



LAND NORTH WEST OF WOODSOME DRIVE, FENAY BRIDGE.



VIABILITY ASSESSMENT

PREPARED ON BEHALF OF

Newett Homes

05 October 2022

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NON-TECHNICAL EXECUTIVE SUMMARY

This Viability Assessment supports a detailed planning application for the development of this Greenfield site into 68 new homes. The basis of a Viability Assessment is to determine whether a proposed development is financially viable by establishing whether the Gross Development Value (GDV) of a project (i.e. the cumulative value of all the completed units), exceeds the combined costs of development (including a developer's profit).

The National Viability Guidance published in July 2019 by The Ministry of Housing, Communities & Local Government (and updated in May 2019) requires that: -

“Where a viability assessment is submitted to accompany a planning application this should be based upon and refer back to the viability assessment that informed the plan”

The “Kirklees Community Infrastructure Levy Viability Update” (CILVU) prepared by Cushman & Wakefield in May 2019 is the most up to date viability study informing the plan, and updates the original October 2015 report and September 2016 Addendum

The CILVU states several assumptions in terms of inputs. We have compared these inputs to our own assumptions where relevant below: -

Input	Current Assumption	CILVU Assumption
Gross Development Value (GDV)	£22,086,600	N/A – GDV is site specific
Benchmark Land Value Including Landowner Premium	£150,000 per acre	£370,650 per hectare (£150,000 per acre).
Developer Return	20% profit of GDV (market housing) and 6% (affordable).	20% profit of GDV (market housing) and 6% (affordable).
Build Costs	BCIS Lower Quartile “Housing, mixed developments” + 15% for externals.	BCIS Lower Quartile “General Estate Housing” + 10% for externals.
Contingency	4%	3%
Abnormal Costs	£5,300,567	N/A – Abnormal costs are site specific
Professional Fees	8%	8%
Sales & Marketing	2.5% (market units)	3.5% (market units)
Finance	6.5%	6.0%

On this basis in delivering the proposed scheme the site cannot also support any affordable housing, nor a full S106 provision.

INTRODUCTION

Great Northern Estates (Consultancy) Ltd (GNEC) has prepared this Viability Assessment (VA) on behalf of Newett Homes Ltd to assess what quantum of affordable housing provision the subject site can support.

The greenfield site is known as Land to the north west of Woodsome Drive, Fenay Bridge. Allocated for housing with the local plan (reference HS1) it also benefits from a full planning consent for 68 new homes (application reference 2020/90725). The site is now the subject of another application by Newett Homes.

The National Planning Policy Framework (NPPF) and associated Planning Practice Guidance (PPG, Updated September 2019) are the two predominant pieces of guidance governing the preparation of Viability Assessments. Further advice is provided in the RICS “Financial Viability in Planning: conduct and reporting” professional statement (May 2019). This VA has been undertaken in accordance with all these documents.

Our Terms of Engagement are attached at Appendix 6. We confirm that no performance-related nor contingent fees have been agreed in relation to the preparation of this VA, and that in its preparation we have acted objectively, independently, impartially and with reference to all appropriate available sources of information.

The financial appraisals provided at Appendix 2 have been undertaken by _____ using Argus Developer. Argus Developer is a widely utilised specialist software package which is recognised by both the RICS and major funding institutions.

For the purpose of this VA we have relied upon the following: -

- Planning Layout (drawing reference Z078-001 Rev E);
- Achieved sales values relating to similar schemes from HM Land Registry;
- BCIS based build costs (BCIS Lower Quartile “Housing, mixed developments” + 15% for externals);
- Abnormal costs of development as provided by Newett Homes;
- Kirklees Council Community Infrastructure Levy Viability Update (dated May 2019).

Whilst this report has been prepared solely for the use of Newett Homes, GNEC recognises that it will also be used by Kirklees Council (KC) to consider the financial viability of the scheme and its ability to deliver Affordable Housing. As such we understand that it may be shared with KC advisors. It cannot however be relied upon by any third parties. Whilst the same principles have been applied, it does not constitute a “Red Book” valuation in accordance with Valuation Standards 1.1 of the RICS Global and UK Valuation Standards (July 2017) and should not be relied upon as such. It cannot be relied upon for loan security purposes nor any purpose other than Viability in Planning. The contents of the report should not be reproduced in part nor in full without our prior written consent.

Please note that this report contains commercially sensitive information relating to abnormal development costs. Whilst we acknowledge that the report should be made publicly available in line with the National Planning Guidance, we respectfully request that the abnormal cost information is redacted, or, more appropriately, that only the Non-Technical Executive Summary is put into the public domain. Many thanks.

CONTEXT

Paragraph 56 of the National Planning Policy Framework (NPPF) states that: -

“Planning conditions should be kept to a minimum and only imposed where they are necessary, relevant to planning and to the development to be permitted, enforceable, precise and reasonable in all other respects.”

And paragraph 57 goes on to say: -

“Planning obligations must only be sought where they meet all of the following tests:

- a) necessary to make the development acceptable in planning terms;*
- b) directly related to the development; and*
- c) fairly and reasonably related in scale and kind to the development “*

The Kirklees Local Plan was adopted on 27 February 2019, and the subject site is allocated (allocation reference HS1). The Interim Affordable Housing Policy covers the Council's approach to the provision of affordable housing on new developments. 20% affordable housing is sought as part of schemes of 10 or more dwellings. Those affordable homes should be provided on site.

A previous application (reference 2020/62/90725/W) by Farnley Estates (No 1) LLP/Engie Regeneration Ltd/Stonewater Ltd for the erection of 68 dwellings with associated access, parking and open space was granted in September 2021.

In determining whether a proposed development is financially viable, all the costs of development (including developer's profit) are deducted from the Gross Development Value (i.e. the cumulative value of all the completed units), to arrive at what is known as the residual land value. This residual land value is then compared with a hypothetical benchmark land value (BLV). If the residual land value exceeds the BLV then the scheme is deliverable. If lower, then the scheme is financially unviable. More detail in respect of the BLV can be found under the “Landowner & Developer's Return” section of this report.

PROPOSED SCHEME

The proposed scheme comprises 68 units, and the layout is attached at Appendix 1 (drawing reference Z078-001 Rev E). A summary of the proposed accommodation is as follows : -

House Type	Beds	Storeys	sq. ft. / unit	No	Total sq. ft.
Elm	2	Semi	2	11	8,371
T3	3	Semi	2	4	3,624
Blackthorn	3	Detached	2	10	9,730
Laurel	3	Semi	2	4	4,000
Beeches	3	Semi	3	10	11,450
Rowan	3	Semi	3	6	7,128
Aspen	3	Semi	2.5	4	4,264
Mulberry	4	Detached Integral	2	1	1,246
Willow	4	Detached	2	1	1,384
Willow Alt	4	Detached	2	5	6,920
Cedar	4	Detached Integral	2	3	4,614
Woodlark	4	Detached	2	1	1,599
SL02	4	Detached	3	8	12,744
Total				68	77,074

FINANCIAL VIABILITY & APPRAISAL INPUTS

The financial appraisals provided at Appendix 2 have been undertaken by _____ using Argus Developer. Argus Developer is a widely utilised specialist software package which is recognised by both the RICS and major funding institutions. This software considers the impact of time and finance upon a scheme's viability.

The principles of a Viability Assessment are discussed at Paragraph 010 of the new Viability Guidance: -

"Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at

the key elements of gross development value, costs, land value, landowner premium, and developer return”.

We detail the various inputs below.

Achievable Sales Values

The best evidence in respect of new build sales values is of course derived from recent similar new build schemes within the vicinity. There is a dearth of such directly comparable information, and so we have considered sales at several sites which are further afield over the past 12 months together with current asking prices at Tinker Lane Lepton, as detailed in the Comparable Sales Value Analysis at Appendix 3.

It is important to note that to achieve sustained sales, developers generally need to offer incentives (such as part exchange, white goods, conservatories, stamp duty etc) to purchasers. Whilst these come at a cost, that cost is not reflected in the recorded house price, albeit it impacts upon the net sales receipt. The cost of incentives given will depend upon sales rates and market conditions at the time, but currently equates to around 3% of the house price.

The second-hand market is of less use in determining true value, as it is often the case that both asking and selling price are determined by a particular seller's circumstances, rather than being an accurate reflection of the market. Furthermore, there is a very real commercial difference between the sale of one dwelling in isolation and the need to sell a number of dwellings over a sustained period.

To ensure consistency in calculating the £psf in respect of individual properties, we have adopted the floor areas detailed on the Energy Performance Certificate for each dwelling, unless illustrated otherwise on the spreadsheet attached at Appendix 3.

It is also important to consider the rate at which the units will be built and sold, as this impacts upon the finance costs. We have applied a relatively standard 4 sales per calendar month.

With a view to the sales values considered we have applied £300psf across the 2 storey house types, discounting the 2.5 and 3 storey units (as is common practice) by 7.5% and 10% respectively. We feel these prices are realistic to generate the requisite sustained rate of sales.

Build Costs

Paragraph 020 of the Guidance (dated 24th July 2018 www.gov.uk/guidance/viability) states that :

“At the decision making stage, any deviation from the figures used in the viability assessment of the plan should be explained and supported by evidence”.

The Kirklees Council Community Infrastructure Levy Viability Update (CILVU) dated May 2019 applied BCIS lower quartile values for “general estate housing” to schemes of 50 or more units, plus an uplift of 10% for external works. However, the “estate housing generally” BCIS only considers units of up to 2 storeys. 41% of the proposed units on the subject site are 2.5 and 3 storeys, which impacts upon the build cost. As such we have utilised the lower quartile figure but applied 15% for externals to reflect that increased cost.

Applying a 15% uplift for externals to the current BCIS lower quartile “general estate housing” figure of £1,114psm results in a build cost of £1281.10psm or £119.02psf.

It is standard practice to apply between 3% and 5% contingency. We have applied 4%.

Abnormal Costs

The build costs detailed above do not include site specific abnormal costs including those which are not incorporated as part of the externals allowance. A comprehensive schedule of these costs is attached at Appendix 4.

The abnormal costs total £5,300,567, equating to £1,266,983 per net developable acre, and £77,949.51 per plot.

Clearly the viability of the proposed scheme will be affected by the identification of further abnormal items or the increase/decrease in costs of those listed above.

Planning Contributions

We have considered planning contributions in line with those detailed within the S106 Agreement dated 31st August 2021 (relating to the previously consented scheme) :-

Education Contribution	:	£135,308
Real Time Information Contribution	:	£ 10,000
Sustainable Travel Fund	:	£ 37,851
Off-site Public Open Space Contribution:		£ 32,244
Biodiversity Net Gain Contribution	:	£210, 594

Payment of the first three contributions is required before occupation of any of the dwellings. Payment of the off-site POS contribution is required prior to occupation of 34 of the dwellings. The payments have been timed accordingly in the appraisal.

Professional Fees

We have included Professional Fees at a relatively standard 8% of build costs. We note that the CILVU allows 8%.

Marketing & Sales

We have adopted a rate of 2.5% of gross development value, (applicable to the market units) to cover the cost of provision of a show home, sales staff salaries/estate agent fees, advertising (online and local regional papers/magazines), brochures etc associated with each individual sale, as well as legal fees relating to the disposal of the individual units.

It should be noted that marketing expenditure may need to be increased if sales turn out to be slower than anticipated.

Finance Costs

Having regard to the availability of development funding for a scheme of this nature in the current financial climate we have utilised a finance rate of 6.5%. This is slightly higher than the 6% applied in the CILVU, to reflect the fact that the Bank of England has increased the base rate from 0.75% at the date of that report to 2.25% today.

Landowner & Developer's Return

In determining whether a proposed development is financially viable, all the costs of development (including developer's profit) are deducted from the Gross Development Value (i.e. the cumulative value of all the completed units), to arrive at what is known as the residual land value. This residual land value is then compared with a hypothetical benchmark land value (BLV). If the residual land value exceeds the BLV then the scheme is deliverable. If lower, then the scheme is financially unviable.

Paragraph 014 of the 2019 National Planning Guidance clearly states that a benchmark land value should:

- Be based upon existing use value;
- Allow for a premium for the landowner;
- Reflect the impact of abnormal costs, site-specific infrastructure costs & professional site fees.

It goes on to say that :

"Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value", and also confirms that the price paid for the land will, under no circumstances, justify non-compliance with relevant policies in decision making.

Identifying an appropriate BLV therefore requires careful judgement, bearing in mind that national planning guidance indicates that land which is appropriate for housing should be encouraged forward for development.

The KC Viability Guidance Note dated June 2020 concurs with the PPG that a BLV be based on existing use value (EUV) plus a premium for the landowner (i.e. an incentive to sell). This is commonly referred to as "EUV+".

As the land already benefits from an full planning consent for residential development of 68 dwellings, that consent constitutes an existing residential use.

However, it is nonsensical to try and determine an existing residential value by way of a residual appraisal, to then add a premium to reach a BLV, and ultimately compare that BLV with the residual appraisal delivered as part of the viability exercise.

As referenced above, market evidence can only be used as a "cross-check" of BLV. Furthermore, it is difficult to accurately analyse sales or acquisitions of similar sites with residential consents unless directly involved in those transactions. Even then, whilst full details and extent of factors affecting value may be known, landowners (and indeed purchasers) will wish the details to be kept confidential.

We have therefore considered the alternative existing use value - for agricultural land. Whilst the Agricultural Land Classification Maps are not intended for accurate assessment of individual fields, they do offer a useful broad-brush indication. The map for the Yorkshire & Humber region identifies the site as being “Land predominantly in urban use”, but that immediately to the west of Penistone Road is considered “good to moderate”. It is therefore reasonable to assume that the subject site is of a similar quality.

The Farmer’s Weekly Interactive publishes average land values per county. Whilst indicative these are a useful guide, compiled from the opinions of Knight Frank’s agents across the country. The figures for Yorkshire (covering the latter half of 2021) are as follows:

	Per Acre
Prime Pasture	£8,250
Average Pasture	£7,700
Poor Pasture	£7,260

The market for farmland remains buoyant, fuelled by a lack of supply and strong demand, including from those purchasers seeking to make environmentally motivated purchases for rewilding or tree planting.

In light of the above we are of the opinion that £7,500-8,000 per acre is a conservative yet appropriate existing use value for the land.

As is widely accepted, in both guidance and case law, and confirmed in the CILVU, a premium over and above the EUV must be offered to incentivise a willing landowner to release that land for development. In the case of agricultural land this premium is usually expressed as a multiple, as a percentage uplift of a nominal base figure will not be sufficient to do so. Higher multiples apply to sites which lie on urban fringes, or are allocated or benefit from a planning consent, to reflect the fact that these sites are more likely to come forward and are therefore more valuable. In our experience multiples of between 15 to 25 are most commonly applied.

Whilst the subject site benefits from a residential planning consent, the abnormal costs associated with delivering the scheme are particularly high, equating to £1,266,983 per net developable acre or £77,950 per plot.

The Ministry of Housing, Communities & Local Government (MHCLG) periodically commissions Land Value Estimates for Policy Appraisal, which are calculated by the VOA using a truncated residual calculation. The figures provided relate to a hypothetical site, regular shaped serviced site, assume that a planning consent is in place, but do not allow for any affordable housing, S106 / CIL contributions nor any abnormal costs. In other words, they are “greenfield” values which must be adjusted accordingly to be of any use. It is acknowledged that in some instances schemes generate a negative land value through the model, and so a “floor value” is applied. This represents the figure at which it is considered unlikely that land would be released for residential development. That figure is £370,000 per hectare, or £149,737 for areas outside London.

Similarly, the CILVU acknowledges that “a precedent has been established in viability cases within Kirklees of a minimum landowner’s return of £370,650 per ha (£150,000 per acre) where sites incur high abnormal costs”.

Whilst the guidance supports “cross-checking” the BLV with appropriately adjusted land transactions, as referenced above, in practice this is difficult to do. Whilst price paid data and information relating to planning contributions is readily available, that relating to the abnormal costs associated with delivering such sites is not, unless one has been directly involved. Even then the landowner and developer are likely to wish this commercially sensitive information to remain confidential. However, without this information it is impossible to sufficiently adjust for comparison purposes.

With all this in mind, a benchmark of £150,000 per acre is deemed appropriate. This equates to 18.75-20 times the existing agricultural value of £7,500-8,000 per acre, reflecting the fact that the site benefits from an existing residential planning consent but will equally incur substantial abnormal development costs.

Applying £150,000 per acre to the gross site area of 5.61 acres generates a benchmark land value of £841,500.

In October 2014 Savills produced a briefing note on behalf of the Housebuilding Federation (HBF), presenting evidence on what represents a competitive return to a willing developer. The conclusions of this report are clear that the **minimum** profit level used within viability testing should be 20% of GDV.

The concept of a developer return of this level is now widely agreed in the majority of guidance and a number of appeal decision. Banks funding residential development require a minimum of 20% profit on GDV in order to finance such development, as do PLC housebuilders who fund the build from their own internal resources.

It is now widely recognised that a lower return should apply to affordable units which are transferred to a Registered Provider, in respect of which the sales risk is removed. The commonly accepted return, in line with the CILVU, is 6% on GDV.

As the scheme is unable to support any affordable housing, we have adopted a developer’s return of 20% on GDV across the scheme to reflect the substantial risks associated with delivering the development.

FINANCIAL APPRAISAL

The financial appraisals attached at Appendix 2 have been produced using standard widely accepted costs in relation to developer’s return, professional fees, marketing, finance etc.

This approach is both reasonable and robust, following standard practice as per RICS Guidance.

The first appraisal does not allow for any affordable housing but does account for all for the S016 Contributions as per the signed S106 Agreement relating to application 2020/90725, on the basis that the current application is for the same number of dwellings. The appraisal delivers a residual land value of £590,741. This is £250,759 below the BLV, meaning that the site cannot provide a full S106 package, even when the affordable housing provision is removed altogether.

The second appraisal shows a S106 “pot” of £140,000, and no affordable housing. This delivers a residual land value of £841,328 or £149,969 per acre, which is broadly in line with the BLV.

Therefore, in order for the scheme to be viable it can only deliver S106 contributions totalling £140,000. No affordable housing can be supported in addition to this contribution.

Both appraisals have sensitivity analyses attached demonstrating the impact of increased and decreased sales values and build upon the residual land value.

CONCLUSION

In conclusion, if the site is to be developed in accordance with the proposed scheme it cannot provide any affordable housing and can only deliver £140,000 of S106 contributions. That “pot” of contributions can be divided up however KC wishes.

This is a “best case” scenario; any additional costs would detrimentally impact further upon the scheme’s viability.

This conclusion remains valid for 6 months from the date of issue unless market circumstances change significantly or further relevant information comes to light of a substantial enough nature to cause the author to revise her opinion. Should delivery of the scheme be delayed beyond this point it is likely to be necessary to update the VA to reflect changing market conditions and increases in build cost.

Report Completed By :

Date : 5 October 2022

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Appendix 2 – Financial Appraisals & Sensitivity Analyses

APPRAISAL SUMMARY NEWETT HOMES

Fenay Bridge
Appraisal i : No Affordable Housing But Full S106

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
Elm (2 bed semi)	11	8,371	300.00	228,300	2,511,300
T3 (3 bed semi)	4	3,624	300.00	271,800	1,087,200
Blackthorn (3 bed detached)	10	9,730	300.00	291,900	2,919,000
Laurel (3 bed semi)	4	4,000	300.00	300,000	1,200,000
Beeches (3 bed semi - 3 storey)	10	11,450	270.00	309,150	3,091,500
Rowan (3 bed semi - 3 storey)	6	7,128	270.00	320,760	1,924,560
Aspen (3 bed semi - 2.5 storey)	4	4,264	277.50	295,815	1,183,260
Mulberry (4 bed detached integral)	1	1,246	300.00	373,800	373,800
Willow (4 bed detached)	1	1,384	300.00	415,200	415,200
Willow Alt (4 bed detached)	5	6,920	300.00	415,200	2,076,000
Cedar (4 bed detached integral)	3	4,614	300.00	461,400	1,384,200
Woodlark (4 bed detached)	1	1,599	300.00	479,700	479,700
SL02 (4 bed detached) 3 storey	<u>8</u>	<u>12,744</u>	270.00	430,110	<u>3,440,880</u>
Totals	68	77,074			22,086,600

NET REALISATION

22,086,600

OUTLAY

ACQUISITION COSTS

Residualised Price (5.61 Acres @ 105,301.45 /Acre)	590,741	
		590,741
Stamp Duty	19,037	
Effective Stamp Duty Rate	3.22%	
Legal Fee	4,431	
		23,468

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost
Elm (2 bed semi)	8,371	119.02	996,316
T3 (3 bed semi)	3,624	119.02	431,328
Blackthorn (3 bed detached)	9,730	119.02	1,158,065
Laurel (3 bed semi)	4,000	119.02	476,080
Beeches (3 bed semi - 3 storey)	11,450	119.02	1,362,779
Rowan (3 bed semi - 3 storey)	7,128	119.02	848,375
Aspen (3 bed semi - 2.5 storey)	4,264	119.02	507,501
Mulberry (4 bed detached integral)	1,246	119.02	148,299
Willow (4 bed detached)	1,384	119.02	164,724
Willow Alt (4 bed detached)	6,920	119.02	823,618
Cedar (4 bed detached integral)	4,614	119.02	549,158
Woodlark (4 bed detached)	1,599	119.02	190,313
SL02 (4 bed detached) 3 storey	<u>12,744</u>	119.02	<u>1,516,791</u>
Totals	77,074 ft²		9,173,347
Contingency		4.00%	366,934
Electric Vehicle Charging			38,805
Acoustic Measures			14,100
Natural Stone Materials Uplift			27,000
Building Regs Alterations			474,000
Road Widening & Section 278 Works			285,020
Additional Site Clearance			5,000
Tree Protection Measures			6,500
On-Site Abnormal Sewers			373,470
Off-Site Abnormal Sewers			175,000
On-Site Abnormal Site Works			891,762
Off-Site Abnormal Site Works			30,600

Fenay Bridge

Appraisal i : No Affordable Housing But Full S106

Abnormal Foundations		380,070	
Tanking to Split Level Plots		150,000	
Retaining Walls/Details		2,114,000	
Make Good Drystone Wall		50,000	
General Land Drainage		21,300	
Utility Diversions / Lowering		79,240	
Substation		40,000	
Site & Dust Management		10,000	
POS Works - Grading/Topsoiling & La		40,700	
LEAP/Play Area		94,000	
Education Contribution		135,308	
Off-Site POS Contribution		32,244	
Real Time Bus Stop Contribution		10,000	
SustainableTravel Fund Contribution		37,851	
BNG contribution inc 15% admin fee		210,594	
			6,093,498
PROFESSIONAL FEES			
Professional Fees	8.00%	733,868	
			733,868
DISPOSAL FEES			
Sales & Marketing	2.50%	552,165	
			552,165
FINANCE			
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)			
Total Finance Cost			502,193
TOTAL COSTS			17,669,280
PROFIT			4,417,320
Performance Measures			
Profit on Cost%	25.00%		
Profit on GDV%	20.00%		
Profit on NDV%	20.00%		
Profit Erosion (finance rate 6.500)		3 yrs 6 mths	
Land Cost pAcre		105,301	

**Fenay Bridge
Appraisal i : No Affordable Housing But Full S106**

Table of Land Cost and Land Cost

	Construction: Rate /ft²				
Sales: Rate /ft²	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
	107.12 /ft²	113.07 /ft²	119.02 /ft²	124.97 /ft²	130.92 /ft²
-10.000%	£5,272	£488,506	£971,739	£1,457,476	£1,943,313
243.00 /ft²	£5,272	£488,506	£971,739	£1,457,476	£1,943,313
-5.000%	(£754,801)	(£297,843)	£178,765	£661,999	£1,146,067
256.50 /ft²	(£754,801)	(£297,843)	£178,765	£661,999	£1,146,067
0.000%	(£1,504,658)	(£1,047,700)	(£590,741)	(£130,000)	£352,259
270.00 /ft²	(£1,504,658)	(£1,047,700)	(£590,741)	(£130,000)	£352,259
+5.000%	(£2,254,516)	(£1,797,557)	(£1,340,598)	(£883,640)	(£426,681)
283.50 /ft²	(£2,254,516)	(£1,797,557)	(£1,340,598)	(£883,640)	(£426,681)
+10.000%	(£3,004,373)	(£2,547,414)	(£2,090,456)	(£1,633,497)	(£1,176,538)
297.00 /ft²	(£3,004,373)	(£2,547,414)	(£2,090,456)	(£1,633,497)	(£1,176,538)

Appendix 2 – Financial Appraisals & Sensitivity Analyses

APPRAISAL SUMMARY

NEWETT HOMES

Fenay Bridge
Appraisal ii : S106 Offering

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
Elm (2 bed semi)	11	8,371	300.00	228,300	2,511,300
T3 (3 bed semi)	4	3,624	300.00	271,800	1,087,200
Blackthorn (3 bed detached)	10	9,730	300.00	291,900	2,919,000
Laurel (3 bed semi)	4	4,000	300.00	300,000	1,200,000
Beeches (3 bed semi - 3 storey)	10	11,450	270.00	309,150	3,091,500
Rowan (3 bed semi - 3 storey)	6	7,128	270.00	320,760	1,924,560
Aspen (3 bed semi - 2.5 storey)	4	4,264	277.50	295,815	1,183,260
Mulberry (4 bed detached integral)	1	1,246	300.00	373,800	373,800
Willow (4 bed detached)	1	1,384	300.00	415,200	415,200
Willow Alt (4 bed detached)	5	6,920	300.00	415,200	2,076,000
Cedar (4 bed detached integral)	3	4,614	300.00	461,400	1,384,200
Woodlark (4 bed detached)	1	1,599	300.00	479,700	479,700
SL02 (4 bed detached) 3 storey	8	12,744	270.00	430,110	3,440,880
Totals	68	77,074			22,086,600

NET REALISATION

22,086,600

OUTLAY

ACQUISITION COSTS

Residualised Price (5.61 Acres @ 149,969.42 /Acre)	841,328	
		841,328
Stamp Duty	31,566	
Effective Stamp Duty Rate	3.75%	
Legal Fee	6,310	
		37,876

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost
Elm (2 bed semi)	8,371	119.02	996,316
T3 (3 bed semi)	3,624	119.02	431,328
Blackthorn (3 bed detached)	9,730	119.02	1,158,065
Laurel (3 bed semi)	4,000	119.02	476,080
Beeches (3 bed semi - 3 storey)	11,450	119.02	1,362,779
Rowan (3 bed semi - 3 storey)	7,128	119.02	848,375
Aspen (3 bed semi - 2.5 storey)	4,264	119.02	507,501
Mulberry (4 bed detached integral)	1,246	119.02	148,299
Willow (4 bed detached)	1,384	119.02	164,724
Willow Alt (4 bed detached)	6,920	119.02	823,618
Cedar (4 bed detached integral)	4,614	119.02	549,158
Woodlark (4 bed detached)	1,599	119.02	190,313
SL02 (4 bed detached) 3 storey	12,744	119.02	1,516,791
Totals	77,074 ft²		9,173,347

Contingency	4.00%	366,934
Electric Vehicle Charging		38,805
Acoustic Measures		14,100
Natural Stone Materials Uplift		27,000
Building Regs Alterations		474,000
Road Widening & Section 278 Works		285,020
Additional Site Clearance		5,000
Tree Protection Measures		6,500
On-Site Abnormal Sewers		373,470
Off-Site Abnormal Sewers		175,000
On-Site Abnormal Site Works		891,762
Off-Site Abnormal Site Works		30,600



APPRAISAL SUMMARY**NEWETT HOMES****Fenay Bridge****Appraisal ii : S106 Offering**

Abnormal Foundations		380,070	
Tanking to Split Level Plots		150,000	
Retaining Walls/Details		2,114,000	
Make Good Drystone Wall		50,000	
General Land Drainage		21,300	
Utility Diversions / Lowering		79,240	
Substation		40,000	
Site & Dust Management		10,000	
POS Works - Grading/Topsoiling & La		40,700	
LEAP/Play Area		94,000	
S106 pot		140,000	
			5,807,501

PROFESSIONAL FEES

Professional Fees	8.00%	733,868	733,868
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DISPOSAL FEES

Sales & Marketing	2.50%	552,165	552,165
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FINANCE

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)			
Total Finance Cost			523,194

TOTAL COSTS**17,669,280****PROFIT****4,417,320****Performance Measures**

Profit on Cost%	25.00%
Profit on GDV%	20.00%
Profit on NDV%	20.00%

Profit Erosion (finance rate 6.500)

3 yrs 6 mths

Land Cost pAcre

149,969

SENSITIVITY ANALYSIS REPORT**NEWETT HOMES****Fenay Bridge****Appraisal ii : S106 Offering****Table of Land Cost and Land Cost**

		Construction: Rate /ft²			
Sales: Rate /ft²	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
	107.12 /ft²	113.07 /ft²	119.02 /ft²	124.97 /ft²	130.92 /ft²
-10.000%	(£255,533)	£223,510	£706,743	£1,191,052	£1,676,889
243.00 /ft²	(£255,533)	£223,510	£706,743	£1,191,052	£1,676,889
-5.000%	(£1,005,389)	(£548,430)	(£85,589)	£397,003	£880,237
256.50 /ft²	(£1,005,389)	(£548,430)	(£85,589)	£397,003	£880,237
0.000%	(£1,755,246)	(£1,298,287)	(£841,328)	(£384,370)	£87,263
270.00 /ft²	(£1,755,246)	(£1,298,287)	(£841,328)	(£384,370)	£87,263
+5.000%	(£2,505,103)	(£2,048,144)	(£1,591,186)	(£1,134,227)	(£677,268)
283.50 /ft²	(£2,505,103)	(£2,048,144)	(£1,591,186)	(£1,134,227)	(£677,268)
+10.000%	(£3,254,960)	(£2,798,002)	(£2,341,043)	(£1,884,084)	(£1,427,126)
297.00 /ft²	(£3,254,960)	(£2,798,002)	(£2,341,043)	(£1,884,084)	(£1,427,126)

Appendix 3 – Comparable Sales Values Analysis

Date		Address		Price	sq. m.	sq. ft.	£psf	Incentives	Housetype
Harron - Oaklands Heath, Birchcliffe									
31/03/2021	3	WOODLANDS COURT	HD2 2FZ	£599,995	227	2,443	£245.55	£238.19	D
14/05/2021	5	WOODLANDS COURT	HD2 2FZ	£579,995	212	2,282	£254.16	£246.54	D
30/06/2021	2	WOODLANDS COURT	HD2 2FZ	£602,995	227	2,443	£246.78	£239.38	D
30/07/2021	7	WOODLANDS COURT	HD2 2FZ	£605,995	227	2,443	£248.01	£240.57	D
31/08/2021	9	WOODLANDS COURT	HD2 2FZ	£560,995	204	2,196	£255.48	£247.81	D
24/11/2021	16	WOODLANDS COURT	HD2 2FZ	£590,995	211	2,271	£260.21	£252.41	D
26/11/2021	11	WOODLANDS COURT	HD2 2FZ	£601,995	211	2,271	£265.06	£257.10	D
08/12/2021	12	WOODLANDS COURT	HD2 2FZ	£572,500	204	2,196	£260.72	£252.90	D
15/12/2021	161	YEW TREE ROAD	HD3 3QN	£485,995	141	1,518	£320.21	£310.61	D
17/12/2021	15	WOODLANDS COURT	HD2 2FZ	£568,995	204	2,196	£259.12	£251.35	D
22/12/2021	14	WOODLANDS COURT	HD2 2FZ	£614,995	227	2,443	£251.69	£244.14	D
21/01/2022	10	WOODLANDS COURT	HD2 2FZ	£620,995	227	2,443	£254.15	£246.52	D
24/03/2022	8	WOODLANDS COURT	HD2 2FZ	£596,995	211	2,271	£262.85	£254.97	D
28/03/2022	6	WOODLANDS COURT	HD2 2FZ	£552,495	204	2,196	£251.61	£244.06	D
31/03/2022	27	FOREST COURT	HD2 2FY	£256,496	81	872	£294.19	£285.36	S
11/04/2022	29	FOREST COURT	HD2 2FY	£245,995	81	872	£282.14	£273.68	S
29/04/2022	39	FOREST COURT	HD2 2FY	£246,995	81	872	£283.29	£274.79	T
29/04/2022	41	FOREST COURT	HD2 2FY	£255,000	81	872	£292.47	£283.70	T
26/05/2022	35	FOREST COURT	HD2 2FY	£289,995	109	1,173	£247.17	£239.75	D
						Mean	£266.77	£258.77	
						Median	£260.21	£252.41	
Persimmon, Lindley Moor Meadows									
24/09/2021	14	WEATHERHILL RISE	HD3 2AF	£314,950	132	1,421	£221.66	£215.01	D
24/09/2021	18	WEATHERHILL RISE	HD3 2AF	£259,950	104	1,119	£232.21	£225.24	D
28/10/2021	24	WEATHERHILL RISE	HD3 2AF	£259,950	104	1,119	£232.21	£225.24	D
						Mean	£228.70	£221.83	
						Median	£232.21	£225.24	
						Mode	£232.21	£225.24	
Harron - "Highfie All 2 storey. Plots 18 & 68 are the only 2.5 storey on the site.									
30/09/2021	43	HIGHFIELD CLOSE	HD2 2GN	£385,995	122	1,313	£293.93	£285.11	D
30/09/2021	45	HIGHFIELD CLOSE	HD2 2GN	£365,995	115	1,238	£295.67	£286.80	D
22/10/2021	47	HIGHFIELD CLOSE	HD2 2GN	£355,995	106	1,141	£312.01	£302.65	D
29/10/2021	48	HIGHFIELD CLOSE	HD2 2GN	£392,995	123	1,324	£296.83	£287.93	D
29/10/2021	50	HIGHFIELD CLOSE	HD2 2GN	£409,995	128	1,378	£297.57	£288.65	D
						Mean	£299.20	£290.23	
						Median	£296.83	£287.93	
SCISSETT All 2 storey.									
27/05/2022	14	PARK GATE DRIVE	HD8 9WD	£414,950	136	1,464	£283.45	£274.95	D
20/05/2022	80	PARK GATE DRIVE	HD8 9WD	£359,950	120	1,292	£278.67	£270.31	D
13/05/2022	78	PARK GATE DRIVE	HD8 9WD	£309,950	106	1,141	£271.65	£263.50	D
06/05/2022	76	PARK GATE DRIVE	HD8 9WD	£364,950	120	1,292	£282.54	£274.06	D
28/04/2022	74	PARK GATE DRIVE	HD8 9WD	£328,950	112	1,206	£272.86	£264.67	D
18/03/2022	12	PARK GATE DRIVE	HD8 9WD	£356,950	120	1,292	£276.35	£268.06	D
04/03/2022	8	PARK GATE DRIVE	HD8 9WD	£299,950	106	1,141	£262.89	£255.00	D
28/02/2022	10	PARK GATE DRIVE	HD8 9WD	£297,950	106	1,141	£261.13	£253.30	D
16/02/2022	7	PARK GATE DRIVE	HD8 9WH	£305,950	104	1,119	£273.30	£265.10	D
14/02/2022	5	PARK GATE DRIVE	HD8 9WH	£304,950	106	1,141	£267.27	£259.25	D
04/02/2022	4	BEANLANDS COURT	HD8 9WF	£364,950	120	1,292	£282.54	£274.06	D
28/01/2022	3	BEANLANDS COURT	HD8 9WF	£309,950	106	1,141	£271.65	£263.50	D
21/01/2022	2	BEANLANDS COURT	HD8 9WF	£359,950	120	1,292	£278.67	£270.31	D
04/01/2022	1	BEANLANDS COURT	HD8 9WF	£309,950	106	1,141	£271.65	£263.50	D
						Mean	£273.90	£265.68	
						Median	£273.08	£264.89	
						Mode	£271.65	£263.50	

Appendix 4 - Abnormal Costs

Economic Viability Assessment (EVA)			
SITE: Pennistone Road, Fenay Bridge, Huddersfield, HD8 0AW 68 Plots - Planning Layout: Z078-001E			
Dwelling Structure Abnormals			
Electrical Vehicle Charging	£	38,805.00	
Acoustic Measures	£	14,100.00	
Natural Stone Materials Uplift	£	27,000.00	
Building Regulations Alterations	£	474,000.00	£ 553,905.00
Abnormals Off Site Works			
Road Widening & Section 278 Works	£	285,020.00	£ 285,020.00
Abnormals Site Clearance / Protection			
Additional Site Clearance - Trees / Scrub & Tree Surgery	£	5,000.00	
Tree Protection Measures	£	6,500.00	£ 11,500.00
Abnormals Main Siteworks			
On-Site Abnormal Sewers	£	373,470.00	
Off-Site Abnormal Sewers	£	175,000.00	
On-Site Abnormal Site Works	£	891,762.00	
Off-Site Abnormal Site Works	£	30,600.00	£ 1,470,832.00
Abnormals Substructure			
Abnormal Foundations	£	380,070.00	
Tanking to Split Level Plots	£	150,000.00	£ 530,070.00
Abnormals Local Siteworks			
Retaining Walls / Details	£	2,114,000.00	
Make Good Drystone Wall (PC Sum)	£	50,000.00	
General Land Drainage	£	21,300.00	£ 2,185,300.00
Abnormals Utility Works			
Utility Diversions / Lowering	£	79,240.00	
Substation	£	40,000.00	£ 119,240.00
Abnormals Site Overheads			
Silt and Dust Management	£	10,000.00	£ 10,000.00
Abnormals Other			
POS Works - Grading/Topsoiling & Landscaping	£	40,700.00	
LEAP / Play Area	£	94,000.00	£ 134,700.00
S106/Planning Obligations			
Education	£	135,000.00	
Travel Plan	£	10,000.00	
Greenspace Contribution	£	32,000.00	
Bus Stop/Display Contribution	£	38,000.00	
Indexation		Excluded	£ 215,000.00
		Total	£ 5,515,567.00
<i>Note 1: - for details see 'Breakdown'</i>			
<i>Note 2: - Estimated planning & civils enabling works, result in plot commencements Jan-24, first legal completions mid 2024</i>			

Breakdown of Costs

SITE: Pennistone Road, Fenay Bridge, Huddersfield, HD8 0AW
68 Plots - Planning Layout Z078-001E



Ref	Dwelling Structure Abnormals	Qty	Unit	Rate	Total	Comments
A	Electrical Vehicle Charging					
	Car Charging Point Allowance	68	plots	555	£ 37,740.00	All Plots (1-68)
	Additional Car Charing Point (detached garage)	9	nr	85	£ 765.00	Plots (1/2/17/18/24/32/34/35/44)
	Additional Car Charing Point (remote parking space)	3	nr	100	£ 300.00	Plots (25/26/40)
B	Acoustic Measures					
	Acoustic trickle vents and glazing upgrades	21	plots	350	£ 7,350.00	All plots facing onto Penistone Rd
	Acoustic Fencing (EO rate from standard fence-line)	270	Lm	25	£ 6,750.00	Frontage / facing onto Penistone Rd
C	Natural Stone Materials Uplift	18	plots	1,500	£ 27,000.00	All plots facing onto Penistone Rd
D	Building Regulation Alterations					
	2022 Amends	68	plots	4,500	£ 306,000.00	PC Sum Allowance per plot
	2025 Amends (EO)* (see Note 2 - on EVA)	28	plots	6,000	£ 168,000.00	EO Sum Allowance to 2022 per plot
	Abnormals Off Site Works					
E	Road Widening / s.278 Works					
	Setting Out	1	Item	2,500	£ 2,500.00	PC Sum Allowance
	Supervision	1	Item	8,000	£ 8,000.00	
	Traffic Management	1	Item	12,500	£ 12,500.00	PC Sum Allowance
	Break out Existing Kerbs	210	Lm	10	£ 2,100.00	
	Saw cutting / preparation	1	Item	2,000	£ 2,000.00	PC Sum Allowance
	Drainage Adjustments	1	Item	5,000	£ 5,000.00	PC Sum Allowance
	Kerbing / Race	210	Lm	55	£ 11,550.00	
	New Road Construction	312	m2	110	£ 34,320.00	
	Plane and Re-surface (Surface Course)	2092.5	m2	60	£ 125,550.00	Incl. proportion both carriageways
	Works to Binder Course	1	Item	15,000	£ 15,000.00	PC Sum Allowance
	Forming entrances	2	No.	20,000	£ 40,000.00	PC Sum Allowance
	White Lining	1	Item	4,000	£ 4,000.00	PC Sum Allowance
	Weekend / Evening Working	1	Item	10,000	£ 10,000.00	PC Sum Allowance
	Bus Stop Relocation	1	Item	7,500	£ 7,500.00	PC Sum Allowance
	Fees	1	Item	5,000	£ 5,000.00	PC Sum Allowance
	Abnormals Site Clearance / Protection					
F	Additional Site Clearance - Trees / Scrub & Tree Surgery	1	Item	5,000	£ 5,000.00	PC Sum Allowance (Increased Extent)
G	Tree Protection Measures	130	Lm	50	£ 6,500.00	
	Abnormals Main Siteworks					
H	On-Site Abnormal Sewers					
	Surface Water - EO for abnormal pipeworks	1	Item	11,800	£ 11,800.00	Based on average EO rates
	Surface Water - EO for MH's	1	Item	37,550	£ 37,550.00	Based on average EO rates
	Surface Water - Trenching / Backfill / Associated works	1	Item	22,370	£ 22,370.00	Based on average EO rates
	Foul Water - EO for abnormal pipeworks	1	Item	8,500	£ 8,500.00	Based on average EO rates
	Foul Water - EO for MH's	1	Item	8,300	£ 8,300.00	Based on average EO rates
	Foul Water - Trenching / Backfill / Associated works	1	Item	28,450	£ 28,450.00	Based on average EO rates
	SW Attenuation Tank	540	m3	475	£ 256,500.00	
J	Off-Site Abnormal Sewers					
	Thrustbore under Penistone Road	1	Item	150,000	£ 150,000.00	PC Sum Allowance
	Outfall from Tank - Headwall / Connection etc.,	1	Item	25,000	£ 25,000.00	PC Sum Allowance
K	On-Site Abnormal Site Works					
	Export surplus topsoil following strip	3524	m3	23	£ 81,052.00	
	Site Cut	31060	m3	9	£ 279,540.00	
	Site Fill	7987	m3	9	£ 71,883.00	
	Export surplus topsoil from C&F	19969	m3	23	£ 459,287.00	
L	Off-Site Abnormal Site Works					
	Track to Attenuation Tank	204	m3	150	£ 30,600.00	
	Abnormals Substructure					
M	Abnormal Foundations					
	EO Excavations - Rock	4270	m3	66	£ 281,820.00	
	Deeper Foundations (excavate / concrete)	640	m3	150	£ 96,000.00	
	EO Steps	3	No.	750	£ 2,250.00	
N	Tanking to Split Level Plots	24	No.	6,250	£ 150,000.00	Plots 45-68 inclusive
	Abnormals Local Siteworks					
P	Retaining Walls / Details					
	FoE upto 450mm	412	Lm	75	£ 30,900.00	
	RTW 450mm	20	Lm	475	£ 9,500.00	
	RTW 600mm	105	Lm	725	£ 76,125.00	
	RTW 1000mm	175	Lm	1,175	£ 205,625.00	
	RTW 1200mm	70	Lm	1,400	£ 98,000.00	
	RTW 1500mm	105	Lm	1,800	£ 189,000.00	
	RTW 1700mm	54	Lm	1,950	£ 105,300.00	
	RTW 2000mm	175	Lm	2,150	£ 376,250.00	
	RTW 2400mm	62	Lm	2,450	£ 151,900.00	
	RTW 2700mm	60	Lm	2,650	£ 159,000.00	
	RTW 3000mm	18	Lm	2,850	£ 51,300.00	
	RTW 3700mm	12	Lm	3,400	£ 40,800.00	
	RTW 5000mm	87	Lm	4,750	£ 413,250.00	
	Gabion Wall 1000mm	16	Lm	850	£ 13,600.00	
	Gabion Wall 3200mm	42	Lm	2,150	£ 90,300.00	
	Earthwork Wall 4100mm	28	Lm	2,000	£ 56,000.00	
	Scaffolding to RTW >450mm	943	Lm	50	£ 47,150.00	Blended rate for differing lift quant



Appendix 5 - References

- Planning Practice Guidance (PPG, September 2019);
- RICS “Financial Viability in Planning: conduct and reporting” professional statement (May 2019);
- National Planning Policy Framework (NPPF, February 2019);
- HM Land Registry;
- Proposed Scheme layout and Schedule of Accommodation
- BCIS;
- Kirklees Council Community Infrastructure Levy Update

Appendix 6 – Terms of Engagement



Newett Homes,
Thorp Arch Grange
Walton Road
Thorp Arch
Wetherby, LS23 7BA.

12 August 2022

Land To The North West Of Woodsome Drive, Fenay Bridge

Following our earlier discussions, as promised I write to confirm your instructions and our Terms of Engagement. In the best interests of all parties, instructions should be confirmed in writing, and therefore I ask that you read, sign and return a copy of this letter to confirm acceptance. Your instructions will create a contract for the provision of our services to you. Should you not return this letter, your continuing instructions will confirm your acceptance of these Terms of Engagement, but please note that a copy must be incorporated within the completed Financial Viability Assessment (FVA)

1. Basis of Instruction

The instruction is for a FVA to assess the amount of affordable housing & other planning gain which can be supported by the subject site. It does not constitute a "Red Book Valuation" and cannot be used for any other purpose.

The FVA will be undertaken by and be the sole responsibility of _____ acting in the capacity of an external valuer, who has the appropriate knowledge and skills and understanding necessary to undertake the assessment competently, and is in a position to provide an objective and unbiased report.

2. Client(s)

Newett Homes

3. Identification of any other intended users

The report has been produced for Newett Homes. The report should only be used for the stated purpose and for the sole use of your organisation and your professional advisers. No responsibility whatsoever is accepted to any Third Party who may seek to rely on the content of the report unless previously agreed in writing. No part of the report may be reproduced nor referred to, in any publication without our prior written approval of the form and context in which such disclosure may be made.

4. Subject Property :

Land To The North West Of Woodsome Drive, Fenay Bridge

5. All monetary values will be quoted in pounds sterling (£).

6. Purpose of the valuation

Viability in Planning.

7. Basis of value adopted

The assessment will be made by comparing the residual value of the proposed scheme with an appropriate benchmark figure in line with the National Planning Policy Framework, the RICS Professional Statement "*Financial Viability in Planning*" (2019) and RICS Guidance Note "*Assessing viability in planning under the National Planning Policy Framework 2019 for England*" (March 2021).

The FVA will not constitute a formal Red Book valuation.

8. Valuation date :

The Date of Valuation will be the date of the final report, unless agreed otherwise. Adopted values and build costs are relevant at this point in time. The FVA remains valid for six months from the date of issue unless market circumstances change significantly or further relevant information comes to light of a substantial enough nature to cause the author to revise her opinion

9. Nature and extent of the valuer's work – including investigations – and any limitations thereon

The valuer will physically inspect the subject property (where appropriate) and undertake reasonable requisite investigations into Title, Planning status, comparable information etc.

Regardless of the nature of the property the report will not consider the condition of that asset unless that is a material consideration of the Assessment. If this is the case a suitably qualified professional will need to be instructed to quantify the cost of conversion/refurbishment. Any fixtures & fittings will not be considered under any circumstances.

The valuer will not make any formal statutory enquires. The report will clearly state any assumptions relating to statutory bodies and investigations considered appropriate.

Unless advised otherwise it will be assumed that there are no encumbrances or unduly onerous restrictions, easements, outgoing or conditions which would adversely impact upon the value of the property, and that a good and marketable title is held.

Any information within the FVA represents the valuer's understanding of the relevant documents provided; interpretation of title documents is the responsibility of your lawyer.

The valuer will not undertake nor commission a site investigation nor any other physical survey: These are likely to be required by the LPA as part of the planning process, and a suitable qualified professional should be instructed. Unless definitive information to the contrary is made available, the valuer will assume for the purpose of the report that no contamination affects the property. Any cost of remediation should be identified prior to commissioning the FVA to ensure that cost can be factored into the assessment.

We will not be under any obligation to update any advice nor FVA to take account of events occurring or information received after that advice or FVA has been issued in final form.

If the valuer has provided verbal advice they have the right to record this in writing and follow up by confirming that verbal advice in writing, making the usual hourly charges for doing so.

You may decide not to take our advice and if this is to be the case we will respect this and cooperate with you accordingly on the understanding that in ignoring our advice you do so at your own risk.

10. Nature and source(s) of information upon which the valuer will rely :

As detailed within the FVA. Unless otherwise expressly agreed the valuer will rely upon information provided by the Client or the Client's legal or other professional advisers relating to any relevant matters.

11. All assumptions and special assumptions to be made

The valuer will assume that any relevant information provided by the Client or their professional advisors is accurate. It is the Client's responsibility to advise the valuer if the Client becomes aware of any errors or omissions.

Unless advised otherwise, the valuer will assume that the property is not subject to any unusual nor onerous restrictions, encumbrances or outgoings or any defects in Title.

For the avoidance of doubt, all values stated in the report are exclusive of VAT

All other assumptions will be clearly stated within the report.

12. Format of the report

The report will incorporate one or more financial appraisals illustrating the affordable housing provision (and, if appropriate, S106 contributions) which, in the valuer's view, the subject site can support, together with a covering report which explains the various inputs into the appraisal, and the reasoning behind them.

13. Restrictions on use, distribution and publication of the report

No part of the FVA nor any reference to it may be published in any way without the valuer's prior written approval of the form and context in which it may appear.

The FVA is prepared solely for the use of Newett Homes. No responsibility to any third party is accepted in respect of any part of its contents. It may be disclosed to another professional advisor assisting in respect of the purpose for which it is prepared. Neither the whole nor any part of the FVA, nor reference thereto may be

included in any published document, without the valuer's prior written approval over the form and context in which it may appear

14. Confirmation that the valuation will be undertaken in accordance with the IVS

The valuation will be undertaken in accordance with the RICS Red Book and the International Valuation Standards (IVS) of the International Valuation Standards Council. Compliance with these standards may be investigated by the RICS for the purposes of administration of the Institution's conduct disciplinary regulations.

15. Fees

Agreed fees are based on an hourly rate. Fees reflect the complexity of the work, the expertise, specialised knowledge and responsibility involved, and any degree to which the valuer needs to prioritise your work over that for other clients.

No performance related nor contingent fees will be agreed.

Agreed fee : £ [REDACTED] + VAT

The agreed fee is payable on completion or submission of the FVA to the Local Planning Authority. Should the Client choose not to submit the completed report (e.g. having chosen to submit a Vacant Building Credit Claim instead) then the full fee will still be payable.

Should the report not be submitted within three months of commencing work then GNEC reserves the right to charge an hourly rate [REDACTED] + VAT to update sales values, build costs, and any other requisite inputs (e.g. planning policy) to ensure the VA is appropriate for submission.

Should you wish to terminate your instructions to us after the valuer has commenced work on the FVA, the valuer will be entitled to charge the hourly rate (£150 +VAT per hour) for time incurred up until that point.

Ongoing negotiations required with the Local Planning Authority following submission of the initial FVA will be charged at the hourly rate of [REDACTED] + VAT.

Unless otherwise agreed in writing, the fee invoice will be addressed to the instructing party who will be liable for payment. Payment will be due within 30 days of issue of the invoice. We will be entitled to charge interest at 5% above the Bank of England Base Rate on any accounts outstanding for more than 30 days from the invoice date.

Should our fee for the services provided in terms of this Contract, VAT thereon and/or outlays incurred on your behalf in connection therewith not be settled within our standard settlement terms of 30 days, we reserve the right:-

- i) To instruct Solicitors, Debt Collection Agents or other third parties to endeavour to collect said fees, V.A.T. and outlays for us. It is a specific condition of our accepting instructions from you that in the event of said Solicitors, Debt Collection Agents or third parties being instructed by us, you will be liable to reimburse us for the whole fees and other costs charged by them to us and thereby incurred in that connection; and

- ii) To exercise our statutory right under the Late Payment of Commercial Debts (Interest) Act, 1998 as amended by the Late Payment of Commercial Debts Regulations, 2002 and any subsequent legislation to claim interest and compensation for debt recovery costs under such legislation.

16. External Fees

On occasion the valuer may need to take further external specialist advice on your behalf. The valuer will obtain your written agreement before incurring such expenses on your behalf. You will be responsible for all payments and fees incurred by GNEC on your behalf and may be required to make a payment on account before we incur such costs. We will not be responsible to you for the work of any other professional advisor or contractor from whom you might seek to obtain goods or services, whether or not instructed by us on your behalf.

17. Insurance Cover.

The Firm maintains professional indemnity insurance up to £2million.

We shall not be liable for any damage or loss suffered by you :-

- i) where such damage or loss resulted from incomplete, inaccurate or erroneous information or instructions provided or made available to us by you or by any third party acting on your behalf; or
- ii) which is indirect or happens as a side-effect to the main loss or damage (including lost profits, lost sales or turnover, loss or damage to reputation, lost contracts or customers or liability in relation to any other contract you may have entered into).
- iii) The limit on our professional indemnity insurance cover varies from time to time and will be disclosed to you upon request (but will not at any time be less than the minimum level of cover required by the Royal Institution of Chartered Surveyors (RICS) Rules of Conduct as amended from time to time). Should you require us to accept liability in respect of a larger potential loss than for which we have insurance cover, you must notify such requirement to us and we will ascertain the cost of obtaining (if possible) additional insurance protection and thereafter notify you the additional fee or charge that would be payable by you to enable us to accept that higher level of liability.
- iv) All advice is given on behalf of Great Northern Estates (Consultancy) Ltd (GNEC) and not in any individual's capacity. No such person assumes any personal responsibility to you for any advice or work.

18. Papers Held By Us

Upon completion of any matter, and payment of all fees, the valuer will return to you, at your request, any documents you have provided in connection with that matter and any other papers to which you are entitled. It is agreed however that the file will remain our property, other than specific documents you have supplied to us, or original leases, contracts with third parties, plans etc. that you have paid for. We can provide copies of any other parts of the file at our discretion, subject to your paying our reasonable costs for doing so.

We will comply if for any reason (whether during or after an instruction) we are compelled to disclose documents or to give information orally or in writing about a matter or your affairs, under a court order, notice

or demand served by a body or person with the authority to make us do so. You must pay the cost of such compliance at our then hourly rates.

The RICS requires us to retain client files for at least six years from the date on which our work was effectively finished. After this time, client files may be destroyed. Please let us know in writing if you have any objection to this. This does not apply to documents which we reasonably consider to be of continuing significance, i.e. estate records or title deeds etc., but does include documents that may belong to you.

For the purpose of this clause, "file" means any file of documents stored in any format, including physical or electronic and in or on any medium. You acknowledge and accept that your client files may be stored in a number of different media and formats and accept that there is a risk of damage and/or corruption associated with all systems of file storage.

19. Money Laundering Compliance

Under the Proceeds of Crime Act 2002 or the Money Laundering Regulations 2003 we may be required to make a disclosure to the appropriate government authorities and may then be unable to advise you either immediately or at all that such a disclosure has been made. You agree to our taking such steps should they in our reasonable view become necessary.

To ensure compliance with the anti-money laundering legislation we reserve the right to decline cash receipts in excess of £5,000. We also reserve the right to pay to any third party money due to you.

20. Complaints Procedure

To comply with the regulations of the Royal Institution of Chartered Surveyors this firm has a written complaints procedure, a copy of which is available upon request.

21. Miscellaneous

If we are to be involved in litigious or contentious work, as advisors, expert witnesses, arbitrators or advocates, further special terms of engagement will apply.

22. Conflict of Interest

We will inform you if we consider there is or could be any conflict of interest arising from your instruction.

23. Client's Commitments

You will pay our fees as expressly agreed and as specified in these Terms of Engagement.

In addition to fees you will pay all disbursements and other costs as referred to in clause 15 above and any applicable VAT on fees and/or commission, disbursements and costs at the rate in force from time to time.

If you engage us to perform specific services but subsequently instruct us to perform additional services, you will be required to pay an additional fee for such additional services as well as the fee or commission for the original services.

Our advice and services are for your benefit only and may not be used or relied upon by anyone else.

Should you have any queries relating to these Terms please do not hesitate to contact me. To confirm acceptance please sign and date below.

Many thanks & Kind regards.

Yours sincerely,

Great Northern Estates (Consultancy) Ltd

I confirm acceptance of these Terms of Engagement and wish to proceed on this basis. Such confirmation will create a contract for our provision of services to you. Our advice is for your benefit only cannot be used or relied upon by ~~any third parties~~

Signed.

..... Date *16/08/2022*

Print Name

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