



# Response to the CPV's Viability Review for the development at Barugh Green, Barnsley

## On behalf of Avant Homes

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## 1.0 Introduction

- 1.1 In November 2025, Bespoke Property Consultants (BPC) on behalf of Avant Homes provided a viability assessment to support the planning application for the proposed residential development at Barugh Green, Barnsley.
- 1.2 The viability assessment concluded that the development does not generate a surplus over the Benchmark Land Value to fund affordable housing on site, whilst allowing for the other Section 106 contributions.
- 1.3 Barnsley Metropolitan Borough Council (Barnsley MBC) appointed CP Viability Limited (CPV) to undertake an independent review of the viability assessment submitted. CPV recommended that the proposed development can provide the full financial S.106 contributions and 17.5% affordable housing on site whilst remaining viable.
- 1.4 BPC's have reviewed CPV's report, their recommendations and provide appropriate response herein to the key differences with the objective to find an agreeable position with regard to the overall viability position for the development.
- 1.5 This report should be read in conjunction with the original viability assessment (November 2025) which establishes RICS compliance, responsibilities and limitations.

## 2.0 Summary of Appraisal Inputs

2.1 The table below provides a summary of the appraisal inputs, comparing the respective positions of BPC and CPV. The next section of the report will provide comment on the key differences.

**Table 1**

Item	BPC	CPV	Comments
<b>Revenue</b>			
Open Market Sales	£267.10	£267.10	Agreed
Affordable Housing Provision	0.00%	17.45%	See comments in Section 4
Affordable Housing pricing		Affordable Rent: 50% Shared Ownership: 67.5%	See comments in Section 3
Total GDV	£36,892,653	£33,930,908	
<b>Land</b>			
Benchmark Land Value	£1,710,000	£1,434,267	Agreed - See comments in Section 3
Residual Land Value	£852,361	£1,461,762	See comments in Section 4
Agent and Legal	1.80%	1.80%	Agreed
<b>Costs</b>			
Base build	£121.23	£107.40 + 15% for externals = £123.51	CPV's figure is agreed
Contingency	5%	3%	See comments in section 3
Abnormal Costs	£5,050,355	£3,409,432	See comments in Section 3.
S106 Sustainable Travel	£113,158	£113,158	Agreed

S106 Sports Pitches	£134,249	£134,249	Agreed
S106 Education	£1,553,800	£1,553,800	Agreed
Professional Fees	8%	5.50%	See comments in Section 3.
Disposal Fees	3.50%	3% plus £650/unit	See comments in Section 3.
Total Costs before finance	£28,620,628	£26,445,795	
Finance	7.50%	7%	See comments in Section 3.
<b>Profit</b>			
Profit on GDV	20%	16.79% Reflects a blended rate of 18.03% for Open Market Sales and 6% for affordable housing	See comments in Section 3
<b>Programme</b>			
Purchase	1 month		
Pre-Construction	6 months	12 months	See comments in Section 3
Construction	55 months	35 months	See comments in Section 3
Sale	43 months	48 months	See comments in Section 3.
Total	62 months	71 months	See comments in Section 3.

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## 3.0 Key Differences and Responses

### **Affordable Housing**

3.1 CPV has applied the following percentage of open market sales pricing to generate an affordable housing price:

- Affordable Rent: 50%
- Shared Ownership: 67.5%

3.2 The Local Plan Viability Testing – Updated (May 2019) created by CP Viability Ltd on behalf of Barnsley Metropolitan Borough Council sets out that the adjustments to be made to the sales prices for the open market sales are to be as follows:

- Affordable Rent: 45% of market value
- Shared Ownership: 67.5% of market value

3.3 The Affordable Rented capital value calculation adopted by CPV is contradictory to their own advice set out in the Local Plan Viability Testing document. An adjustment to the adopted rates in the Local Plan testing would have a negative impact on CPV's appraisal.

3.4 The affordable tenure split within CPV's appraisal is 72% Affordable Rent and 28% Intermediate. The Local Plan advises that affordable housing types and tenures are to be negotiated on a site-by-site basis with Barnsley MBC. It appears as though the applied CPV tenure split has been informed by the Affordable Housing Statement submitted by Avant Homes in February 2025, but it would be helpful for CPV to clarify this matter.

### **Benchmark Land Value**

3.5 CPV has adopted an EUV Plus Premium approach to assessing the benchmark land value and has cited the recommended approach from Planning Practice Guidance. We do not disagree with this approach but had been working from the agreed position with the developer of the adjacent site.

3.6 Whilst we see a divergence in approach from one site to another BPC is willing to adopt

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CPV's figure for the Benchmark Land Value to close out this element of the assessment.

3.7 The agreed benchmark land value is therefore: £1,434,267.

### **Contingency**

3.8 CPV has adopted a 3% contingency rate. This has been informed by recognising an allowance is required but CPV considers that risk should be reflected in developer's profit. They advise that the 3% allowance is to ensure that the development does not prevent local authority planning policies to be delivered.

3.9 In taking this approach we believe that CPV are co-joining two separate concepts. Building Cost risk and Market Risk.

3.10 Contingency is reflective of the risk to fixed construction pricing which is adopted in a viability appraisal. There are many reasons to consider risk to construction cost pricing at present including labour shortages, wage inflation, rising material costs, energy prices, and supply chain disruptions.

3.11 The NPPG promotes the use of standardised inputs to an FVA. The industry standard approach is for a 5% allowance of base build costs which is the default allowance on a national level. Reducing the allowance to cite the fact that the developer risk should not prohibit the delivery of planning policy is not reason alone to reduce a significant development unknown.

3.12 Market risk is allowed for in the profit, and this will cover changes in sales prices and macro-economic issues. CPV are therefore conflating these two distinct allowances.

### **Abnormal Costs**

3.13 CPV appointed Hainstone to review the abnormal costs associated with the scheme. The review has recommended the abnormal costs are reduced from circa £5.05m to circa £3.41m.

3.14 Avant Homes have reviewed the comments contained within the Hainstone cost assessment and provided additional comments in Appendix A

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3.15 Based on their review Avant Homes have revised abnormal costs to amount to circa £4.77m.

### **Professional Fees**

3.16 CPV consider the professional fees should reflect the rate adopted by the neighbouring Strata site appraisal at 5.5%, compared to BPC's allowance of 8%.

3.17 CPV has assessed the professional fees applied across a range of schemes in Barnsley and conclude that the average allowance across the schemes amounted to 6.71%. CPV then go on to apply a professional fee rate of 5.5% to reflect the level adopted by the adjacent Strata scheme.

3.18 The Strata scheme is a multi-phased scheme for up to 1,344 dwellings, approximately ten times the size of the Avant Homes scheme at Barugh Green. For a scheme of that size, a lower percentage for the professional fees would be expected given to reflect the quantum of works being undertaken.

3.19 It is also worth noting that the Strata site has significant abnormal costs of £89,547,186 (£1,193,248 per Ha). As set out above, CPV, via Hainstone, consider the abnormal costs for this scheme to amount to circa £705,000 per hectare; a rate significantly lower than the abnormal costs associated with the Strata development. Avant's revised position on the abnormal costs reflects circa £990,000 per hectare, again lower than the Strata site. Reasonable adjustments to the professional fees to reflect the scale of the abnormal costs associated with a multi-phased development should be expected.

3.20 BPC's adopted professional fees reflect a single-phase scheme aligned to a standardised industry approach. Notwithstanding this we are prepared to agree a figure of 6.71% reflecting the average for sites in the Council's area to reach agreement.

### **Disposal Fees**

3.21 BPC has applied an 'all in' rate of 3.5% for the marketing, sales and legal costs associated with the disposal of the residential dwellings.

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3.22 CPV has applied a sales and marketing rate of 3% and split out the legal fees to amount to £650 per dwelling.

3.23 To reach agreement BPC agrees this adjustment.

### **Finance**

3.24 CPV consider the 7.5% applied finance rate to be too high given there was a recent Bank of England base rate decrease and have adopted 7%.

3.25 The Bank of England base rate has been held at 3.75% in March 2026, following a decrease from higher levels in late 2025. The BoE has indicated that rates are unlikely to drop after the impacts of the Middle-East war on inflation are felt.

3.26 In order to reach agreement BPC is willing to accept the use of a 7% interest rate but notes that given the current geopolitical situation, there is a chance that the base rate could rise again.

### **Profit on GDV**

3.27 CPV has adopted a profit rate of 18.03% on GDV which matches the proposed adjoining Strata development

3.28 18.03% is a very specific number for the purposes of financial viability. We note in CPV addendum report for the Strata site that a without prejudice offer was made by Strata to revise the proposed profit margin from 20% to 18%. There is no supporting context as to why this adjustment was made but was clearly part of the negotiation process in their specific scheme.

3.29 Avant Homes are proposing to deliver their scheme as soon as possible following consent being granted and will therefore be faced with greater market uncertainty due to current market instability. Bearing in mind the compromises offered above we believe that 20% on the GDV of open market sales is appropriate for this size of scheme in this location in the current market.

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**Project Programme:**

- 3.30 CPV's review is silent with regard to the project programme. However, the financial appraisal shows that the timescales adopted differ from those applied by BPC.
- 3.31 The main difference in approaches related to the construction period where BPC has allowed for 55 months whereas CPV has allowed for 35 months.
- 3.32 An accelerated construction programme has a positive impact on the financial appraisal as the borrowing period will be a lot shorter. However, there is no guarantee of income being generated more quickly as CPV have assumed.
- 3.33 BPC's financial appraisal had due regard to sales rates informed by Avant Homes. With a target rate of 0.6 homes per week, which compares to the current national average of 0.4 homes per week per outlet. BPC have adopted the build what can be sold approach, allowing for a 12-month lead into the first sale being achieved and phasing delivery aligned to sales thereafter.
- 3.34 In the absence of any rationale or justification for an alternative approach, BPC does not accept the proposed changes to the development programme.

## 4.0 Revised Financial Appraisal

### Summary of Appraisal Adjustments

4.1 The table below shows the adopted appraisal inputs having regard to the adjustments proposed by CPV.

**Table 2**

Item	BPC	CPV	BPC Revised Position
<b>Revenue</b>			
Open Market Sales	£267.10	£267.10	£267.10
Affordable Housing pricing % of Open Market Sales		Affordable Rent: 50% Shared Ownership: 67.5%	Affordable Rent: 45% Shared Ownership: 67.5%
<b>Land</b>			
Benchmark Land Value	£1,710,000	£1,434,267	£1,434,267
Agent and Legal	1.80%	1.80%	1.80%
<b>Costs</b>			
Base build	£121.23	£107.40 + 15% for externals = £123.51	£107.40 + 15% for externals = £123.51
Contingency	5%	3%	5%
Abnormal Costs	£5,050,355	£3,409,432	£4,777,021
S106 Sustainable Travel	£113,158	£113,158	£113,158
S106 Sports Pitches	£134,249	£134,249	£134,249
S106 Education	£1,553,800	£1,553,800	£1,553,800
Professional Fees	8%	5.50%	6.71%

Disposal Fees	3.50%	3% plus £650/unit	3% plus £650/unit
Finance	7.50%	7%	7%
<b>Profit</b>			
Profit on GDV	20%	16.79% Reflects a blended rate of 18.03% for Open Market Sales and 6% for affordable housing	20%
<b>Programme</b>			
Purchase	1 month		1 month
Pre-Construction	6 months	12 months	6 months
Construction	55 months	35 months	55 months
Sale	43 months	48 months	43 months
Total	62 months	71 months	62 months

4.2 A summary of our appraisal is set out below:

**Table 3 – Appraisal Summary**

<b>Item</b>	<b>BPC Appraisal (£) (100% Open Market Housing)</b>
Gross Development Value	£36.89 million
Build Cost incl Abnormals & Contingency	£22.93 million
Professional fees	£1.46 million
Sales & Marketing costs	£1.20 million
Finance Cost (incl Fees)	£844,000
Profit	£7.38 million
Residual Land Value	£1,200,514
Benchmark Land Value	£1,434,267
Deficit	£233,753

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## 5.0 Conclusions

5.1 BPC has accepted CPV's proposed adjustments to the financial appraisal as follows:

- the Base Build Cost plus External Works,
- Sales, Legal and Marketing
- Finance Rate
- Professional Fees
- Benchmark Land Value.
- The abnormal costs have been adjusted but not to the same level that CPV and Hainstone recommended.

These adjustments are made on the basis of trying to reach an agreed position and should be taken "in the round" not separately.

5.2 The financial appraisal maintains the allowance for S.106 contributions as follows:

- Education £1,553,800,
- Recreation £134,249
- Travel £113,158

5.3 The financial appraisal calculates a residual land value which is less than the benchmark land value and therefore demonstrates that the scheme is not viable (see Appendix B).

5.4 In summary we can conclude the development does not generate a surplus over the Benchmark Land Value to fund affordable housing on site.

5.5 As the residual land value on a 100% Open Market basis does not exceed the BLV we have not tested the scheme on a policy compliant basis.

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## Appendix A

# Hainstone

CHARTERED SURVEYORS

Description	Quantity (if required)	Item	Total Cost (£)	NOTES	Quantity (if required)	Item	Total Cost (£)	NOTES	Revised Costs	AH COMMENTS / NOTES
Site Clearance: Hedge & Tree Removal/Arboricultural work	1	Item	£16,500	Tree survey attached	1	Item	£16,500		£16,500	
Site Clearance: Tree Protection	1	Item	£10,450	AIA attached	1	Item	£10,450		£10,450	
Earthworks: Cut/Reduce Levels Inc. plotworks	1	Item	£1,103,300	Quotation attached this quote is attached and is higher than the value provided. We are still in discussions and are aiming to get it down to the value adjacent. Current quotes are coming in higher and the quote from Sirius was from 2023 and is therefore out of date. The scope of works priced by both contractors is still seen to be required.	1	Item	£0	See adjustment below	£0	
ECC Quotation										
Provision of materials management Plan	1	Item	£4,100	Not included in the total below	1	Item	£0	This isn't abnormal as would be required for any development	£0	This cost is correct. An MMP is not required on all site. It is required when you intend to reuse excavated soil on-site or move it between sites without declaring it as waste.
Provision of Construction Phase Environmental Plan	1	Item	£950	Not included in the total below	1	Item	£0	Would be required for any development	£950	This cost is still required for these works also allowed within Road and sewer and groundworks too.
Provision of Construction Phase Health & Safety Plan	1	Item	£950	Not included in the total below	1	Item	£0	Would be required for any development	£950	This cost is still required for these works also / allowed within Road and sewer and groundworks too.
Mobilisation of plant and resources	1	Item	£8,000	Not included in the total below	1	Item	£0	Would be required for any development	£8,000	No - this would be a build cost. This is also required for these works i.e. remediation contractor will be different to R&S / Groundworker.
Provision of protection to overhead cables	1	Item	£5,000	Not included in the total below	1	Item	£5,000		£5,000	
Preliminaries including appropriate site welfare, security, supervision in accordance with the requirements of the CDM Regulations (2015) and engineering (setting out and surveying).	1	Item	£172,395	Not included in the total below	1	Item	£92,474	Pro-rata adjustment based on abnormal/standard works detailed within this quotation	£163,775	Based on the above comments, these costs are still required for the works.
Site Clearance of residual vegetation	1	Item	£19,600	Not included in the total below	1	Item	£0	Would be required for any development	£0	Assumes these costs are taken into account within your (CPV) 15% external allowance.
Protection to surface water (ditch in north of the site)	1	Item	£8,100	Not included in the total below	1	Item	£0	Would be required for any development	£8,100	An existing watercourse to the north of the development existing and is to be retained and realigned in part. At no time during these works should be allow contaminated flows into the watercourse, therefore necessary protection will be required. This would be in the form of silt fence, bunding, gully blocks to new road and regular reporting and monitoring.
Earthworks; strip topsoil and stockpile	1	Item	£19,809	Not included in the total below	1	Item	£0	Would be required for any development	£0	Assumes these costs are taken into account within your (CPV) 15% external allowance.
Disposal; surplus topsoil 7500m3	1	Item	£220,588	Not included in the total below	1	Item	£220,588		£220,588	Comment Below.
Earthworks: turnover (excavation, placement and compaction) of upper 3m of made ground materials.	1	Item	£456,896	Not included in the total below	1	Item	£304,537	Report suggests top 2m	£456,896	Please see extract to the RHS take from the SI - this offers two options. 2m turnover with piles, or 3m turnover with a ground bearing foundation solution. 2nd option allowed in our costings, i.e. 3m turnover which in turn as reduced the number of piled plots required (18 plots). Should a 2m turnover be adopted this could lead to a further 42 piled foundations. (This would be a cost increase from what has been stated by £507k)
Pumping groundwater	1	Item	£80,200	Not included in the total below	1	Item	£80,200		£80,200	
crushing of hardstanding's	1	Item	£53,394	Not included in the total below	1	Item	£53,394		£53,394	

Preparatory works

Significant preparatory works will be required to render the site suitable for redevelopment, mainly associated with the backfilled opencast in the north and west.

Assuming a piled foundation solution, turnover of the uppermost 2m of made ground is required to remove relict obstructions and boulders and prepare the ground for highway construction. It should be assumed that excavations will encounter shallow groundwater and therefore dewatering will be required.

If a ground bearing foundation solution is to be used, an increased thickness of turnover of c. 3m across the former opencast will be required with an End Product Earthworks Specification required.



Services: Contribution to remove Elec wayleave	1	Item	£84,700	Please see the attached costs stated by solicitors (Squire Patton Boggs), to which we have applied a 10% uplift to account for the time elapsed since this was originally obtained.	1	Item	£84,700	Claimed twice (included in item above) and this is a Land Value item not Abnormal, Not included in the above service costs.	£84,700	
Boundary/Screen walls	260	m	£71,500	Layout and boundary details are attached	260	m	£71,500		£71,500	
Water Service barrier pipe	1	Item	£20,625	Phase 2 SI - see above.	1	Item	£20,625		£20,625	
Retaining: Brick/Block - Wall max height ranging from 0.6m to 2.00m	1	Item	£165,000	This value is a standard figure and is worked out per plot (£1,107) - the external works drawing has been requested and will help inform	1	Item	£0	This is a contingency and as such can be removed and covered by the overall contingency sums?	£165,000	Due to the known site levels retaining walls are a required abnormal, therefore a contingency allowance shouldn't be used to cover these costs or the contingency percentage would have to be increased.
Radon Protection	149	Plot	£139,315	Phase 2 SI - see above.	149	Plot	£139,315		£139,315	
1.5m Trench Fill - EO COST	68	Nr	£149,600	Phase 2 SI - see above.	68	Nr	£149,600		£149,600	
Piled Plots and Ring Beam (10M) - Steel	63	Nr	£433,125	Phase 2 SI - see above.	63	Nr	£433,125		£433,125	
Piled Plots and Ring Beam (10M) - ODEX	18	Nr	£193,050	Phase 2 SI - see above.	18	Nr	£193,050		£193,050	
Piling Mat	18	Nr	£111,375	Phase 2 SI - see above.	18	Nr	£111,375		£24,750	Initial Incorrect rate used
<b>S106 - see head of terms</b>			£				£			
BNG	1	Nr	£110,000	The BNG Report identifies the number of units required (2.75 units); therefore, a cost of £40,000 per unit has been assumed.	1	Nr	£104,000	Rate is inline with GOV.UK; However report details 2.57 credits required, say 2.6	£104,000	Comments Noted.
June 2025 - Building regulation change	149	Plot	£983,400	N/A	149	Plot	£372,500	At £6,600 this is excessive given the new regulations are progressive. Part L, F & O; please provide supporting information.	£983,400	FHS hasn't been concluded so the extent is unknown. Part L alone is £6,618 to cover the install of a ASHP including the saving on the gas supply and boiler. Pump & Cylinder £4,750, Pump Install £300, Cylinder Install £300, Sundry Items £1,190 ASHP Electric £178, Pump Base £500, Boiler Omit, (Mats) -£825, Boiler Omit(Lab) -£325, Upsize radiators £550. Above costs supplied by GTC
Garages	6	Plot	£107,800	N/A	6	Plot	£107,800		£107,800	

£5,092,005

£3,409,432

£4,777,021

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## Appendix B

Barugh Green, Barnsley  
Financial Viability Appraisal - Rebuttal  
Avant Homes

Development Pro Forma  
ARGUS Software  
March 24, 2026

**Barugh Green, Barnsley**  
**Financial Viability Appraisal - Rebuttal**  
**Avant Homes**

Project Pro Forma for Phase 5 FVA Rebuttal

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales
Open Market Sales	149	138,123	267.10	247,602	36,892,653

**TOTAL PROJECT REVENUE** **36,892,653**

**DEVELOPMENT COSTS**

**ACQUISITION COSTS**

Residualized Price			1,200,514		
				1,200,514	
Land Transfer Tax			49,526		
Effective Land Transfer Tax Rate		4.13%			
Agent/Legal Fee		1.80%	21,609		
					71,135

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost	
Open Market Sales	138,123	123.51	17,059,572	
Contingency		5.00%	1,091,830	
Abnormal Costs			4,777,021	
				22,928,422

**Section 106 Costs**

Section 106 Sustainable Travel			113,158	
Section 106 Sports Pitches			134,249	
Education			1,553,800	
				1,801,207

**PROFESSIONAL FEES**

Professional Fees		6.71%	1,465,235	
				1,465,235

**DISPOSAL FEES**

Sales Agent & Marketing		3.00%	1,106,780	
Sales Legal Fees	149 un	650.00 /un	96,850	
				1,203,630

**TOTAL COSTS BEFORE FINANCE** **28,670,143**

**FINANCE**

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)					
Land			216,046		
Construction			627,933		
Total Finance Cost					843,979

**TOTAL COSTS** **29,514,123**

**PROFIT**

**7,378,531**

**Performance Measures**

Profit on Cost%	25.00%
Profit on GDV%	20.00%
Profit on NDV%	20.00%
IRR% (without Interest)	34.78%
Profit Erosion (finance rate 7.000)	3 yrs 3 mths

**Barugh Green, Barnsley  
Financial Viability Appraisal - Rebuttal  
Avant Homes**

Project Timescale	
Project Start Date	Nov 2025
Project End Date	Dec 2030
Project Duration (Inc Exit Period)	62 months

**5. FVA Rebuttal**

