

FINANCIAL VIABILITY ASSESSMENT

**MOUNT VERNON HOSPITAL,
MOUNT VERNON ROAD,
BARNSELY,
S70 4DP**

ORION HOMES

191EJJ00

RESIDENTIAL | LEEDS

12 November 2019

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EXECUTIVE SUMMARY

C&W ASSUMPTION	OUTPUT
SITE	MOUNT VERNON HOSPITAL, MOUNT VERNON ROAD, BARNSELEY, S70 4DP
APPLICANT	ORION HOMES LIMITED
CONSULTANT	CUSHMAN & WAKEFIELD
PROPOSED DEVELOPMENT	65 no. dwellings
PLANNING GAIN REQUIREMENTS	10% affordable housing (7 no. units) & £457,496 S.106 contributions
Net Sales Area	78,425 sq ft
Net developable area	5.26 acres
Average private revenues	£182 per sq ft
GROSS DEVELOPMENT VALUE	£13,729,081
Build costs	£91.79 per sq ft (BCIS lower quartile) +10% for externals
Garage build costs	£90,000
Abnormal costs	£715,014
Contingency	5% of build cost, 3% of contingency
Professional fees	6% of build costs
Finance	6%
Developer's profit	20% (private), 8% (affordable), 19.51% blended
RESIDUAL LAND VALUE (10% affordable housing)	£500,000
RESIDUAL LAND VALUE (0% affordable housing)	£870,000
BENCHMARK LAND VALUE	£1,580,000
CONCLUSION	We conclude that the scheme is unable to viably deliver any affordable units (0%). The Applicant is offering a S.106 contribution of £457,496 but NIL affordable housing.

1. INTRODUCTION

1.1 SCOPE

Cushman & Wakefield (C&W) has been instructed by Orion Homes (the Applicant) to undertake a Financial Viability Assessment (FVA) in respect of the proposed residential development at Mount Vernon Hospital, Mount Vernon Road, Barnsley.

The appraisal is based on an accepted industry methodology, which has been tested by key stakeholders from both the private and public sectors. It is based on up-to-date information, which will stand up to public scrutiny.

In preparing this report, C&W can confirm that we have acted with objectivity, impartially, without interference and with reference to all appropriate available sources of information.

C&W can confirm that that no conflict or risk of conflict of interest exists. We can also confirm that no performance related or contingent fees have been agreed with respect to the outcome of this report.

The National Planning Policy Framework (NPPF) was revised in 2018 and is now accompanied by the Planning Practice Guidance (PPG), which was updated in May 2019. Paragraph 2 of the PPG on viability and plan-making refers to ensuring viability and deliverability:

'Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan'

1.2 CUSHMAN & WAKEFIELD'S METHODOLOGY

C&W's methodology for assessing the level of planning gain that can be viably supported by the proposed scheme is in-line with planning policy guidance and has three key stages:

STAGE ONE: Establish appraisal input parameters (including revenues, costs and developer's profit) adopting a residual approach. We will run an appraisal to establish the residual land value assuming delivery of a policy-compliant scheme, including S.106 contributions and affordable housing.

STAGE TWO: Identify a Benchmark Land Value in accordance with PPG, NPPF and RICS guidance. This establishes a minimum land value, which must reasonably incentivise a landowner to release the site for residential development.

STAGE THREE: Run a scenario-testing exercise to assess the level of S.106 that can be delivered by the proposed scheme by measuring the Stages One and Two outputs. We will run a sensitivity analysis to demonstrate how viability is impacted by an adjustment to the level of affordable housing provision.

We will outline below each of these stages and undertake a robust assessment of the viability of the proposed scheme.

2. SITE OVERVIEW

2.1 SITE LOCATION

The site lies approximately 1.5 miles to the south of Barnsley town centre, within Worsbrough Common. The site is situated in a residential area comprising predominantly semi-detached and detached former local authority housing.

Junction 37 of the M1 is 2.5 miles to the north west of the site, via the A6133. Barnsley train station is located 1.5 miles north in Barnsley town centre. There are bus stops directly outside the site on Mount Vernon Road.

There is reasonable access to amenities, with two Premier Express convenience stores located within 0.5 miles of the site. Worsbrough Common Primary School is situated neighbouring the site to the north west, which is rated as 'Requires Improvement' by Ofsted. Ward Green Primary School (rated 'Good') is located within 0.3 miles.

2.2 SITE DESCRIPTION

The site is brownfield and comprises the former Mount Vernon Hospital in Worsbrough, Barnsley.

The hospital has been vacant since December 2017 and as a result, the site comprises a derelict former hospital and associated buildings. The buildings are in reasonable repair aside from small amounts of internal vandalism. The vandalism has caused the landowner to employ security measures at the site including a canine unit and CCTV tower.

The site is sloping from west to east.

We are advised the **gross site area is 2.67 ha (6.60 ac), with a net developable area of 2.13 ha (5.26 ac)**, representing a 20% reduction from gross to net.

2.3 PROPOSAL SUMMARY

The Applicant proposes a residential housing development of 65 no. dwellings comprising a mix of 3 and 4-bedroom mews, semi-detached and detached house types.

The existing hospital buildings are all to be demolished. The proposed development will be served by a spine road, off which branch three cul-de-sac's.

The proposal includes a mixture of private driveways and integral, attached and detached garages.

The proposed schedule of accommodation is as follows:

House Type	Beds	Garage	Type	Storey	Units	Sq Ft	Total
Preston	3	No	Mews	2	14	873	12,222
Falmouth	3	Detached	Detached	2	1	1,116	1,116
Chichester	4	Integral	Detached	2	7	1,161	8,127
Patterdale	4	Attached	Detached	2	5	1,241	6,205
Coniston	4	Integral	Detached	2	8	1,267	10,136
Dartmouth	3	Integral	Semi	2.5	9	1,284	11,556
Arundel	4	Integral	Semi	2.5	8	1,318	10,544
Salisbury	4	Integral	Detached	2	7	1,377	9,639
Exeter	4	Detached	Detached	2	3	1,407	4,221
Split Level	4	Integral	Semi	2.5	3	1,553	4,659
Total					65		78,425

The proposed total Net Sales Area (NSA) equates to **78,425 sq ft**, reflecting an average unit size of 1,207 sq ft.

The proposed mix includes 14 no. mews (22%), 20 no. semi-detached (31%) and 31 no. detached (48%) house types.

The average mews unit size is 873 sq ft, semi-detached is 1,338 sq ft and detached is 1,272 sq ft. There are 24 no. 3-beds (37%) and 41 no. 4-beds (63%). 20 no. units are 2.5-storey (31%) and 45 no. units are 2-storey (69%).

Based on our experience of selling and valuing residential development land and undertaking economic viability assessments across the region, new build estate housing schemes currently range in development density between 14,000 sq ft and 16,000 sq ft per net developable acre, depending on product mix and market area. The proposed scheme reflects a density of 14,910 sq ft per net developable acre, which is within the anticipated range.

3. PLANNING OVERVIEW

3.1 SUMMARY

Barnsley Metropolitan Borough Council (BMBC) adopted its Local Plan in January 2019. The Local Plan Maps feature shows that the subject site is allocated for new housing under site reference 'HS29 - Land off Mount Vernon Road'.

There is a planning application at the site for 'Demolition of vacant former hospital buildings and residential development of 65no dwellings and associated works' (ref: 2019/0577) currently under consideration.

3.1.1 AFFORDABLE HOUSING

BMBC's adopted planning policy seeks a requirement for 10% of dwellings to be of affordable tenure on sites of 15 or more dwellings in Bolton, Goldthorpe, Thurnscoe, Hoyland, Wombwell, Darfield, North Barnsley and Royston, South Barnsley and Worsbrough and Rural East (Policy H7 Affordable Housing).

Based on the proposed development of 65 no. dwellings, the subject site attracts a requirement of 7 no. units.

Barnsley Local Plan's Supplementary Planning Document 'Affordable Housing - Adopted May 2019' identifies a tenure split of 80% affordable homes for rent and 20% affordable home ownership in Worsbrough and indicative transfer values of 50% of open market value to each tenure type.

We are informed by the Client that at Pre-App stage, BMBC advised the Client the affordable housing requirement would be reduced to 1 no. affordable unit, on the basis of Vacant Building Credit (VBC). However, at Planning Application stage, BMBC have now stated the full affordable housing policy (10% - 7 no. units) will be required as they have subsequently concluded VBC will not apply to the proposed development.

Based on the feedback provided at Pre-App stage in respect of VBC, the landowner decided not to demolish the existing buildings on site. As a result, the landowner has incurred significant capital expenditure which would have otherwise not been necessary, had the buildings been demolished.

The following essential operating and security costs have been incurred by the landowner from December 2017:

- Electricity costs of c. £450 per month, totalling **£10,350** over 23 months from December 2017 to October 2018
- Building rates totalling **£130,500**, pro-rated from December 2017 to October 2018
- Security costs totalling **£59,600** to date

These costs currently total **£200,000**. For clarity, we have not included these costs within our appraisal, however we consider they should be taken into account when assessing the Benchmark Land Value which, in accordance with NPPF, should provide a reasonable return to the landowner.

3.1.2 S.106 CONTRIBUTIONS

We are informed by the Applicant that the following S.106 contributions are also being sought by BMBC:

- Education contribution: £333,590
- Public open space: £123,906

We therefore understand the current planning gain requirements at the subject site equate to 7 no. affordable units and S.106 costs amounting to £457,496.

4. RESIDENTIAL MARKET OVERVIEW

4.1 UK HOUSING MARKET

According to the most recently available Land Registry data, as of July 2019 the average house price in the UK is £232,710. Property prices have risen by 0.6% compared to the previous month, and risen by 0.7% compared to the previous year

The Office of National Statistics (ONS) House Price Index July 2019 reports that Yorkshire and The Humber was the English region with the highest annual house price growth, with prices increasing by 3.2% in the year to July 2019.

Nationwide's House Price Index September 2019 reports that "UK annual house price growth almost ground to a halt in September, at just 0.2%. This marks the tenth month in a row in which annual price growth has been below 1%". They go on to report that "the underlying pace of growth appears to have slowed as a result of weaker global growth and an intensification of Brexit uncertainty... However, healthy labour market conditions and low borrowing costs appear to be offsetting the drag from the uncertain economic outlook"

The August 2019 RICS UK Residential Market Survey results indicate that respondents are anticipating a decline in activity over the next three months. Brexit uncertainty is again highlighted as a significant factor causing hesitation amongst buyers and vendors. Nevertheless, a more stable trend in sales is envisaged at the twelve month horizon.

4.2 LOCAL HOUSING MARKET

The site falls within the postcode area S70 4. Our analysis of HM Land Registry residential transactions for the S70 4 postcode area over the period October 2018 to October 2019 identifies there were 131 no. transactions of terraced, semi-detached and detached houses. 130 no. were second hand (99%) and 1 no. was new-build (1%).

In total, there were 10 no. detached sales (8%), 54 no. semi-detached (41%) and 67 no. terraced properties (51%).

The average sale price was £97,221 across second-hand and new build properties. The average detached sale price was £200,479, semi-detached was £113,295 and terraced was £68,854.

5. STAGE ONE – RESIDUAL LAND VALUE

To demonstrate the viability of the proposed scheme we have adopted the residual approach, which involves calculating the Gross Development Value (GDV) of the development on completion and deducting all costs associated with bringing the scheme forward, including an element of developer's profit.

5.1 GROSS DEVELOPMENT VALUE

In accordance with planning policy guidance, to establish achievable revenues for the proposed scheme we have assumed delivery by a hypothetical housebuilder. We have undertaken research on new-build and second-hand sold prices in the locality, taking care to select developments and properties which are most closely comparable to the subject site.

5.1.1 NEW-BUILD REVENUE ANALYSIS

The most relevant evidence for establishing likely sales revenues on new build schemes is other comparable new build developments. Evidence should come from schemes within the immediate vicinity of any site being considered or, if this is not possible, schemes situated within neighbouring areas where house prices are comparable.

The key benefits of utilising new build evidence are:

- Accurate floor areas can be verified through information included on house builder websites or from floor plans submitted as part of the planning application for a site
- New build housing is more homogenous than second-hand stock, with specification typically similar across schemes and prior to alterations and additions by individual homeowners
- Values can be therefore accurately be compared on a rate per sq ft basis

When utilising new build evidence, it is important to note that housebuilders frequently offer incentives to purchasers or negotiate discounts against quoted asking prices to achieve sales.

Not all sales incentives offered by developers to secure plot sales are accounted for within the figure quoted at HM Land Registry, most notably, part-exchange. For the purpose of comparing net sales revenues on a like-for-like basis, the price quoted on HM Land Registry should therefore be discounted to allow for additional sales incentives, typically in the order of 3-5% depending on market area. For the purposes of this report we have applied a discount of 5% from the gross revenues sourced from HM Land Registry.

Note that in analysing sales evidence we have relied upon HM Land Registry data and floor areas contained within the EPC Register. As such, we are reliant upon the accuracy of this data. While there may be some margin of error, the comparables do nonetheless provide good evidence for likely achievable values at the subject site and are in-line with our expectations of value based upon our market knowledge.

We have utilised the following new build evidence to inform our assessment of achievable revenues. A schedule of analysis is provided within **Appendix A**.

1. **Taylor Wimpey** – Kingstone Grange, Barnsley
2. **Miller Homes** – Honeywell Grange, Barnsley

3. **Harron Homes** – Meadow View, Lundwood
4. **Bellway Homes** – Stonegarth, Monk Bretton
5. **David Wilson Homes** – Castle Vale, Pilley, Tankersley
6. **Barratt Homes** – Lock Keeper's Gate, Barnsley

5.1.2 TAYLOR WIMPEY -KINGSTONE GRANGE, KINGSTONE

Kingstone Grange comprises 163 dwellings, including a mix of 2, 3 and 4 bedroom terraced, semi-detached and detached dwellings over 2, 2.5 and 3-storeys. The scheme is located approximately 1.7 miles to the west of the subject site.

The development has good access to amenities including Co-operative foods, Tripharm pharmacy and Horizon Community College and Greenacre School for young people with severe and complex needs. Shawlands Primary School ('Good') and Keresforth Primary School ('Good') are approximately 1.0 mile from the development. There is very good access to the M1, with junction 37 located within 1 mile.

We have analysed data obtained from the Land Registry of sales of 10 semi-detached and detached house types between October 2018 and January 2019, our analysis indicates that the scheme is achieving an average gross revenue of £190 per sq ft. With a 5% discount applied to account for incentives, this equates to an average net revenue of **£180 per sq ft**, across an average unit size of 1,190 sq ft.

When considering only the 2-storey units, the average net revenue equates to £184 per sq ft, across an average unit size of 1,208 sq ft. When considering only the 2.5-storey units, the average net revenue equates to £164 per sq ft, across an average unit size of 1,119 sq ft.

5.1.3 MILLER HOMES – HONEYWELL GRANGE, BARNSELY

Honeywell Grange comprises 80 dwellings, including a mix of 3 and 4 bedroom terraced, semi-detached and detached dwellings over 2 to 3 storeys. The scheme is located approximately 2.0 miles to the north of the subject site.

The site is located opposite Barnsley College Sports Academy and Honeywell Sports Centre, the amenities of Huddersfield Road and Greenfoot Lane are a 10-15 minute walk away. Burton Road Primary School ('Good') and Wilthorpe Primary School ('Good') are located within a mile of the site. Junction 37 of the M1 is accessible within 2 miles.

We have analysed data obtained from the Land Registry of sales of 26 semi-detached and detached house types between October 2018 and June 2019, our analysis indicates that the scheme is achieving an average gross revenue of £188 per sq ft. With a 5% discount applied to account for incentives, this equates to an average net revenue of **£179 per sq ft**, across an average unit size of 1,156 sq ft.

When considering only the 2-storey units, the average net revenue equates to £188 per sq ft, across an average unit size of 1,151 sq ft. When considering only the 2.5-storey units, the average net revenue equates to £170 per sq ft, across an average unit size of 893 sq ft. When considering only the 3-storey units, the average net revenue equates to £157 per sq ft, across an average unit size of 1,206 sq ft.

5.1.4 HARRON HOMES – MEADOW VIEW, LUNDWOOD

Meadow View will comprise 181 dwellings, including a mix of 2, 3 and 4 bedroom bungalow, terrace, semi-detached and detached dwellings over 1 to 3 storeys. The scheme is located approximately 2.5

miles to the north east of the subject site in an established residential area the Lundwood area of Barnsley.

The development has good access to amenities on Pontefract Road (A628) including Iceland Foods, Today's Express convenience store, a medical centre and chemist. The development neighbours playing fields and also Outwood Primary Academy Littleworth Grange ('Good'), with St Helen's Primary Academy ('Requires Improvement') 1 mile north and Oakhill Primary Academy ('Good') 1.2 miles south. There is poor access to the M1 which is 3.5 miles west through Barnsley town centre.

We have analysed data obtained from the Land Registry of sales of 25 terraced, semi-detached and detached house types between October 2018 and June 2019, our analysis indicates that the scheme is achieving an average gross revenue of £181 per sq ft. With a 5% discount applied to account for incentives, this equates to an average net revenue of **£172 per sq ft**, across an average unit size of 1,172 sq ft.

When considering only the 2-storey units, the average net revenue equates to £191 per sq ft, across an average unit size of 1,189 sq ft. When considering only the 3-storey units, the average net revenue equates to £138 per sq ft, across an average unit size of 1,119 sq ft.

5.1.5 BELLWAY HOMES – STONEGARTH, MONK BRETTON

Stonegarth comprises 95 dwellings, including a mix of 3 and 4 bedroom semi-detached and detached dwellings over 2 storeys. The scheme is located in Monk Bretton to the north east of the subject site, approximately 3.0 miles away.

The development has good access to amenities including several public houses, a butchers, post office and surgery. Burton Road Primary School ('Good'), St Helen's Primary Academy ('Requires Improvement') and Outwood Primary Academy Littleworth Grange ('Good') are located within 1 miles of the development. There is poor access to the M1 which is 3.5 miles west through Barnsley town centre.

We have analysed data obtained from the Land Registry of sales of 14 semi-detached and detached traditional 2-storey house types between October 2018 and May 2019, our analysis indicates that the scheme is achieving an average gross revenue of £198 per sq ft. With a 5% discount applied to account for incentives, this equates to an average net revenue of **£188 per sq ft**, across an average unit size of 1,246 sq ft.

5.1.6 BARRATT HOMES – LOCK KEEPER'S GATE, BARUGH GREEN

Lock Keeper's Gate comprises 118 no. terraced, semi-detached and detached 3- and 4-bedroom dwellings over 2 storeys. The development is located 4.0 miles north of subject site in Barugh Green on the outskirts of Barnsley.

The site is located in a quiet, semi-rural area. There are some public houses in close proximity to the site, however the amenities of Barugh Green centre are located 1 mile away. All local schools are a short drive away with Barugh Green Primary School ('Outstanding') 1 mile south and Darton Primary School ('Good'), Mapplewell Primary School ('Outstanding') and Wellgate Primary School (not rated) all 1.5 miles north. Junction 37 of the M1 is accessible within 2.5 miles.

We have analysed data obtained from the Land Registry of sales of 11 semi-detached and detached traditional 2-storey house types between March 2019 and June 2019, our analysis indicates that the scheme is achieving an average gross revenue of £220 per sq ft. With a 5% discount applied to account

for incentives, this equates to an average net revenue of **£209 per sq ft**, across an average unit size of 1,104 sq ft.

5.1.7 BARRATT HOMES – NOTTON WOOD VIEW, ROYSTON

Notton Wood View comprises 164 no. terraced, semi-detached and detached 3- and 4-bedroom dwellings over 2- and 2.5-storeys. The development is located in the village of Royston, 5.0 miles north of the subject.

The site has an edge of village semi-rural location, with the amenities of Royston within 0.5 miles. Royston is well served by primary schools, including Meadstead Primary Academy ('Requires Improvement'), Summerfields Primary Academy ('Good'), Parkside Primary Academy ('Good') and Royston St John Baptist CE Primary ('Requires Improvement'). Junction 38 of the M1 is accessible within 4.5 miles, Darton train station is located within 2.8 miles.

We have analysed data obtained from the Land Registry of sales of 4 no. detached traditional 2-storey house types between May 2019 and June 2019, our analysis indicates that the scheme is achieving an average gross revenue of £221 per sq ft. With a 5% discount applied to account for incentives, this equates to an average net revenue of **£210 per sq ft**, across an average unit size of 1,076 sq ft.

5.1.8 SECOND-HAND REVENUE ANALYSIS

We have analysed second-hand transactional data to further inform our analysis. Whilst not as important as new build evidence, second-hand data can help establish likely end-revenues on new build schemes, providing an indication of the strength of a market area. There are however weaknesses that must be taken into consideration:

- Accurate information on size is not always available. For example, some estate agents only provide areas for rooms, excluding hallways, bathrooms and en-suites, while others include all useable space, including bathrooms, halls and conservatories. EPCs include bathrooms, en-suites and hallways but exclude conservatories. Differences in the way that areas are calculated can make direct comparison difficult.
- There is typically no way to verify the accuracy of the floor area information available.
- Second-hand stock is not homogenous, with condition, specification and decor varying from property to property. Such differences can have a significant impact on the price achievable and make it difficult to analyse values accurately.

We have utilised Rightmove and HM Land Registry to analyse achieved revenues for second-hand housing stock within a **1-mile** radius of the subject site, which we consider represents the established local second-hand market.

We have utilised floor area information from the EPC Register and whilst we appreciate these may not provide a completely accurate assessment by comparison to new build, the figures can be used as a good indicator of revenues achieved in the surrounding area.

The sample data demonstrates revenues of between £70 per sq ft and £235 per sq ft, at an average revenue of **£116 per sq ft**, reflecting the range in quality and style of existing stock.

We consider the proposed development will target a cross-section of the market, and it is important to be mindful of the established second-hand market when forming an opinion of anticipated new build

revenues. It is generally accepted by property professionals working within the residential industry that a new build premium typically equates to between 5% - 15%.

In this case, applying a premium to the average revenue of **£116 per sq ft** indicates a new build premium could achieve between **£122 per sq ft** and **£134 per sq ft**. This is an indicative figure only to provide local context. The analysis of comparable local new build schemes demonstrates that revenues above this level are achievable.

It should be noted that no detailed analysis has been undertaken in respect of the time spent marketing individual properties to achieve the sales revenues outlined. We have also excluded any anomaly properties which distort the comparable range, such as bungalows.

5.1.9 SUMMARY OF ACHIEVABLE REVENUES

Our analysis of new build comparables demonstrates the following:

Developer/ Scheme	Average					Comparison
	Storey	Floor area	Price	Gross £ per sq ft	Net £ per sq ft	
Taylor Wimpey, Kingstone Grange	2	1,208	£234,370	£194	£184*	Similar
	2.5	1,119	£192,995	£172	£164*	
Miller Homes, Honeywell Grange	2	1,151	£228,329	£198	£188*	Similar
	2.5	893	£159,995	£179	£170*	
	3	1,206	£199,281	£165	£157*	
Harron Homes, Meadow View	2	1,189	£227,653	£191	£182*	Similar
	3	1,119	£162,554	£145	£138*	
Bellway Homes, Stonegarth	2	1,246	£246,792	£198	£188*	Similar
Barratt Homes, Lock Keeper's Gate	2	1,104	£243,086	£220	£209*	Superior
Barratt Homes, Notton Wood View	2	1,076	£237,745	£221	£210*	Superior

*a 5% discount has been applied to the gross average revenue to account for sales incentives not captured by HM Land Registry

We have undertaken analysis of comparable new-build schemes within the surrounding area, including Barnsley, Lundwood, Monk Bretton, Barugh Green and Tankersley.

We note that the schemes by **Taylor Wimpey** - Kingstone Grange and **Miller Homes** - Honeywell Grange are within 2 miles of the subject and offer robust comparable sales evidence. **Harron Homes** - Meadow View and **Bellway Homes** - Stonegarth are located within 3 miles and also provide robust comparable sales evidence.

The net sales revenue at these developments has a tone of between **£182 per sq ft** and **£188 per sq ft** for the 2-storey products, which range from an average floor area of 1,151 sq ft to 1,246 sq ft – these floor areas are in line with those at the subject site, where the 2-storey products have an average floor area of 1,173 sq ft. Due to this, we would expect similar revenues on the 2-storey products at the subject site, to those at the comparable sites.

The revenues of the 2.5-storey products at the comparable developments range between **£164 per sq ft** and **£170 per sq ft** across average unit sizes of between 893 sq ft and 1,119 sq ft – these floor areas are smaller than those at the subject site, where the 2.5-storey products average 1,300 sq ft. Due to

this we would expect slightly lower revenues on the 2.5-storey products at the subject site, when compared to the comparable sites.

The developments by **Barratt Homes** - Lock Keeper's Gate and Notton Wood View are located 4 and 5 miles from the subject and occupy superior market locations, as evidenced by their higher net revenues of £209 per sq ft to £210 per sq ft for 2-storey products. We anticipate revenues at the subject to be below this tone.

5.1.10 GDV CONCLUSIONS

We have undertaken a policy-compliant appraisal so that we can assess the viability of the scheme against a reasonable landowner return (Benchmark Land Value), which we will establish in Stage Two.

We split the individual elements as below.

Style	Beds	Type	Storey	Garage	Sq Ft	£ / sq ft	Value	Units	Tenure
Preston	3	Mews	2	No	873	£91	£79,512	7	Afford
Preston	3	Mews	2	No	873	£198	£172,500	7	Private
Falmouth	3	Detached	2	Detached	1,116	£195	£217,500	1	Private
Chichester	4	Detached	2	Integral	1,161	£194	£225,000	7	Private
Patterdale	4	Detached	2	Attached	1,241	£193	£240,000	5	Private
Coniston	4	Detached	2	Integral	1,267	£191	£242,500	8	Private
Dartmouth	3	Semi	2.5	Integral	1,284	£164	£210,000	9	Private
Arundel	4	Semi	2.5	Integral	1,318	£163	£215,000	8	Private
Salisbury	4	Detached	2	Integral	1,377	£187	£257,500	7	Private
Exeter	4	Detached	2	Detached	1,407	£185	£260,000	3	Private
Split Level	4	Semi	2/3	Integral	1,553	£180	£280,000	3	Private
Total					78,425		£13,729,081	65	
Average (Private)					1,247	£182	£227,112		

The aggregate GDV equates to **£13,729,081**, equating to an average revenue of **£182 per sq ft** for the private units. The total Net Sales Area equates to 78,425 sq ft.

The 2-storey units have an average revenue of **£190 per sq ft** and the 2.5-storey units have an average revenue of **£163 per sq ft**.

Our Stage One assessment includes 7 no. affordable units, amounting to 11%. We have assumed a transfer value of 50% of Market Value with regards to the affordable units and a tenure split of 80% social rent and 20% intermediate tenure, as per BMBC policy. We have allocated the units with the smallest floor areas as affordable housing.

Whilst the properties may ultimately be marketed for a value higher than the figures stated, our opinion of revenues represents the value we consider a housebuilder could achieve following deductions for negotiating discounts and incentives. Asking prices could be in the region of 5% higher to allow for these incentives and price negotiations.

5.2 COST ASSUMPTIONS

5.2.1 BUILD COSTS

To assess the residual land value of the proposed development, we have deducted the costs of construction from the GDV. The cost assumptions associated with identifying the value of the proposed scheme fall into two distinct sections:

- The cost of delivering the housing, including plot externals; and
- The cost of delivering the infrastructure, services, site works etc. over and above that of the traditional house building costs. These are the abnormal development costs.

The NPPF and PPG guidance states build costs should be based on appropriate data and identifies the Build Cost Information Service (BCIS) as an appropriate source.

5.2.1.1 STANDARD PLOT BUILD

The BCIS lower quartile for general estate housing dated 12 October 2019 and rebased to Barnsley over a 5 year sample equates to £988 per sq m (**£91.79 per sq ft**), which includes standard plot build plus prelims.

Based on the scheme floor area of 78,425 sq ft, this equates to a plot build cost of **£7,198,631**.

5.2.1.2 EXTERNALS

BCIS data does not account for plot external costs. We have assumed plot externals of 10% of the standard plot build cost, which equates to **£719,863**.

For the avoidance of doubt, the above costs relate to the plot build and plot externals only and make no allowance for abnormal cost items. Our approach is robust, consistent with the latest NPPF guidance and is supported by independent BCIS data.

5.2.1.3 GARAGES

We are advised by the Applicant there are a number of external garages, which BCIS data does not account. We have therefore adopted extra-over build costs for the following quantum of garages proposed:

- 6 no. single garages - £48,000 (£8,000 per garage)
- 3 no. double garages - £42,000 (£14,000 per garage)

An aggregate cost of **£90,000** has therefore been assumed for garages, which is an extra-over cost above the standard plot build and plot externals.

The aggregate standard build cost including plot build, externals and garages equates to **£8,008,494**.

5.2.2 ABNORMAL COSTS

The Applicant has provided us with a summary of abnormal costs, which are detailed below. We have assumed these costs to be robust.

Abnormal Item	Cost
On site surface water storage	£108,750
Foul and surface water connection into combined sewer on MVR	£10,000
Retaining structures, steps, under-build and Cut and fill	£202,637
Contamination remediation	£32,500
Foundations	£112,627
Demolition	£248,500
Total	£715,014

Our appraisal adopts an abnormal development cost of **£715,014** equating to £135,934 per net developable acre and £11,000 per plot. We have adopted a weighted approach within our shadow appraisal and assumed the majority of site-specific abnormal costs are incurred from the lead-in period through to the end of construction. This reflects the fact that the majority of the abnormal costs will be incurred in the early stages of development.

5.2.3 PROFESSIONAL FEES

In our experience of undertaking viability assessments, professional fees typically range from 6-10% of the build cost, depending on site complexity and design challenges. For a volume housebuilder development, we would expect fees of 6% to be reasonable.

We have therefore adopted professional fees of **6%** of the standard build cost (including garages and externals), equating to **£480,510**.

5.2.4 CONTINGENCY

In our experience, contingency allowance should range from 3-5%, depending on the risks associated with the development.

We have therefore adopted a 3% contingency to the aggregate standard build cost of £8,008,494, equating to **£240,255**.

We have adopted 5% contingency to the abnormal cost of £715,014 to reflect the greater uncertainty and risk, equating to **£35,751**. The aggregate contingency equates to **£276,006**.

5.2.5 FINANCE

We have adopted a finance rate of **6%** based on the land and construction cost, inclusive of all arrangement, monitoring and exit fees. This equates to a total finance cost of **£161,616**.

5.2.6 MARKETING AND SALES FEES

We have allowed **3% marketing and agent fees** (private units only) equating to **£395,175**. We have assumed **£500 per unit legal fees** (all units) equating to **£32,500**. The aggregate disposal fees equate to **£427,675**.

5.2.7 ACQUISITION COSTS

We have assumed standard acquisition costs, comprising **Stamp Duty Land Tax** at the prevailing rate, **1% agent fees** and **0.5% legal fees**. The aggregate acquisition costs equate to **£22,076**.

5.2.8 S.106 COSTS

We have assumed S.106 contributions totalling **£457,496** within our appraisal. We have assumed the costs will be payable in two equal instalments – the first payment at first occupation and the second payment halfway through the sales period.

5.2.9 SALES AND BUILD RATE

We have adopted a build and sales rate of **3 no. units per month** assuming one sales outlet. The sales and build rate each equate to 19 months, or 1.58 years.

We have assumed the development includes a 3-month lead-in, with sales commencing 5 months after construction start. We have assumed a 5-month post construction tail for the sale of the final units. Our cashflow assumes a total development timeline of 28 months, or 2.33 years.

5.2.10 DEVELOPER'S PROFIT

There continues to be a healthy debate across the industry around what represents an appropriate level of developers profit in viability assessments. There is no definitive answer, although the majority of guidance and appeal precedents point to a minimum profit of 20% of GDV being appropriate.

Published in July 2018, updated PPG and NPPF guidance on viability identifies an assumption of 15-20% of GDV may be considered a suitable return for developers to establish the viability of planning policies. It acknowledges that alternative figures may be suitable where there is evidence to support, depending on the type, scale and risk profile of planned development.

However, this assumption relates to planning stage viability when specific cost information is unlikely to be available.

C&W have experience in selling a range of residential development land to national and regional housebuilders and we can confirm that from our experience they do not vary their profit requirement below 20% of GDV. C&W also undertake a significant number of bank funding valuations for developments to be undertaken by housebuilders and can confirm that a development which generates a profit on GDV of less than 20% is highly unlikely to be able to secure development funding. In the absence of bank funding, some housebuilders have sought funding through alternative sources, notably high net worth individuals and property investment companies. In our experience, such individuals are also unwilling to support developments which generate a profit of less than 20% of GDV.

The updated NPPF guidance indicates that a lower level of profit may be accepted by the developer in respect of affordable units, as they are transferred to a Registered Provider. We consider 8% of GDV to be reasonable on affordable units.

We have therefore adopted a blended developer's profit, based on **20% of GDV for the private units** and **8% of GDV for the affordable units**, equating to a **blended profit of 19.51%**, which is in accordance with NPPF guidance. The aggregate profit assumed within our appraisal equates to **£2,679,026**.

5.3 RESIDUAL LAND VALUE

We have established appropriate appraisal input parameters to inform a residual appraisal calculation using Argus Developer software.

We have undertaken a policy-compliant appraisal based on the proposed scheme and mix, which includes delivery of 7 no. affordable units (11%) and S.106 costs of £457,496.

We have adopted market-facing inputs based on our market research and experience, and abnormal costs provided by the Applicant. Our inputs are supported by evidence and are considered robust and appropriate.

Our assessment of land value based on a policy-compliant position equates to a land value of £501,169, which we have rounded to **£500,000**, equating to **£95,000 per net developable acre**.

Within Stage Three, we will assess the level of affordable housing and S.106 costs the scheme is able to afford when measured against our opinion of Benchmark Land Value, which we will establish in Stage Two.

6. STAGE TWO: BENCHMARK LAND VALUE

6.1 OVERVIEW

To assess the viability of the proposed development, we must compare the residual land value established in Stage Three with a Benchmark Land Value (BLV).

In arriving at a decision for the BLV, guidance from multiple sources is available. Government-published Planning Policy Guidance (PPG) sets out the framework for assessing BLV and was updated in July 2018 and May 2019. The RICS also released its own guidance in May 2019 by way of publication of Financial viability in Planning: Conduct and Reporting, 1st Edition.

With respect to assessing the BLV, the PPG states that:

“BLV should be established on the basis of the Existing Use Value (EUV) of the land plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land.”

To determine BLV, guidance states we are first required to establish the EUV of the land. In the PPG, EUV is defined as: *“the value of the land in its existing use.”*

The EUV is not the price paid. The EUV should be informed by market evidence of current uses, costs and values and should disregard Hope Value.

To determine BLV, we must then establish the landowner premium, which is the amount above EUV that goes to the landowner. Paragraph 13 of the PPG states:

‘The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements.’

Whilst the guidance does not explicitly reference how to establish an appropriate premium over EUV, reference to market transactional data clearly provides the most robust and evidence-based approach in supporting an BLV assessment.

PPG also recognises it may be appropriate to establish an Alternative Use Value (AUV) where:

- there is evidence that the alternative use would fully comply with up-to-date development plan policies,
- it can be demonstrated that the alternative use could be implemented on the site in question,
- 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.

6.2 APPROACH TO BENCHMARK LAND VALUE

The site is brownfield and comprises a vacant former hospital and grounds. The site extends to a gross site area of 2.67 ha (6.60 ac), and a net developable area of 2.13 ha (5.26 ac).

The site has a housing allocation in the BMBC Local Plan, which was adopted in January 2019, under reference 'HS29 - Land off Mount Vernon Road'. As such, we consider that the principle of residential use is established.

Based on this, we consider it appropriate to assess the Benchmark Land Value adopting the AUV approach based on assumed development of the site to residential use. NPPF guidance states the following in respect of AUV:

“For the purpose of viability assessment alternative use value (AUV) refers to the value of land for uses other than its existing use. 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 would fully comply with up to date development plan policies, including any policy requirements for contributions towards affordable housing at the relevant levels set out in the plan...where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value”.

In accordance with the guidance, when assessing the BLV adopting the AUV approach, the landowner return, or premium, is implicit within the AUV and therefore must not be double-counted.

To inform our assessment of BLV we have undertaken analysis of land transactional evidence of comparable schemes within the surrounding area.

6.2.1 BARRATT HOMES – LOCK KEEPER'S GATE, BARNSELEY

Barratt Homes purchased this site measuring approximately 23.96 gross acres and 11.60 net developable acres in June 2016 for £3,500,000. We are informed by Barratt that the abnormal costs on this site totalled £3,899,000, equating to a gross price of £7,399,000 or **£638,000 per net developable acre**. We are informed that this site delivered a 10% on site affordable housing provision (17 No. 2 and 3 bed units) comprising 50% (8 No.) Social Rented units 50% (9 No.) Intermediate units, against a policy requirement of 20% affordable housing. We are informed that a Primary Education contribution of £190,000 was also paid.

This site is located to the north west of Barnsley town centre in a semi rural location with access to the M1 via the A637. This site is currently achieving gross revenues of £220 per sq ft and net revenues of £209 per sq ft across 1,104 sq ft on its 2-storey product which is approximately 10% higher than the anticipated revenues at the subject.

6.2.2 BARRATT HOMES – NOTTON WOOD VIEW, ROYSTON

Barratt Homes purchased this site measuring approximately 13.22 gross acres and 10.90 net developable acres in March 2018 for £3,500,000. We are informed by Barratt that the abnormal costs on this site totalled £2,924,000, equating to a gross price of £6,424,000 or **£590,000 per net developable acre**. We are informed that this site delivered a 10% on site affordable housing provision against a policy requirement of 10% affordable housing. We are informed that a Primary Education contribution of £217,774 and a formal recreation off site contribution of £164,009 were also paid, totalling £381,783.

This site is located to the north of Barnsley town centre in a semi rural location with very good primary school provision. This site is currently achieving gross revenues of £221 per sq ft and net revenues of £210 per sq ft across 1,076 sq ft on its 2-storey product which is approximately 10% higher than the anticipated revenues at the subject.

6.2.3 MILLER HOMES – HONEYWELL GRANGE, BARNSLEY

Miller Homes purchased this site measuring approximately 5.71 net developable acres in December 2016 for £1,989,000. We are informed by Miller that the abnormal costs on this site totalled £1,300,000, equating to a gross price of £3,480,657 or **£610,000 per net developable acre**. We are informed that this site delivered a 0% on site affordable housing provision against a policy requirement of 10% affordable housing. We are informed that a Primary Education contribution of £112,384 and a public open space contribution of £79,273 were also paid, totalling £191,657.

This site is located in Barnsley within 2 miles of the subject site in a comparable market location. This site is currently achieving gross revenues of £198 per sq ft and net revenues of £188 per sq ft across an average unit size of 1,151 sq ft on its 2-storey product and gross revenues of £179 per sq ft and net revenues of £170 per sq ft across an average unit size of 893 sq ft on its 2.5 storey product, which is in line with the anticipated revenues at the subject.

6.3 SUMMARY

The subject site is brownfield and we are informed the abnormal costs required to deliver the proposed development equate to £715,014. We are informed that the site is subject to S.106 costs of £457,496.

The site is allocated for housing and we therefore consider the principle of residential development to be established. We have therefore adopted the AUV approach in order to establish our opinion of BLV.

To provide a detailed assessment of a BLV in accordance with NPPF guidance, we consider the most robust approach is by way of comparable land transactional evidence.

We have assessed the **Lock Keeper's Gate** scheme in Barnsley and recognise the need to make adjustments given the site did not meet the affordable housing requirements of the Council and given the stronger market location (as evidenced by the revenues currently being achieved at the site, which are higher than those anticipated at the subject). In addition, the subject site does not benefit from an implementable consent. The site was purchased for a gross price of £655,000 per net developable acre (accounting for abnormal costs, S.106 costs and price paid for the land). Applying a discount of 30% to account for the factors mentioned above equates to **£460,000 per net developable acre**.

We also find it reasonable to make downwards adjustments to the **Notton Wood View** evidence. This site met the affordable housing requirements of the Council, however Notton Wood View occupies a stronger market location and the subject site does not benefit from an implementable consent. The site was purchased for a gross price of £625,000 per net developable acre (accounting for abnormal costs, S.106 costs and price paid for the land). Applying a discount of 20% to account for the factors mentioned above equates to **£500,000 per net developable acre**.

We have also assessed the transactional evidence at **Honeywell Grange**, which did not meet the affordable housing requirements of the Council. In addition, the subject site does not benefit from an implementable consent. The site was purchased for a gross price of £610,000 per net developable acre (accounting for abnormal costs, S.106 costs and price paid for the land). Applying a discount of 20% to account for the factors mentioned above equates to **£490,000 per net developable acre**.

To establish a reasonable BLV at the subject we have made suitable adjustments on account of the size, market location and planning risk. Our evidence indicates an established tone of £460,000 to £500,000 per net developable acre. We have therefore adopted an average and consider a reasonable landowner return equates to **£485,000 per net developable acre** based on the AUV approach.

£485,000 x 5.26 acres = £2,551,500

£2,551,500 minus abnormal costs of £715,014 and S.106 costs of £457,496 = £1,380,000

£1,380,000 = £262,500 per net developable acre

Applying £485,000 per net developable acre to the subject site's net developable acreage of 5.26 ac equates to £2,551,500. Subtracting the abnormal costs of £715,014 and the S.106 costs of £457,496 equates to an indicative Benchmark Land Value of **£1,380,000**, equating to **£262,500 per net developable acre**.

As mentioned in section 3.1.1 of this report, essential operating and security costs totalling **£200,000** have been incurred by the landowner at the subject site since Mount Vernon Hospital was vacated in December 2017. In response to BMBC advising the Client at Pre-App stage that the affordable housing requirement would be reduced to 1 no. affordable unit on the basis of Vacant Building Credit (VBC), the buildings were not demolished. At this stage the Applicant was willing to accept 1 no. affordable unit on site. However, this was before increases in POS and education contributions were sought by the Council. The Applicant has also seen an increase in anticipated costs since Pre-App stage with respect to Retaining Structures, Steps, Under build and cut and fill, which were highlighted following further investigations. At Planning Application stage the Council advised that VBC will not apply to the proposed development. Had this been confirmed at Pre-App stage, the operating and security costs would not have been incurred as the existing hospital buildings on site would have been demolished.

We therefore consider it reasonable that this unnecessary expenditure should be considered when forming our opinion of a reasonable landowner return and a Benchmark Land Value.

We have therefore increased the indicative Benchmark Land Value by £200,000, equating to a revised Benchmark Land Value of **£1,580,000**.

Our opinion of BLV is therefore **£1,580,000**, equating to **£300,000 per net developable acre**.

7. STAGE THREE: CONCLUSIONS

7.1.1 OVERVIEW

In Stage One we established a residual land value of £500,000, equating to £95,000 per net developable acre, which reflects a policy-compliant position incorporating 7 no. affordable units (10%) and S.106 costs of £457,496.

Our opinion of BLV equates to £1,580,000, reflecting £300,000 per net developable acre. The residual land value of £500,000 established in Stage One lies £1,080,000 *below* our opinion of BLV. On this basis, we conclude the scheme is not able to afford delivery 7 no. affordable units (11%).

7.1.2 SENSITIVITY ANALYSIS – AFFORDABLE HOUSING

To test the level of affordable housing the scheme can viably deliver we have run a sensitivity exercise to measure the residual land output against our opinion of BLV. We have fixed the S.106 costs of £457,496 within the appraisal and varied the level of affordable housing until the residual land value output broadly equals our opinion of BLV.

To be clear, we have only adjusted the following variables within each scenario.

- Mix of affordable and private units (assuming 50% intermediate and 50% social-rented based on transfer values previously identified)
- Profit (based on a blend of 20% profit for private housing and 8% profit for affordable housing).

% Affordable	Private		Affordable		Combined GDV	Residual Land Value	Blended profit	Difference between RLV and BLV (£1.58m)
	No.	Floor Area (sq ft)	No.	Floor Area (sq ft)				
11%	58	72,314	7	6,111	£13,729,081	£500,000	19.51%	-£1.08m
0%	65	78,425			£14,380,000	£870,000	20.00%	-£0.71m

We have run a sensitivity exercise to demonstrate the impact on viability of adjusting the level of affordable housing delivery when measured against our opinion of BLV. Please note average revenues fluctuate depending on the level of private housing required.

On this basis we conclude the scheme is unable to deliver the full policy requirements of the Council based on information provided by the Applicant and our own market-facing assumptions.

The residual land value output for the 0% affordable housing scenario lies below our opinion of BLV.

We therefore conclude that the scheme is unable to viably deliver the requirements of the Council.

7.1.3 SENSITIVITY ANALYSIS – DEVELOPER'S PROFIT

The below table displays the effect on the residual land value when adjusting the level of developer's profit on the private units at the scheme only, based on delivery of 10% affordable housing in accordance with planning policy.

Developer's Profit (% GDV) (Affordable 8% GDV)	Private units		
	20.00%	17.50%	15.00%
Residual Land Value	£500,000	£775,000	£1,000,000
Variance to BLV (£1.58m)	-£1,080,000	-£805,000	-£580,000

Our assessment of land value based on the above inputs and a fully policy-compliant scheme equates to a range of between £500,000 and £1,000,000.

Our assessment of BLV equates to £1,580,000, which is based on robust market evidence.

The BLV is greater than the above residual land value range.

We therefore conclude that when adjusting the developer's profit level within the range identified within NPPF viability guidance the scheme is unable to viably provide full policy compliance.

8. CONCLUSIONS

We have demonstrated that the site is unable to viably deliver BMBC's planning policy requirements.

Our approach is in accordance with updated planning guidance and is supported by robust transactional evidence. We therefore consider our conclusions both reasonable and valid.

We have tested the viability of the scheme by running a scenario testing exercise to vary the amount of affordable housing the scheme can deliver when measured against our opinion of BLV.

We therefore conclude that the scheme is unable to viably deliver any level of affordable housing. The Applicant is offering a S.106 contribution of £457,496 but NIL affordable housing.

Please note, a more onerous requirement would not offer appropriate incentive to the landowner or developer, and the development would be rendered unviable.



Daniel Slater MA (Hons)
Surveyor



Phil Roebuck FRICS
Partner

APPENDIX A

COMPARABLE REVENUE ANALYSIS

TAYLOR WIMPEY -KINGSTONE GRANGE, KINGSTONE

No.	Street	Type	Storey	Sq Ft	Price	£ per sq ft	Date
22	Assembly Way	Detached	2	1152	£219,995	£191	25 Jan 19
16	Broadway Drive	Semi-detached	2	861	£174,995	£203	14 Dec 18
11	College Fields	Detached	2	1335	£249,995	£187	07 Dec 18
18	Assembly Way	Detached	2	1227	£239,995	£196	07 Dec 18
14	Broadway Drive	Detached	2	1378	£249,995	£181	07 Dec 18
14	Assembly Way	Semi-detached	2.5	1119	£192,995	£172	30 Nov 18
20	Assembly Way	Detached	2	1335	£259,995	£195	30 Nov 18
16	Assembly Way	Semi-detached	2.5	1119	£192,995	£172	09 Nov 18
24	Assembly Way	Detached	2	1152	£229,995	£200	05 Nov 18
5	College Fields	Detached	2	1227	£249,995	£204	05 Oct 18
Average				1190	£226,095	£190	

MILLER HOMES – HONEYWELL GRANGE, BARNESLEY

No.	Street	Type	Storey	Sq Ft	Price	£ per sq ft	Date
39	Raley Drive	Terraced	2	818	£157,995	£193	07 Jun 19
72	Raley Drive	Detached	2	1216	£229,995	£189	31 May 19
68	Raley Drive	Semi-detached	3	1206	£199,995	£166	28 May 19
70	Raley Drive	Detached	2	1216	£229,995	£189	16 May 19
33	Raley Drive	Detached	2	1281	£249,995	£195	10 May 19
66	Raley Drive	Semi-detached	3	1206	£199,995	£166	30 Apr 19
35	Raley Drive	Detached	2	1216	£229,995	£189	29 Apr 19
37	Raley Drive	Detached	2	1281	£248,995	£194	26 Apr 19
50	Raley Drive	Semi-detached	3	1206	£199,995	£166	18 Apr 19
4	Willows Close	Detached	2	1216	£229,995	£189	29 Mar 19
29	Raley Drive	Detached	2	1066	£212,995	£200	29 Mar 19
27	Raley Drive	Detached	2	1259	£249,995	£199	26 Mar 19
31	Raley Drive	Detached	2	1281	£249,995	£195	22 Mar 19
60	Raley Drive	Detached	2	958	£199,995	£209	22 Mar 19
10	Star Close	Semi-detached	3	1206	£199,995	£166	21 Dec 18
64	Raley Drive	Detached	2	1281	£249,995	£195	20 Dec 18
62	Raley Drive	Detached	2	1066	£211,995	£199	14 Dec 18
52	Raley Drive	Semi-detached	3	1206	£194,995	£162	10 Dec 18
8	Star Close	Semi-detached	3	1206	£199,995	£166	30 Nov 18
6	Star Close	Semi-detached	3	1206	£199,995	£166	30 Nov 18
25	Raley Drive	Detached	2	1259	£249,995	£199	23 Nov 18
6	Willows Close	Detached	2	1216	£229,995	£189	22 Nov 18
8	School Croft	Semi-detached	2.5	893	£159,995	£179	31 Oct 18
2	Willows Close	Detached	2	1066	£247,995	£233	31 Oct 18
3	School Croft	Detached	2	926	£199,999	£216	12 Oct 18
44	Raley Drive	Detached	2	1098	£229,995	£209	05 Oct 18
Average				1156	£217,880	£188	

HARRON HOMES – MEADOW VIEW, LUNDWOOD

No.	Street	Type	Storey	Sq Ft	Price	£ per sq ft	Date
4	Hawthorne Avenue	Detached	2	1227	£231,995	£189	14 Jun 19
1	Hawthorne Avenue	Detached	2	1227	£237,995	£194	17 May 19
7	Hawthorne Avenue	Detached	2	1076	£197,596	£184	30 Apr 19
5	Hawthorne Avenue	Detached	2	1313	£246,995	£188	02 Apr 19
6	Hawthorne Avenue	Detached	2	1076	£213,745	£199	29 Mar 19
9	Hawthorne Avenue	Detached	2	1141	£232,995	£204	22 Mar 19
10	Hawthorne Avenue	Detached	2	1076	£219,995	£204	25 Feb 19
27	Hawthorne Avenue	Detached	2	1313	£247,995	£189	31 Jan 19
26	Hawthorne Avenue	Terraced	3	1055	£135,845	£129	21 Dec 18
24	Hawthorne Avenue	Terraced	3	1055	£139,995	£133	21 Dec 18
19	Hawthorne Avenue	Semi-detached	3	1152	£161,500	£140	21 Dec 18
21	Hawthorne Avenue	Semi-detached	3	1152	£169,995	£148	21 Dec 18
12	Hawthorne Avenue	Detached	2	1066	£203,295	£191	21 Dec 18
8	Hawthorne Avenue	Detached	2	1141	£219,446	£192	21 Dec 18
15	Hawthorne Avenue	Detached	2	1109	£213,746	£193	21 Dec 18
14	Hawthorne Avenue	Detached	2	1227	£236,995	£193	21 Dec 18
11	Hawthorne Avenue	Detached	2	1227	£220,000	£179	20 Dec 18
22	Hawthorne Avenue	Terraced	3	1152	£183,995	£160	14 Dec 18
28	Hawthorne Avenue	Terraced	3	1152	£183,995	£160	12 Dec 18
17	Hawthorne Avenue	Detached	2	1313	£246,995	£188	12 Dec 18
23	Hawthorne Avenue	Detached	2	1378	£249,995	£181	30 Nov 18
16	Hawthorne Avenue	Detached	2	1141	£230,995	£202	29 Nov 18
25	Hawthorne Avenue	Detached	2	1313	£242,495	£185	22 Nov 18
18	Hawthorne Avenue	Detached	2	850	£187,995	£221	29 Oct 18
29	Hawthorne Avenue	Detached	2	1378	£244,146	£177	26 Oct 18
	Average			1172	£212,030	£181	

BELLWAY HOMES – STONEGARTH, MONK BRETTON

No.	Street	Type	Storey	Sq Ft	Price	£ per sq ft	Date
1	Folly Croft	Detached	2	1399	£263,146	£188	10 May 19
7	Folly Way	Detached	2	1442	£277,995	£193	31 Jan 19
1	Folly View	Detached	2	1076	£221,995	£206	31 Jan 19
5	Folly Way	Detached	2	1442	£277,995	£193	31 Jan 19
4	Folly Way	Detached	2	1442	£277,995	£193	31 Jan 19
4	Folly View	Detached	2	1076	£222,995	£207	25 Jan 19
2	Folly View	Detached	2	872	£185,995	£213	20 Dec 18
48	Folly Way	Detached	2	1442	£275,995	£191	18 Dec 18
3	Folly Way	Detached	2	1076	£222,995	£207	14 Dec 18
8	Folly View	Detached	2	1442	£278,995	£193	06 Dec 18
9	Folly View	Detached	2	1399	£275,995	£197	03 Dec 18
6	Folly View	Detached	2	1399	£277,995	£199	23 Nov 18
3	Beacon View	Semi-detached	2	861	£159,995	£186	09 Nov 18
2	Folly Way	Detached	2	1076	£235,000	£218	19 Oct 18
	Average			1246	£246,792	£198	

BARRATT HOMES – LOCK KEEPER’S GATE, BARUGH GREEN

No.	Street	Type	Storey	Sq Ft	Price	£ per sq ft	Date
18	Millers View	Detached	2	1152	£239,995	£208	28 Jun 19
14	Millers View	Detached	2	990	£219,995	£222	28 Jun 19
10	Millers View	Detached	2	1130	£244,995	£217	31 May 19
1	Dearne Hall Lane	Semi-detached	2	829	£164,995	£199	24 May 19
12	Millers View	Detached	2	1270	£275,000	£217	24 May 19
16	Dearne Hall Lane	Detached	2	1206	£262,995	£218	29 Mar 19
18	Dearne Hall Lane	Detached	2	915	£229,995	£251	29 Mar 19
14	Dearne Hall Lane	Detached	2	1206	£264,995	£220	21 Mar 19
12	Dearne Hall Lane	Detached	2	1270	£279,995	£220	01 Mar 19
8	Dearne Hall Lane	Semi-detached	2	958	£214,995	£224	01 Mar 19
10	Dearne Hall Lane	Detached	2	1216	£275,995	£227	01 Mar 19
Average				1104	£243,086	£220	

BARRATT HOMES – NOTTON WOOD VIEW, ROYSTON

No.	Street	Type	Storey	Sq Ft	Price	£ per sq ft	Date
3	Oriel Drive	Detached	2	1076	£234,995	£218	07-Jun-19
5	Oriel Drive	Detached	2	1109	£245,995	£222	22-May-19
8	Oriel Way	Detached	2	1076	£249,995	£232	24-May-19
7	Oriel Drive	Detached	2	1044	£219,995	£211	24-May-19
Average				1076	£237,745	£221	

APPENDIX B

PROPOSED SITE LAYOUT



APPENDIX C

APPRAISALS

POLICY COMPLIANT - APPRAISAL SUMMARY

APPRAISAL SUMMARY			CUSHMAN & WAKEFIELD		
Mount Vernon Hospital (1)					
Mount Vernon Road					
Barnsley					
Summary Appraisal for Phase 1					
Currency in €					
REVENUE					
Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
7 x Affordable	7	6,111	91.08	79,512	556,581
58 x Private	<u>58</u>	<u>72,314</u>	182.16	227,112	<u>13,172,500</u>
Totals	65	78,425			13,729,081
NET REALISATION				13,729,081	
OUTLAY					
ACQUISITION COSTS					
Residualised Price (5.26 Acres 95,279.24 pAcre)			501,169		
Stamp Duty			14,558		501,169
Agent Fee			1.00%	5,012	
Legal Fee			0.50%	2,506	
					22,076
CONSTRUCTION COSTS					
Construction	ft²	Build Rate ft²	Cost		
7 x Affordable	6,111	91.79	560,929		
58 x Private	<u>72,314</u>	91.79	<u>6,637,702</u>		
Totals	78,425		7,198,631	7,198,631	
Contingency			3.00%	240,255	
Abnormals Contingency			5.00%	35,751	
Externals and Garage Costs				809,863	
Abnormals				715,014	
					1,800,883
Other Construction					
S.106			457,496		
					457,496
PROFESSIONAL FEES					
Professional Fees			6.00%	480,510	
					480,510
MARKETING & LETTING					
Marketing			3.00%	395,175	
					395,175
DISPOSAL FEES					
Sales Legal Fee			65 un	500.00 /un	32,500
					32,500
FINANCE					
Debit Rate 6.00%, Credit Rate 0.00% (Nominal)					
Land				59,755	
Construction				101,862	
Total Finance Cost					161,616
TOTAL COSTS				11,050,055	
PROFIT					

APPRAISAL SUMMARY**CUSHMAN & WAKEFIELD**

Mount Vernon Hospital (1)
Mount Vernon Road
Barnsley

2,679,026

Performance Measures

Profit on Cost%	24.24%
Profit on GDV%	19.51%
Profit on NDV%	19.51%
IRR	60.08%
Profit Erosion (finance rate 6.000)	3 yrs 8 mths

100% PRIVATE, 0% AFFORDABLE - APPRAISAL SUMMARY

APPRAISAL SUMMARY	CUSHMAN & WAKEFIELD
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Mount Vernon Hospital (1) (1)
 Mount Vernon Road
 Barnsley

Summary Appraisal for Phase 1

Currency in €

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
65 x Private	65	78,425	183.36	221,231	14,380,000

NET REALISATION **14,380,000**

OUTLAY

ACQUISITION COSTS

Residualised Price (5.26 Acres 164,902.63 pAcre)	867,388		867,388
Stamp Duty		32,869	
Agent Fee	1.00%	8,674	
Legal Fee	0.50%	4,337	
			45,880

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost	
65 x Private	78,425	91.79	7,198,631	7,198,631
Contingency		3.00%	240,255	
Abnormals Contingency		5.00%	35,751	
Externals and Garage Costs			809,863	
Abnormals			715,014	
				1,800,883
Other Construction				
S.106			457,496	457,496

PROFESSIONAL FEES

Professional Fees	6.00%	480,510	480,510
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MARKETING & LETTING

Marketing	3.00%	431,400	431,400
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DISPOSAL FEES

Sales Legal Fee	65 un	500.00 /un	32,500	32,500
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FINANCE

Debit Rate 6.00%, Credit Rate 0.00% (Nominal)				
Land			99,030	
Construction			90,283	
Total Finance Cost				189,313

TOTAL COSTS **11,504,000**

PROFIT

2,876,000

Performance Measures

Profit on Cost%	25.00%
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APPRAISAL SUMMARY**CUSHMAN & WAKEFIELD**

Mount Vernon Hospital (1) (1)

Mount Vernon Road

Barnsley

Profit on GDV%	20.00%
Profit on NDV%	20.00%

IRR	56.87%
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Profit Erosion (finance rate 6.000)	3 yrs 9 mths
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About Cushman & Wakefield

Cushman & Wakefield is a leading global real estate services firm that helps clients transform the way people work, shop and live. The firm's 45,000 employees in more than 60 countries provide deep local and global insights that create significant value for our clients.

Cushman & Wakefield is among the largest commercial real estate services firms, with core services of agency leasing, asset services, capital markets, facility services, global occupier services, investment & asset management (DTZ Investors), project & development services, tenant representation and valuation & advisory.

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