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

Heading	Phase	Rate	No. of Steps
House Type A - 5 Bed	1	£156.00	2.00 Up & Down
House Type B - 4 Bed	1	£156.00	2.00 Up & Down
House Type D - 4 Bed	1	£156.00	2.00 Up & Down
House Type E - 4 Bed	1	£156.00	2.00 Up & Down
House Type G - 4 Bed	1	£156.00	2.00 Up & Down
House Type F - 4 Bed - Rented	2	£156.00	2.00 Up & Down
House Type F - 4 Bed - SO	2	£156.00	2.00 Up & Down
House Type F - 4 Bed - FH	2	£156.00	2.00 Up & Down

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

Heading	Phase	Rate	No. of Steps
House Type A - 5 Bed	1	£309.54	2.00 Up & Down
House Type B - 4 Bed	1	£310.60	2.00 Up & Down
House Type D - 4 Bed	1	£315.48	2.00 Up & Down
House Type E - 4 Bed	1	£310.87	2.00 Up & Down
House Type G - 4 Bed	1	£320.63	2.00 Up & Down
House Type F - 4 Bed - Rented	2	£86.04	2.00 Up & Down
House Type F - 4 Bed - SO	2	£146.18	2.00 Up & Down
House Type F - 4 Bed - FH	2	£220.53	2.00 Up & Down

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