Financial Viability Appraisal

Wesley House

Birstall

Batley

WF17 9EJ

February 2025

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0 Executive Summary

The report provides a Financial Viability Assessment (FVA) on the proposed scheme for a Residential Development of a 4-storey office building, previously a chapel into 21 residential apartments with associated on-site car parking spaces, ancillary cycle and waste management stores and amenity landscape.

Benchmark Land Value we assess via the EUV+ method in the nationally recognised manner.

The key outputs from the FVA are summarised in the below table.

GDV	£2,000,000
Costs	£1,575,822
Finance	£74,179
Profit	£350,000
Benchmark Land Value	£450,000
Residual Land Value	-£7,683
RLV-BLV	-£457,683
Target Profit	17.5%
Actual Profit	0%

Table 1

This FVA demonstrates that on a 100% open market value basis the resulting actual return has a deficit of -£457,683 on the allowed profit figure. The development therefore cannot provide the requested affordable housing.

1 Introduction

1.1 Development Consultancy have produced this report to determine the level of S106 payments & affordable housing contributions that could be viable for the residential planning permission applied for at Wesley House, Birstall, Batley, WF17 9EJ.

1.2 The Application is made on behalf of: Medipharm Bradford Ltd

1.3 The purpose of the report is to comment on the viability of the proposed development in light of the current market conditions at the time of the report and to set out a proposal for the S106 / Affordable Housing obligations at a level the scheme can support whilst remaining viable.

1.3.1 A variety of supplementary evidence and a copy of the development appraisal have been supplied as appendices to this report.

1.3.2 This report is not a valuation and should not be relied upon as such.

1.3.3 In preparing this report, no ‘performance-related’ or ‘contingent’ fees have been agreed.

2 Development Consultancy

2.1 Development Consultancy's Principal has over 25 years' experience in Property Development, having developed & managed numerous residential & commercial schemes throughout the UK.

2.2 The author of this report is Kevin Hodgson. His area of expertise is land and property development. He has functioned as a direct developer and consultant. Over a period of 25 years, he has gained a plethora of skills and knowledge working in the private sector, on development projects. This has covered mixed-use, town centre, residential and logistics developments from inception to delivery.

2.3 In the past few years, Kevin Hodgson and Development Consultancy have acted on numerous viability cases. The clients are primarily private sector developers. He has acted against DVS, Lambert Smith Hampton, Keppie Massie, Altair, Dixon Searle Partnership, Savills, Stretton's and many others.

2.4 His years of experience in development and regeneration, and involvement in circa 50+ viability cases acting for the private sector, makes him suitably qualified to comment/advise on matters relating to Viability in Planning

3 Appraisal Methodology

3.1 The appraisals in the report have been produced using HCA Dat software following the methodology shown below in Figure 1.

3.2 In completing the appraisal, reference has been made to RICS Guidance Viability in Planning and the NPPF as per the updated PPG (February 2024).

3.3 Build costs are calculated with rebased BCIS cost index evidenced within the report and internal market data.

3.4 Sales Market Data has been provided by Development Consultancy following an extensive review of transactional data, enquiries to local agents and a review of published data on Rightmove, Zoopla and specialist industry websites.

Appraisal Methodology
Income
Residential Sales / Gross Development Value
Less Development Costs
Build Costs (per sq ft) Professional Fees Internal Overheads (Where applicable) Financial Costs Marketing Fees Exceptional Development Costs (where applicable) Land Financing Costs Planning Obligations
Less profit
Equals Residual Land Value (RLV)

Figure 1 – Appraisal Methodology

3.5 The Viability Guidance to accompany the NPPF is contained in the updated PPG (Feb 2024). This document states that

3.6 *"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." (Paragraph: 010)

3.7 A positive output figure represents additional margin beyond a standard development profit and confirms viability. A zero output confirms that values and costs (including profit allowance) balance confirming viability. A negative value illustrates that the policy requirements of the plan cannot be met without threatening viability (i.e., the developers profit allowance or return for the landowner).

3.8 "Assessing viability in planning under the National Planning Policy Framework 2019 for England" is the new Guidance Note issued by the RICS. The guidance illustrates the residual valuation framework principles contained in paragraph: 010 of the PPG, and we have reproduced the relevant diagram from the guidance below in Figure 2

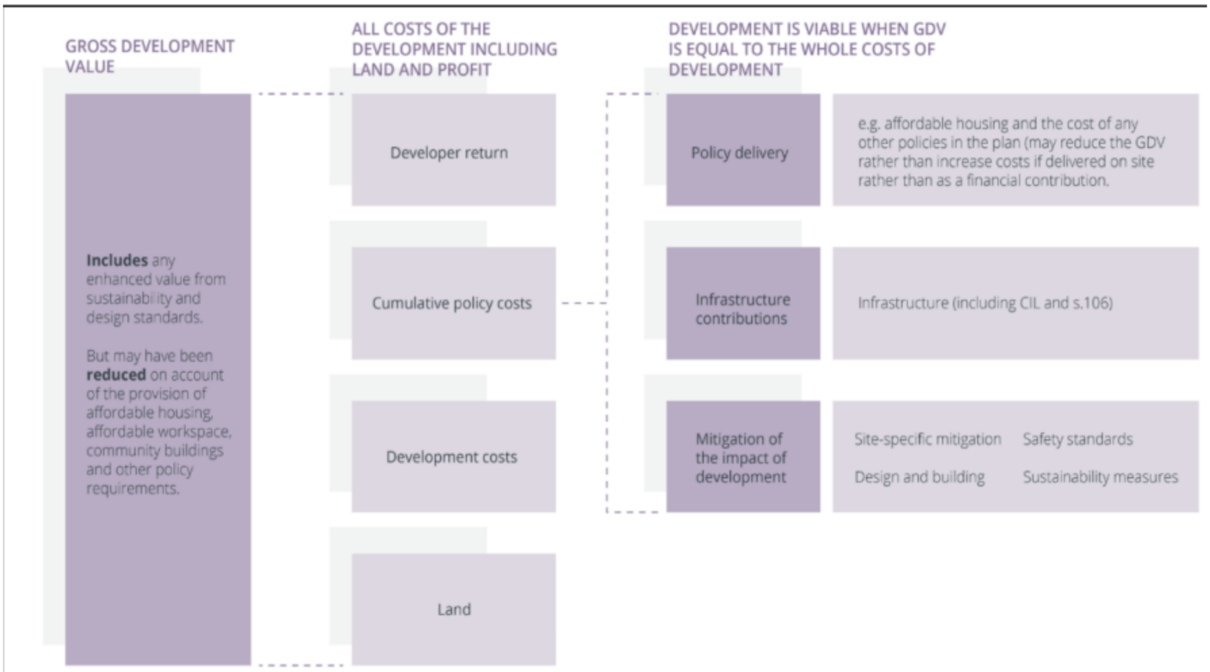


Figure 2 – RICS Diagram

4 Project Details & Planning Policy

4.1 The proposed scheme is a conversion of the existing permitted office space into 21 apartments over 4 floors.

4.2 The site is Wesley House, within the Town Centre of Birstall. The site consists of a former Grade 2 listed Chapel which has subsequently been converted to offices.

4.3 The recent relevant planning history of the site is below;

Application 2018/90207

Change of use from existing multi storey offices to residential flats (Listed Building within a Conservation Area)

O Hara And Co Unit 1, Wesley House, Huddersfield Road, Birstall, Batley, WF17 9AZ

Received on 16-Jan-2018

✓ Application approved, comment period has ended

Application 2018/90206

Listed Building Consent for change of use from existing multi storey offices to residential flats (within a Conservation Area)

O Hara And Co Unit 1, Wesley House, Huddersfield Road, Birstall, Batley, WF17 9AZ

Received on 16-Jan-2018

✓ Application approved, comment period has ended

4.4 We understand the council requirements for the scheme are under Local Plan Policy LP11: Housing Mix and Affordable Housing as per the following excerpt.

In line with Policy LP11, the council will require 20% affordable housing on all developments compromising more than 10 dwellings, including mixed use schemes and conversions, subject to viability.

4.5 This FVA has been compiled to see if the scheme is viable with policy compliant contributions.

4.6 A Location Plan and Site Plan showing the layout of the proposed scheme are provided in Appendixes 1 & 2.

5 Appraisal Assumptions & Inputs

5.1 Residential Values

5.2 For the purposes of this report the scheme as proposed is as below and outlined in Appendix 3. A total GDV on the 100% OMV scheme of £2,000,000.

Unit	Number of Units	Size m2	£/m2	Size sq. ft	£/sq.ft	No. of Beds	Value
Unit 1	1	65	£1,615	700	£150	1	£105,000
Unit 2	1	58.8	£1,616	633	£150	1	£95,000
Unit 3	1	54.4	£1,654	586	£154	1	£90,000
Unit 4	1	53.6	£1,660	577	£154	1	£89,000
Unit 5	1	56.7	£1,623	610	£151	1	£92,000
Unit 6	1	59	£1,610	635	£150	1	£95,000
Unit 7	1	53	£1,679	570	£156	1	£89,000
Unit 8	1	59	£1,695	635	£157	1	£100,000
Unit 9	1	51.3	£1,715	552	£159	1	£88,000
Unit 10	1	87.2	£1,376	939	£128	2	£120,000
Unit 11	1	60.2	£1,578	648	£147	1	£95,000
Unit 12	1	54.2	£1,661	583	£154	1	£90,000
Unit 13	1	57.2	£1,608	616	£149	1	£92,000
Unit 14	1	59.4	£1,599	639	£149	1	£95,000
Unit 15	1	68.8	£1,483	741	£138	1	£102,000
Unit 16	1	52	£1,702	560	£158	1	£88,500
Unit 17	1	59.6	£1,594	642	£148	1	£95,000
Unit 18	1	57.7	£1,594	621	£148	1	£92,000
Unit 19	1	52.4	£1,784	564	£166	1	£93,500
Unit 20	1	59.7	£1,675	£643	£156	1	£100,000
Unit 21	1	52.5	£1,790	£565	£166	1	£94,000

Table 2 – Schedule of proposed properties

5.3 This is based on the proposed sales values which are benchmarked and evidenced in Appendix 5. We initially model the scheme as an 100% OMV scheme and if the residual value of the scheme exceeds the benchmark land value, we then conduct further modelling to arrive at level of contributions the scheme can viably make.

5.4 For the purpose of the 100% Open Market appraisal, we have adopted sales values of between £1,376 sq.m2 (£128 per sq. ft) and £1,790 sq. m2 (£166 per sq. ft). The comparable properties are evidenced further within appendix 5.

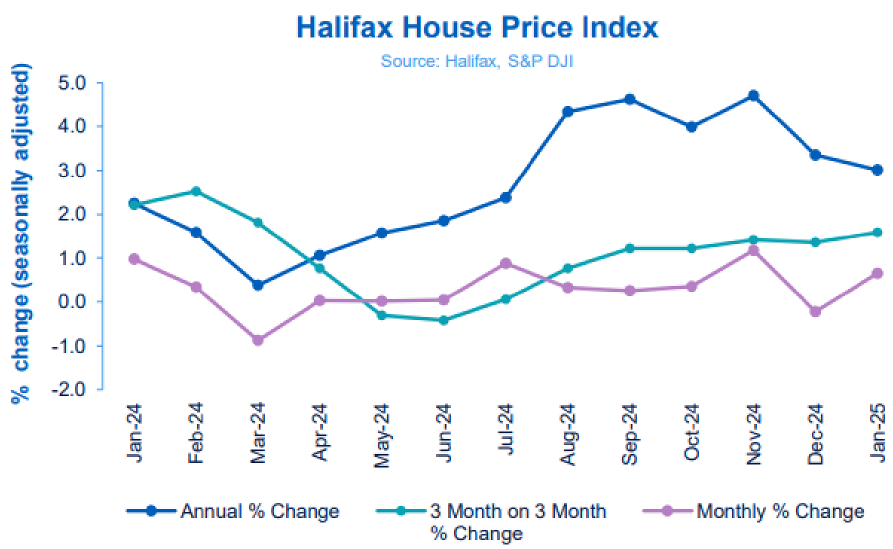
5.5 The Halifax reported in its January 2025 House Price Index.

Amanda Bryden, Head of Mortgages, Halifax, said:

"The UK housing market started the year on a positive note, with average prices rising by +0.7% in January, more than recovering the slight dip of -0.2% in December. This increase pushed the average property price to a new record high of £299,138. However, annual growth slowed to +3.0%, the slowest rate since last July.

"As things stand, mortgage rates are likely to hover between 4% and 5% in 2025, influenced by both global financial markets and domestic monetary policy. Over the past year, buyers have been getting used to this new normal, understanding that rates are unlikely to return to the historical lows of 1%.

"But the fundamental issue in the housing market remains the lack of supply. This long-term trend, coupled with a gradual improvement in affordability, should support further modest house price growth this year."



5.6 The subject site is within a mixed area with both commercial and residential surroundings.

5.7 Generally, there's circa 20 apartments currently for sale within 1 mile of the subject area, however within 3 miles there's over 100 listed on one popular property portal.

5.8 Rightmove report market activity in the postcode area WF17 that the average asking price of an Apartment is £77,600. The average time on the market for an apartment is 32 days and there are currently 16 apartments on the market.

5.9 We have discussed the evidence identified further below.

5.10 Of relevance are three resale apartments at Blakeridge Mill Village, Batley which is approximately 2 miles distant currently marketed for sale are 3nr. one bedroom properties. They are priced between £74,000 - £75,000. The one bedroom flats are only small measuring 45-52 sq. m^2 however the facilities include parking, a private gym and swimming pool. We suspect the service charge is off-putting and affecting the prices however the units are relevant as comparable properties albeit offering far more amenities than the subject site.

5.11 There are no new build apartment schemes within 1 mile of the site currently marketed.

5.12 There is a number of resale 1 bedroom apartments currently marketed within 1 mile of the subject site, some examples are outlined below and further evidenced with Appendix 5. The units below are all circa 50 -60 sq. m^2 and are all priced lower per sq. m^2 than the proposed apartments we've modelled at Wesley House.

Address	Area m2	£/m2	Area sq. f2	£/sq. f2	No. Beds	Sale Price
High Street, Independent House WF16	53	£1,509	570	£140	1	£80,000
Conway Crescent, Batley WF17	52	£1,346	560	£125	1	£70,000
Joshua House, Dewsbury WF13	50	£1,000	538	£93	1	£50,000
78 Old Westgate, Dewsbury WF13	59	£932	635	£87	1	£55,000

Table 4 – Schedule of comparable 1 bed properties

Development Consultancy

5.13 There is only one 2 bedroom resale apartments on the market within 1 mile of the subject site, which is priced at £1,545 per sq. m^2. There are more expensive apartments within 3 miles and the price depends upon variables like the size of the apartment, location and number of amenities like parking, balconies and communal gardens. The Station Road, WF17 example does however reflect the lower values being achieved in the immediate locality

Address	Area m2	£/m2	Area sq. f2	£/sq. f2	No. Beds	Sale Price
Carson Grove, Morley, LS27	61	£3,361	657	£312	2	£204,995
Meadowbrook Court, Morley	63	£2,143	678	£199	2	£135,000
Station Road, Batley WF17	55	£1,545	592	£144	2	£85,000

Table 5 – Schedule of comparable 2 bed properties

5.14 . We also note the sold price of 1 Glen View, Leeds Road, WF17 0JQ evidenced within Appendix 5 whilst large at 110 sq. m2 it sold for £160,000 equating to £1,260 a sq. m^2. The only 2 bed on the subject site is 87sq. m^2 and we have priced this at £120,000 equating to £1,376 per sq. m^2.

5.15 We also note the following recent sold examples all within 1 mile of the subject site.

Address	Area m2	£/m2	Area sq. f2	£/sq. f2	Sale Price
132 Rochester Road, Birstall, Batley, WF17 9DD	67	£1,194	721	£111	£80,000
653 Bradford Road, WF17 8HF	50	£1,420	538	£132	£71,000
16 Bronte Road, Birstall, Batley, WF17 9JL	63	£1,984	678	£184	£125,000

5.16 We have priced the one bedroom units as the below explains and this is reflective of the value of one bedroom apartments in the local vicinity with no amenities;

Studio flat values

- The 51, 52, 53 & 54m^2 units are priced between £88,000 -£90,000 equating to £1,660 - £1715 per sq. m^2 (£154-159 per sq. ft).
- The 56m^2, 57, 58m, 59m^2 & 60m^2 units are priced between £92,000 - £100,000 equating to £1,578 - £1,616 per sq. m^2 (£147 - £150 per sq. ft).

5.17 The one bedroom units we have priced between again the rationale explained above applies with regards to pricing;

One bed flat values

- The 52m^2 units are priced between £93,500 -£94,000 equating to £1,784 - £1,790 per sq. m^2 (£166 per sq. ft).
- The 54m^2 unit is priced at £90,000 equating to £1,654 per sq. m^2 (£154 per sq. ft).
- The 59m^2 units are priced between £92,000 - £100,000 equating to £1,578 - £1,616 per sq. m^2 (£147 - £150 per sq. ft).
- The 65m2 unit is priced at £105,000 equating to £1,615 per sq. m2 (£150 per sq. ft).

5.18 The two bedroom unit we have priced between again the rationale explained above applies with regards to pricing;

2 bed flat value

- The 87 m^2 unit is priced at £120,000 equating to a value of £1,376 per sq. m^2 (£128 per sq. ft).

2.1 Construction Cost

2.1.1 We've used £1,002 per sq. m^2 which is the lower quartile BCIS build rate for Rehabilitation/Conversion for flats rebased to Kirklees. This is evidenced further within Appendix 4. This produces a base build cost of **£1,364,075** including a 5% contingency. We reserve the right to revisit these figures.

2.1.2 The building is Grade 2 listed so we don't think its appropriate to use a figure lower than the lower quartile figure. Work has to be done to the required standard. We are aware there is structural work required which we are advised is approximately £30,000. Wooden windows repairs are required which are part of the grade 2 listed fabric. An elevator to introduce which will be circa £31,000. Sprinkler system as height is over 11 metres is to be introduced.

2.1.3 It is important to note that the BCIS costs only cover the fabric of the building and standard internal fittings. They also exclude measures required to meet the new Budling regulations Part L & F build costs will increase compared to historic BCIS figures as these new requirements have not been provided for within the BCIS base build cost data. The BCIS figures exclude abnormal costs, new building regulations, superior finishing / specification and externals.

2.1.4 We've applied a value of **£42,000** for disconnection of existing services to the existing building and installation/upgrade of supplies, this equates to a sum of £2,000 per apartment for water, electric, gas and broadband.

2.1.5 Finally, with regard to the external costs, car park spaces, drainage connections are already in-situ but cycle & refuse stores will be required so we've applied a nominal figure of **£15,000** to capture the cost of these elements.

2.1.6 The total construction value of the scheme is **£1,428,575**. This is further evidenced within Appendix 4.

2.1.7 Build costs adopted allows for the material expected to be used in the area and specified in the planning drawings.

2.2 Building Contingency

2.2.1 It is normal in construction projects to allow a contingency and in this particular case in our professional opinion it's prudent & acceptable. This figure is within the total construction cost outlined in paragraph 2.1.6 above.

2.3 Professional Fees

2.3.1 In this instance we have adopted Professional Fees of **£103,930** this figure is 8% of the base construction cost value and covers the envisaged professional costs evidenced below, This list is not exhaustive.

- Architects Fees
- Structural Engineers Fees
- Building Regulation application fee
- Planning Consultant
- NHBC or other Building Warranty costs
- Planning Application Fees
- Legal Fees
- Ecological Reports

2.4 Financing Costs

2.4.1 We have assumed that the 100% OMV development will be debt financed, at a debit rate of 7.5% and a credit rate of 0% modelled this is a total interest cost of £74,179. In reality, finance deals are now exceeding this level. The rate applied is therefore conservative.

2.5 Project Period

2.5.1 We are anticipating the build period to be 11 months including a demolition period and consider this is reasonable based on our commercial experience. We have then phased plot completions over a period of 3 months for the sales period commencing at the completion of the build period. This results in a total finance cost on the scheme of **£74,179**.

2.6 Abnormal Costs

2.6.1 Taking into account the technical challenges posed by this site any abnormal costs have been evidenced above within the construction costs chapter.

2.7 Sales & Marketing Costs

2.7.1 We have allowed **1.5%** of Sales Values for agent's fees and marketing costs. Legal Fees of **£1,000** per unit.

2.8 Planning Obligations

2.8.1 We understand the policy requirements under Local Plan Policy LP11: Housing Mix and Affordable Housing are for 20% of the accommodation to be affordable, we have not been advised of any additional S106 obligations currently.

2.9 Developers Return for Risk & Profit

2.9.1 The NPGV contains the following advice at para 18:

How Should a return to developers be defined for the purpose of viability assessment?

For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale, and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types.

2.9.2 Developers Profit has been assumed at 17.5% (Profit on GDV) for the scheme. Contemporary evidence shows a developer's margin equating to 20% of GDV (Gross Development Margin) on similar risk profile schemes.

3 Existing Use Value of the Site

3.1 Identifying an appropriate Site Value Benchmark requires judgement bearing in mind that national planning guidance indicates that appropriate land for housing should be 'encouraged' to come forward for development. The NPPF provides guidance on viability benchmarks for planning purposes.

3.2 The Planning Practice Guidance (PPG) sets out how land value should be assessed for the purpose of viability assessment. It states that:

"To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'existing use value plus (EUV+)."
(Paragraph:013 Reference ID: 10-013-20190509)

3.3 The premium (or the 'plus' in EUV+), is the amount above existing use value (EUV) that goes to the landowner. The PPG states that:

"The premium should provide a reasonable incentive for a landowner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements."
(Paragraph:016 Reference ID: 10-016-20190509)

3.4 The PPG states that:
"a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land."

3.5 Wesley House is a former Methodist Chapel which is Grade II Listed and was tastefully converted to office accommodation a number of years ago. Internally the accommodation is arranged across four levels with galleried office space designed above both the ground floor and first floor with internal spiral staircases.

3.6 The property is prominently located and fronts the main Huddersfield/Leeds road (A62) is close to Birstall Town Centre and Junction 27 of the M62 motorway.

3.7 The property is now vacant but in good condition as per the below picture, it was a fully consented office development which was let with limited success. It was marketed as a series of fully serviced office varying in size from 10.4m². They were available individually or by way of combination.

3.8 From the marketing information evidenced within Appendix 5 by Holroyd Miller, there was 17 offices marketed and if fully let the annual rent roll would have been £85,140. This would equate to £8 per sq. ft including all utilities. At one point according to the marketing information 5 of the 17 units were let.

3.9 Researching the local market, offices for sale / to let units in the local area within 1 mile , there's very few comparable office spaces. There's a large number of serviced offices to let within 3 miles and they range between £150 per desk to £15 per sq. ft.

3.10 We feel the best evidence is the values the existing scheme achieved within the last 24 months; the property is still in good condition so could achieve this rates again.

3.11 We calculate the current lettable space to be 967m² / 10,407ft² which would equate to a rent roll of £85,140 per annum based at the advertised prices evidenced with Appendix 5 this equates to £8.18 per sq. ft . However, we feel the property may only ever be at 50% occupancy.

3.12 We note the properties did let at the £8.18 rate in this location and the potential strength of covenant of typical tenants an 8% yield is appropriate. We feel the rent roll should be capitalised at 50% of its annual value to reflect the potential investment value is realistic. Further comparable properties are evidenced within Appendix 5.

• Gross Valuation (based on 8% yield)	£532,125
• SDLT	£16,106
• Purchaser's Costs	£7,981
• Net Valuation	£508,038

3.13 The RICS PS explains to assess a premium above EUV based on the evidence set out in PPG paragraph 016, which is *'the best available evidence informed by cross sector collaboration, which can include benchmark land values from other viability assessments' comparisons with existing premiums above EUV'*.

3.14 Our assessment of existing use value(EUV) of £508,038.

3.15 Alternative Use Value (AUV)

Step two of the assessment, where appropriate, of the AUV.

We believe an AUV is not suitable in this case.

3.16 Cross Sector Collaboration Evidence of BLV and Premium

3.17 However as per the RICS guidance note, Financial Viability in Planning, it is then appropriate to apply a premium to this EUV. Reflecting this factor and considering the most appropriate EUV+ to use we have decided to use a nil premium over the EUV to incentivise the landowner to bring the land forward. This is step 3 of the assessment.

3.18 Residual Land Value

3.19 Step four is to determine the residual value of the site, assuming actual or emerging policy requirements, and this assessment of land value can be cross checked against the EUV+.

3.20 Adopting the inputs described herein this report, the residual land value of the proposed scheme with full policy requirements is likely to be lower than the value of the 100% OMV scheme. Therefore, we have not modelled a policy compliant scheme.

3.21 Land Transaction Evidence

3.22 We note there's very little published evidence. We note the site was advertised in 2023 and was sold for £450,000. This is evidenced further within Appendix 5.

3.23 Our opinion of BLV is £450,000. This reflects an EUV of £450,000 based on transaction values. Therefore £450,000 has been used as a threshold for judging viability. It's supported by the existing use value capitalised on commercial lettings basis which gives a slightly higher figure as evidenced above in paragraph 3.11. This figure is our judgement and may be subject to change if new or better information becomes available.

3.24 We have used this value as the EUV, and this results in a EUV+/Benchmark Land Value of **£450,000**.

3.25 We have assessed the viability of the application proposals against the BLV assessed in accordance with the PPG. The appraisal adopts a residual methodology with the costs including a fixed developers profit at 17.5% of GDV deducted from the sales revenues to leave a residual land value, which is then compared to the benchmark figure of £450,000.

4 Appraisal Results & Sensitivity Analysis

4.1 We have appraised the proposed scheme against our Benchmark Land value as outlined below to establish how various contributions and the affordable housing affect the schemes viability. This establishes the maximum level of planning contributions the scheme can contribute without affecting viability.

4.2 In the 100% Open Market Value appraisal the residual land value is **-£76,833** and when this is compared to the Benchmark Land Value of **£450,000** there is an overall deficit on the scheme of **-£457,683**.

4.3 RICS requires that all FVAs 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).

4.4 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. In this respect we have carried out a sensitivity analysis to show the impact of fluctuations to build costs and sales values on the land value generated by the 100% OMV scheme, as follows:

	Baseline Revenue	**5% Additional Revenue**	**5% Decreased Revenue**
Baseline Build Cost	**-£7,683**	£64,192	-£82,325
5% Reduced Cost	£60,608	£132,166	-£11,423
5% Increased Cost	-£78,856	-£3,945	-£153,229

Sensitivity Test 1 – Appraisal 1 – 100% OMV Scheme Results

The base conclusion is shown in bold at the centre of the results table (white cell). The green cells indicate the combination of factors that would give way to a viable scheme, and the red cells what would give way to an unviable scheme. The orange cell is closer to viability.

The table shows only one of the outcomes leads to a more viable iteration which as 5% fall in construction costs coupled with a 5% rise in values, would result in a residual land value of £132,166 which is still far short of the of the BLV of £450,300.

4.5 The above figures show it's not viable for the scheme to deliver policy compliant affordable housing without a much reduced profit margin.

4.6 As outlined previously on Para 3.7 earlier in the report a positive output figure represents additional margin beyond a standard development profit and confirms viability.

4.7 A negative value illustrates that the policy requirements of the plan cannot be met without threatening viability (i.e., the developers profit allowance or return for the landowner)

5 Conclusion

5.1 In order to form a view on the viability of the scheme Development Consultancy has produced the appraisal which is contained within Appendix 6.

5.2 In order to form a view on viability we have evaluated developers returns adopting EUV+ as the Benchmark land value.

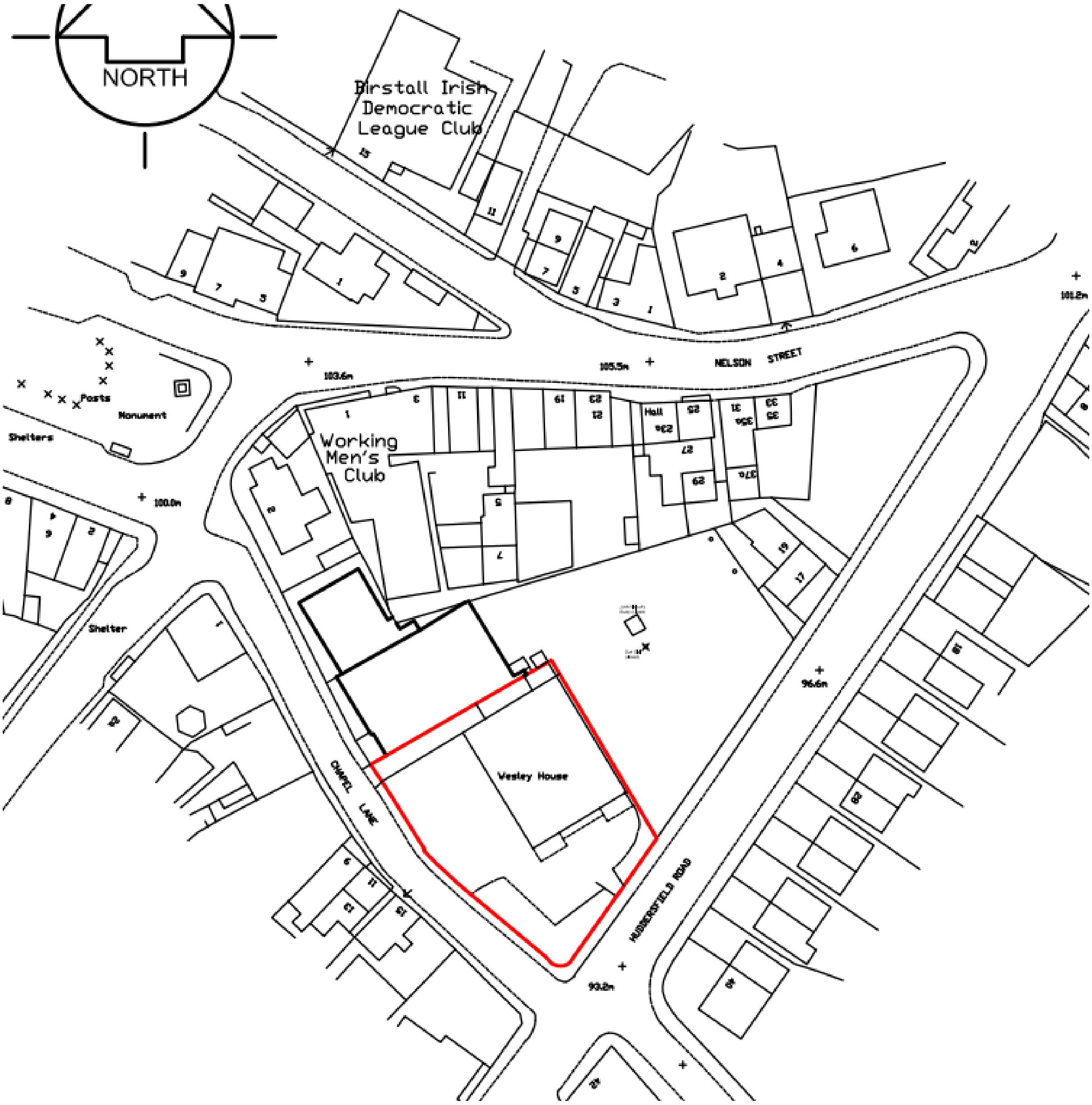
5.3 We have used nationally recognised software to run the viability appraisals, and these offer robust outcomes. Due regard has been given to NPPF and the NPPG.

5.4 The outcome of the appraisal shows that the application of the requested affordable housing is unviable.

5.5 The BLV contained within the appraisal is conservative and following NPPF/ NPPG guidance, recognises the landowner would need to be incentivised to sell and uses comparative open market data.

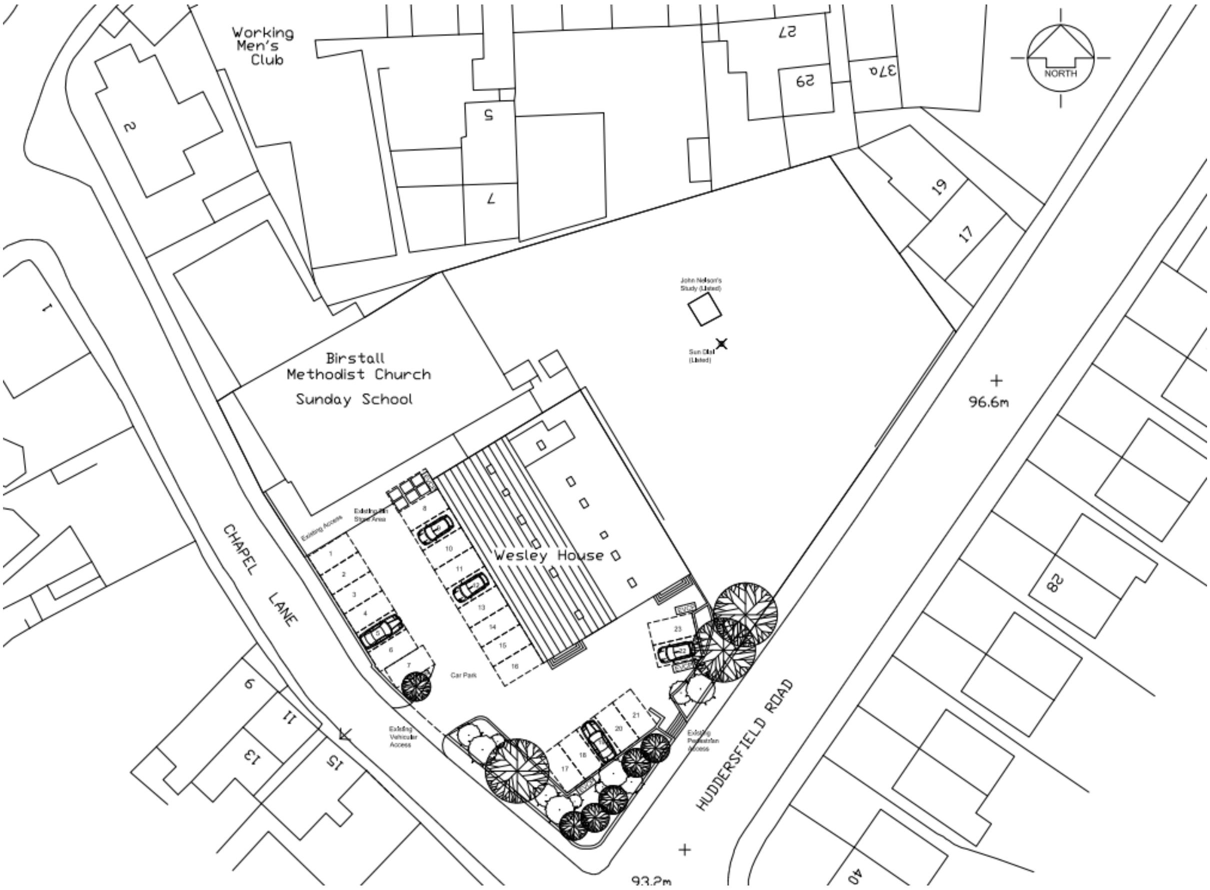
Appendix 1

Site Location Plan

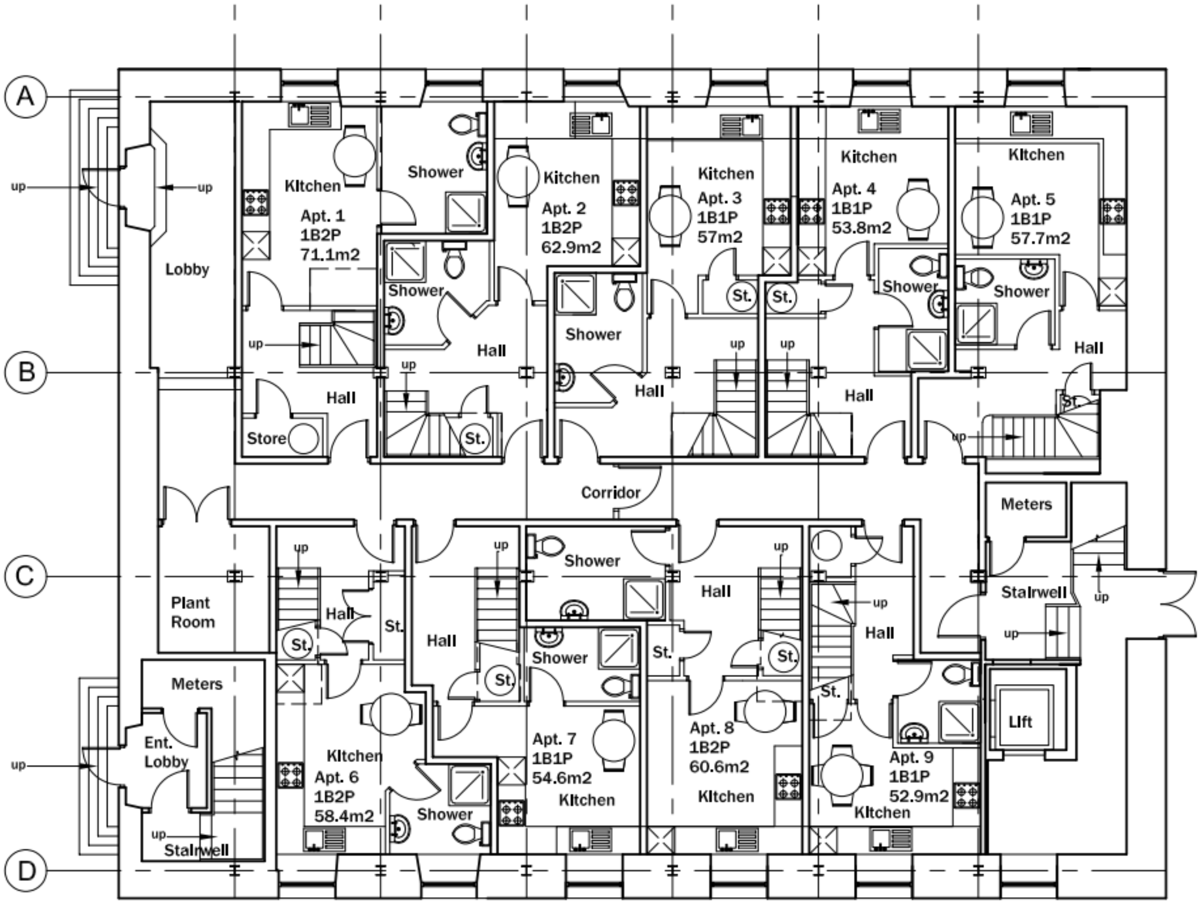


Appendix 2

Site Plan



Ground Floor



Development Consultancy

Appendix 3

Schedule of Accommodation

100% OMV Scheme

Unit	Number of Units	Size m2	£/m2	No. of Beds	Value
Unit 1	1	65	£1,615	1	£105,000
Unit 2	1	58.8	£1,616	1	£95,000
Unit 3	1	54.4	£1,654	1	£90,000
Unit 4	1	53.6	£1,660	1	£89,000
Unit 5	1	56.7	£1,623	1	£92,000
Unit 6	1	59	£1,610	1	£95,000
Unit 7	1	53	£1,679	1	£89,000
Unit 8	1	59	£1,695	1	£100,000
Unit 9	1	51.3	£1,715	1	£88,000
Unit 10	1	87.2	£1,376	2	£120,000
Unit 11	1	60.2	£1,578	1	£95,000
Unit 12	1	54.2	£1,661	1	£90,000
Unit 13	1	57.2	£1,608	1	£92,000
Unit 14	1	59.4	£1,599	1	£95,000
Unit 15	1	68.8	£1,483	1	£102,000
Unit 16	1	52	£1,702	1	£88,500
Unit 17	1	59.6	£1,594	1	£95,000
Unit 18	1	57.7	£1,594	1	£92,000
Unit 19	1	52.4	£1,784	1	£93,500
Unit 20	1	59.7	£1,675	1	£100,000
Unit 21	1	52.5	£1,790	1	£94,000

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Appendix 4:

Build Cost Substantiation

BCIS®

£/M2 STUDY

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 08-Feb-2025 08:00

Rebased to Kirklees (92; sample 36)

MAXIMUM AGE OF RESULTS: DEFAULT PERIOD

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
Rehabilitation/Conversion								
816. Flats (apartments)								
Generally (15)	1,756	377	1,002	1,372	1,774	6,058	74	
1-2 storey (15)	2,480	744	1,211	1,578	3,096	6,058	14	
3-5 storey (15)	1,466	377	991	1,272	1,652	5,608	45	
6 storey or above (15)	2,026	584	946	1,381	3,064	5,078	14	

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Appendix 5

Market Research

1 bed

Flat for sale in High Street, Independent House WF16

Guide price £80,000

Property details | Floorplan | Map & nearby

Available

£65,000

Address	Apartment 4 The Spinning House Upper Blakeridge Lane Birstall, Batley, Kirklees WF17 8NH
Est value	£144 per sqft / £1,548 per sqm
On market from	25/11/2024

Apartment	1 bedroom	Leasehold
452 sqft / 42 sqm	1 bathrooms	EPC: D

View on Rightmove

2.2 km / 1.3 miles

Available

£79,950

Address	Apartment 30 The Spinning House Upper Blakeridge Lane Birstall, Batley, Kirklees WF17 8NH
Est value	£158 per sqft / £1,701 per sqm
On market from	20/11/2024

Apartment	1 bedroom	Leasehold
506 sqft / 47 sqm	1 bathrooms	EPC: C

View on Rightmove

2.2 km / 1.3 miles

SSTC

£73,000

Address	7, The Sugar Mill Blakeridge Lane Batley, Kirklees WF17 8FB
Est value	£174 per sqft / £1,872 per sqm
On market from	30/07/2024

Apartment	1 bedroom	Leasehold
420 sqft / 39 sqm	1 bathrooms	EPC: C

View on Rightmove

2.2 km / 1.4 miles

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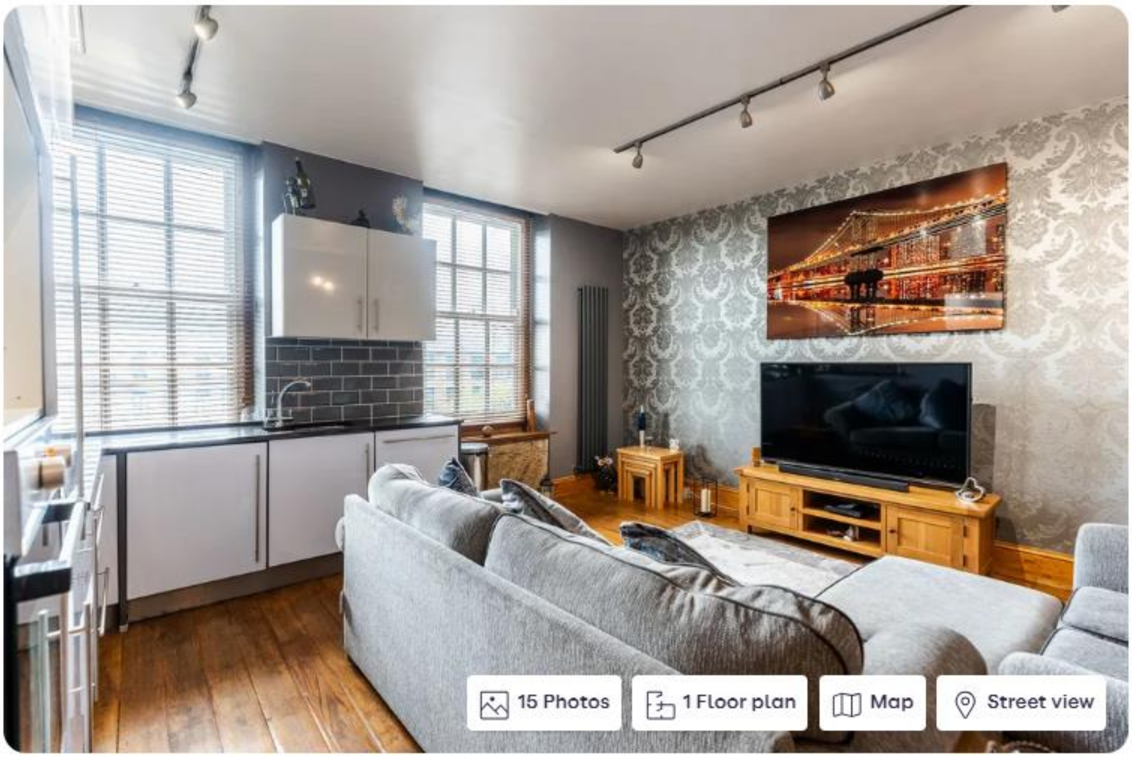
2 beds



Guide price

£85,000

See how much I could borrow

2 bed flat for sale Station Road, Batley WF17

2 beds 2 baths 1 reception EPC Rating: E

Chain free Leasehold

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SSTC

£155,000

Address: 35 College Street Birstall, Batley, Kirklees WF17 9HF

Est value: No data available

On market from: 31/10/2024

Apartment | 2 bedrooms | Leasehold

No data available | 2 bathrooms | EPC: B

View on Rightmove

0.5 km / 0.3 miles

SSTC

£130,000

Address: 6 Fearnley Croft Gomersal, Kirklees BD19 4NQ

Est value: £195 per sqft / £2,097 per sqm

On market from: 18/10/2024

Apartment | 2 bedrooms | Leasehold

667 sqft / 62 sqm | 2 bathrooms | EPC: C

View on Rightmove

1.8 km / 1.1 miles

Available

£135,000

Address: 60 Fearnley Croft Gomersal, Kirklees BD19 4NQ

Est value: £206 per sqft / £2,213 per sqm

On market from: 15/10/2024

Apartment | 2 bedrooms | Leasehold

657 sqft / 61 sqm | 2 bathrooms | EPC: C

View on Rightmove

1.8 km / 1.1 miles

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Sold Examples

Resale — 1.0 km / 0.6 miles

Type	Size	Sale price
Apartment	721 sqft / 67 sqm	£80,000

Address	132 Rochester Road, Birstall, Batley, WF17 9DD
Tenure	Leasehold
New Build	No
Sold Date	04/10/2024
Achieved Value	£111 sqft / £1,194 sqm

Resale — 1.3 km / 0.8 miles

Type	Size	Sale price
Apartment	538 sqft / 50 sqm	£71,000

Address	653 Bradford Road, WF17 8HF
Tenure	Leasehold
New Build	No
Sold Date	12/04/2024
Achieved Value	£132 sqft / £1,420 sqm

Resale — 0.5 km / 0.3 miles

Type	Size	Sale price
Apartment	678 sqft / 63 sqm	£125,000

Address	16 Bronte Road, Birstall, Batley, WF17 9JL
Tenure	Leasehold
New Build	No
Sold Date	28/03/2024
Achieved Value	£184 sqft / £1,984 sqm

Resale — 0.1 km / 0.1 miles

Type	Size	Sale price
Apartment	No data available	£65,000

Address	94 Carr Street, Birstall, Batley, WF17 9HS
Tenure	Leasehold
New Build	No
Sold Date	20/12/2023
Achieved Value	No data available

Resale — 1.3 km / 0.8 miles

Type	Size	Sale price
Apartment	1367 sqft / 127 sqm	£160,000

Address	1, Glen View Leeds Road, WF17 0JQ
Tenure	Freehold
New Build	No
Sold Date	04/09/2023
Achieved Value	£117 sqft / £1,260 sqm

Resale — 1.0 km / 0.6 miles

Type	Size	Sale price
Apartment	603 sqft / 56 sqm	£80,000

Address	Oakwell Court, 75 Branwell Avenue, Birstall, Batley, WF17 9DF
Tenure	Leasehold
New Build	No
Sold Date	31/08/2023
Achieved Value	£133 sqft / £1,429 sqm

Resale	0.4 km / 0.3 miles
Type	Apartment
Size	1464 sqft / 136 sqm
Sale price	£207,000
Address	3 Whewell Street, Birstall, Batley, WF17 9PQ
Tenure	Freehold
New Build	No
Sold Date	04/08/2023
Achieved Value	£141 sqft / £1,522 sqm

Resale	1.0 km / 0.6 miles
Type	Apartment
Size	700 sqft / 65 sqm
Sale price	£57,000
Address	Oakwell Court, 51 Branwell Avenue, Birstall, Batley, WF17 9DF
Tenure	Leasehold
New Build	No
Sold Date	28/03/2023
Achieved Value	£81 sqft / £877 sqm

Resale	1.0 km / 0.6 miles
Type	Apartment
Size	753 sqft / 70 sqm
Sale price	£70,000
Address	130 Rochester Road, Birstall, Batley, WF17 9DD
Tenure	Leasehold
New Build	No
Sold Date	17/02/2023
Achieved Value	£93 sqft / £1,000 sqm

Resale	1.0 km / 0.6 miles
Type	Apartment
Size	710 sqft / 66 sqm
Sale price	£60,500
Address	Oakwell Court, 59 Branwell Avenue, Birstall, Batley, WF17 9DF
Tenure	Leasehold
New Build	No
Sold Date	25/11/2022
Achieved Value	£85 sqft / £917 sqm

Resale	1.0 km / 0.6 miles
Type	Apartment
Size	667 sqft / 62 sqm
Sale price	£85,000
Address	Oakwell Court, 79 Branwell Avenue, Birstall, Batley, WF17 9DF
Tenure	Leasehold
New Build	No
Sold Date	18/11/2022
Achieved Value	£127 sqft / £1,371 sqm

Resale	1.0 km / 0.6 miles
Type	Apartment
Size	678 sqft / 63 sqm
Sale price	£67,000
Address	128 Rochester Road, Birstall, Batley, WF17 9DD
Tenure	Leasehold
New Build	No
Sold Date	04/11/2022
Achieved Value	£99 sqft / £1,063 sqm

Existing Use

holroyd miller

Commercial

FULLY SERVICED OFFICES
WESLEY HOUSE, HUDDERSFIELD ROAD, BIRSTALL

A SERIES OFF FULLY SERVICED OFFICES OF VARYING SIZES FROM 10.4M²/112FT² AVAILABLE INDIVIDUALLY OR BY WAY OF OCMBINATION. THEP ROPERTY IS PROMINENTLY LOCATED AND FRONTS THE MAIN HUDDERSFIELD/LEEDS ROAD [A62] CLOSE TO BIRSTALL TOWN CENTRE AND JUNCTION 27 OF THE M62 MOTORWAY.

FLEXIBLE RENT TERMS

DESCRIPTION
Suites of varying size are available either individually or by way of a combination. Full details of sizes and costs can be provided.

The offices benefit from the following:

Excellent reception area
Suspended ceilings
Gas fired central heating
Category II lighting
Perimeter trunking
Meeting/boardroom facilities
Fitted kitchen
Male and female toilet facilities
Car parking

LOCATION
Wesley House is a prominently located property fronting the main Huddersfield/Leeds Road, the A62, within Birstall. The building is ideally positioned to benefit from excellent road access, being approximately one and a half miles from junction 27 of theM62/M621 motorways and enjoys excellent access to both the M1 and A1 motorways beyond. Leeds City Centre and all the principal towns within the central West Yorkshire conurbation are very easily accessible. Originally built circa 1750 Wesley House comprises a former Methodist Chapel which is listed as a building of architectural and historical interest. The property has been sympathetically refurbished to a high standard to provide good quality office accommodation.

ACCOMMODATION
Office No. 1 - 302 ft²/28.09 m²
£115.38 Per Week, £500.00 Per Month, £6,000 Per Annum

Office No. 2 - 197 ft²/18.30 m²
£79.42 Per Week, £344.16 Per Month, £4,130 Per Annum

Office No. 3 [Boardroom] - **LET** 617 ft²/57.32 m²
£230.77 Per Week, £1,000 Per Month, £12,000 per Annum

Office No. 4 - 351 ft²/32.61 m²
£138.46 Per Week, £600 Per Month, £7,200 Per Annum

Office No. 5 - 350 ft²/32.52 m²
£138.46 Per Week, £600 Per Month, £7,200 Per Annum

Office No. 6 - 303 ft²/28.15 m²
£117 Per Week, £505 Per Month, £6,060 Per Annum

UPPER LEVEL
Office No. 7 & 7A - **LET** 310 ft²/28.8 m²
£125 Per Week, £541.66 Per Month, £6,500 Per Annum

Office No. 9 & Office No. 10 - 316 ft²/29.33 m²
£145.00 Per Week, £580.00 Per Month, £6,960 Per Annum

Office No. 11 [Boardroom] - 254 ft²/23.6 m²
£125.00 Per Week, £500.00 Per Month, £6,000 Per Annum

Office No. 12 - **LET** 214 ft²/19.88 m²
£86.54 Per Week, £375.00 Per Month, £4,500 Per Annum

Office No. 12 - **LET** 214 ft²/19.88 m²
£86.54 Per Week, £375.00 Per Month, £4,500 Per Annum

Office No. 13 - **LET** 112 ft²/10.41 m²
£45.19 Per Week, £195.83 Per Month, £2,350 Per Annum

Office No. 14 - 133 ft²/12.36 m²
£53.65 Per Week, £232.50 Per Month, £2,790 Per Annum

Office No. 15 - 149 ft²/13.84 m²
£60.19 Per Week, £260.83 Per Month, £3,130 Per Annum

Office No. 16 - 147 ft²/13.67 m²
£66.92 Per Week, £290.00 Per Month, £3,480 Per Annum

Office No. 17 – 112ft²/10.77m²
£45,00 Per Week, £195.00 Per Month, £2,340 Per Annum

BUSINESS RATES
All the quoted rates include rent, electricity, heating, cleaning, lighting and business rates.

NB It is appreciated by the Landlord that occupiers may be entitled to rating benefits, ie non-payment of rates if they do not occupy more than one space. If this is the case, then an appropriate allowance would be made in relation to the rating costs for the unit involved at current cost.

VAT
The payment figures quoted are exclusive of VAT and VAT will be chargeable.

TERMS
The suites are available on flexible licence agreements for a minimum term of three months on a fully serviced basis. Alternatively, the accommodation can be made available on a conventional lease basis on terms to be agreed, including the term of years.

AMENITIES
Canteen - fully equipped with electric water geyser and fitted kitchen units and amenities.

OTHER
In addition, services such as secretarial support and meeting room hire can be made available by agreement at additional cost.

VIEWING
Please contact;
Holroyd Miller: 01924 299494
Email: info@holroydmiller.co.uk

ENERGY EFFICIENCY RATING

The property has an Energy Efficiency Rating of TBC and a full report is available on request.

Holroyd Miller
44 Daisy Hill
Dewsbury
WF13 1LH
Tel: 01924 465671
Fax: 01924 450385
info@holroydmiller.co.uk
www.holroydmiller.co.uk

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SERVICED OFFICE, Turnberry Park Road, Leeds, LS27 7LE

Private office space to rent in a modern business centre on the outskirts of Leeds. The Morley offices are presented unfurnished, allowing you to set up the space to suit your needs. Fast broadband and telephone lines are provided. Facilities include...

TO LET - £819.00 per month

More

SERVICED OFFICE, Park House, Bradford Road, Leeds, WF17 9PH

This serviced office centre provides fully furnished office space, with rent, rates, insurance and utilities all included into one monthly cost. This is a new development of 14,000 sq ft, containing 25 fully serviced offices all of which...

TO LET - £250.00 per month

More

COMPLETION STATEMENT

Medipharm's Completion Statement regarding its purchase of Wesley House, Chapel Lane, Birstall, Batley, WF17 9EJ

Purchase price £450,000.00

Stamp duty £12,000.00

Our fees £1,600.00

VAT on our fees £320.00

Search fees £220.00

Land Registry registration fee £200.00

Bank transfer fee £36.00

Chancel repair indemnity policy £200.00

Total £464,576.00

Less payment on account of costs £750.00 98

Amount required in order to complete £463,826.00

Appendix 6

Viability Appraisal

100% Open Market Value Scheme

Benchmark Land Value

Residual Land valuation	£0

HCA DEVELOPMENT APPRAISAL TOOL

SUMMARY DETAIL

SCHEME

Site Address Wesley House, Birstall
Site Reference
File Source
Scheme Description

Date of appraisal 19/02/2025
Net Residential Site Area
Author & Organisation
Registered Provider (wher 0

Housing Mix (Affordable + Open Market)

Total Number of Units	21	*units*
Total Number of Open Market Units	21	*units*
Total Number of Affordable Units	0	*units*
Total Net Internal Area (sq m)	1,232	*sq m*
% Affordable by Unit	0.0%	
% Affordable by Area	0.0%	
Density	No Area input	*units/ hectare*
Total Number of A/H Persons	0	*Persons*
Total Number of Open Market Persons	0	*Persons*
Total Number of Persons	0	*Persons*
Gross site Area	0.00	*hectares*
Net Site Area	0.00	*hectares*
Net Internal Housing Area / Hectare	-	*sq m / hectare*

***Average* value (£ per unit)**	**Open Market Phase 1:**	**Open Market Phase 2:**	**Open Market Phase 3:**	**Open Market Phase 4:**	**Open Market Phase 5:**	**Total**
1 Bed Flat Low rise	£94,000	£0	£0	£0	£0	
2 Bed Flat Low rise	£120,000	£0	£0	£0	£0	
3 Bed Flat Low rise	£0	£0	£0	£0	£0	
4 Bed + Flat Low rise	£0	£0	£0	£0	£0	
1 Bed Flat High rise	£0	£0	£0	£0	£0	
2 Bed Flat High rise	£0	£0	£0	£0	£0	
3 Bed Flat High rise	£0	£0	£0	£0	£0	
4 Bed + Flat High rise	£0	£0	£0	£0	£0	
2 Bed House	£0	£0	£0	£0	£0	
3 Bed House	£0	£0	£0	£0	£0	
4 Bed + House	£0	£0	£0	£0	£0	
Total Revenue £	**£2,000,000**	**£0**	**£0**	**£0**	**£0**	**£2,000,000**
Net Area (sq m)	1,232	-	-	-	-	1,232
Revenue (£ / sq m)	£1,624	-	-	-	-	

CAPITAL VALUE OF OPEN MARKET SALES **£2,000,000**

Capital Value of Private Rental	
Phase 1	£0
Phase 2	£0
Phase 3	£0
Phase 4	£0
Phase 5	£0
Total PR	**£0**

CAPITAL VALUE OF OPEN MARKET HOUSING			**£2,000,000**	£ 1,543 psqm
BUILD COST OF OPEN MARKET HOUSING inc Contingency	**£1,364,075**	£ 1,052 psqm		
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING				**£635,925**

AH Residential Values

AH & RENTAL VALUES BASED ON NET RENTS

Type of Unit	**Social Rented**	**Shared Ownership (all phases)**	**Affordable Rent (all phases)**	**Total**
1 Bed Flat Low rise				
2 Bed Flat Low rise				
3 Bed Flat Low rise				
4 Bed + Flat Low rise				
1 Bed Flat High rise				
2 Bed Flat High rise				
3 Bed Flat High rise				
4 Bed + Flat High rise				
2 Bed House				
3 Bed House				
4 Bed + House				
	£0	£0	£0	**£0**
£ psqm of CV (phase 1)	-	-	-	

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)			**£0**
RP Cross Subsidy (use of own assets)			£0
LA s106 commuted in lieu			£0
RP Re-cycled SHG			£0
Use of AR rent conversion income			£0
Other source of AH funding			£0
OTHER SOURCES OF AFFORDABLE HOUSING FUNDING			**£0**
CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)			**£0**
BUILD COST OF AFFORDABLE HOUSING inc Contingency	**£0**	#DIV/0!	
CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING			**£0**

Car Parking

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

Value of Residential Car Parking **£0**
Car Parking Build Costs £0

Ground rent					
			Capitalised annual ground rent		
Social Rented			£0		
Shared Ownership			£0		
Affordable Rent			£0		
Open market (all phases)			£0		
Capitalised Annual Ground Rents				**£0**	
TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME				**£2,000,000**	
TOTAL BUILD COST OF RESIDENTIAL SCHEME			**£1,364,075**		
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME					**£635,925**
Non-Residential					
			Cost	Values	
Office			£0	£0	
Retail			£0	£0	
Industrial			£0	£0	
Leisure			£0	£0	
Community Use			£0	£0	
Community Infrastructure Levy			£0		
CAPITAL VALUE OF NON-RESIDENTIAL SCHEME				**£0**	
COSTS OF NON-RESIDENTIAL SCHEME			**£0**		
CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL					**£0**
GROSS DEVELOPMENT VALUE OF SCHEME				**£2,000,000**	
TOTAL BUILD COSTS			**£1,364,075**		
TOTAL CONTRIBUTION TO SCHEME COSTS					**£635,925**

External Works & Infrastructure Costs (£)			Per unit	% of GDV	per Hectare
Site Preparation/Demolition		£7,500	357	0.4%	
Roads and Sewers		£0			
Services (Power, Water, Gas, Telco and IT)		£42,000	2,000	2.1%	
Strategic Landscaping		£0			
Off Site Works		£0			
Public Open Space		£0			
Site Specific Sustainability Initiatives		£0			
Plot specific external works		£15,000	714	0.8%	
Other 1		£0			
Other 2		£0			
		£64,500		3.2%	
Other site costs					
Fees and certification	8.0%	£103,930	4,949	5.2%	
Other Acquisition Costs (£)		£0			
Site Abnormals (£)					
De-canting tenants		£0			
Decontamination		£0			
Other		£0			
Other 2		£0			
Other 3		£0			
Other 4		£0			
Other 5		£0			
		£0			
Total Site Costs inc Fees		**£168,430**	8,020		

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

Marketing (Open Market Housing ONLY)			per OM unit	
Sales/letting Fees	1.5%	£30,000	1,429	
Legal Fees (per Open Market unit):	£1,000	£21,000	1,000	
Marketing (Affordable Housing)			per affordable unit	
Developer cost of sale to RP (£)		£0		
RP purchase costs (£)		£0		
Intermediate Housing Sales and Marketing (£)		£0		
Total Marketing Costs		**£51,000**		
Total Direct Costs				**£1,583,505**

Finance and acquisition costs					
Land Payment	-£7,683	-366	per OM home	#DIV/0!	#DIV/0!
Arrangement Fee	£0	0.0%	of interest		
Misc Fees (Surveyors etc)	£0	0.00%	of scheme value		
Agents Fees	£0				
Legal Fees	£0				
Stamp Duty	£0				
Total Interest Paid	£74,179				

Total Finance and Acquisition Costs			**£66,496**	
Developer's return for risk and profit				
Residential				
Market Housing Return (inc OH) on Valu	17.5%	£350,000	16,667	per OM unit
Affordable Housing Return on Cost	0.0%	£0		per affordable unit
Return on sale of Private Rent	0.0%	£0	#DIV/0!	per PR unit
Non-residential				
Office	£0			
Retail	£0			
Industrial	£0			
Leisure	£0			
Community-use	£0	**£0**		
Total Operating Profit			**£350,000**	
(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)				
TOTAL COST			**£2,000,001**	

Surplus/(Deficit) at completion 1/2/2027	**(£1)**
Present Value of Surplus (Deficit) at 19/2/2025	**(£)**

Scheme Investment MIRR **20.0%** (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value	-0.4%	Peak Cash Requirement	-£1,470,130
Site Value (PV) per hectare	No area input per hectare	No area input per acre	