

By Email Only

A Swann Esq
Senior Land & Partnerships Manager
Keepmoat Homes

Our Ref: MH/JLM

5 January 2026

Dear Adam

**RE: KERESFORTH ROAD, BARNSELY
PLANNING APPLICATION REF – 2022/0016**

Further to the review undertaken by CPViability, we have made some adjustments to our viability appraisal and a revised version is attached.

Sales Revenue

CPV have increased the sales rates for semi-detached housing from £280 to £285 psf, and for detached housing from £285 to £290 psf. This is a nominal increase of 1.8% and whilst we acknowledge that the CPV opinion has been based on comparable schemes, we are not convinced they are strictly comparable as they are all rural sites. The subject scheme is immediately adjacent to the M1, this doesn't appear to have been taken into account and it is pretty obvious this will have an impact on sales values. Our valuation was considered optimistic when taking into regard the negative impact of being adjacent to the motorway which will inevitably have an impact on desirability and consequently price, however we have amended our appraisal to reflect the changes made by CPV.

Marketing Costs

CPV have adopted a marketing cost based on 2.5% of the sales revenue, in comparison to our assumption of 3.5% which break downs as 1.5% for the estate agency costs and 2% for scheme marketing.

We have adjusted this to 3% (sales and marketing) which mirrors a similar scheme reviewed by CPV last year at High Street, South Elmsall and in that appraisal CPV adopted 3%. We believe a consistent approach adopting 3% is fair and reasonable.

Finance

There are two key factors that impact the level of finance costs, rate of interest and cashflow timing. CPV had adopted an interest rate of 7% and we have adopted this in our revised appraisal.

We have adjusted the timing of cashflow on the site to take into account that a number of the abnormal works are required to enable to the site to be developed and need to be undertaken at the start of the development. We have adopted the following;

- 1) 14 months pre construction works before plot works can commence
- 2) Access works upfront (£1.2M)
- 3) Stat diversions (£77K)
- 4) Carlow tanks installed and pumping infrastructure (£719K+£178K)
- 5) 25% of retaining in from day one (£300K)
- 6) Cut and fill and vegetation removal done upfront to plateau the site (£529K+£50K)
- 7) Substation installed (£80K)

Development timing

Purchase 3 months
Pre construction 14 months
Plot construction 36 months
Sales commence 6 months after construction

Contingency

CPV – 3%
heb – 5%

Contingency should reflect the risk of each specific site, and in view of the complexity of the site and the amount of abnormal works which have already been identified, we believe 5% is the correct sum to adopt and we have not made any change to our appraisal.

Build Costs

We have adopted the following rates in our appraisal which were taken from BCIS

Private Semi detached £97.00 per sq ft
Detached £121.00 per sq ft
Affordable £106.00 per sq ft.

CPV have adopted an average build cost of £105.72 per sq ft, this was also taken from BCIS. It is our opinion that adopting specific rates to reflect the house types which are actually being built is most appropriate.

External Costs

We have included 15% in line with CPV

Professional Fees

We have adjusted to 6% in line with CPV

Summary

With the inclusion of the full S106 requirements the scheme, subject to the revisions outlined above, the scheme is set to produce a loss of £1,322,716.

In order to arrive at a point of equilibrium, i.e. the point at which the appraisal can show the necessary profit, 20% (reduced to 8% for the affordable element), the S106 requirements need to be adjusted. We have undertaken a second appraisal and removed the full policy requirements (S106 Contributions and affordable housing), and this

shows the scheme will deliver a profit of 13.25%, which is well below the expected level of 20%. This is clearly showing that the scheme cannot withstand the burden of any S106 policy requirements.

Kind regards

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Hilton', with a stylized flourish at the end.

Matthew Hilton BSc (Hons) MRICS
Partner

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