

**For: Mid Sussex District Council**

## **Review of Applicant Submitted Viability Position**

**Hollyrood House  
Ardingly Road  
Lindfield  
West Sussex  
RH16 2QY**

**April 2025 (S106 contributions  
amended)  
(DSP25521AI)**

**Dixon Searle Partnership**

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# 1. Notes and Limitations

- 1.1.1. The following does not provide formal valuation advice. This review and its findings are intended purely for the purposes of providing our client Mid Sussex District Council (MSDC) with an independent check of, and opinion on, the planning applicant's viability information and stated position in this case. In the preparation of this review Dixon Searle Partnership has acted with objectivity, impartiality, without interference and with reference to appropriate available sources of information.
- 1.1.2. This document has been prepared for this specific reason and should not be used for any other purpose without the prior written authority of Dixon Searle Partnership (DSP); we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned. To the extent that the document is based on information supplied by others, Dixon Searle Partnership accepts no liability for any loss or damage suffered by the client.
- 1.1.3. We have undertaken this as a desk-top exercise as is appropriate for this stage and level of review. For general familiarisation we have considered the site context from the information supplied by the Council and using available web-based material.
- 1.1.4. The information supplied to DSP to inform and support this review process has not been provided by the prospective / current planning applicant on a confidential basis. Potentially, some of the information may be regarded as commercially sensitive. Therefore, we suggest that the Council and prospective / current or subsequent planning applicant may wish to consider this aspect together. DSP confirms that we are content for our review information, as contained within this report, to be used as may be considered appropriate by the Council (we assume with the applicant's agreement if necessary). In looking at 'Accountability', since July 2018 (para. 021 revised in May 2019), the published national Planning Practice Guidance (PPG) on viability says on this; *'Any viability assessment should be prepared on the basis that it will be made publicly available other than in exceptional circumstances.'*

- 1.1.5. Dixon Searle Partnership conducts its work only for Local Authorities and selected other public organisations. We do not act on behalf of any development interests. We have been and are involved in the review of other planning stage proposals within the MSDC area and have previously been involved in strategic level (development plan/planning policy) projects.
- 1.1.6. In any event we can confirm that no conflict of interests exists, nor is likely to arise given our approach and client base. This is kept under review. Our fees are all quoted in advance and agreed with clients on a fixed or capped basis, with no element whatsoever of incentive/performance related payment.

## 2. Introduction

2.1.1. Dixon Searle Partnership (DSP) has been commissioned by Mid Sussex District Council (MSDC) to carry out an independent review of the 'Financial Viability Appraisal' (FVA) dated 24<sup>th</sup> October 2024 and supplied to the Council on behalf of the applicant, by S106 Management (S106M). This is in relation to the proposed development at Hollyrood House, Ardingly Road, Lindfield, West Sussex, RH16 2QY.

2.1.2. The FVA has been submitted in support of a full planning application (reference DM/24/2922) which seeks permission for the *“Removal of outbuildings and alterations to the existing buildings and hardsurfaces to allow for a change of use from Class C2 (residential institution) use to a Class C3 (dwellinghouse) use to provide 3 no.1-bed flats, 14 no. 2-bed flats, and 2 no. 3-bed two storey dwellings (and retaining Holy Rood Cottage as a 3-bed dwelling), together with 37 no. car parking spaces, private and communal amenity spaces, landscaping, bin and cycle stores. Alterations to existing access points onto and from Ardingly Road and Park Lane.”*

2.1.3. The new District Plan 2021 – 2039 was submitted for examination on 8<sup>th</sup> July 2024. However, the Development Plan for the area currently comprises the Mid Sussex District Plan 2014-2031. Policy DP31: Affordable Housing states:

*“The Council will seek:*

- 1. the provision of a minimum of 30% on-site affordable housing for all residential developments providing 11 dwellings or more, or a maximum combined gross floorspace of more than 1,000m<sup>2</sup>;*
- 2. for residential developments in the High Weald Area of Outstanding Natural Beauty providing 6 – 10 dwellings, a commuted payment towards off-site provision, equivalent to providing 30% on-site affordable housing;*
- 3. on sites where the most recent use has been affordable housing, as a minimum, the same number of affordable homes should be re-provided, in accordance with current mix and tenure requirements;*
- 4. a mix of tenure of affordable housing, normally approximately 75% social or affordable rented homes, with the remaining 25% for intermediate homes, unless the best available evidence supports a different mix; and*
- 5. free serviced land for the affordable housing”.*

- 2.1.4. The Council has informed us that in this case although a policy compliant approach would lead to the provision of 6 affordable dwellings, in this instance the council would accept a commuted sum of £420,000 towards the provision of off-site affordable housing.
- 2.1.5. In presenting their viability position, the applicant has supplied to the Council the aforementioned 'Financial Viability Appraisal' (FVA) together with schedules and an electronic version of their development appraisal, carried out using the former Housing Corporation (now Homes England) Economic Appraisal Tool (HCEAT).
- 2.1.6. For context, DSP has also had sight of the documents contained within the Council's online planning application file.
- 2.1.7. We have considered the assumptions individually listed within the FVA and provided our commentary based on those whilst also carrying out sensitivity testing using the same appraisal where opinion differs from that of the applicant's agent.
- 2.1.8. This report does not consider planning policy or the wider aspects in the background to or associated with the Council's consideration of this scenario. DSP's focus is on the submitted viability assumptions and therefore the outcomes (scope to generate land value and profit while also supporting the development costs and planning policies) associated with that aspect of the overall proposals.
- 2.1.9. For general background, a viable development could be regarded as the ability of a development project to meet its costs including the cost of planning obligations, while ensuring an appropriate site value (i.e. existing use value plus a reasonable premium) for the landowner and a market risk adjusted return to the developer in delivering that project. The Government's Planning Practice Guidance (PPG) on Viability sets out the main principles for carrying out a viability assessment. It 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...Any viability assessment should follow the government's recommended approach to assessing viability as set out in this National Planning Guidance and be proportionate, simple, transparent and publicly available. Improving transparency of data associated with viability assessment will, over time,*

*improve the data available for future assessment as well as provide more accountability regarding how viability informs decision making...In plan making and decision making viability helps to strike a balance between the aspirations of developers and 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 permission’.<sup>1</sup>*

- 2.1.10. The submitted development appraisals have been run in a way which take account of the benchmark land value (BLV) of the site (assumed at £1,925,000) and assesses the level of additional residual potentially available in excess of that after allowing for a fixed developer’s profit (17.5% on GDV for market housing). Therefore, an approach has been taken that sets out to consider, in the applicant’s view, the maximum supportable level of affordable housing.
- 2.1.11. The results of the submitted 100% market housing development appraisal indicate a residual land value of £1,102,904. Set against the suggested BLV of £1,925,000 this indicates an overall deficit of - £822,096. The FVA calculates that if the BLV were recovered as a cost, the net profit equates to 7.61% GDV.
- 2.1.12. The FVA concludes that: *“this FVA demonstrates that, on a 100% open market basis, the benchmark land value exceeds the residual land value of the scheme. Therefore, the development cannot viably provide the targeted contributions.”*
- 2.1.13. This review does not seek to pre-determine any Council positions and merely sets out our opinion on the submitted viability assumptions and outcomes in order to inform the Council’s discussions with the applicant and its decision making; it deals only with viability matters, in accordance with our instructions.
- 2.1.14. DSP’s remit is to review the submitted information to assess whether the stated viability scope available to support planning obligations (for affordable housing and/or other matters) is the most that can reasonably be expected at the time of the assessment. Our brief does not go as far as confirming what should be the outcome where schemes are stated or verified as being non-viable per se, based on a viability submission or any subsequent review. It is for the applicant to decide whether there is sufficient justification to pursue a scheme, financially. While an absence of (or insufficient level of) planning

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<sup>1</sup> Paragraph: 010 Reference ID: 10-010-20180724

obligations will be a material consideration, we are not aware that proof of positive viability is in itself a criterion for acceptable development under current national policy. The Council may wish to consider these matters further, however.

- 2.1.15. In this context, MSDC requires our opinion as to whether the viability figures and position put forward by the applicant are reasonable. We have therefore considered the information submitted. Following our review of the key assumptions areas, this report provides our views – information all provided below.
- 2.1.16. We have based our review on the submitted FVA on the premise that the viability of the scheme should be considered based on the assumption of current costs and values. We then discuss any variation in terms of any deficit (or surplus) created from that base position by altering appraisal assumptions (where there is disagreement if any) utilising in this case the supplied appraisal basis as a starting point.
- 2.1.17. This assessment has been carried out by Dixon Searle Partnership, a consultancy which has many years combined experience in the development industry working for Local Authorities, developers, Housing Associations and in consultancy. As consultants, we have a considerable track record of assessing the viability of schemes and the scope for Local Authority planning obligation requirements. This expertise includes viability-related work carried out for many Local Authorities nationwide over more than 20 years.
- 2.1.18. The purpose of this report is to provide our overview comments with regard to this individual scheme, on behalf of MSDC - taking into account the details as presented. It will then be for the Councils to consider this information in the context of the wider planning objectives in accordance with its policy positions and strategies.
- 2.1.19. In carrying out this type of review a key theme for us is to identify whether, in our opinion, any key revenue assumptions have been under-assessed (e.g., sales value estimates) or any key cost estimates (e.g., build costs, fees, etc.) over-assessed – since both of these effects can reduce the stated viability outcome.

### 3. Review of Submitted Viability Assumptions

#### 3.1 Overview of Approach

- 3.1.1 The following commentary reviews the applicant's submitted viability assumptions as explained within the FVA and the accompanying development appraisal.
- 3.1.2 Primarily the review process takes into account the fact that the collective impact of the various elements of the cost and value assumptions is of greatest importance, rather than necessarily the individual detailed inputs in isolation. We have considered those figures provided, as below, and reviewed the impact of trial changes to particular submitted assumptions.
- 3.1.3 This type of audit / check is carried out so that we can give the Councils a feel for whether or not the result is approximately as expected – i.e., informed by a reasonable set of assumptions and appraisal approach.
- 3.1.4 Should there be changes to the scheme proposals relative to the details now under review, this would obviously impact on the appraisal outputs.

#### 3.2 Benchmark Land Value

- 3.2.1 In all appraisals of this type, the base value (value of the site or premises – e.g., in existing use) is one of the key ingredients of scheme viability. A view needs to be taken on land value so that it is sufficient to secure the release of the site for the scheme (sale by the landowner) but is not assumed at such a level that restricts the financial capacity of the scheme to deliver suitable profits (for risk reward), cover all development costs (including any abnormals) and provide for planning obligations as a part of creating sustainable development. This can be a difficult balance to reach, both in terms of developers' dealings with landowners, and Councils' assessments of what a scheme has the capacity to bear.
- 3.2.2 The RICS (Royal Institution of Chartered Surveyors) Professional Standard: 'Assessing viability in planning under the national Planning Policy Framework 2019 for England' (reissued April 2023) took effect from 1st July 2021 when it was previously published as a guidance note. Its emphasis reflects the Planning Practice Guidance (PPG) on Viability as

noted below, and the PPG will remain the primary source of guidance in this field – viability in planning.

- 3.2.3 The RICS Professional Standard states that: *‘The BLV should not be expected to equate to market value. [...] The BLV is not a price to be paid in the marketplace; it is a mechanism by which the viability of the site to provide developers’ contributions can be assessed. It should be set at a level that provides the minimum return at which a reasonable landowner would be willing to sell.’*
- 3.2.4 It goes on to state: *‘The BLV is a benchmark value against which the developer contributions can be assessed. Once those contributions have been set, land markets should take the level of policy requirements into account, just as all markets should take all relevant factors that affect value into account. PPG paragraph 013 states that ‘Landowners and site purchasers should consider policy requirements when agreeing land transactions. This means that the actual price paid for a site cannot be used to reduce developer contributions.’*
- 3.2.5 The latest PPG on viability and the NPPF (most recently updated in December 2024) very clearly advise that land value should be based on the value of the existing use plus an appropriate level of premium or uplift to incentivise release of the land for development from its existing use. With regard to how land value should be defined for the purpose of viability assessment it states: *‘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.’*
- 3.2.6 The guidance defines existing use value as: *‘the first component of calculating benchmark land value. EUV is the value of the land in its existing use together with the right to implement any development for which there are policy compliant extant planning consents, including realistic deemed consents, but without regard to alternative uses. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield. Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research;*

*estate agent websites; property auction results; valuation office agency data; public sector estate/property teams' locally held evidence.'*

3.2.7 It states that a Benchmark Land Value should:

- *'be based upon existing use value*
- *allow for a premium to landowners (including equity resulting from those building their own homes)*
- *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees and*
- *be informed by market evidence including current uses, costs and values wherever possible. Where recent market evidence is used to inform assessment of benchmark land value this evidence should be based on developments which are compliant with policies, including for affordable housing. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.'*

3.2.8 The guidance further states that: *'Where viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.'* It goes on to state: *'Policy compliance means that the development complies fully with up to date plan policies including any policy requirements for contributions towards affordable housing requirements at the relevant levels set out in the plan. A decision maker can give appropriate weight to emerging policies. Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement).'*

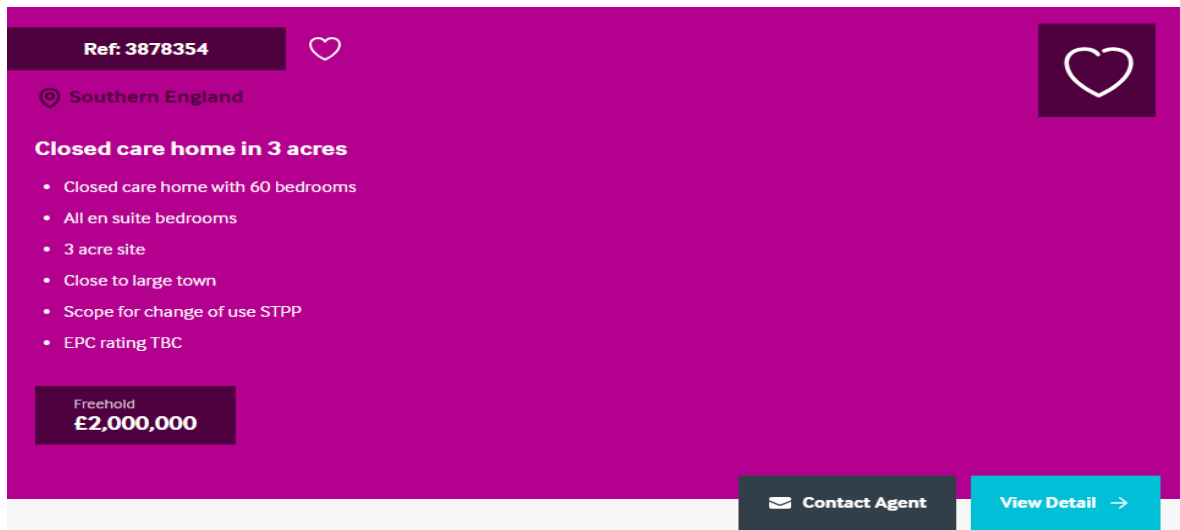
3.2.9 With regard to assuming an alternative use value to determine BLV the guidance states: *'For the purpose of viability assessment alternative use value (AUV) refers to the value of land for uses other than its current permitted use, and other than other potential development that requires planning consent, technical consent or unrealistic permitted development with different associated values. AUV of the land may be informative in establishing benchmark land value. If applying alternative uses when establishing benchmark land value these should be limited to those uses which have an existing implementable permission for that use. Where there is no existing implementable permission, plan makers can set out in which circumstances alternative uses can be used.'*

*This might include if there is evidence that the alternative use would fully comply with development plan policies, if it can be demonstrated that the alternative use could be implemented on the site in question, if it can be demonstrated there is market demand for that use, and if there is an explanation as to why the alternative use has not been pursued. Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. Valuation based on AUV includes the premium to the landowner. If evidence of AUV is being considered the premium to the landowner must not be double counted.'*

- 3.2.10 It is therefore clear that the only acceptable approach to defining a benchmark land value for the purposes of a viability assessment, is the EUV+; or, exceptionally, AUV.
- 3.2.11 The application site is described as a former care home with a GIA of 1,784 sq. metres situated in a site of 3.44 acres. We note from the marketing report submitted with the planning application, that the care home has a total of 23 residents' bedrooms.
- 3.2.12 In this case, the BLV has been based on an opinion provided by Mr John Carter as to the Alternative Use Value of the premises as offices. Assuming an annual rent of £213,000 per annum and deferred for one year, capitalised at a yield of 9%, Mr Carter arrives at a capital value of £2,176,000. An allowance of £250,000 for refurbishment works is then made to arrive at the AUV assumption of £1,925,000.
- 3.2.13 In our opinion this approach is not an appropriate route to establishing an alternative use value, at least without the Council also further considering the appropriateness of the approach in the particular circumstances, if this has not been weighed up so far. The PPG states that an AUV could be considered acceptable *'if it can be demonstrated that the alternative use could be implemented on the site in question, if it can be demonstrated there is market demand for that use, and if there is an explanation as to why the alternative use has not been pursued.'* The submitted alternative use does not have planning permission, and the Council would need to determine whether the use as offices would be acceptable in planning terms for this assumption to be sound as part of the PPG tests. Furthermore, paragraph 2.37 of the Mid Sussex Development Viability SPD (adopted July 2018) states that: *'Any Alternative Use Value, or Existing Use Value plus a premium should be limited to those uses which have an existing implementable permission for that use.'*

3.2.14 Given the above, in the first instance on BLV we have considered the existing use value of the subject property with reference to closed care homes in the Southeast.

3.2.15 We note a closed care home with 60 residents' bedrooms, similarly sited in 3 acres of land, being marketed with a guide price of £2,000,000, equivalent to £33,333 per bedroom.



**Ref: 3878354**

Southern England

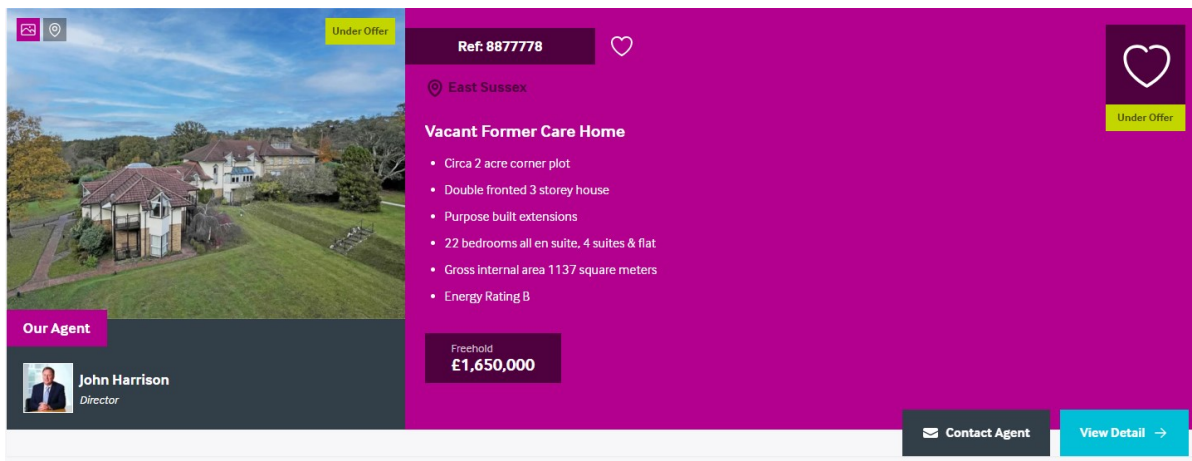
**Closed care home in 3 acres**

- Closed care home with 60 bedrooms
- All en suite bedrooms
- 3 acre site
- Close to large town
- Scope for change of use STPP
- EPC rating TBC

Freehold  
**£2,000,000**

Contact Agent View Detail →

3.2.16 A further vacant care home with 22 residents' bedrooms located in East Sussex is being marketed for sale with a guide price of £1,650,000, equivalent to £75,000 per bedroom.



**Ref: 8877778**

East Sussex

**Vacant Former Care Home**

- Circa 2 acre corner plot
- Double fronted 3 storey house
- Purpose built extensions
- 22 bedrooms all en suite, 4 suites & flat
- Gross internal area 1137 square meters
- Energy Rating B

Freehold  
**£1,650,000**

Our Agent  
**John Harrison**  
Director

Contact Agent View Detail →

3.2.17 These properties are being marketed with potential development in mind, and the guide prices potentially include some level of hope value, which should be ignored for the purposes of assessing the EUV. Whilst any element value assumed over EUV is difficult to assess specifically, particularly when viewing asking prices, the above examples indicate that the assumed BLV, if assessed on an EUV basis, as should be the primary consideration

(this not being a cleared site or similar), is potentially high at equivalent to £83,695 per bedroom.

- 3.2.18 As a further benchmark, we have considered the guide prices of care homes that are continuing to trade. Christie & Co (as above) are also marketing two trading care homes, one in Kent and one in Hampshire. Both care homes have a stated turnover in excess of £1m from c. 20 bedrooms and the guide prices are listed at £1,700,000 (£85,000 per bedroom) and £1,600,000 (£72,727 per bedroom) respectively. Reflecting the above, the assumed BLV of the existing vacant 23-bedroom premises (equivalent to £83,695 per bedroom) appears to be at a similar level to that which would be applied to a trading care home.
- 3.2.19 For information purposes, applying a mid-point of the guide prices on a per bedroom basis indicated by the vacant care homes above (c. £54,000 per bedroom) produces a value of £1.245m. When compared to the trading care homes as above, this appears to be a more appropriate assumption.
- 3.2.20 Overall, we consider the assumed AUV likely to be significantly overstated in the circumstances. At this point of the review, we will not go further into this or closely consider the submitted AUV (theoretical office use) assumptions. We will go on to consider the extent to which, in our view, a BLV adjustment would need to be made (in conjunction with any other assumptions adjustments trialled) in order to alter the overall outcome that had been put forward. This is discussed further below in Section 4 – Findings Summary.

### **3.3 Land acquisition costs**

- 3.3.1 Acquisition costs have been included at 1% for agents' fees, 0.75% for legal fees and 5% for SDLT all applied to the residual land value.
- 3.3.2 These allowances do not exceed typical parameters and are considered broadly appropriate (as percentages).

### **3.4 Gross Development Value – market housing**

- 3.4.1 The subject scheme comprises 17no. apartments, 2no. semi-detached houses and 1no. detached house. In total, the proposed development will provide 1,582.7 sq. metres of residential accommodation.

3.4.2 To inform the assumed sales values, the FVA has undertaken an internet-based market research exercise, looking at average prices indicated by the Land Registry and Nimbus Maps (a subscription-based property database) and sold values over the past two years up to 1- mile from the application site. As a final indicator, the FVA considers properties that are being marketed for sale, both re-sale and newbuild with the search radius extended to 3-miles from the application site. This is a similar exercise to that which DSP carries out.

3.4.3 The FVA helpfully provides a table summarising the information (extracted below).

|                             | Nimbus | Sold     | For Sale           | New Build For Sale |
|-----------------------------|--------|----------|--------------------|--------------------|
| Avg. £/m2 values - flats    | 5,164  | 4,868    | 5,190              | 5,868              |
| Avg. £/m2 values - semis    | 5,164  | 4,720    | 4,666              | 5,524              |
| Avg. £/m2 values - detached | 5,164  | 6,015    | 5,216              | 5,659              |
|                             | Sold   | For Sale | New Build For Sale | Subject Units      |
| Avg. GIA m2 - flats         | 65.92  | 64.5     | 66.6               | 72.8               |
| Avg. GIA m2 - semis         | 157.3  | 131.6    | 114.5              | 109.5              |
| Avg. GIA m2 - detached      | 158.5  | 277.9    | 127.4              | 126                |

3.4.4 Based on the internet-based research exercise, \$106M assume values for each individual unit proposed, which results in a total GDV of £8,315,000, equivalent to £5,254 per sq. metre overall. Breaking the assumed values down further, the average value assumed for the houses is £5,449 per sq. metre and for the flats, £5,199 per sq. metre. The average assumed value is placed lower than the comparable evidence for newbuild properties being marketed for sale. The FVA states that the properties will be conversion properties and not newbuild. In our view, newly converted properties would achieve premiums over resale properties and (depending on characteristics) at similar levels to newbuild properties.

3.4.5 In order to assess whether the assumed values are reasonable, we have reviewed the submitted evidence (Schedule 3 of the FVA) and we have carried out our own desktop research including data from the Land Registry and advertised prices on property websites.

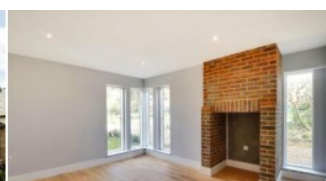
3.4.6 We note that the FVA reviewed sold data ranges from November 2022 to June 2024. We have reviewed the Land Registry House Price Index (HPI) for Mid-Sussex, which indicates that property prices have increased in the interim. Potentially, therefore, this indicates that on the whole the assumed values would now fall below resale property values.

- 3.4.7 Reviewing our own research, newbuild sold data appears to be limited. Largely, the data extends into nearby Haywards Heath. We have summarised the Land Registry sold data in the table below. The values have been updated in line with the LR House Price Index (HPI) for Mid Sussex from the points of sale to the latest available reporting date.

| Property Type | Land Registry Average Sold Value £ per sq. metre |
|---------------|--------------------------------------------------|
| Flats         | £5,302                                           |
| Semi-detached | £4,886                                           |
| Detached      | £5,331                                           |

- 3.4.8 The Land Registry data noted above includes a small number of transactions from the Buxshalls development, located on Ardingly Road, Lindfield within ¼-mile of the application site. The development is described as a mix of new build and conversion properties. The Land Registry indicates that 2no. detached properties sold in 2023 with an average updated value of £6,623 per sq. metre. In addition, 3no. semi-detached properties sold in 2023/24 with an average updated value of £7,181 per sq. metre, however, the Energy Performance Certificates (EPC) for these three properties state a smaller average size of 41 sq. metres and typically, we would expect to see an inverse correlation between property size and £ per sq. metre value. Overall, although limited, the data for Lindfield indicates that values in Lindfield are higher than those in Haywards Heath.

- 3.4.9 We have also considered properties that are being marketed for sale in Lindfield. There are a number of properties, also located in the Buxshalls development, currently being marketed. With particular note, are 2no. end terrace properties. The average guide price indicated is £5,721 per sq. metre for an average property size of 135 sq. metres.

**The Coach House, Ardingly Road, Lindfield, Haywards H...** ✕

End of Terrace 🏠 3 🛏 2

A three-bedroom end of terrace house with three double bedrooms, a private garden, and high internal specification located on the

**NEW HOME**




**The Courtyard, Ardingly Road, Lindfield, Haywards Heat...** ✕

End of Terrace 🏠 3 🛏 2

The Buxshalls estate close to Lindfield, this end of terrace house has three double bedrooms, two bathrooms, a shaker-style kitchen, and

**NEW HOME**

Added yesterday by Savills New Homes, covering Southeast

**£750,000**

Guide Price

 01732 443144  
Local call rate

 **Contact**

 **Save**

- 3.4.10 A further terraced property is being marketed for sale with a guide price of £725,000, equivalent to £5,620 per sq. metre based on a floor area of 129 sq. metres.



**The Courtyard, Ardingly Road, Lindfield, Haywards Heat...** ✕  
Terraced 🏠 3 🛏 2  
A blend of period restorations and architecturally diverse new build properties, with 1, 2, 3 and 4 bedrooms, ranging from three-storey

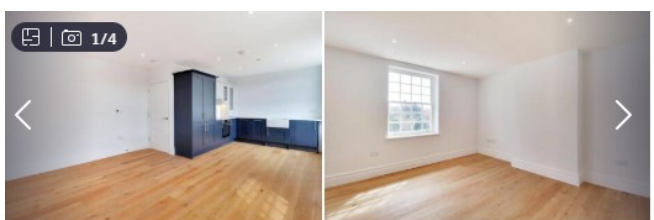
**NEW HOME**  
Added yesterday by Savills New Homes, covering Southeast

**£725,000**  
Guide Price

 01732 443144  
Local call rate

✉ **Contact**    ❤ **Save**

- 3.4.11 Allowing a 5% reduction to the guide prices to take account of potential negotiations, indicates an average value of £5,404 per sq. metre. We would expect semi-detached and detached units to achieve higher values than terraced properties and therefore, the available evidence indicates that the assumed value of the semi-detached and detached units (average at £5,449 per sq. metre) is potentially understated.
- 3.4.12 We have also considered flats being marketed for sale and we note a 1-bedroom apartment, also in the Buxshalls development, being marketed for sale with a guide price of £340,000, equivalent to £6,071 per sq. metre based on a floor area of 56 sq. metres. Again, allowing a 5% deduction to take account of potential negotiations indicates a value of £5,767 per sq. metre, compared to the submitted average value of £5,199 per sq. metre.



**Buxshalls Mews, Ardingly Road, Lindfield, Haywards Hea...** ✕  
Apartment 🏠 1 🛏 1  
0.08 miles  
A ground floor 1 bedroom mews apartment with garden and terrace

**NEW HOME**  
Added yesterday by Savills New Homes, covering Southeast

**£340,000**  
Guide Price

 01732 443144  
Local call rate

✉ **Contact**    ❤ **Save**

- 3.4.13 Overall, reviewing the available information, we consider the assumed values to be potentially understated. We have tested the scheme applying the values shown in the table below and in our view, our revised assumptions continue to be potentially conservative. Our revised GDV total £8,645,000 represents an increase of £330,000 from the submitted GDV (c. 4%) and equates to an average value of £5,462 per sq. metre.

|                   |                |            | <b>Assumed</b> | <b>Assumed</b>    | <b>DSP</b>        | <b>DSP</b>    |
|-------------------|----------------|------------|----------------|-------------------|-------------------|---------------|
| 1                 | 126            | Cottage    | £5,476         | £690,000          | £715,000          | £5,675        |
| 2                 | 128            | Oak 1      | £5,156         | £660,000          | £690,000          | £5,391        |
| 3                 | 91             | Oak 2      | £5,824         | £530,000          | £550,000          | £6,044        |
| 4                 | 70.8           | G12- bed   | £5,367         | £380,000          | £395,000          | £5,579        |
| 5                 | 78.7           | G2 2- bed  | £5,019         | £395,000          | £410,000          | £5,210        |
| 6                 | 62.6           | G3 1- bed  | £5,671         | £355,000          | £370,000          | £5,911        |
| 7                 | 76.2           | G4 2- bed  | £5,184         | £395,000          | £410,000          | £5,381        |
| 8                 | 89.8           | G5 2- bed  | £4,621         | £415,000          | £430,000          | £4,788        |
| 9                 | 78.8           | G6 2- bed  | £5,013         | £395,000          | £410,000          | £5,203        |
| 10                | 81.3           | G7 2- bed  | £4,920         | £400,000          | £415,000          | £5,105        |
| 11                | 75.4           | G8 2- bed  | £5,239         | £395,000          | £410,000          | £5,438        |
| 12                | 79.4           | G9 2- bed  | £5,038         | £400,000          | £415,000          | £5,227        |
| 13                | 76.4           | F12- bed   | £5,170         | £395,000          | £410,000          | £5,366        |
| 14                | 48.8           | F2 1- bed  | £5,840         | £285,000          | £300,000          | £6,148        |
| 15                | 54.9           | F3 1- bed  | £5,647         | £310,000          | £325,000          | £5,920        |
| 16                | 76.4           | F4 2- bed  | £5,170         | £395,000          | £410,000          | £5,366        |
| 17                | 63.7           | F5 2- bed  | £5,495         | £350,000          | £365,000          | £5,730        |
| 18                | 72.3           | F6 2- bed  | £5,394         | £390,000          | £405,000          | £5,602        |
| 19                | 84.2           | F7 2- bed  | £4,869         | £410,000          | £425,000          | £5,048        |
| 20                | 68             | S- 12- bed | £5,441         | £370,000          | £385,000          | £5,662        |
| <b>Total Area</b> | <b>1582.70</b> |            | <b>£5,254</b>  | <b>£8,315,000</b> | <b>£8,645,000</b> | <b>£5,462</b> |

3.4.14 It is also worth noting that any improvement in the sales value assumptions (compared with a level set at the point of the appraisal) would most likely be reflected in an improvement in scheme viability. Whilst the opposite could also occur (the sales values could fall relative to the assumptions made), that is the developer's (applicant's) risk, and such factors need to be kept in mind in making an overall assessment of the applicant's position.

### 3.5 Cost Assumptions – Build Costs & Fees

3.5.1 The submitted build costs for the proposed scheme have been based on information from the Building Cost Information Service (BCIS), using the mean 'rehabilitation/conversion' rate for each property type, which at the time of the report were stated to be as follows:

Flats (generally) - £2,012 per sq. metre

One-off housing semi-detached - £2,347 per sq. metre

One-off housing detached - £2,798 per sq. metre.

- 3.5.2 We do not agree with the justification for the use of the mean rate and the 'one-off housing (up to 3 units)' rates for this proposed 20-unit scheme.
- 3.5.3 We have reviewed the latest available BCIS median 'rehabilitation/conversion' rate for 'Housing, mixed developments'. Due to the lack of available data, we have applied the default rate within our trial appraisal, a rate of £2,059 per sq. metre. Our revised assumption produces a base build cost of £3,673,639 (compared to the submitted £3,761,745) – a difference of £88,106.
- 3.5.4 The net:gross adjustment for the apartments is 86%, meaning that approximately 14% of the overall built area is in the form of communal, non-saleable floorspace. DSP has not checked this ratio from the provided information. We can comment that this does not appear excessive for this development type – it appears to indicate a relatively efficient form of flatted development. The Council will be able to confirm this proportion of communal floorspace from the plans validated with the application.
- 3.5.5 An allowance of 10% for external works has been applied to the base build cost. This does not exceed usual parameters and is not considered unreasonable in this instance.
- 3.5.6 A further allowance of +0.75% on base build cost has been included for biodiversity net gain. This is high in our experience, and we have reduced the allowance to +0.1% in our trial appraisal reflecting the Government's 2019 net gain impact assessment.
- 3.5.7 Construction cost contingencies are included at 5%. This assumption does not exceed usual parameters and again is not considered unreasonable here.
- 3.6 Professional fees**
- 3.6.1 In addition to the above build costs, an allowance of 10% has been included for professional fees. For the purposes of our sensitivity testing, consistent with MSDC's typical approach on this assumption, we have applied an assumption of 8%, which has been possible to agree on the majority of reviews undertaken for MSDC.
- 3.7 CIL / Planning Obligations**
- 3.7.1 MSDC does not currently charge CIL. The FVA includes an allowance of £207,004 has been included for S106 contributions.

- 3.7.2 The Council has provided DSP with details of the level of S106 contributions which are required, as follows:

|                                |                 |
|--------------------------------|-----------------|
| Education (Primary)            | £31,307         |
| Education (Secondary)          | £33,694         |
| Libraries                      | £6,876          |
| TAD                            | £35,806         |
| Play equipment                 | £15,010         |
| Kickabout                      | £12,608         |
| Formal Sport                   | £17,190         |
| Community Buildings            | £11,076         |
| Local Community Infrastructure | £12,572         |
| SAMM                           | £22,230         |
| SANG                           | £99,807         |
| <b>Total</b>                   | <b>£298,176</b> |

- 3.7.3 We have applied this alternative allowance in our trial appraisals.
- 3.7.4 Linked to this, DSP is not able to comment on the FVA points on 'vacant building credit' that it notes would have effect of reducing proportionally the affordable housing contribution sought under policy. However, we have been advised by the Council that 'vacant building credit' does not apply in this case.
- 3.7.5 It should be noted that any change in the chargeable sum would have an impact on the overall viability of the scheme as viewed through the appraisal - a reduction in the S106 cost assumption would improve the viability outcome and an increase would pull it downwards (looking at the effect of this assumption only). In all such reviews, we assume that all requirements that are necessary to make a scheme acceptable in planning terms will have to be included.

### 3.8 Development Timings

- 3.8.1 The development timings set out in the FVA assume a 6-month pre-commencement period for the proposed scheme with construction taking place over a further 18 months.
- 3.8.2 The BCIS duration calculator indicates an estimated construction period up to 49 weeks for projects of this nature. We have reduced the assumed construction period to 12 months.

- 3.8.3 The sales period is stated as 4 months commencing at month 16 of construction. At an average of 5 units per month, we do not consider the assumed sales timings to be unreasonable.

### **3.9 Development Finance**

- 3.9.1 Typically, in the recent period we have seen finance rates of 6.5% - 8.0% being submitted for viability appraisal purposes, with those assumptions representative of the costs inclusive of all fees.

- 3.9.2 Finance costs have been included using an 8.0% debit interest rate (on the same basis i.e. with no further fees allowances made). The assumed debit rate is at the upper end of the range of submitted assumptions that we see. Accordingly, we have tested, for the purposes of this review, a finance rate of 7.5% (including all ancillary fees).

### **3.10 Agent's, Marketing & Legal costs**

- 3.10.1 The submitted appraisal includes sales and marketing fees of 3%. This is at the upper end of the range typically seen, and for the purposes of this review, we have tested an assumption of 2%.
- 3.10.2 Legal fees (on sale) are also included at £1,000 per unit within the development appraisals. The assumption is broadly appropriate in our view.

### **3.11 Developer's Risk Reward – Profit**

- 3.11.1 The Planning Practice Guidance (PPG) on Viability states: *'Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of fully complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan'*. It goes on to state: *'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'*.

- 3.11.2 The PPG, as above, although silent in terms of decision making, does set out a range of between 15% and 20% on GDV for market housing; lower for affordable housing in relation to plan making. Given that the NPPF and PPG expect planning applications to be consistent with the plan making stage, it is therefore also appropriate to assume that the range 15% - 20% on GDV (lower for affordable housing) may be considered at the decision taking stage.
- 3.11.3 In this case, the level of profit has been included as a fixed input at 17.5% of GDV. We consider the assumption to be suitable, and we have not made any adjustment in our trial appraisal.

## 4. Findings Summary

4.1.1. The overall approach to assessing the viability of the proposed development appears to be appropriate in our opinion.

4.1.2. We consider several of the submitted assumptions to be fair, however there are areas we have queried or where a difference of opinion exists. In brief summary, these are as follows:

- Benchmark land value (paragraph 3.2) – we consider the BLV assumption to have relied on an over-use of an AUV basis and to have been overstated. Therefore, we have considered the implications of this further below.
- Gross Development Value (paragraph 3.4) – we have increased the total GDV assumption from £8,315,000 to £8,645,000, an overall increase of £330,000.
- Build costs (paragraph 3.5) – we have applied the BCIS median rate for rehabilitation/conversion for ‘Housing – mixed developments’. This produces a slightly lower base build cost of £3,673,639, a difference of £88,106 compared to the submitted base build cost of £3,761,745. We have also reduced the allowance for BNG from 0.75% to 0.1%.
- Professional fees (paragraph 3.6) – we have made a downward adjustment within our trialling, from 10% to 8%.
- S106 contributions (paragraph 3.7) - we have updated the assumed cost figure, using the Council’s s106 schedule to incorporate the latest requirements.
- Development timings (paragraph 3.8) – we have reduced the assumed construction period from 18 months to 12 months in line with the BCIS duration calculator.
- Development finance (paragraph 3.9) – we have tested a reduced assumption of a 7.5% interest rate (a downward adjustment from the submitted 8.0%).

- Sales and marketing costs (paragraph 3.10) – again for the purposes of exploring what has been presented as an unviable scenario per se, we have tested a lower assumption of 2% (a reduction from the submitted 3%).

- 4.1.3. The scheme as presented indicates a residual land value of £1,102,904. Set against the suggested BLV of £1,925,000 this indicates an overall deficit of - £822,096. The FVA calculates that if the BLV were recovered as a cost, the net profit as presented equates to 7.61% GDV
- 4.1.4. Applying our adjustments above to the scheme as proposed and appraised produces a higher residual land value of £1,691,007. When including the MSDC required affordable housing contribution of £420,000 (in this case in lieu of on-site AH), the residual land value reduces to £1,294,594.
- 4.1.5. Our view is that the BLV and key assumptions leading to its assessment could potentially be revisited. With a lower BLV identified by our research, potentially closer to £1.2m based on EUV reflecting the vacant care home, the evidence provided does not sufficiently suggest that the resultant RLV of c. £1.3m (and potentially higher still when viewed alongside our conservative placement of GDV in our view) could not represent a suitable level of land value in this case. Overall, we consider that the proposed scheme is sufficiently viable to support the full policy compliant affordable housing contribution of £420,000 and this should not be ruled out - we are unable to support the applicant's nil AH contribution position.
- 4.1.6. We need to be clear our review is based on current day costs and values assumptions as described within our review based on the current scheme(s) as submitted. A different scheme may of course be more or less viable – we are only able to review the information provided.
- 4.1.7. Of course, no viability report or assessment can accurately reflect costs and values until a scheme is built and sold – this is the nature of the viability process and the reason for local authorities needing to also consider later stage review mechanisms when developments fall short of policy provision. In this sense, the applicant and their agents are in a similar position to us in estimating positions at this stage – it is not an exact science by any means, and we find that opinions can vary.

- 4.1.8. As regards the wider context including the current economic situation, in accordance with the relevant viability guidance our review is based on current day costs and values – a current view is appropriate for this purpose. The most recent (national) reporting suggests that the housing market generally is improving, with average house prices reported as having increased slightly and prospects for 2025 seen as positive despite forthcoming stamp duty changes. Construction costs are still increasing, but at a much lower rate than has been experienced in previous years and these are seen to be stabilising currently.
- 4.1.9. The RICS Professional Standard notes that ‘Development risk’ reflects: *‘The risk associated with carrying out, implementing and completing a development, including site assembly, planning, construction, post-construction letting and sales’* and that *‘The return for the risk is included in the developer return and the PPG makes it clear that it is the developer’s job to mitigate this risk, not plan makers and decision takers.’* This is all part of the usual development process. Furthermore, in reflecting the PPG the RICS Professional Standard notes: *‘PPG paragraphs 007 and 009 reflect on the impact of market cyclicity during the life of the plan. Paragraph 007 gives market downturns as one example of the justification for a site-specific FVA, but it is restricted to “a recession or similar significant economic change”. This implies the exclusion of normal market cyclicity, which is embedded in the level of developer return.’*
- 4.1.10. DSP will be happy to advise further if/as required by MSDC.

Review report ends  
April 2025

## Appendix I – DSP version of the applicant’s submitted appraisal

## SUMMARY

**Housing Mix (Affordable + Open Market)**

## Residential Values

| Type of Unit | Total Rent<br>pa (£) | Yield (%) | Capital Value<br>(£) |
|--------------|----------------------|-----------|----------------------|
| Studio       | -                    | -         | -                    |
| 1 Bed        | -                    | -         | -                    |
| 2 Bed        | -                    | -         | -                    |
| 3 Bed        | -                    | -         | -                    |
| 4 Bed        | -                    | -         | -                    |
| Other        | -                    | -         | -                    |
| Other        | -                    | -         | -                    |
| <b>Total</b> | -                    | -         | -                    |

### Affordable Housing Tenure 2: Intermediate - Shared Ownership

| Type of Unit | Capital Value<br>(£ psm) | Total Floorspace<br>(sq m) | Total Capital<br>Value (£) |
|--------------|--------------------------|----------------------------|----------------------------|
| Studio       | -                        | -                          | -                          |
| 1 Bed        | -                        | -                          | -                          |
| 2 Bed        | -                        | -                          | -                          |
| 3 Bed        | -                        | -                          | -                          |
| 4 Bed        | -                        | -                          | -                          |
| Other        | -                        | -                          | -                          |
| Other        | -                        | -                          | -                          |
| <b>Total</b> | -                        | -                          | -                          |

Page 1 of 5

## Capital Value of owner-occupied part

-

| Type of Unit | Total Rent<br>pa (£) | Yield (%) | Capital Value<br>(£) |
|--------------|----------------------|-----------|----------------------|
| Studio       | -                    | -         | -                    |
| 1 Bed        | -                    | -         | -                    |
| 2 Bed        | -                    | -         | -                    |
| 3 Bed        | -                    | -         | -                    |
| 4 Bed        | -                    | -         | -                    |
| Other        | -                    | -         | -                    |
| Other        | -                    | -         | -                    |
| <b>Total</b> | -                    | -         | -                    |

Total Capital Value of Affordable Housing Tenure 2

£0

## Affordable Housing Tenure 3:

## Intermediate - Discounted Market Sale

| Type of Unit | Capital Value<br>(£ psm) | Total Floorspace<br>(sq m) | Total Capital<br>Value (£) |
|--------------|--------------------------|----------------------------|----------------------------|
| Studio       | -                        | -                          | -                          |
| 1 Bed        | -                        | -                          | -                          |
| 2 Bed        | -                        | -                          | -                          |
| 3 Bed        | -                        | -                          | -                          |
| 4 Bed        | -                        | -                          | -                          |
| Other        | -                        | -                          | -                          |
| Other        | -                        | -                          | -                          |
| <b>Total</b> | -                        | -                          | -                          |

% of Open Market Value

100%

Total Capital Value of Affordable Housing Tenure 3

£0

## Affordable Housing Tenure 4:

## Intermediate - Other Type of Shared Ownership / Shared Equity

| Type of Unit | Capital Value<br>(£ psm) | Total Floorspace<br>(sq m) | Total Capital<br>Value (£) |
|--------------|--------------------------|----------------------------|----------------------------|
| Studio       | -                        | -                          | -                          |
| 1 Bed        | -                        | -                          | -                          |
| 2 Bed        | -                        | -                          | -                          |
| 3 Bed        | -                        | -                          | -                          |
| 4 Bed        | -                        | -                          | -                          |
| Other        | -                        | -                          | -                          |
| Other        | -                        | -                          | -                          |
| <b>Total</b> | -                        | -                          | -                          |

Owner-occupied / rented % share

-

## Capital Value of owner-occupied part

-

| Type of Unit | Total Rent<br>pa (£) | Yield (%) | Capital Value<br>(£) |
|--------------|----------------------|-----------|----------------------|
| Studio       | -                    | -         | -                    |
| 1 Bed        | -                    | -         | -                    |
| 2 Bed        | -                    | -         | -                    |
| 3 Bed        | -                    | -         | -                    |
| 4 Bed        | -                    | -         | -                    |
| Other        | -                    | -         | -                    |
| Other        | -                    | -         | -                    |
| <b>Total</b> | -                    | -         | -                    |

Total Capital Value of Affordable Housing Tenure 4

£0

**Affordable Housing Tenure 5:****Intermediate - Discounted Market Rented**

| Type of Unit | Total Rent<br>pa (£) | Yield (%) | Capital Value<br>(£) |
|--------------|----------------------|-----------|----------------------|
| Studio       | -                    | -         | -                    |
| 1 Bed        | -                    | -         | -                    |
| 2 Bed        | -                    | -         | -                    |
| 3 Bed        | -                    | -         | -                    |
| 4 Bed        | -                    | -         | -                    |
| Other        | -                    | -         | -                    |
| Other        | -                    | -         | -                    |
| <b>Total</b> | -                    | -         | -                    |

**Total Capital Value of Affordable Housing Tenure 5** £0

**TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING SHG & OTHER FUNDING)** £0

**Social Housing Grant**

|                                                 | Grant per unit (£) | Number of<br>Units | Grant (£) |
|-------------------------------------------------|--------------------|--------------------|-----------|
| Social Rented                                   | £0                 | 0                  | £0        |
| Intermediate - Shared Ownership                 | £0                 | 0                  | £0        |
| Intermediate - Discounted Market Sale           | £0                 | 0                  | £0        |
| Intermediate - Other Type of Shared Ownership / | £0                 | 0                  | £0        |
| Intermediate - Discounted Market Rented         | £0                 | 0                  | £0        |
| <b>SHG Total</b>                                | -                  | 0                  | £0        |

Social Housing Grant per Affordable Housing Person -

Social Housing Grant per Social Rented Person -

Social Housing Grant per Intermediate Person -

**TOTAL VALUE OF SOCIAL HOUSING GRANT** £0

**OTHER SOURCES OF AFFORDABLE HOUSING FUNDING** £0

**OTHER SUBSIDIES SUCH AS EP GAP FUNDING** £0

**TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING SHG & OTHER FUNDING)** £0

**Open Market Housing**

| Type of Open Market Housing | Net Area<br>(sq m) | Revenue<br>(£ / sq m) | Total Revenue<br>(£) |
|-----------------------------|--------------------|-----------------------|----------------------|
| Flats                       | 1,238              | £5,405                | £6,689,769           |
| semi-detached               | 219                | £5,662                | £1,239,978           |
| detached                    | 126                | £5,675                | £715,050             |
| -                           | -                  | -                     | -                    |
| -                           | -                  | -                     | -                    |
| <b>Total</b>                | <b>1,583</b>       | -                     | <b>£8,644,797</b>    |

**TOTAL CAPITAL VALUE OF OPEN MARKET HOUSING** £8,644,797

**Car Parking**

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

**TOTAL VALUE OF CAR PARKING** £0

**TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME** £8,644,797

**Non-Residential Values**

|               |    |    |
|---------------|----|----|
| Office        | £0 |    |
| Retail        | £0 |    |
| Industrial    | £0 |    |
| Leisure       | £0 |    |
| Community-use | £0 | £0 |

|                                                      |           |
|------------------------------------------------------|-----------|
| <b>TOTAL CAPITAL VALUE OF NON-RESIDENTIAL SCHEME</b> | <b>£0</b> |
|------------------------------------------------------|-----------|

|                              |                   |
|------------------------------|-------------------|
| <b>TOTAL VALUE OF SCHEME</b> | <b>£8,644,797</b> |
|------------------------------|-------------------|

**Residential Building, Marketing & Section 106 Costs**

|                                 |            |                   |
|---------------------------------|------------|-------------------|
| Affordable Housing Build Costs  | £0         |                   |
| Open Market Housing Build Costs | £3,673,639 | <b>£3,673,639</b> |

**Cost Multipliers**

|                                                |      |           |
|------------------------------------------------|------|-----------|
| Site Specific Sustainability Initiatives (%)** | 0.0% | <b>£0</b> |
| Wheelchair provision (%)                       | 0.0% | <b>£0</b> |
| Code for Sustainable Homes (%)                 | 0.0% | <b>£0</b> |
| Other (%)                                      | 0.0% | <b>£0</b> |

|                                     |           |
|-------------------------------------|-----------|
| Residential Car Parking Build Costs | <b>£0</b> |
|-------------------------------------|-----------|

|                             |                   |
|-----------------------------|-------------------|
| <b>Total Building Costs</b> | <b>£3,673,639</b> |
|-----------------------------|-------------------|

**OTHER SITE COSTS**

|                                          |      |          |
|------------------------------------------|------|----------|
| Building Contingencies                   | 5.0% | £183,682 |
| Building Cost Fees (Architects, QS etc): | 8.0% | £308,586 |
| Other Acquisition Costs (£)              |      | £0       |

**Section 106 Costs (£)**

|                       |          |
|-----------------------|----------|
| CIL                   | £0       |
| Part L Building Regs  | £0       |
| Biodiversity Net Gain | £3,674   |
| Planning obligations  | £298,176 |
| Affordable Housing    | £420,000 |

**Site Abnormals**

|                            |          |
|----------------------------|----------|
| Infrastructure Costs       | £367,364 |
| Contamination Costs        | £0       |
| Demolition Costs           | £0       |
| Other Costs                | £0       |
| Sustainability Initiatives | £0       |

|                               |                   |
|-------------------------------|-------------------|
| <b>Total Other Site Costs</b> | <b>£1,581,481</b> |
|-------------------------------|-------------------|

**Marketing (Open Market Housing ONLY)**

|                                    |        |          |
|------------------------------------|--------|----------|
| Sales Fees:                        | 2.0%   | £172,896 |
| Legal Fees (per Open Market unit): | £1,000 | £20,000  |

**Marketing (Affordable Housing)**

|                                              |    |
|----------------------------------------------|----|
| Developer cost of sale to RSL (£)            | £0 |
| RSL on-costs (£)                             | £0 |
| Intermediate Housing Sales and Marketing (£) | £0 |

|                              |                 |
|------------------------------|-----------------|
| <b>Total Marketing Costs</b> | <b>£192,896</b> |
|------------------------------|-----------------|

**Non-Residential Building & Marketing Costs****Building Costs**

|               |    |    |
|---------------|----|----|
| Office        | £0 |    |
| Retail        | £0 |    |
| Industrial    | £0 |    |
| Leisure       | £0 |    |
| Community-use | £0 | £0 |

**Professional Fees (Building, Letting & Sales)**

|               |    |    |
|---------------|----|----|
| Office        | £0 |    |
| Retail        | £0 |    |
| Industrial    | £0 |    |
| Leisure       | £0 |    |
| Community-use | £0 | £0 |

|                                    |           |
|------------------------------------|-----------|
| <b>Total Non-Residential Costs</b> | <b>£0</b> |
|------------------------------------|-----------|

|                            |                      |
|----------------------------|----------------------|
| <b>TOTAL DIRECT COSTS:</b> | <b>£5,448,016.18</b> |
|----------------------------|----------------------|

**Finance (finance costs are only displayed if there is a positive residual site value)**

|                           |          |
|---------------------------|----------|
| Arrangement Fee           | £0       |
| Misc Fees (Surveyors etc) | £0       |
| Agents Fees               | £12,946  |
| Legal Fees                | £9,709   |
| Stamp Duty                | £54,373  |
| Total Interest Paid       | £312,319 |

|                            |                 |
|----------------------------|-----------------|
| <b>Total Finance Costs</b> | <b>£389,347</b> |
|----------------------------|-----------------|

**Developer 'Profit'****Residential**

|                                        |            |
|----------------------------------------|------------|
| Open Market Housing Operating 'Profit' | £1,512,839 |
| Affordable Housing 'Profit'            | £0         |

**Non-residential**

|               |    |    |
|---------------|----|----|
| Office        | £0 |    |
| Retail        | £0 |    |
| Industrial    | £0 |    |
| Leisure       | £0 |    |
| Community-use | £0 | £0 |

|                               |                   |
|-------------------------------|-------------------|
| <b>Total Operating Profit</b> | <b>£1,512,839</b> |
|-------------------------------|-------------------|

**Residual Site Value**

|                         |                   |
|-------------------------|-------------------|
| <b>SITE VALUE TODAY</b> | <b>£1,294,594</b> |
|-------------------------|-------------------|

|                    |  |
|--------------------|--|
| EXISTING USE VALUE |  |
|--------------------|--|

|                                                      |            |
|------------------------------------------------------|------------|
| DIFFERENCE BETWEEN SITE VALUE AND EXISTING USE VALUE | £1,294,594 |
|------------------------------------------------------|------------|

**Checks:**

|                                                  |         |
|--------------------------------------------------|---------|
| Site Value as a Percentage of Total Scheme Value | 15.0%   |
| Site Value per hectare                           | #VALUE! |