

AUGUST 2020



WHITE LAND STRATEGIES LTD
Viability Delivery Planning

LAND AT TOP WIGHAY FARM, NOTTINGHAMSHIRE

FOR: NOTTINGHAMSHIRE COUNTY COUNCIL

1.0 INTRODUCTION

White Land Strategies Ltd has been instructed by Nottinghamshire County Council to undertake a viability appraisal of the Top Wighay Farm proposed development.

Planning permission is sought for Outline planning permission for up to 805 dwellings. The site extends to 36 ha (89.03 acres) gross.

NEED FOR A VIABILITY ASSESSMENT

The objectives of the viability assessment are to test reasonable and maximum values/costs, efficiency of assumptions and to establish a cash flow that maximises the opportunity to deliver the necessary s106 and CIL contributions, and affordable housing provision.

The Policy Compliant position would be a 30% Affordable Housing scheme with associated S106 plus a CIL allowance.

This report sets out that the policy compliant position is not viable to accommodate all three of the above elements and meet viability benchmarks.

The report sets out the basis of assumptions and reports the viability outcome. The report proposes a reduction to the affordable housing contribution to equate to 10% affordable housing. S106 and CIL payments are retained in the appraisal.

In preparing this report particular regard has been given to policy and guidance within the following:

The Royal Institution of Chartered Surveyors (RICS): Financial Viability in Planning RICS Guidance Note 1st edition (GN 94/2012) August 2012

Whereby:

- An objective financial viability test of the ability of a development project to meet its costs including the cost of planning obligations, while ensuring an appropriate Site Value for the landowner and a market risk adjusted return to the developer in delivering that project.

Local Housing Delivery Group: Viability Testing in Local Plans – Advice for planning practitioners. (LGA/HBF – Sir John Harman) June 2012

Whereby:

- An individual development can be said to be viable if, after taking account of all costs, including central and local government policy and regulatory costs and the costs and availability of development finance, the scheme provides a competitive return to the developer to ensure that development takes place and generates a land value sufficient to persuade a land owner to sell the land for the development proposed.

Section 106 Affordable Housing Requirements: Review and Appeal (the Guidance) DCLG (April 2013)

Whereby:

- The test for viability is that the evidence indicates that the current cost of building out the entire site (at today's prices) is at a level that would enable the developer to sell the market units on the site (in today's market) at a rate of build out evidenced by the developer and make a competitive return to a willing developer and a willing landowner. (paragraph 10)

NATIONAL PLANNING POLICY FRAMEWORK 2019

The NPPF sets out the following basis:

The key purpose of viability assessments is to demonstrate what policy costs (i.e., affordable housing, other s106 obligations, CIL, etc.) the development can sustain, if any, and still be capable of delivery.

The most relevant extracts to viability assessment from the revised NPPF are summarised as follows:

- *Para 34:* The Development Plan should set out the contributions expected from the development to include setting out the levels and types of affordable housing provision required, along with other infrastructure (as needed for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan.
- *Para 57:* Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available. The standardised inputs are set out in the July PPG release.

Planning Practice Guidance (PPG) on viability

This guidance relates to both plan making and the use of viability in decision making. The PPG states "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...” “...In plan making and decision making viability helps to strike a balance between the aspirations of developers, landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permissions.”

The PPG also states that contributions should be realistic and not compromise sustainability and that the Cumulative costs of ‘all relevant policies’ will not undermine deliverability.

The revised PPG retains the assumption that the landowner should receive a land value based on Existing Use Value plus a Premium and that this reasonable incentive is equal to the minimum a willing land owner would be willing to sell the land. Equally the developer will require sufficient return in order that the site comes forward for development.

The test arising from this approach is whether net residual (development) land value, as demonstrated by a residual appraisal, exceeds a relevant and appropriate benchmark value by an adequate margin, while also assuming an adequate commercial return to the developer.

This enhanced value basis is usually reflected as a minimum value per gross acre in the case of agricultural or other low value land, as is the case here. The premium over EUV/Alternative Use Value and/or application of minimum value, as appropriate, are both recognised as necessary since a landowner is likely to have to bear many costs, such as relocation, taxation, the cost, time and effort involved in obtaining planning permission etc. to bring their land forward for development, as well as requiring an element of ‘profit’, in the form of value-enhancement, for doing so.

Reference to a consistent method of benchmarking minimum value as a ‘threshold’ against which residual land value for development can be compared, rather than attempting to reflect or justify actual price paid (or agreed to be paid) by a specific developer, is recognised in the PPG but was already common practice and recognised as a fairer approach when determining viability. This avoids potential arguments, for example, as to whether the developer may have paid too much for the land and that as a result provision of public infrastructure should then be at risk in mitigating the overpayment.

The viability assessment set out in this report follows the advice within the PPG.

APPLICATION IN THIS DEVELOPMENT SITE CONTEXT

There are key assumptions which can be made at this stage.

- This site whilst large in the local context could be an influence on delivering the 5 year land supply. In addition the scale of the development, it could trigger the test that recommends Plan Makers to undertake a detailed viability assessment at Plan making stage.
- The NPPF as referenced above, has set out advice on standardisation of inputs to reduce the degree of variables and bring in to line the consistency in application of the viability test.

Considering these in turn below:

- Land value: the LPA is to ignore price paid and consider a Benchmark Land Value that reflects comparable pricing in the market reflecting policy compliance and adjusted where non-compliant with the BLV equating to Existing Use Value plus a premium to land owners where land is being brought forward for development for higher value uses. The premium should be the **minimum return** at which it is considered a reasonable landowner would be willing to sell their land.
 - Land price in this case is a residual with associated stamp duty and other land purchase related fees.
 - Profit is fixed at a rate equivalent to benchmark viability assessments for large scheme with upfront infrastructure demands.
 - The viability target measure is therefore the land value. It is recognised that the Council has some flexibility with how land value is assessed. Viability assessments must also, however, adopt a reasonable approach to inputs and outputs so the BLV has been assumed to be a target of £100,000 per gross acre and if the land value fails to meet this target the Council has the consideration, without prejudice, of accepting a lower return to enable the scheme to be implemented.
- Sales Values: market evidence to be adopted on large sites. Pricing is based on marketing assessment.
- Profit 20%. Profit is blended reflecting lower returns for affordable housing delivery at 6% of Affordable housing GDV.

2.0 BACKGROUND TO WHITE LAND STRATEGIES LIMITED

White Land Strategies Ltd is a niche advisory consultancy, established in in 2016, specialising in independent assessment of development options and viability assessments.

The practice is owned by Chris White. Chris has over 20 years’ experience working in the property industry and specialises in development/viability appraisals, developer procurement, development agreements, delivery models and implementation advice to assist in the S106 negotiations, development of masterplans, development briefs and the redevelopment of surplus assets. His experience having operated as a consultant, a developer and within Local Authorities provides a valuable broad range of understanding to ensure reporting meets the objectives of private and public sectors alike.

He was formerly head of the Midlands Development Consulting team in BNP Paribas Real Estate for 3 years. Prior to this he was National Director at CBRE for the Development Consulting practice for 7 years. Prior to these core consultancy periods Chris was Managing Director of developer, Castlemore Securities’ Regeneration company. Prior roles at Chesterton Plc, RegenCo Sandwell, Leicester Regeneration Company have widened Chris understanding of brownfield development and viability associated with regeneration of town centres.

WLSL regularly provides ‘route to market reports’. As part of the development advice WLSL focusses on commercial deliverability of option appraisals and viability appraisals.

Chris has over the last 5 years alone undertaken viability assessments on residential schemes amounting to in excess of 50,000 residential units, industrial/commercial and retail/town centre schemes and appeared as Expert Witness in viability matters.

This report has been prepared by Chris White.

3.0 RESIDENTIAL MARKET REVIEW

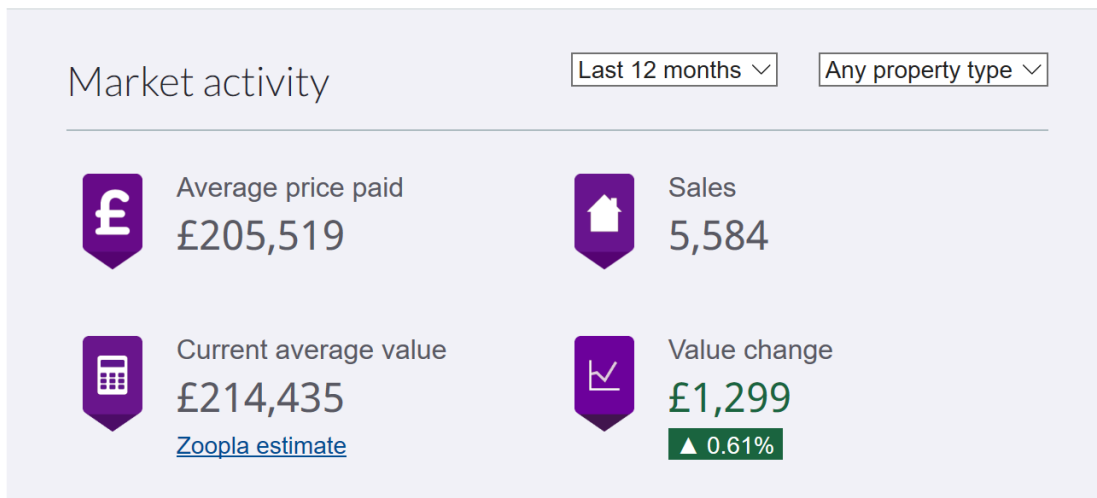
3.1 MARKET REVIEW

The sales values adopted in the viability models are based on research undertaken for completed new build comparables in the local market. Sites reviewed, range from Mansfield to the north to Nottingham to the south. The concentrated modelling considers sites closer to Hucknall and Linby where pricing comparables are likely to reflect market expectations locally.

The extracts set out below are sourced from Zoopla. Zoopla provides a publicly available data set of prices paid and asking prices. Research was also reviewed at Rightmove and Mouseprice.com.

The report considers the wider market and filters doe to the local area.

Browse House prices in Nottingham



The above summary shows average property values in the Nottingham area at £214,435, with a rise in recorded values of just 0.61% in the last 12 months.

The table below expands on this. The table is available at the shire level which would be a better representation of the outer City average. The average value per sqft in the shire ranges from £128 psft for a terraced property to £189 psft for a detached property.

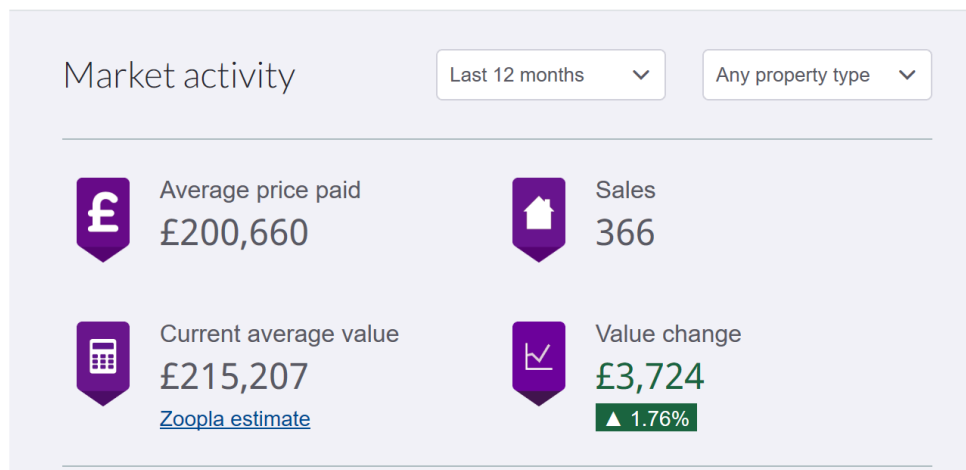
Area guide for Nottinghamshire

Property value data/graphs for Nottinghamshire

Property type	Avg. current value	Avg. £ per sq ft.	Avg. # beds	Avg. £ paid (last 12m)
Detached	£268,284	£189	3.6	£254,630
Semi-detached	£138,577	£152	3.0	£141,409
Terraced	£110,671	£128	2.7	£114,059
Flats	£110,714	£146	1.9	£93,408

The following table shows the NG15 postcode area. Values are similar at £215,207 for the average house though the rate of growth was marginally higher in the last 12 months. Average paid is c£200,000 locally.

Browse House prices in NG15



The table below sets out the unit breakdown for comparison. The table shows the average price psft in the postcode NG15 to be substantially higher, as expected across the range of unit types, ranging from £173 psft for a terraced property to £227 psft for a detached property.

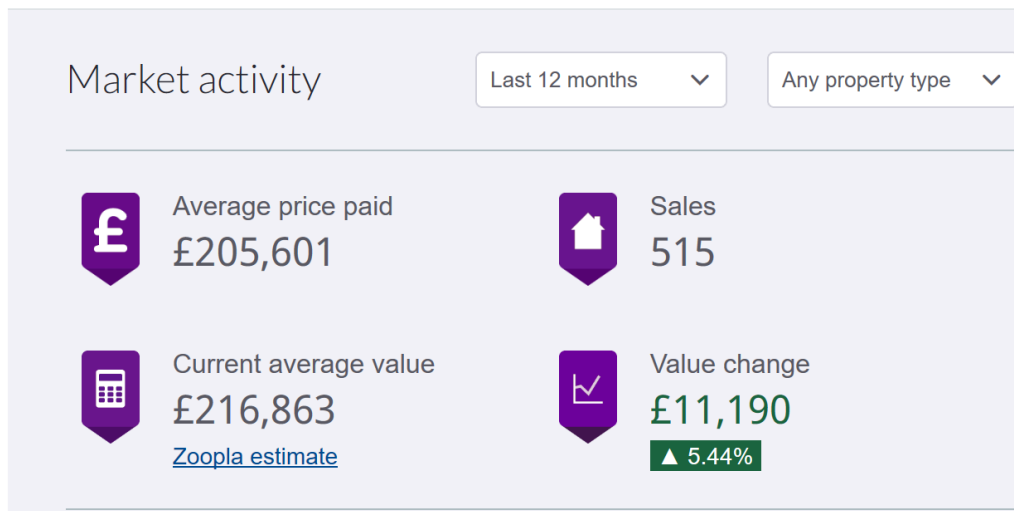
Area guide for NG15

Property value data/graphs for NG15

Property type	Avg. current value	Avg. £ per sq ft.	Avg. # beds	Avg. £ paid (last 12m)
Detached	£315,628	£227	3.6	£307,237
Semi-detached	£164,883	£173	2.9	£164,644
Terraced	£132,468	£173	2.7	£130,881
Flats	£115,569	£193	1.9	£98,800

Research shows that despite the ongoing pandemic the strength of the residential market property values generally have risen within the NG15 8 area. The Zoopla summary below shows that the sub postcode area, over the last 12 months, has grown faster than the wider housing market has.

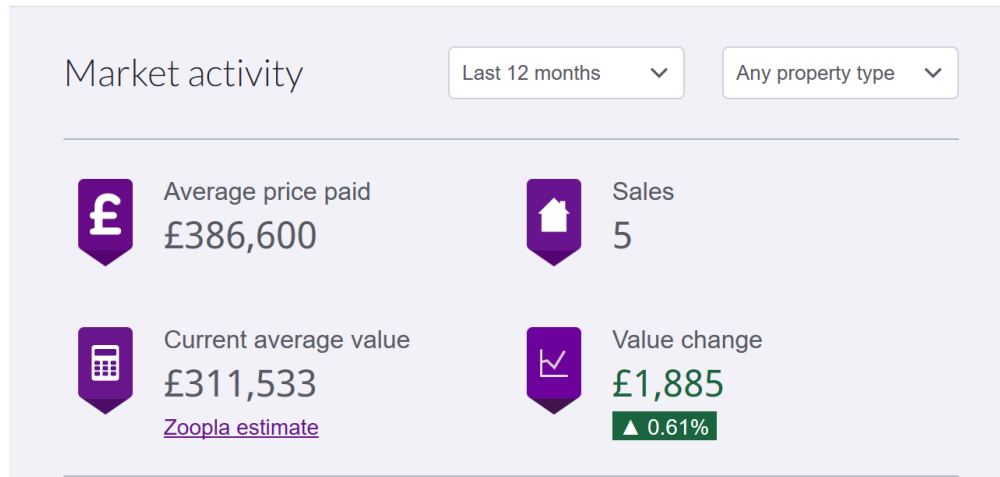
House prices in NG15 8



The unit value breakdown for NG15 8 is the same as the NG15 postcode area.

The research has also looked at the Linby areas. The following extract looks at the Linby area according to Zoopla.

Browse House prices in Linby, Nottingham



The Linby area is a substantially higher value location with the average property price at £311,533 according to Zoopla.

Area guide for Linby, Nottingham

Property value data/graphs for Linby, Nottingham

Property type	Avg. current value	Avg. £ per sq ft.	Avg. # beds	Avg. £ paid (last 12m)
Detached	£339,285	£243	4.0	£386,600
Semi-detached	£244,642	-	3.8	-
Terraced	£167,445	-	-	-
Flats	£132,942	-	2.0	£292,500

Linby property averages are not broken down to the same degree but provide a detached house price value at £243 psft. Average paid for detached houses and flats are markedly higher but this may be anomalous due to the smaller sample size skew for a small number of larger properties being sold.

The following table shows the current asking prices in the closest areas to the site, being Linby, Hucknall and the postcode area itself. These are set out below:

Current asking prices in NG15

Average: **£296,955**

Property type	1 bed	2 beds	3 beds	4 beds	5 beds
Houses	£115,000 (1)	£168,053 (18)	£210,910 (56)	£354,054 (45)	£428,073 (13)
Flats	-	£119,000 (5)	-	-	-
All	£115,000 (1)	£157,389 (23)	£210,910 (56)	£354,054 (45)	£428,073 (13)

The NG15 postcode has average bed sizes values ranging from £115,000 for a flat to £428,073 for a 5 bed property. The predominant properties given the sample sizes are in the 3 and 4 bed categories.

Current asking prices in Hucknall

Average: **£228,676**

Property type	1 bed	2 beds	3 beds	4 beds	5 beds
Houses	£115,000 (1)	£182,353 (17)	£201,736 (53)	£281,706 (29)	£340,142 (7)
Flats	£150,000 (1)	£117,500 (2)	-	-	-
All	£132,500 (2)	£175,526 (19)	£201,736 (53)	£281,706 (29)	£340,142 (7)

The Hucknall area has average be sizes values ranging from £115,000 for a flat to £340,142 for a 5 bed property. The predominant properties given the sample sizes are again in the 3 and 4 bed categories.

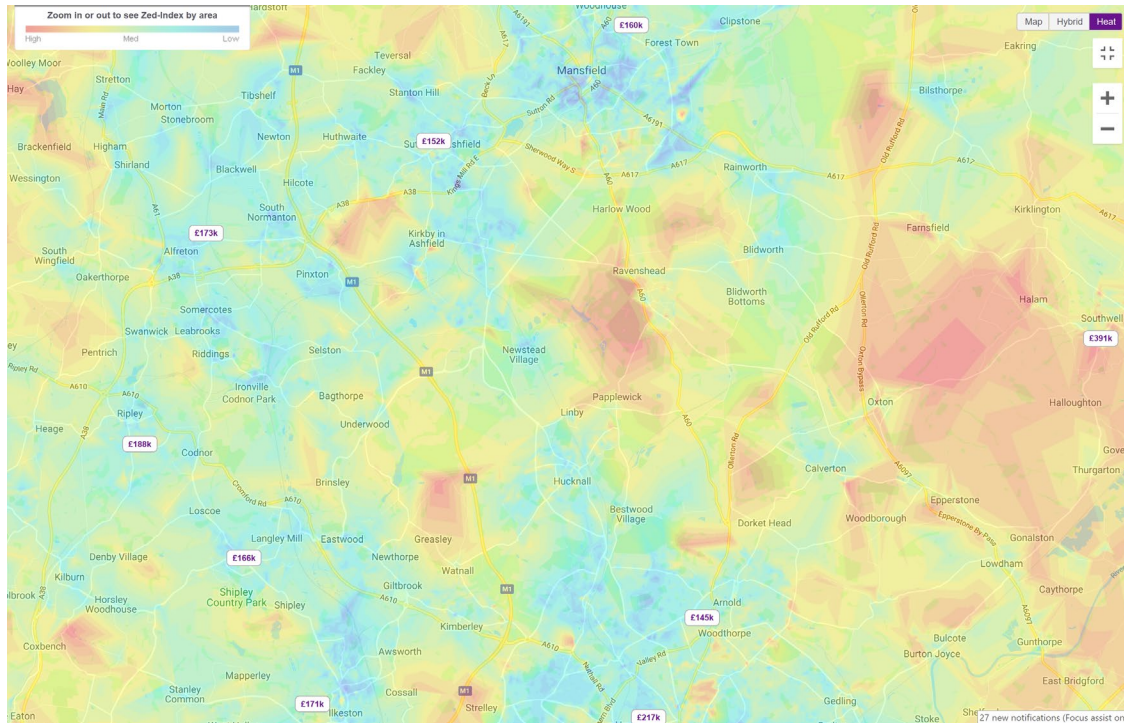
The equivalent table to those above contain only x2no. 4 bed properties at £340,000 given the small sample sets.

A further detail to add to the marketing review is to consider the heat maps for the area.

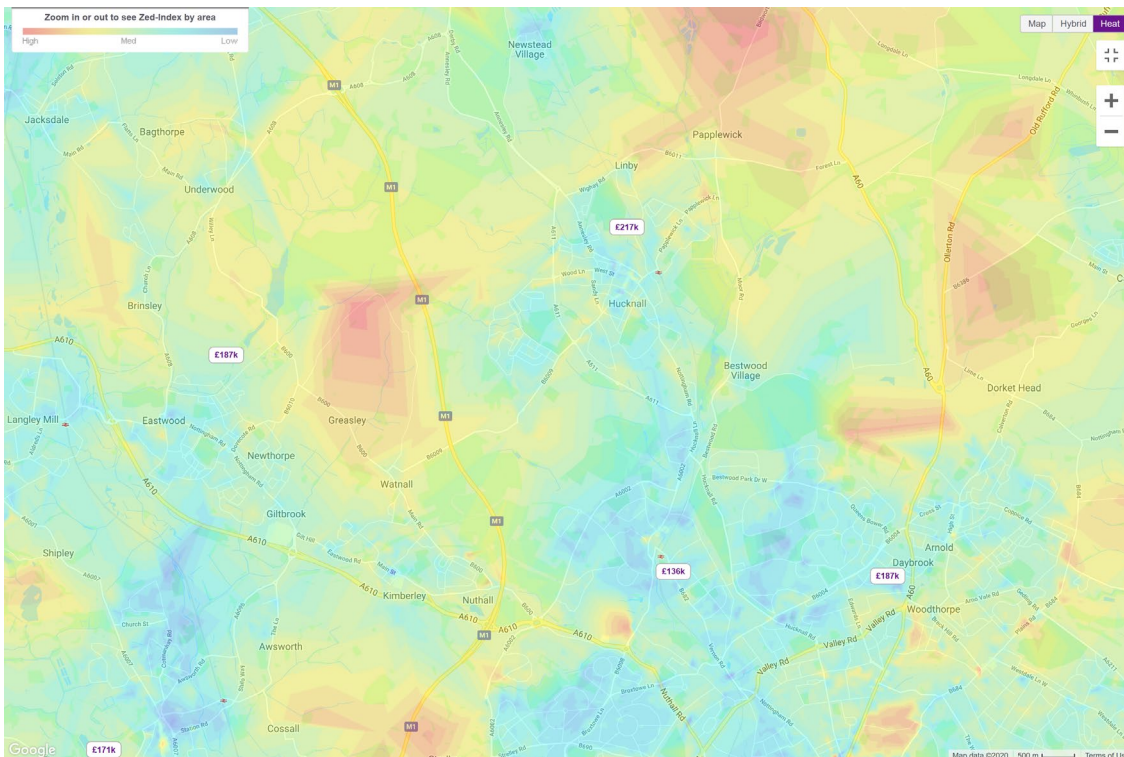
The Zoopla heatmaps below show the wider area. The heat map works to show the higher values in an area as a hotter yellow to orange to red. Weaker and lower value markets are show as blue to purple colours.

Land at Top Wighay Farm, Nottinghamshire

The first heat map shows the site in the context of Hucknall. The better market conditions are located to the north east of the site from Linby to Papplewick.



The second map below shows the site in a fringe warmer location but sandwiched between the cooler Newstead Village and Hucknall areas.



3.1 SALES COMPARABLES ANALYSIS

Initial observation of the Top Wighay site in relation to competitive and comparative sites are:

- units are considerably smaller than competitive sites
- Proportion of 2.5 storeys likely higher
- Higher percentage of flats

COMPARABLES SITES

Bellway - Sherwood Gate NG15 8JT									
Type	Size	Style	Sqft	£	£/psft				
Worcester	4 Bed	semi	1122	£255,000	£227.27				
Willesly	4 Bed	det	1212	£302,500	£249.59				
Lowesby	4 Bed	det	1272	£327,500	£257.47				
Gelsmoor	4 Bed	det	1385	£339,000	£244.77				
Weston	4 Bed	det	1393	£347,500	£249.46	Average	Size	Unit £	£/psft
Laughton	4 Bed	det	1491	£365,000	£244.80	4 Bed	1312.5	£322,750	£246
Welford	5 Bed	det	1799	£425,000	£236.24	5 Bed	1799	£425,000	£236.24
Lichfield	3 Bed	det							
Hemington	3 Bed	det	781		£0.00				
Somerby	3 Bed	semi	768		£0.00				
Somerby	3 Bed	det	768		£0.00				
Hemington	3 Bed	semi	781		£0.00				
Somerby	3 Bed	terrace	768		£0.00				
Lichfield	3 Bed	semi							
Dalby	4 Bed	det	1067		£0.00				
Bosworth	5 Bed	det							
Cadeby	5 bed	det							
Persimmon - Hawkes Place NG15 6EU									
Type	Size	Style	Sqft	£	£/psft				
Hatfield	3 Bed	det	969	£219,995	£227.03	Average	Size	Unit £	£/psft
Moseley	3 Bed	terrace	739	£164,995	£223.27	3 Bed	854	£192,495	£225
Kendal	4 Bed	det	1190	£249,995	£210.08	4 Bed	1207.25	£255,496	£212
Longthorpe	4 Bed	det	1153	£248,000	£215.09				
Longthorpe	4 Bed	det	1153	£247,995	£215.09				
Warwick	4 Bed	det	1333	£275,995	£207.05				
Harron Homes - Sandlands Park 2 NG15 6WQ									
Type	Size	Style	Sqft	£	£/psft				
Settle	4 Bed	det		£329,995		Average	Size	Unit £	£/psft
Buxton	4 Bed	det		£299,995		4 Bed		£314,995	
Dunstanburgh	5 Bed	det		£434,995		5 Bed	0	£434,995	

Land at Top Wighay Farm, Nottinghamshire

Barratt Homes - Berry Hill NG18 4TQ									
Type	Size	Style	Sqft	£	£/psft	Average	Size	Unit £	£/psft
Kenley	2 Bed	semi		£154,995		2 Bed	0	£154,995	
Kingsley	4 Bed	det	1079	£262,995	£243.74	4 Bed	1197.5	£289,495	£242
Radleigh	4 Bed	det	1316	£315,995	£240.12				
Bellway Homes - Berry Hill NG18 4TQ									
Type	Size	Style	Sqft	£	£/psft				
Somerby	3 Bed	semi	768	£187,500	£244.14				
Lichfield	3 Bed	det		£215,000		<i>Average</i>	<i>Size</i>	<i>Unit £</i>	<i>£/psft</i>
Worcester	4 Bed	semi	1122	£228,500	£203.65	3 Bed	768	£187,500	£244.14
Dalby	4 Bed	det	1385	£257,500	£185.92	4 Bed	1312.5	£285,417	£217
Lowesby	4 Bed	det	1272	£282,500	£222.09				
Willesley	4 Bed	det	1212	£282,500	£233.09				
Weston	4 Bed	det	1393	£319,000	£229.00				
Laughton	4 Bed	det	1491	£342,500	£229.71				
Clarendon	3 Bed	det							
David Wilson Homes - Berry Hill NG18 4TQ									
Type	Size	Style	Sqft	£	£/psft				
Ingleby	4 Bed	det		£257,000		<i>Average</i>	<i>Size</i>	<i>Unit £</i>	<i>£/psft</i>
Bradgate	4 Bed	det	1417	£338,995	£239.23	4 Bed	1417	£297,998	£239
Avant Homes - Berry Hill NG18 4TQ									
Type	Size	Style	Sqft	£	£/psft	Average	Size	Unit £	£/psft
Coleford	2 Bed	semi	691	£179,995	£260.48	2 Bed	691	£179,995	£260.48
Dalton	3 Bed	det		£249,995		3 Bed	0	£249,995	
Oldbury	4 Bed	semi	1230	£314,995	£256.09	4 Bed	1330.5	£323,995	£244
Rosebury	4 Bed	det	1431	£332,995	£232.70	5 Bed	1949	£424,995	£218.06
Kirkham	5 Bed	det	1949	£424,995	£218.06				
Langridge Homes - The Green NG16 2UF									
Type	Size	Style	Sqft	£	£/psft	Average	Size	Unit £	£/psft
Chesterton	4 Bed	det		£285,000	#DIV/0!	4 Bed		£285,000	
Carlisle	4 Bed	det		£285,000	#DIV/0!				

SUMMARY OF AVERAGE PRICING:

Bellway - Sherwood Gate NG15

Average	Size	Unit £	£/psft
4 Bed	1312.5	£322,750	£246
5 Bed	1799	£425,000	£236.24

Persimmon - Hawkes Place NG15 6EU

Average	Size	Unit £	£/psft
3 Bed	854	£192,495	£225
4 Bed	1207.25	£255,496	£212

Harron Homes - Sandlands Park 2 NG15 6WQ

Average	Size	Unit £	£/psft
4 Bed		£314,995	
5 Bed	0	£434,995	

Barratt Homes - Berry Hill NG18 4TQ

Average	Size	Unit £	£/psft
2 Bed	0	£154,995	
4 Bed	1197.5	£289,495	£242

Barratt Homes - Berry Hill NG18 4TQ

Average	Size	Unit £	£/psft
3 Bed	768	£187,500	£244.14
4 Bed	1312.5	£285,417	£217

David Wilson Homes - Berry Hill NG18 4TQ

Average	Size	Unit £	£/psft
4 Bed	1417	£297,998	£239

Avant Homes - Berry Hill NG18 4TQ

Average	Size	Unit £	£/psft
2 Bed	691	£179,995	£260.48
3 Bed	0	£249,995	
4 Bed	1330.5	£323,995	£244
5 Bed	1949	£424,995	£218.06

Langridge Homes - The Green NG16 2UF

<i>Average</i>	<i>Size</i>	<i>Unit £</i>	<i>£/psft</i>
4 Bed		£285,000	

The following site has also been reviewed due to its proximity to the Application site which makes the site relevant to the comps analysis.

Oakdale Homes - Poets Close NG15 6WF			
£	sqm	Sqft	£/psft
£229,800	95	1022.6	£224.73
£210,000	111	1194.8	£175.76
£315,000	163	1754.5	£179.54
£205,000	111	1194.8	£171.58
£223,000	104	1119.4	£199.21
£205,000	111	1194.8	£171.58
£210,000	104	1119.4	£187.59
£205,000	111	1194.8	£171.58
£205,000	107	1151.7	£177.99
£200,000	107	1151.7	£173.65
£200,000	107	1151.7	£173.65
£235,000	133	1431.6	£164.15
£205,000	98	1054.9	£194.34
£196,000	98	1054.9	£185.81
£229,950	134	1442.4	£159.43
£195,000	107	1151.7	£169.31
£200,000	107	1151.7	£173.65
£200,000	106	1141.0	£175.29
£165,000	90	968.8	£170.32
£195,000	107	1151.7	£169.31
£205,000	107	1151.7	£177.99
£211,131		1188.1	£178.40

The Berry Hill sites could be considered higher value sites in comparison to the Top Wighay Farm site. Those values range between £154,995 to £179,995 for the 2 beds, £187,500 to £249,995 for the 3 beds and £285,417 to £323,995 for the 4 beds. The 5 beds are substantially larger units than those proposed at this site but are c£424,995.

The proposed pricing is averaged due to the generalised unit mix but noting the smaller average unit size and likely high proportion of 2.5 storey units the proposed pricing is as follows based on an average of £240 psft:

Units	Price
1 Bed	£122,400
2 Bed	£201,600
3 Bed	£217,200
4 Bed	£264,000
5 Bed	£311,640

The above pricing reflects the higher values in the comparables sites at Berry Hill and exceeds Persimmon and Barratt values (is reasonable in comparison) and also recognises the premium over Poets Corner price per sqft.

3.2 HOUSING SCHEDULE

The site is an outline planning application, so no detailed unit mix has been concluded at this stage. An indicative unit mix has been put together to determine an average for the accommodation schedule, price and to derive a GDV based on the density assumptions in the supporting masterplan. The density analysis for the masterplan demonstrates the likely smaller unit sizes in comparison to competing and comparable sites for the market values section.

Parcel	Net acres	Sqft/acre	sqft	Tot sqft	Units	DPH	USE
R1	5.453	16000	890	87248.0	98.0	44.4	98
R2	5.215	15500	1040	80833.2	77.7	36.8	78
R3	1.718	17000	850	29211.7	34.4	49.4	34
R4	2.460	17000	860	41822.2	48.6	48.8	49
R5	0.833	16000	890	13333.5	15.0	44.4	15
R6	7.041	16000	890	112653.9	126.6	44.4	127
R7	2.547	17000	840	43298.7	51.5	50.0	52
R8	2.162	15000	1200	32430.0	27.0	30.9	27
R9	2.955	17000	850	50242.5	59.1	49.4	59
R10	2.723	16000	880	43568.7	49.5	44.9	50
R11	6.429	15750	1030	101261.4	98.3	37.8	98
R12	4.888	15750	1025	76988.1	75.1	38.0	75
LC	1.643	18000	680	29577.9	43.5	65.4	43
				742470	804*	805	
						Total	742500
						Average	922

*Units rounded to 805

The above table provides the translation of masterplan density assumptions to an indicative unit mix. This provides output equivalent to 805 units at an average of 922 sqft. The working assumption therefore would be that the average unit mix is likely to contain a higher proportion of 1 bed and 2 beds units than neighbouring commercial schemes.

This is further assumed to be broken down on the following basis for the policy compliant scheme:

Bed Type	Breakdown	Units	Sizes	Sqft	All 100%	OM 70%	OM sqft	AH 30%	AH sqft
1B	8%	64	510	32640	64	44	22440	20	10200
2B	30%	242	840	203280	242	169	141960	73	61320
3B	37%	298	905	269690	298	209	189145	89	80545
4B	23%	185	1100	203500	185	130	143000	55	60500
5B	2%	16	1298	20776	16	11	14283	5	6492
	100%	805		729886	805	563	510828	242	219057

There is likely to be some marginal differences due to rounding however the purpose of the exercise is to demonstrate a logical representation of potential unit breakdown rather than predict the actual unit breakdown. The average unit size when broken down to unit mix alters the unit size per sqft marginally downwards to 907 sqft.

The appraisals are constructed on the basis of a total sqft of development of c730,000 sqft for the policy compliant scheme.

The submitted appraisals as part of this viability assessment are constructed using Argus Developer v.8.10.

3.3 SUMMARY

The accommodation schedule is an indicative unit mix to derive a basis for calculating the GDV and for a comparative basis for the sales value analysis.

The assumed values exceed the Persimmon and Barratts schemes but equally the location is not as high value as Berry Hill so should not be expected to equate to the average pricing across all units.

4.0 APPRAISAL ASSUMPTIONS

4.1 FORMAT OF MODEL ADOPTED

The Appraisal has been modelled using Argus Developer v8.10.4 adopting estimate costs from engineering studies commissioned and supplemented with NPPF compliant standard assumptions.

The model is a residual valuation with a fixed profit basis and residual land calculation (RLV). The viability measure is the RLV equating to or exceeding the Benchmark Land Value (BLV) as per NPPF requirements.

4.2 BENCHMARK LAND VALUE

The Benchmark Land Value for a scheme of this size and being an edge of centre extension would usually equate to £247,100 per hectare (or £100,000 per acre), this being a consistent assumption for strategic land for residential development.

The site being 36.01 hectares or (89.03 acres) equates to a BLV of £8,903,000.

The viability review is being undertaken in accordance with the former Section 173 of the National Planning Policy Framework and also in accordance with the NPPF 2018 and the further 2019 updates to discount reliance on price paid. This test requires that landowners should receive a reasonable minimum return for disposal of land coming forward for such developments and that the cost associated with infrastructure should not be so detrimental to land value that landowners should be forced to bring forward land below a minimum reasonable market return with a view on maintaining policy compliance.

Price is to be based on the Existing Use Value (EUV) plus a premium to incentives for disposal. Strategic land would usually be based on an agricultural land value base and a factor of 10-20 applied to it. It is more usual to see this rounded to a £100,000 per gross acre basis which includes the premium on EUV.

Land value is residualised in this assessment and the viability analysis shows that when fixing profit a viability issue exists, due to the costs associated with opening up and delivering the site in combination with high S106/CIL obligations.

It is important to remember why viability was introduced into the planning system which was to ensure that land which wouldn't otherwise come forward for development can be enabled to do so, i.e. to prevent the social contributions of a site reducing the residual land value to such a level that is below that which an owner is not incentivised to bring it forward for development.

4.3 HOUSING MIX AND SALES VALUES

This is set out in detail in section 3 of this report. In summary the policy compliant scheme is set out below:

- 805 units
- 563 Open Market units at £240 psft

- 242 Affordable Housing units at 50% of OMV at £120 psft
- Open Market Housing GDV £122,721,120
- Affordable Housing GDV £26,357,520
- Total development area in the Argus model is c730,984 sqft
- Open Market Housing area 511,338 sqft
- Affordable Housing area 219,646 sqft

4.4 AFFORDABLE HOUSING

UNIT MIX – POLICY COMPLIANT SCHEME

The affordable housing tenure mix is assumed at a ratio as per the table below. The rate is based on the policy compliant affordable housing scheme requiring 30% affordable units and these units are broken down as per Council policy on the following ratio.

Rented ratio	Shared Ownership
70%	30%

4.5 BUILD COSTS

The BCIS (Building Cost Information Service) is a standard baseline to use when undertaking viability assessments. When conducting viability assessments, the only industry standard benchmark available is the BCIS build cost.

The BCIS build cost median rate for ‘Estate Housing Generally’ new build (rebased to Mansfield current day based on 5 year rate) equates to £1,192psm (£110.9 psf) as of May 2020.

It is our experience that housing developments of this size in a standard housing layout (i.e. lower densities than those proposed) do not enjoy economies of scale associated with below median build costs.

It is not guaranteed that the site is disposed to a volume builder and it is possible that through the Homes England disposal process some of the site may be disposed to an SME builder(s).

BCIS provides the average cost based on samples submitted to the RICS team. The 5 year rate is adopted based on RICS guidance reflecting more up to date costs than the default rate and taking into account Part L costs more accurately.

Any reduction in BCIS costs is not considered to be realistic in the current market where build cost inflation has outstripped house price inflation significantly.

BCIS costs include for contractor overheads and profits. BCIS costs do not include external garages costs or plot externals.

Infrastructure/Abnormals	Cost	Per Unit £
Off-site highway works	£9,604,244	£11,931
ARC internal loop road	£4,373,497	£5,434
Drainage	£2,116,007	£2,628
Utility costs	£1,206,866	£1,499
Utility Gas mains	£5,847,207	£7,263
Total	£23,147,821	£28,755

The above table highlights the infrastructure burden affecting this site prior to additional costs associated with S106 and CIL.

These third party assessments underpinning the costs assumptions can be made available for further scrutiny should they be required.

4.8 SECTION 106 CONTRIBUTIONS AND CIL PAYMENTS

In terms of S106 costs these are assumed at £7,852,223.

S106		
	£5,000,000	Education
	£443,850	Health
	£750,000	Highways/Bus
	£150,000	Toucan Crossing
	£200,000	Griffen Head
	£150,000	Cycleways
	£28,373	Libraries
	£1,000,000	Natural
	£30,000	Travel Plan
	£100,000	Monitoring
6%	£471,133	Indexation
	£7,852,223	

The S106 equates to £9,755 per unit.

CIL

Residential floorspace	730,983 sqft
Garages floorspace	55,600 sqft
Total	786,601 sqft

Based on a rate of £9.10 psft the CIL charge is estimated at £5,159,136, a further £219,184 is assumed for the Local Centre CIL charge. Together CIL amounts to **£5,378,320**.

The CIL equates to **£6,681 per unit**.

The combination of S106 and CIL amounts to **£13,230,543 or £16,435 per unit**. This would be considered a high cost per unit.

4.9 CONTINGENCY

A 3.5% contingency has been applied to costs. Contingency is applied to all house building costs to include externals and garages but has not been applied to fees.

4.10 PROFESSIONAL FEES

Fees of 8% have been applied to construction related costs.

4.11 MARKETING AND DISPOSAL FEES

Open Market Housing Agent's fees have been applied at 1.5%. The marketing budget is 1%. OM Legal fees have been applied at 0.5%.

Affordable Housing agent fees have been applied at £500.00 per unit and Affordable housing legal fees have been applied at £250.00 per unit.

4.12 FINANCE RATE

A finance rate of 6.5% has been adopted.

4.13 PROFIT

It is usual to adopt the market approach of a gross profit of 20% of GDV applied to Open Market units, and 6% of GDV applied to Affordable Housing units to provide a blended rate. The policy compliant appraisal has a blended profit of 16.59%. Profit is set in the Argus modelled as above. The merged appraisal report blends profit as a percentage of total revenue which includes the commercial income. There is no profit set against the commercial income though it is usual to attach additional return to this.

4.14 COMMERCIAL MARKET ASSUMPTIONS

The masterplan also enables a Local Centre and employment land. The Applicant does not intend to treat these as an investment asset but sell the land. As such the employment land has been assessed at c16 acres and has been appraised on the basis of a land receipt of £275,000 per acre equating to a sales value input of £4,400,000.

The Local Centre is acknowledged as a component in the masterplan but also that it has no strong commercial frontage. Nevertheless the Local Centre assumption is a sales receipt of £500,000.

The Commercial Revenue equates to £4,900,000.

4.15 GRANT FUNDING ASSUMPTIONS

The Council Partnership are in receipt of successful grant funding from the LEP and Homes England.

The LEP Grant is £3,000,000 and the Homes England Grant is £5,800,000. These grant monies are to be directly used to offset the infrastructure costs. The grants have been appraised in full as have the infrastructure costs so that the full affect of both are modelled accordingly.

NCC have in fact pledged a further £1.5m of direct funding to the scheme. This is, in effect a further cost to the appraisal, and not a revenue line. It has been removed from the appraisal at present but under independent assessment of this viability report, the additional £1.5m NCC costs should also be considered. Further details can be provided, if appropriate.

4.15 SUMMARY OF ASSUMPTIONS

Appraisal Item	Assumption
Gross Land Area	36.01 hectares or (89 acres)
Land Value	Target £8,900,000 Residual approach adopted
OM Sales Revenue	Average £240 psft
Affordable Revenue	£120 psft (50% of OMV)
Commercial Revenue	Local Centre £500,000 Commercial land sales £4,400,000
Build Cost psft BCIS 5 year Estate Housing General Median rate rebased to Mansfield	£101.90 psft
Externals costs	15%
Infrastructure & Abnormals	£23,147,821 (£28,755 per unit)
Professional fees	8%
Contingency	3.5%
Marketing and Disposal	OM Agent 1.5% OM Marketing Budget 1% OM Legal 0.5% AH Agent £500 per unit AH Legal £250 per unit
Finance	6.5%
Section 106	£7,852,223 9.10psft

Land at Top Wighay Farm, Nottinghamshire

CIL	£5,378,320 Combined £13,230,543/£16,435 per unit
Profit for viability test based on 20% OM and 6% AH	16.59%

5.0 APPRAISAL ANALYSIS

5.1 POLICY COMPLIANT

The baseline appraisal is based on a wholly planning compliant scheme, i.e. full Affordable Housing contribution of 30%, with section 106 package and CIL based on OM space created. The result is as follows:

Appraisal	Policy Compliant
Affordable Housing	30%
Target Land Value	£8,903,000 plus fees and stamp duty
Profit on GDV (Blended)	16.59%
S106/CIL	£13,230,543
Residual Land Value	-£4,163,655 plus fees and stamp duty
Difference to Target BLV	-£13,066,655

With a policy compliant level of Affordable Housing of 30%, the S106/CIL package and updated costs are applied the residual element in this viability appraisal is the land value.

The land residualises at a negative sum of -£4,163,655 which is -£13,066,655 below the benchmark target which demonstrates the costs of this development result in the scheme being deemed unviable.

The Policy Compliant approach is not viable.

Sensitivity scenarios have been undertaken to measure the impact on viability at differing levels of affordable housing. The table below outlines the proposed alternative viable scheme that equates to a land value, which although below landowner expectations, may be acceptable representing a balance of risk and viability within the scheme to all parties.

5.2 ALTERNATIVE SCENARIOS

In addition to the above:

1. **15% Affordable Housing:** The following alternative Development Appraisal has been undertaken to determine the threshold at which the scheme can be considered viable:

2. **0% Affordable Housing:** Can the scheme afford any affordable Housing?

5.3 APPRAISAL RESULTS

Reducing the affordable housing had the following impacts in comparison to the baseline policy compliant scheme.

Option	Profit Rate	Target Land	Residual Land	Against Target
Policy: 30% Affordable Housing	16.59%	£8.903m	£-4,163,655	£-13,066,655
1 15% Affordable Housing AH 121 Units	17.71%	£8.903m	£1,636,158	£-7,266,842
2 0% Affordable Housing	20%*	£8.903m	£7,435,222	£-1,467,778

* blends to 18.62% in Argus due to commercial land sales

The above table shows the residual output of the 15% AH model to be significantly more viable returning a positive land value of £1,636,158 but this equates to just £18,377 per acre, some £81,600 per acre below viability target per acre.

The second model set at 0% affordable housing seeks to identify whether any affordable housing can be delivered on site and achieve the viability target.

The 0%AH model is again significantly more viable, however, does not raise land value sufficiently to achieve the BLV target of £100,000 per acre. Technically this is also unviable unless the Applicant elects to compromise on this target.

5.4 THE ALTERNATIVE PROPOSED 10% AFFORDABLE HOUSING MODEL

On the basis that NCC are fully aware that support for the revised scheme would be impacted upon due to the drop in affordable housing WLSL modelled the impact of an additional model to increase the affordable housing offer to 10%.

The S106 proposed remains the same as per the policy compliant model assumptions at £7,852,223.

The CIL rate adjusts to reflect the 90% Open Market housing space and is calculated at £6,498,060 plus the Local Centre CIL at £219,184.

The total S106 and CIL package is £14,569,467 which equates to £18,098 per unit which would be considered very high.

Option	Profit Rate	Target Land	Residual Land	Against Target
Offer: 10% Affordable Housing	18.04%	£8.903m	£3,601,125	£-5,301,875

5.5 APPRAISAL OUTCOME AND OFFER

It is recognised that the 10% affordable housing model does not meet the target land value. The residual value equates to just £40,448 per acre.

NCC are conscious that, as a responsible body the mitigation of the scheme is maintained and a contribution to Affordable Housing is made albeit both the Applicant and the LPA are in a compromise position to achieve the offer consent.

SUMMARY

In the interest of maximising planning output the Applicant is willing to submit on the basis of a 10% affordable housing package as appraised and provide the compliant S106 and CIL packages.

6.0 SUMMARY CONCLUSIONS

To conclude, it is clear that the viability of the development is suffering due to the combination of Infrastructure, S106 and CIL in combination with the sales values expectations for the local area, whilst still aiming to meet the tests of the NPPF to achieve reasonable returns for the County Council as land owner, and the for Gedling Borough Council as Planning Authority in terms of S106 mitigation.

Specific summary points are as follows:

- Sales values adopted are based on comparables and are in excess of local Zoopla report values, given the density expectations which results in a greater quantum of flats, 2.5 storey houses and smaller units generally in terms of average unit sizes.
- It is not guaranteed that a volume builder will purchase the site and the Homes England process may favour an SME builder who do not enjoy the benefits of economies of scale that larger developers can take advantage of.
- The Applicant has taken the view on build costs and has submitted a scheme based on a the RICS Median BCIS build cost to reflect the above expectation.
- The Benchmark Land Value (BLV) is based on £100,000 per gross acre, a value consistently adopted for strategic residential land sales in viability assessments and reflects the majority of Local Plan CIL test land values for strategic Residential land.
- Profit rates adopted are at benchmark levels and within the NPPF range of 15-20%. The high level of infrastructure costs does have an impact on cashflow and risk and taking the NPPF policy into account the higher risk reflects the 20% OM GDV profit assumption made.
- No profit is currently attached to the creation of serviced commercial plots.
- Fees and rates are within the benchmark viability assumptions ranges.
- Contingency has been adopted and applied at the low level of 3.5%.
- The scheme is in receipt of grant funding and this has been reflected in the modelling.
- NCC are exposed to a further £1.5m of costs which is not reflected in the model but will need to be taken into account should there be a variation to the AH offer imposed.

In terms of the methodology, the Policy Compliant scheme has been tested and has shown not to meet the viability test .

To conclude the findings are as follows:

- A 30% policy compliant scheme is not viable.
- The combined burden of costs have impacted on viability.
- The proposed level of affordable housing offered is 10% and at that level a benchmark land value is not met but it is considered to reflect a compromise to achieve a fair and reasonable balance between Planning, land cost and developer profit.

7.0 DISCLAIMER AND CONFIDENTIALTY

DISCLAIMER

The contents of this summary report do not constitute a valuation, in accordance with the RICS Valuation - Professional Standards (the 'Red Book') and should not be relied upon as such. This report is addressed to Nottinghamshire County Council and ARC Partnership and its contents should not be reproduced in part or in full without our prior consent of the Nottinghamshire County Council and ARC Partnership.

CONFIDENTIALITY

This report is provided to Nottinghamshire County Council and ARC Partnership and Gedling Borough Council on a confidential basis for the purpose of setting out the viability assessment. We request that the report not be disclosed to any third parties under the Freedom of Information Act (Sections 41 and 43 (2)) unless authorised as negotiations are ongoing with the landowners and disclosure may prejudice those ongoing negotiations.

8.0 APPENDICES

Appendix 1 – Development Appraisals

30% Affordable Housing

15% Affordable Housing

0% Affordable Housing

10% Affordable Housing Offer

Appendix 2 – BCIS

Top Wighay Farm 30% AH
Profit 20%OM 6%AH / AHpsft @50% /
Residual Land -£4,163,655 / -£46,766 per acre

APPRAISAL SUMMARY**WHITE LAND STRATEGIES LTD**

Top Wighay Farm 30% AH
 Profit 20%OM 6%AH / AHpsft @50% /
 Residual Land -£4,163,655 / -£46,766 per acre

Appraisal Summary for Merged Phases 1 2 3

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
OM Residential	563	511,338	240.00	217,977	122,721,120
AH Residential	242	219,646	120.00	108,915	26,357,520
Homes England Grant	1	0	0.00	5,800,000	5,800,000
LEP Funding	1	0	0.00	3,000,000	3,000,000
Commercial Land Sales	16	16	275,000.00	275,000	4,400,000
Local Centre	<u>1</u>	<u>1</u>	500,000.00	500,000	<u>500,000</u>
Totals	824	731,001			162,778,640

NET REALISATION**162,778,640****OUTLAY****ACQUISITION COSTS**

Residualised Price	13,247,216
Residualised Price (Negative land)	(17,410,870)
	(4,163,655)
Town Planning	90,000
	90,000

CONSTRUCTION COSTS**Construction**

	ft ²	Build Rate ft ²	Cost
OM Residential	511,338	101.90	52,105,342
Garages	55,600	20.15	1,120,117
AH Residential	<u>219,646</u>	101.90	<u>22,381,927</u>
Totals	786,601 ft²		75,607,387

Contingency	3.50%	3,011,246	
ARC Internal Loop		4,374,497	
Off Site Highway Works		9,604,244	
Drainage		2,116,007	
Utility Costs		1,206,866	
Utility Gas Mains		5,847,207	
CIL	566,938 ft ²	9.10	5,159,136
Cil Local Centre		219,184	
S106 Education		5,000,000	
S106 Health		443,850	
S106 Bus/Highways		750,000	
S106 Toucan Crossing		150,000	
S106 Griffen Head		200,000	
S106 Cycleways		150,000	
S106 Libraries		28,373	
S106 Natural		1,000,000	
S106 Travel Plan		30,000	
S106 Monitoring		100,000	
S106 Indexation	6.00%	471,133	
		39,861,743	

Other Construction

OM Externals	14.00%	7,294,748
AH Externals	14.00%	3,133,470
		10,428,218

PROFESSIONAL FEES

Prof Fees	8.00%	4,841,617
Professional Fees	8.00%	2,041,232

APPRAISAL SUMMARY**WHITE LAND STRATEGIES LTD****Top Wighay Farm 30% AH****Profit 20%OM 6%AH / AHpsft @50% /****Residual Land -£4,163,655 / -£46,766 per acre**

6,882,848

DISPOSAL FEES

Sales Agent Fee		1.50%	1,840,817	
Marketing Budget		1.00%	1,227,211	
AH Sales fee	242 un	500.00 /un	121,000	
Sales Legal Fee		0.50%	613,606	
AH Sales Legal Fee	242 un	250.00 /un	60,500	
				3,863,134

FINANCE

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				3,207,550

TOTAL COSTS**135,777,226****PROFIT****27,001,414****Performance Measures**

Profit on Cost%		19.89%	
Profit on GDV%		16.59%	
Profit on NDV%		16.59%	
IRR		24.95%	
Profit Erosion (finance rate 6.500)		2 yrs 10 mths	

Top Wighay Farm 15% AH
Profit 20%OM 6%AH / AHpsft @50% /
Residual Land £1,636,158 / £18,377 per acre

APPRAISAL SUMMARY**WHITE LAND STRATEGIES LTD**

Top Wighay Farm 15% AH
 Profit 20%OM 6%AH / AHpsft @50% /
 Residual Land £1,636,158 / £18,377 per acre

Appraisal Summary for Merged Phases 1 2 3

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
OM Residential	684	621,235	240.00	217,977	149,096,352
AH Residential	121	109,823	120.00	108,915	13,178,760
Homes England Grant	1	0	0.00	5,800,000	5,800,000
LEP Funding	1	0	0.00	3,000,000	3,000,000
Commercial Land Sales	16	16	275,000.00	275,000	4,400,000
Local Centre	<u>1</u>	<u>1</u>	500,000.00	500,000	<u>500,000</u>
Totals	824	731,075			175,975,112

NET REALISATION**175,975,112****OUTLAY****ACQUISITION COSTS**

Residualised Price	13,247,216
Residualised Price (Negative land)	(11,611,058)
	1,636,158
Town Planning	90,000
	90,000

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost
OM Residential	621,235	101.90	63,303,826
Garages	55,600	20.15	1,120,117
AH Residential	<u>109,823</u>	101.90	<u>11,190,964</u>
Totals	786,675 ft²		75,614,907
Contingency		3.50%	3,011,546
ARC Internal Loop			4,374,497
Off Site Highway Works			9,604,244
Drainage			2,116,007
Utility Costs			1,206,866
Utility Gas Mains			5,847,207
CIL	676,835 ft ²	9.10	6,159,197
Cil Local Centre			219,184
S106 Education			5,000,000
S106 Health			443,850
S106 Bus/Highways			750,000
S106 Toucan Crossing			150,000
S106 Griffen Head			200,000
S106 Cycleways			150,000
S106 Libraries			28,373
S106 Natural			1,000,000
S106 Travel Plan			30,000
S106 Monitoring			100,000
S106 Indexation		6.00%	471,133
			116,477,011
Other Construction			
OM Externals		14.00%	8,862,536
AH Externals		14.00%	1,566,735
			10,429,271

PROFESSIONAL FEES

Prof Fees	8.00%	5,862,918
Professional Fees	8.00%	1,020,616
		6,883,534

DISPOSAL FEES

APPRAISAL SUMMARY**WHITE LAND STRATEGIES LTD****Top Wighay Farm 15% AH****Profit 20%OM 6%AH / AHpsft @50% /****Residual Land £1,636,158 / £18,377 per acre**

Sales Agent Fee		1.50%	2,236,445
Marketing Budget		1.00%	1,490,964
AH Sales fee	121 un	500.00 /un	60,500
Sales Legal Fee		0.50%	745,482
AH Sales Legal Fee	121 un	250.00 /un	30,250
			4,563,641
FINANCE			
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)			
Total Finance Cost			4,725,227
TOTAL COSTS			144,804,842
PROFIT			31,170,270

Performance Measures

Profit on Cost%	21.53%
Profit on GDV%	17.71%
Profit on NDV%	17.71%
IRR	21.91%
Profit Erosion (finance rate 6.500)	3 yrs

Top Wighay Farm 0% AH
Profit 20%OM 6%AH / AHpsft @50% /
Residual Land £7,435,222 / £83,513 per acre

APPRAISAL SUMMARY**WHITE LAND STRATEGIES LTD**

Top Wighay Farm 0% AH
 Profit 20%OM 6%AH / AHpsft @50% /
 Residual Land £7,435,222 / £83,513 per acre

Appraisal Summary for Merged Phases 1 2 3

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
OM Residential	805	731,132	240.00	217,977	175,471,584
Homes England Grant	1	0	0.00	5,800,000	5,800,000
LEP Funding	1	0	0.00	3,000,000	3,000,000
Commercial Land Sales	16	16	275,000.00	275,000	4,400,000
Local Centre	<u>1</u>	<u>1</u>	500,000.00	500,000	<u>500,000</u>
Totals	824	731,149			189,171,584

NET REALISATION**189,171,584****OUTLAY****ACQUISITION COSTS**

Residualised Price	13,247,216
Residualised Price (Negative land)	(5,811,993)
	7,435,222
Town Planning	90,000
	90,000

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost
OM Residential	731,132	101.90	74,502,310
Garages	<u>55,600</u>	20.15	<u>1,120,117</u>
Totals	786,749 ft²		75,622,427
Contingency		3.50%	3,011,846
ARC Internal Loop			4,374,497
Off Site Highway Works			9,604,244
Drainage			2,116,007
Utility Costs			1,206,866
Utility Gas Mains			5,847,207
CIL	786,732 ft ²	9.10	7,159,258
Cil Local Centre			219,184
S106 Education			5,000,000
S106 Health			443,850
S106 Bus/Highways			750,000
S106 Toucan Crossing			150,000
S106 Griffen Head			200,000
S106 Cycleways			150,000
S106 Libraries			28,373
S106 Natural			1,000,000
S106 Travel Plan			30,000
S106 Monitoring			100,000
S106 Indexation		6.00%	471,133
			117,484,892

Other Construction

OM Externals	14.00%	10,430,323	10,430,323
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PROFESSIONAL FEES

Prof Fees	8.00%	6,884,220	6,884,220
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DISPOSAL FEES

Sales Agent Fee	1.50%	2,632,074	
Marketing Budget	1.00%	1,754,716	
Sales Legal Fee	0.50%	877,358	
			5,264,148

APPRAISAL SUMMARY**WHITE LAND STRATEGIES LTD****Top Wighay Farm 0% AH****Profit 20%OM 6%AH / AHpsft @50% /****Residual Land £7,435,222 / £83,513 per acre****FINANCE**

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

Total Finance Cost

6,359,413

TOTAL COSTS**153,948,218****PROFIT****35,223,366****Performance Measures**

Profit on Cost% 22.88%

Profit on GDV% 18.62%

Profit on NDV% 18.62%

IRR 20.20%

Profit Erosion (finance rate 6.500) 3 yrs 2 mths

Top Wighay Farm 10% AH
Profit 20%OM 6%AH / AHpsft @50% /
Residual Land £3,601,125 / £40,448 per acre

APPRAISAL SUMMARY**WHITE LAND STRATEGIES LTD**

Top Wighay Farm 10% AH
 Profit 20%OM 6%AH / AHpsft @50% /
 Residual Land £3,601,125 / £40,448 per acre

Appraisal Summary for Merged Phases 1 2 3

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
OM Residential	725	658,473	240.00	217,977	158,033,414
AH Residential	80	72,610	120.00	108,915	8,713,230
Homes England Grant	1	0	0.00	5,800,000	5,800,000
LEP Funding	1	0	0.00	3,000,000	3,000,000
Commercial Land Sales	16	16	275,000.00	275,000	4,400,000
Local Centre	<u>1</u>	<u>1</u>	500,000.00	500,000	<u>500,000</u>
Totals	824	731,100			180,446,644

NET REALISATION**180,446,644****OUTLAY****ACQUISITION COSTS**

Residualised Price	13,247,216
Residualised Price (Negative land)	(9,646,091)
	3,601,125
Town Planning	90,000
	90,000

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost
OM Residential	658,473	101.90	67,098,354
Garages	55,600	20.15	1,120,117
AH Residential	<u>72,610</u>	101.90	<u>7,398,984</u>
Totals	786,700 ft²		75,617,455
Contingency		3.50%	3,011,648
ARC Internal Loop			4,374,497
Off Site Highway Works			9,604,244
Drainage			2,116,007
Utility Costs			1,206,866
Utility Gas Mains			5,847,207
CIL	714,073 ft ²	9.10	6,498,060
Cil Local Centre			219,184
S106 Education			5,000,000
S106 Health			443,850
S106 Bus/Highways			750,000
S106 Toucan Crossing			150,000
S106 Griffen Head			200,000
S106 Cycleways			150,000
S106 Libraries			28,373
S106 Natural			1,000,000
S106 Travel Plan			30,000
S106 Monitoring			100,000
S106 Indexation		6.00%	471,133
			116,818,525
Other Construction			
OM Externals		14.00%	9,393,770
AH Externals		14.00%	1,035,858
			10,429,627

PROFESSIONAL FEES

Prof Fees	8.00%	6,208,979
Professional Fees	8.00%	674,787
		6,883,767

DISPOSAL FEES

APPRAISAL SUMMARY**WHITE LAND STRATEGIES LTD****Top Wighay Farm 10% AH****Profit 20%OM 6%AH / AHpsft @50% /****Residual Land £3,601,125 / £40,448 per acre**

Sales Agent Fee		1.50%	2,370,501
Marketing Budget		1.00%	1,580,334
AH Sales fee	80 un	500.00 /un	40,000
Sales Legal Fee		0.50%	790,167
AH Sales Legal Fee	80 un	250.00 /un	20,000
			4,801,002

FINANCE

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

Total Finance Cost 5,274,890

TOTAL COSTS**147,898,936****PROFIT****32,547,708****Performance Measures**

Profit on Cost% 22.01%

Profit on GDV% 18.04%

Profit on NDV% 18.04%

IRR 21.23%

Profit Erosion (finance rate 6.500) 3 yrs 1 mth

£/m2 study

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

Last updated: 09-May-2020 00:46

› Rebased to Mansfield (99; sample 14)

Maximum age of results: 5 years

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
810.1 Estate housing							
Generally (5)	1,285	691	1,056	1,192	1,373	4,448	241
Single storey (5)	1,476	871	1,097	1,362	1,681	4,448	50
2-storey (5)	1,203	691	1,041	1,160	1,303	2,706	182
3-storey (5)	1,445	949	1,092	1,174	1,543	2,642	6
4-storey or above (5)	2,717	2,157	-	2,409	-	3,586	3
810.11 Estate housing detached (5)	2,551	1,654	2,064	2,181	2,409	4,448	5
810.12 Estate housing semi detached							
Generally (5)	1,236	766	1,051	1,196	1,393	2,238	67
Single storey (5)	1,342	1,002	1,065	1,279	1,537	2,238	20
2-storey (5)	1,196	766	1,050	1,172	1,329	1,895	46
3-storey (5)	949	-	-	-	-	-	1
810.13 Estate housing terraced							
Generally (5)	1,446	832	1,074	1,273	1,592	3,586	30
Single storey (5)	1,768	-	-	-	-	-	1
2-storey (5)	1,306	832	1,051	1,254	1,390	2,706	25
3-storey (5)	2,151	1,660	-	-	-	2,642	2
4-storey or above (5)	3,586	-	-	-	-	-	1
816. Flats (apartments)							
Generally (5)	1,467	835	1,211	1,357	1,648	5,216	238
1-2 storey (5)	1,466	1,048	1,223	1,368	1,715	2,366	58
3-5 storey (5)	1,423	835	1,185	1,335	1,600	3,170	155
6 storey or above (5)	1,746	1,092	1,311	1,574	1,817	5,216	25