



Independent Viability Experts

FAO Ms Jessica Duffield
Senior Planning Officer
Barnsley Council

David Newham MRICS
Director
CP Viability Ltd

Sent by email only

Our ref: DN-1293
Your ref: 2022/0016
Date: 16th January 2026

Dear Ms Duffield,

PROPERTY ADDRESS: Land north of Keresford Road Dodworth Barnsley S75 3QY
INSTRUCTING BODY: Barnsley Council
APPLICANT: Keepmoat Homes

Further to our initial viability report dated 22nd October 2025. This addendum should be read alongside that original report.

1. Background

- 1.1. The site is comprised of previously agricultural land and areas of woodland. We understand that this extends to 7.73 Ha (19.10 acres) on a gross basis.
- 1.2. The current planning application for the subject site is as follows: **2022/0016** - *“Residential development of up to 126 dwellings and associated works (Outline application with matters reserved apart from means of access)”*
- 1.3. Acting for the applicant, HEB undertook a viability review of the scheme in Sept 2025. HEB concluded that *“...the scheme for the purpose of assessing viability is deemed to be unviable...”*.

1.4. Acting as an independent assessor on the instruction of the Council, we undertook a viability review of the scheme on 22nd October 2025. We concluded that the scheme was viable with 30% onsite affordable housing and S106 contributions of £1,398,866. We reached a different conclusion to HEB owing to the following differences between the respective appraisals:

Input	Heb appraisal	CPV appraisal
Market value revenue	£25,724,695	£26,179,945
Plot construction costs	£13,344,966	£13,022,614
Future Homes	£6,050 per unit	£0 per unit
Building Safety Levy	£0	£70,206
Plot externals	£0	£1,953,392
Contingency	£806,459	£454,410
Abnormals	£5,913,971	£2,007,806
Professional fees	£652,185	£908,821
Marketing/disposal	£1,800,729	£654,499
Legals	£261,745	£80,400
Finance	£2,182,377	£1,192,380
Profit – affordable	8% AH revenue	6% AH revenue

1.5. Please note, the abnormal costs allowance adopted in our model was based on 3rd party independent quantity surveyor advice, undertaken by Thornton Firkin on 16th October 2025. For context, HEB’s viability appraisal included abnormal costs, Future Homes and EV Charging totalling £6,777,071. In our review, we accepted the EV Charging costs, however we removed the Future Homes allowance (for the reasons set out in para 4.20 of our Oct 25 report). Furthermore, we used Thornton Firkin’s suggested abnormal costs of £2,007,806.

1.6. However, Thornton Firkin's advice on costs was caveated as follows:

However, given the level of information provided, several of the submitted abnormal cost items may be substantiated should additional information and cost details were forthcoming.

1.7. In other words, as the costs had not been justified / evidenced, at that stage Thornton Firkin were unable to include the costs in their conclusions.

1.8. Since this time, HEB have submitted a rebuttal to our appraisal dated 5th January 2026 and furthermore the applicant has provided additional evidence / detail regarding abnormal costs, which have been forwarded to Thornton Firkin for review. The purpose of this addendum is to provide a response to HEB's rebuttal comments and also to factor in any changes based on the most review by Thornton Firkin.

1.9. For ease, we have followed the order as set out in HEB's 5th January 2026 rebuttal.

2. Sales Revenue

2.1. In their initial Sept 25 appraisal HEB adopted an average sales value of £280 per sq ft for the semi detached dwelling types and £285 per sq ft for the detached.

2.2. In our October 25 review, for the reasons set out in paragraphs 4.4 to 4.9 (and specifically the Lock Keepers Gate evidence from 2023 as well as current asking prices) we considered that the semi's average value should be increased to £285 per sq ft and the detached increased to £290 per sq ft.

- 2.3. In their rebuttal comments, HEB are sceptical about our allowances, particularly taking into account the close proximity of the M1 motorway. Nevertheless, HEB's latest appraisal adopts our suggested values. These values are now therefore agreed in the modelling.

3. Marketing costs

- 3.1. In their initial Sept 25 appraisal HEB adopted 3.5% on revenue (applied to both market value and affordable units).
- 3.2. In our review, we used 2.5% on revenue but applied to market value units only (we do not consider it appropriate to apply marketing / disposal costs to affordable housing, which would be transferred to Registered Providers). This was based on 4 other schemes we have been involved with in Barnsley (see paragraph 4.43 of our report).
- 3.3. In their rebuttal comments, HEB suggest a compromise of 3% on revenue, as this was agreed on a Keepmoat Homes scheme at High St, South Elmsall in Jan 2024. We have revisited this scheme and whilst we acknowledge that a 3% was used for the marketing / disposal a profit of 17.5% on revenue was used for that scheme (rather than 20% adopted at the subject site). If we are to adopt the same marketing / disposal figure of 3% as High St, South Elmsall, then it would be reasonable to expect the same profit to be applied, which would improve the overall viability, not reduce it.
- 3.4. On balance, having considered this, we stand by the marketing / disposal allowance of 2.5% on revenue, albeit on the basis that the profit at 20% on revenue is also maintained in the model.

4. Finance

4.1. There was a significant difference in the overall debit interest costs. HEB's Sept 25 appraisal had a total sum of £2,182,377, whereas our Oct 25 appraisal showed £1,192,380. There are likely several reasons for this differential:

- (i) Difference in the debit interest. HEB suggested 9%, we adopted 7%.
- (ii) Difference in the abnormal costs (ours were significantly lower therefore less borrowing was required).
- (iii) Difference in the development programme (i.e. timings for construction and sales).

4.2. In their rebuttal comments, HEB have agreed to the debit interest of 7%. HEB have also adjusted their cash flow to 14 months pre-construction, 36 months plot construction and sales commencing 6 months after construction.

4.3. In our appraisal, we allowed a 12 month pre-construction period, plus a plot construction of 36 months and sales commencing 8 months after plot construction began.

4.4. Having reviewed this, we agree to a pre-construction period of 14 months, plot build of 36 months and sales starting 6 months after the plot build starts.

5. Contingency

5.1. HEB suggested 5% and we adopted 3%, HEB reiterate that they consider 5% to be appropriate. For the reasons set out in paragraphs 4.27 and 4.28 of our report we maintain that 3% is a reasonable allowance for viability testing.

6. Build costs

- 6.1. Both us and HEB use the BCIS for the plot construction costs. However, HEB have applied individual rates (semi and detached) whereas we adopted a general figure.
- 6.2. We have concerns over the reliability of the individual BCIS rates, due to small sample sizes and we would make the following comments:
- (i) The BCIS rate for 'detached' units is based on a significantly smaller sample size (18) compared to the generally figure (995) used by us. The BCIS states that small sample sizes should be treated with caution and less weight attributed to this data. The detached figure is therefore deemed to be less reliable.
 - (ii) We have subsequently reviewed the 18 detached dwelling dataset in more detail. Of the sample of 18 schemes analysed, only 5 were taken from the last 5 years. The majority of the data analysed (over 75%) are taken from schemes which were constructed between 5 and 15 years ago. This reduces the reliability of the data when considering construction costs in the current marketplace. Furthermore, one of the sample is considerably in excess of the rest of the data, being £4,678 per sq m. This relates to the construction of 4 lodges at Feldon Valley Golf Club. This should not form part of the sample as it is anomalous. The issue is that because the sample is so small, the inclusion of this within the data 'skews' the overall average. Likewise, one of the sample relates to single detached dwellings (a single detached mews house in London and a detached dwelling in Cambridge). The costs associated with this type of development are higher than a larger scale scheme where there would be cost savings through bulk buying materials and labour. The inclusion of these in the sample unfairly 'skews' the average higher than it should be.

(iii) In a scheme we were involved with in South Holland the use of the BCIS detached dwelling rate was also discussed. The applicant sought advice from a third-party Quantity Surveyor (Two Two Five Ltd). The QS advice suggested the following:

- Two Two Five consider that it will cost more to construct a detached dwelling than a semi-detached or terrace, but state that detached dwellings tend to be larger and there is an economy of scale for these units compared with smaller dwellings (with the implication being that this has a downward pressure on the rate per sq m for detached units).
- Two Two Five also provided a breakdown of the projected build costs for various house types. The figures provided by Two Two Five Ltd can be summarised as follows (all-inclusive of preliminaries, which is how the BCIS data is presented and therefore enables a 'like for like' comparison):

			£ psf	£ psm
Thames	Detached	£	91.67	£ 986.76
Barrowby	Detached	£	94.61	£ 1,018.41
Freshney	Detached	£	95.96	£ 1,032.94
Ribble	Detached	£	107.28	£ 1,154.79
Tay	Detached	£	107.60	£ 1,158.23
Harren	Detached	£	108.43	£ 1,167.17
A902	Semi / terr	£	109.48	£ 1,178.47
Medway	Detached	£	110.70	£ 1,191.60
Balmoral	Detached	£	113.93	£ 1,226.37
Ouse	Detached	£	113.96	£ 1,226.70
Humber	Detached	£	114.91	£ 1,236.92
Bain	Detached	£	115.95	£ 1,248.12
A732	Semi / terr	£	118.28	£ 1,273.20
Coronation	Semi	£	118.46	£ 1,275.13
Sparta	Semi	£	118.76	£ 1,278.36
Mere	Semi / Det	£	119.32	£ 1,284.39
Huntingdon	Semi	£	120.52	£ 1,297.31
Lock	Semi / Det	£	120.72	£ 1,299.46
Avon	Semi	£	120.96	£ 1,302.05
Severn	Detached	£	120.96	£ 1,302.05
Tamar	Detached	£	120.96	£ 1,302.05
Aire	Semi / terr	£	120.96	£ 1,302.05
Rutland	Detached	£	120.96	£ 1,302.05
Clyde	Semi	£	123.96	£ 1,334.34
Dee	Semi / terr	£	125.39	£ 1,349.73
Holland	Flat	£	166.30	£ 1,790.10
Average		£	116.19	£ 1,250.72

- The above demonstrates that the highest rates per sq m are generally reflected through the smallest semi-detached and terraced dwellings. This suggests that detached dwellings are not more expensive to build (at least in terms of a rate per sq m) when compared to terraced and semi-detached dwellings.

(iv) By way of additional evidence from a more recent case. We have been involved with a case for Borough Council of King's Lynn & West Norfolk land at Foresters Avenue, Hilgay (planning ref 23/00824/FM), being a scheme of 16 dwellings. A quantity surveyor provided the following costings:

142 - Foresters Avenue, Hilgay
RIBA 2.0

Ref.	Description	Quantity	Unit	Rate (£)	Total (£)
Building Works; 16Nr Dwellings					
1	Plot 1; 3B5P Semi; Private	93	m2	1,320	122,760
2	Plot 2; 3B5P Semi; Private	93	m2	1,320	122,760
3	Plot 3; 3B5P Detached; Private	93	m2	1,375	127,875
4	Plot 4; 3B5P Detached; Private	93	m2	1,375	127,875
5	Plot 5; 2B4P End Terrace; Private	79	m2	1,300	102,700
6	Plot 6; 2B4P Mid Terrace; Affordable	79	m2	1,220	96,380
7	Plot 7; 2B4P Mid Terrace; Affordable	79	m2	1,220	96,380
8	Plot 8; 2B4P End Terrace; Affordable	79	m2	1,250	98,750
9	Plot 9; 4B8P Detached; Private	130	m2	1,325	172,250
10	Plot 10; 4B8P Detached; Private	130	m2	1,325	172,250
11	Plot 11; 3B5P Semi; Private	93	m2	1,320	122,760
12	Plot 12; 3B5P Semi; Private	93	m2	1,320	122,760
13	Plot 13; 3B5P Detached; Private	93	m2	1,375	127,875
14	Plot 14; 3B5P Semi; Private	93	m2	1,320	122,760
15	Plot 15; 3B5P Semi; Private	93	m2	1,320	122,760
16	Plot 16; 4B8P Detached; Private	130	m2	1,325	172,250
17	Double garages	3	No	22,500	67,500

- As shown above, there is little difference in the rate per sq m between detached and semi-detached dwellings (and the variations are to do with size of dwelling).

6.3. We also note that in the High St, South Elmsall case referred to by HEB in their rebuttal comments (and referenced above in Section 3) HEB used a general BCIS rate, not individual figures.

6.4. In their rebuttal HEB maintain that the individual rates should apply. For the reasons outlined above we disagree and maintain that our allowance is reasonable.

7. Externals

7.1. This is agreed at 15% of the BCIS rate.

8. Professional fees

8.1. This is agreed at 6% of the BCIS rate and externals.

9. Abnormals

9.1. HEB do not comment on this in their rebuttal.

9.2. However, as indicated above, following our initial report the applicant provided further detail and justification of the abnormal costs associated with the subject scheme. Thornton Firkin have reviewed this additional information and have provided an updated cost report dated January 2026 (please see attached Appendix 1).

- 9.3. In summary, Thornton Firkin have (based on the evidence now provided) uplifted their abnormal costs allowance from £2,007,806 to £4,815,665. We have subsequently inputted this into our latest appraisal.
- 9.4. However, as discussed in our Oct 25 report (see paragraphs 4.51 to 4.58) changes in the level of abnormal costs has implications for the benchmark land value, with the general principle being the higher the abnormal costs the lower the premium uplift above the existing use value (and vice versa).
- 9.5. Based on abnormal costs of £2,007,806 (£105,121 per gross acre) we considered a premium uplift of 15 times the existing use value to be reasonable. This equated to a benchmark land value of £2,865,000. However, as the abnormal costs are now significantly higher (£4,815,665 or £252,129 per gross acre) it is necessary to reduce the level of premium uplift in the benchmark land value calculation. We consider an adjustment to 10 times (rather than 15 times) the existing use value to now be appropriate, which equates to a reduced benchmark land value of £1,910,083. We have applied this to our latest appraisal.

10. Updated appraisal outcome and conclusions

- 10.1. As per the comments above, the only amendments to our appraisal are the development programme, the increase in the abnormal costs from £2,007,806 to £4,815,665 and the subsequent reduction in the benchmark land value from £2,865,000 to £1,910,083.
- 10.2. Please see attached our updated appraisal (Appendix 2). The scheme shows a viable outcome based on 20 (15.87%) onsite affordable units, split as 10 x 2 bed semi and 10 x 3 bed semi, plus S106 contributions of £1,398,866.

