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FINANCIAL VIABILITY ASSESSMENT

THURNSCOE BRIDGE LANE, THURNSCOE

Prepared for
Jaguar Estates Ltd

December 2020

Contents

1	Executive summary	3
2	Introduction	4
3	The Property	6
4	Methodology	9
5	Appraisal Inputs	10
6	Financial Viability Assessment	18
7	Conclusion	22

Appendices

Appendix 1 New Build Sales Evidence	23
Appendix 2 Appraisal Summaries	24

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1 Executive summary

- 1.1 Jaguar Estates Ltd (the 'Applicant') is seeking planning permission for the development of 22 dwellings (the 'Proposed Development') on land adjacent to Thurnscoe Bridge Lane in Thurnscoe (the 'Property').
- 1.2 The Property extends to circa 1.1 ha (2.72 acres) in area and currently comprises land on the southern edge of Thurnscoe, located within the urban area identified on the adopted Barnsley Local Plan Policies Map.
- 1.3 The planning application for the Proposed Development seeks permission to develop sixteen 2 and 3 bedroom detached and semi-detached bungalows and six 3 bedroom terrace houses.
- 1.4 This report examines the appropriate level of affordable housing and other Section 106 contributions that the Proposed Development can viably provide.
- 1.5 Our appraisals demonstrate that the provision of affordable housing and other Section 106 contributions as part of the Proposed Development of the Property is not financially viable. However, the Proposed Development can be made viable by removing the affordable housing and other Section 106 contributions, as well as the Applicant accepting a below benchmark land value.
- 1.6 In doing this, the Proposed Development will be able to provide additional bungalows and housing to help meet the needs of the local area

2 Introduction

- 2.1 The Applicant has commissioned BNP Paribas Real Estate to provide an assessment of the financial viability of the Proposed Development of the Property. The terms of reference are summarised as follows:
- Assess the residual land value generated by the Proposed Development; and
 - Based on the outputs of the appraisal, consider an appropriate level of affordable housing and other Section 106 contributions that the Proposed Development can viably provide, whilst ensuring that the scheme delivers competitive returns in line with requirements set out in the National Planning Policy Framework.

BNP Paribas Real Estate

- 2.2 BNP Paribas Real Estate (BNPPRE) is a leading firm of chartered surveyors, town planning and international property consultants. The practice offers an integrated service from nine commercial offices in eight cities across the United Kingdom, in addition to a worldwide office network across 74 countries. In 2017, the firm expanded through the acquisition of Strutt and Parker adding to BNPPRE's UK commercial office network with dedicated residential sales and rural advisory offices, which continue to trade as Strutt and Parker.
- 2.3 BNPPRE are a wholly owned subsidiary of BNP Paribas, which is the number one bank in France, the second largest bank in the Euro Zone and one of only six top rated banks worldwide.
- 2.4 BNPPRE and Strutt and Parker have a wide-ranging client base, acting for international companies and individuals, banks and financial institutions, private companies, public sector bodies, government departments, local authorities and registered providers ("RPs").
- 2.5 The full range of property services offered includes:
- Planning and development consultancy;
 - Development viability consultancy;
 - Affordable housing consultancy
 - Valuation and real estate appraisal;
 - Property investment;
 - Agency and Brokerage;
 - Property management;
 - Building and project consultancy; and
 - Corporate real estate consultancy.

- 2.6 The development viability consultancy team advises landowners, developers, local authorities and RPs on the provision of affordable housing.
- 2.7 The firm has extensive experience of advising landowners, developers, local authorities and RPs on the value of affordable housing and economically and socially sustainable residential developments.
- 2.8 BNPPRE and Strutt and Parker are active across Yorkshire and the North Midlands, carrying out valuation, agency and viability work throughout these areas.

Report structure

- 2.9 This report is structured as follows:
 - **Section three** provides a brief description of the Property, Development Context and Proposed Development;
 - **Section four** describes the methodology that has been adopted;
 - **Section five** outlines the inputs adopted within the appraisals;
 - **Section six** considers an appropriate benchmark land value and sets out the results of the appraisals;
 - **Section seven** outlines conclusions from the analysis.

Advice status

- 2.10 In accordance with PS1 (5.2) of the RICS Valuation – Professional Standards – Global Standards 2017 (the ‘Red Book’), the provision of VPS1 to VPS5 are not of mandatory application and accordingly this report should not be relied upon as a Red Book valuation.
- 2.11 In carrying out this assessment, we have acted with objectivity, impartiality, without interference and with reference to all appropriate available sources of information.
- 2.12 We are not aware of any conflicts of interest in relation to this assessment.
- 2.13 In preparing this report, no ‘performance-related’ or ‘contingent’ fees have been agreed.
- 2.14 This report is addressed to the Applicant only and should not be reproduced without BNPPRE’s prior consent.

3 The Property

- 3.1 The Property extends to approximately 1.1 ha (2.72 acres) in area and currently comprises land on the southern edge of Thurnscoe, located within the urban area identified on the adopted Barnsley Local Plan Policies Map.
- 3.2 The Location Plan for the planning application is reproduced below showing the Property edged red.



Location Plan (Coda)

- 3.3 The Property is located on the southern edge of a predominantly residential area, with the 25 terraced houses and bungalows previously developed by the Applicant located immediately to the north of the Property. Further north and west of these is a mix of houses and bungalows, a large proportion of which are owned by the Thurnscoe Tenants Housing Co-operative.
- 3.4 Immediately to the east of the Property is the Leeds to Sheffield railway line, further east of which is Fields End Business Park.
- 3.5 Access to the Property is taken from Thurnscoe Bridge Lane to the west, which is the main road connecting Thurnscoe to Goldthorpe and the Highgate Stadium to the south.

Development Context

- 3.6 The buildings immediately adjoining the Property are not listed and the Property is not within a Conservation Area.
- 3.7 The Barnsley Local Plan was adopted in January 2019 and the Property forms part of a Housing Allocation (ref. HS52) shown on the Policies Map. Policy H3 states that Allocated Housing sites “will be developed for residential purposes”.

- 3.8 Furthermore, Thurnscoe is identified as one of the Principal towns in the adopted Barnsley Local Plan and therefore a priority location for new development and growth in accordance with Policy LG2.
- 3.9 In light of the above, as well as the Property's location within the urban area of Thurnscoe, where new development is encouraged by local planning policy, it is considered a suitable and sustainable location for the development of a range residential uses.
- 3.10 Barnsley Council is currently determining the planning application for the Proposed Development of the Property.
- 3.11 Policy H7 (Affordable Housing) of the adopted Barnsley Local Plan states "developments of 15 or more dwellings will be expected to provide affordable housing", including 10% in Thurnscoe, subject to viability.
- 3.12 This report therefore examines the appropriate level of affordable housing and other Section 106 contributions that the can be viably provided.

Proposed Development

- 3.13 The description of the Proposed Development and the Proposed Site Plan for the planning application are reproduced below:

"Outline application for residential development with all matters reserved apart from access"



Proposed Site Plan (Coda)



- 3.14 Further details on the proposed bungalows and terraced houses, including the net sales areas, are summarised in the table below.

Table 1 – Schedule of Accommodation

Type	No.	Total Net Sales (Sq. Ft.)	Average Net Sales per Dwelling (Sq. Ft.)
2 bed detached bungalow	5	3,283	657
2 bed semi-detached bungalow	10	6,566	657
3 bed detached bungalow	1	990	990
3 bed terrace house	6	5,038	840
Total	22	15,877	722

4 Methodology

- 4.1 Argus Developer ('Argus') has been used to appraise the Proposed Development. Argus is a commercially available development appraisal package in widespread use throughout the industry. It has been accepted by a number of local planning authorities for the purpose of viability assessments and has also been accepted at planning appeals. Banks also consider Argus to be a reliable tool for secured lending valuation. Further details can be accessed at www.argussoftware.com.
- 4.2 Argus is essentially a cash-flow model. Such models all work on a similar basis:
 - Firstly, the value of the completed development is assessed.
 - Secondly, the development costs are calculated, including either the profit margin required or land costs. In our appraisals, profit is included as a development cost.
- 4.3 The difference between the total development value and total costs equates to the residual land value. The model is normally set up to run over a development period from the date of the commencement of the project until the project completion, when the development has been constructed and is occupied.
- 4.4 The cash-flow approach allows the finance charges to be accurately calculated over the development period. This approach can accommodate more complex arrangements where a number of different uses are provided or development is phased.

5 Appraisal Inputs

- 5.1 This section of the report sets out the inputs and assumptions that have been used to undertake a development appraisal of the Proposed Development.

Private Residential Sales Values

- 5.2 At a local level Land Registry data for Thurnscoe records a current overall average house price of £110,659, similar to the previous year and 18% up on the 2015 peak of £94,172 (source Rightmove). The current average house price in Thurnscoe is lower than nearby South Elmsall (£123,504), Bolton Upon Dearne (£129,940), Harlington (£212,631) and Waverley (£244,762) but higher than Goldthorpe (£103,180), Mexborough (£103,039), East Dene (£84,312) and Great Houghton (£94,922).
- 5.3 The most recent new build sales in Thurnscoe are summarised below, alongside other new build evidence from the surrounding area, with further details set out at Appendix 1.

- **Willow Heights, Thurnscoe, S63 0AW**

Keepmoat Homes' development of 129 new two and three bedroom houses and two bedroom detached bungalows, circa 0.8 miles to the north of the Property. The 42 private houses and bungalows sold at this scheme between January 2019 and February 2020 averaged circa **£133k** or **£158 per sq. ft.** and **842 sq. ft.**, equating to **3.2 sale per month**.

- **Westfield Crescent, Thurnscoe**

Adderley Foster's development of 6 two bedroom apartments, just over 1 mile to the north west of the Property. The first private sales at this scheme in May 2020 was for **£100k** or **£150 per sq. ft.** and **667 sq. ft.**

- **The Woodlands, Carrhead Lane, Bolton-upon-Deerne, S63 8DA**

House Crowd Developments' gated development of 28 four bed detached and semi-detached homes houses, circa 1.6 miles to the south of the Property. The 17 private houses sold at this scheme between January 2019 and May 2020 averaged circa **£230k** or **£169 per sq. ft.** and **1,359 sq. ft.**, equating to **1.1 sale per month**.

- **Barnburgh View, Barnburgh Lane, Goldthorpe, S63 9FL**

Gleeson Homes' development of 2, 3 and 4 bedroom homes, circa 1.6 miles to the south east of the Property. The 4 private houses sold at this scheme between February and June 2019 averaged circa **£142k** or **£167 per sq. ft.** and **848 sq. ft.**, equating to **1 sale per month**.

- 5.4 Details of recent individual sales of comparable bungalows and terraced houses within Thurnscoe are summarised below alongside.

2 bed detached bungalows

- Keepmoat Homes, Willow Heights, Thurnscoe
Two 624 sq. ft. new build 2 bedroom bungalows in a **comparable location** circa 0.7 miles to the north of the Property, which sold in April and July 2019 for circa **£129k**, equating to **£207 per sq. ft.**

- 57 Thurnscoe Bridge Lane, Thurnscoe
A 657 sq. ft. resale 2 bed detached bungalow in a comparable location immediately to the north of the Property which sold in November 2017 for **£132.5k**, equating to **£202 per sq. ft. (originally sold as new build in 2015)**
- 14 Wheatfield Drive, Thurnscoe
A 753 sq. ft. resale 2 bed detached bungalow in a superior location circa 0.5 miles to the north of the Property, which sold in March 2019 for **£137k**, equating to **£182 per sq. ft.**

2 bed semi-detached bungalows (except where stated)

- 11, 15 & 17 Greenside Close, Thurnscoe
Three 670 sq. ft. new build 2 bed semi bungalows in a comparable location immediately to the north of the Property which sold in 2016 for an average of **£124k**, equating to **£185 per sq. ft.**
- 1 Rectory Close, Thurnscoe
A 850 sq. ft. resale 3 bed semi bungalow in a superior location circa 1 mile to the north west of the Property which sold in May 2019 for **£115k**, equating to **£135 per sq. ft.**
- Keepmoat Homes, Willow Heights, Thurnscoe
Thirteen 646 sq. ft. new build 2 bedroom semi-detached houses in a comparable location circa 0.7 miles to the north of the Property, which sold between May 2019 and February 2020 for an average of **£108k**, equating to **£167 per sq. ft.**

3 bed detached bungalows (except where stated)

- 56 Rectory Lane, Thurnscoe
A 1,346 sq. ft. resale 3 bedroom detached bungalow in a superior location circa 1 mile to the north west of the Property, which sold in June 2020 for **£170k**, equating to **£126 per sq. ft.**
- 25 Rectory Lane, Thurnscoe
A 1,077 sq. ft. resale 3 bedroom detached bungalow with integral garage in a superior location circa 1 mile to the north west of the Property, which sold in June 2020 for **£205k**, equating to **£100 per sq. ft.**
- 60 Rectory Lane, Thurnscoe
A 1,077 sq. ft. resale 3 bedroom detached bungalow and detached garage in a superior location circa 1 mile to the north west of the Property, which sold in August 2019 for **£225k**, equating to **£209 per sq. ft.**
- 58 Rectory Lane, Thurnscoe
A 3 bedroom 1,313 sq. ft. resale detached bungalow in a superior location circa 1 mile to the north west of the Property, which sold in April 2019 for **£210k**, equating to **£160 per sq. ft.**
- Keepmoat Homes, Willow Heights, Thurnscoe
Sixteen new build 3 bedroom detached houses with an average floor area of **982 sq. ft.** in a comparable location circa 0.7 miles to the north of the Property, which sold between February 2019 and January 2020 for an average of **£154k**, equating to **£157 per sq. ft.**

3 bed terraced houses (except where stated)

- 53 Thurnscoe Bridge Lane, Thurnscoe
A 829 sq. ft. resale 3 bed end terrace house in a **comparable location** immediately to the north of the Property which sold in August 2018 for **£112k**, equating to **£135 per sq. ft. (originally sold as new build in June 2017)**
 - 49 Thurnscoe Bridge Lane, Thurnscoe
A 829 sq. ft. new build 3 bed end terrace house in a **comparable location** immediately to the north of the Property which sold in October 2016 for **£114k**, equating to **£138 per sq. ft.**
 - 35 & 54 Derry Grove & 71 Lindley Crescent, Thurnscoe
Three resale 3 bed semi-detached houses with an average floor area of **926 sq. ft.** all in a **comparable location** within 0.3 miles of the Property, which sold between January 2019 and February 2020 for an average of **£83k**, equating to **£90 per sq. ft.**
 - Keepmoat Homes, Willow Heights, Thurnscoe
Eight new build 3 bedroom semi-detached houses with an average floor area of **1,006 sq. ft.** in a **comparable location** circa 0.7 miles to the north of the Property, which sold between January 2019 and February 2020 for an average of **£146k**, equating to **£145 per sq. ft.**
- 5.5 It should be noted that these are all gross sale prices taken from Land Registry data. A deduction should therefore be made to the new build sale prices to reflect the non-cash incentives typically offered by developers when selling new homes
- 5.6 These incentives can include part exchange deals, flooring, furniture and other upgrade packages, payment of legal / other fees, etc., typically equating to up to 5% of the selling price depending on location and market conditions. As an example, whilst Gleeson Homes has not disclosed the incentives given on its sales listed above, the marketing website for its Barnburgh View development states incentives are available, including £1,000 towards extras. Non-cash incentives (flooring upgrade packages) were also offered by the applicant on some of the sales of the terraced houses and bungalows they previously developed immediately to the north of the Property.
- 5.7 The Land Registry gross prices for new build sales should therefore be discounted to ascertain the true net sale prices achieved after the additional costs of sale (non-cash incentives) have been deducted, when determining the net sale prices likely to be achieved for the Proposed Development.
- 5.8 Based on the above, the following assumptions have made in terms of the residential values achievable for the Proposed Development, assuming a 100% private scheme (no affordable housing).

Table 3 – New Build Sales Values

Type	No	Net Sales Sq. Ft.	Total Price	Av. Price / Sq. Ft.	Av. Price / Unit	Av. Sq. Ft.
2 Bed D. Bungalws.	5	3,283	£662,500	£201.80	£132,500	657
2 Bed SD. Bungalws.	10	6,566	£1,275,000	£194.18	£127,500	657

Type	No	Net Sales Sq. Ft.	Total Price	Av. Price / Sq. Ft.	Av. Price / Unit	Av. Sq. Ft.
3 Bed D. Bunglws.	1	990	£207,500	£209.54	£207,500	990
3 Bed T. Houses.	6	5,038	£765,000	£151.86	£127,500	840
Total	22	15,877	£2,910,000	£183.29	£132,273	722

- 5.9 We would add that these are optimistic assumptions of potential sale prices given the current uncertainty and negative outlook for the UK economy resulting from the Covid-19 disruption and the end of Brexit transition period on 31 December 2020. This economic uncertainty, coupled with the end of the current stamp duty holiday and the restriction of the Help to Buy scheme to first time buyers on 31 March 2021, is resulting in many current forecasts of a fall in residential sale prices in 2021.

Affordable Residential Sales Values

- 5.10 The 'Shared Ownership and Affordable Homes Programme 2016 to 2021: prospectus' document provides a clear indication Grant funding is unlikely to be allocated to affordable housing required in accordance with a Section 106 agreement, except in exceptional circumstances. Therefore, the appraisals assume that Grant will not be provided for affordable housing.
- 5.11 We have been advised by Alison Dalton at Barnsley Council that 2 of the dwellings will be required to be provided as affordable rent in accordance with Policy H7 of the Barnsley Local Plan. Where applicable we have assumed transfer values of 50% of open market value for these dwellings in line with paragraph 13.4 of the Barnsley Affordable Housing SPD May 2019.

Residential Build Costs

- 5.12 The RICS' Building Cost Information Service ("BCIS") reports the following for new build housing and bungalows in Barnsley (see screenshot below):
- Estate housing (1 storey) – mean average cost of circa **£1,260 per sq. m. (£117 per sq. ft.)**, with the median cost being **£1,217 per sq. m. (£113 per sq. ft.)** and the lower quartile cost being **£1,065 per sq. m. (£99 per sq. ft.)**
 - Estate housing (2 storey) – mean average cost of circa **£1,086 per sq. m. (£101 per sq. ft.)**, with the median cost being **£1,059 per sq. m. (£98 per sq. ft.)** and the lower quartile cost being **£945 per sq. m. (£88 per sq. ft.)**

Results

> Rebased to Barnsley (89; sample 34) Edit

£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims. ?

Last updated: 21-Nov-2020 00:38

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
810.1 Estate housing							
Generally (15)	1,123	543	958	1,083	1,228	3,930	1576
Single storey (15)	1,260	717	1,065	1,217	1,421	3,930	256
2-storey (15)	1,086	543	945	1,059	1,185	2,353	1213
3-storey (15)	1,149	700	936	1,103	1,288	2,324	102
4-storey or above (15)	2,361	1,146	1,897	2,118	3,153	3,490	5

- 5.13 The BCIS costs include preliminaries, but exclude the cost of external works and well as contingency, so separate allowances have been made for these in our appraisals, as set out below.
- 5.14 In light of the above, in our appraisals, we have adopted a blended base build cost of **£99 per sq. ft.** for the bungalows and **£88 per sq. ft.** for the houses. These rates have been applied to the gross internal floor areas of the dwellings.
- 5.15 These costs are in line with the BCIS lower quartile cost and considered the minimum cost required to achieve the private sales values set out above. They also assume the construction of the bungalows and houses in line with current Building Regulations.
- 5.16 If higher design or sustainability standards are required by the Council as part of any planning permission granted, or by changes to national regulatory requirements, these will add to the build costs assumed. Any such additional costs associated with higher design / sustainability standards would have a consequent negative impact on development viability.

External and Abnormal Development Costs

- 5.17 As the BCIS costs exclude external works, we have made an additional allowance of 15% of build costs. This is considered in line with usual assumptions where no separate costs have been made for abnormal development costs, as well as standard services connections, drainage, roads, pavements and landscaping.
- 5.18 No separate costs have been included in our appraisals for abnormal development works, as further survey and scheme design work is required to confirm the final costs of these. However, based on the Applicant's experience from the development of the 25 bungalows and houses on the land to the north, these costs are likely to include services diversions and upgrades, as well as the proposed drainage pond.
- 5.19 The Applicant therefore reserves the right to review the costs included in our appraisals as more information becomes available on the Property and Proposed Development. Any additional costs would have a consequent negative impact on development viability.

Contingency

- 5.20 A contingency of 5% of build costs has been assumed in the appraisals. This reflects the risk of the Proposed Development, with uncertainty relating to whether the costs included for external works is sufficient, given no separate costs have been included for abnormal development works.
- 5.21 Again, this is considered a reasonable assumption given the Applicant's experience from the development of the 25 bungalows and houses on the land to the north, which incurred abnormal development costs for services diversions and upgrades.
- 5.22 At 5%, the contingency allowance in the appraisal is therefore the minimum considered appropriate for the Proposed Development.

Section 106 and Other Planning Costs

- 5.23 It is understood that the following Section 106 contributions have been requested to date:
- £128,000 for primary and secondary school places
 - £16,500 for Sustainable Travel
 - £35,665.21 for Greenspace
- 5.24 As such, these Section 106 contributions, as well as £1,000 to cover the Council's Legal Costs, have been included in our appraisals (except where stated).
- 5.25 It should also be noted that any additional planning related costs (including biodiversity net gain), would have a consequent negative impact on development viability.

Community Infrastructure Levy

- 5.26 No allowance has been made for a Community Infrastructure Levy payment, with any future costs associated with this having a consequent negative impact on development viability.

Professional Fees

- 5.27 In line with market practice, professional fees typically range from 6-10% of the build cost, depending on site complexity and design challenges.
- 5.28 We have adopted professional fees of 8%, including Building Control and NHBC fees, which is considered the minimum appropriate given the nature of the Property and Proposed Development.

Land Purchase Costs

- 5.29 The following land purchase costs have been adopted in our appraisals:
- Agent and Legal fees of 1% or a minimum of £5,000; and
 - Stamp duty at the prevailing rates.

Marketing and disposal

- 5.30 The following costs of sales have been adopted in the appraisals:
- Marketing at 2% of private GDV to reflect the costs of a show home, marketing and other advertising;

- Agent fees at 1% of private GDV; and
- Legal fees at £500 per unit.

Finance

- 5.31 Obtaining development finance remains challenging in the current market. High arrangement (1-3%), monitoring (2-5%) and exit fees (1%) are also charged. These onerous lending terms have remained due to the continued perceived risk of residential development in the current market.
- 5.32 A debit interest rate of 6.5% has been adopted in the appraisals, with no additional allowance for fees, which is an optimistic assumption for a development of this nature in the current market. It should be noted that although a bank would not provide 100% of the funding required for the Proposed Development, it is conventional to assume finance on all costs in order to reflect the opportunity cost (or in some cases the actual cost) of committing equity to the project.
- 5.33 A 0.25% credit rate has also been assumed for any positive cash positions in the scheme.

Developer's profit

- 5.34 Developer's profit is a fundamental requirement in terms of development viability. It is widely acknowledged that the profit margin should be benchmarked against the risk of delivering the development, and be sufficient to ensure there is a viable business case for a developer to develop the scheme.
- 5.35 The National Planning Practice Guidance provides guidance on Developer Profit assumptions for planning viability assessment. More specifically, the National Planning Practice Guidance proposes a developer profit of between 15 – 20% of gross development value (GDV).
- 5.36 We consider that a 20-25% profit on private sales would be required in order to incentivise a developer to take forward a project of this nature. This is reflective of the risks (development, sales and costs) associated with the Proposed Development of the Property, particularly during the current disruption and uncertainty caused by Covid-19 and the end of the Brexit transition period. It is also in line with feedback received from developers as part of our marketing of other residential development land across Yorkshire.
- 5.37 However, our appraisals make an optimistic assumption of a developer profit of 20% on private sales values. This is considered the absolute minimum a developer would accept to bring the scheme forward given the current risk and uncertainties associated with Covid-19 and the upcoming end of the Brexit transition period and stamp duty holiday, as well as restrictions on Help to Buy.

Development Timescales

- 5.38 The following timescales have been used in the viability appraisals assuming a 100% private scheme.
- 17 month construction period, including demolition and site preparation;
 - 11 month sales period, commencing 9 months after construction commences, equating to 2 private sales per month.

- 5.39 Where affordable housing is included, the construction and sales periods are reduced to reflect the lower number of private dwelling sales at 2 private sales per month.
- 5.40 The next section sets out an overview of the results of the appraisals.

6 Financial Viability Assessment

- 6.1 In this section, a viability benchmark, as well as the outputs of the appraisals and the implications for the provision of affordable housing and other Section 106 contributions as part of the Proposed Development are considered.

Viability benchmark

- 6.2 In order for a rational landowner to pursue residential development, the residual land value ('RLV') of that development must exceed an appropriate viability benchmark. The viability benchmark / landowner's return is an integral consideration in assessing development viability, as this is the return below which the land is unlikely to be released by a landowner to enable development to take place.
- 6.3 Where a development proposal generates a RLV that is higher than the benchmark land value, it can be regarded as economically viable and therefore capable of providing affordable housing and Section 106 contributions. However, if the Proposed Development generates a residual land value that is lower than the benchmark land value, it should be deemed economically unviable and the quantum of affordable housing and Section 106 payments adjusted until viability is achieved.
- 6.4 The February 2019 revised National Planning Policy Framework and National Planning Practice Guidance provide updated guidance on benchmark land value. More specifically, paragraphs 014-016 of the National Planning Practice Guidance suggest an existing use value (EUV) of the land, plus a premium for the landowner (EUV+) as a method of determining the benchmark land value.
- 6.5 In addition, paragraph 017 of the National Planning Practice Guidance proposes alternative use value (AUV) as another way of establishing the benchmark land value. It also advises that the AUV "refers to the value of land for uses other than its existing use" and "includes the premium to the landowner" so this "must not be double counted"
- 6.6 The Property currently comprises land located within the Thurnscoe urban area and forms part of a Housing Allocation (ref. HS52) shown on the adopted Barnsley Policies Map.
- 6.7 Policy H3 of the adopted Barnsley Local Plan states that Allocated Housing sites "will be developed for residential purposes". Furthermore, Thurnscoe is identified as one of the Principal towns in the adopted Barnsley Local Plan and therefore a priority location for new development and growth in accordance with Policy LG2.
- 6.8 In light of the above, the Property is considered a suitable and sustainable location for the development of a range residential uses, including residential dwellinghouses and residential care accommodation.
- 6.9 As part of our recent marketing of other similar sized sites across South Yorkshire, strong market demand has been received from developers looking for sites to build C2 residential care accommodation. This includes offers received for a site off Badsley Moor Lane in East Dene. Based on discussions we have had with developers as part of our marketing, we believe that, if the Property was offered for sale, there would be market demand to acquire it for the development of C2 residential care accommodation.

- 6.10 In light of the above, it is considered that the future development of residential dwellinghouses on the Property is acceptable in principle given its allocation in the Barnsley Local Plan. This should be reflected by a premium on its EUV when calculating the benchmark land value.
- 6.11 Furthermore, in accordance with Policy H3 of the adopted Barnsley Local Plan, the development of C2 residential care accommodation on the Property as an 'alternative use' would also be considered acceptable in principle. As such, its AUV, based on the development of C2 residential care accommodation, should also be accounted for when determining the benchmark land value.
- 6.12 We have therefore had regard to the following sales land sale for in the surrounding area:
- Barnsley Road (East), Goldthorpe, Barnsley S63 9PJ

A circa 2.81 acre development site with a historic (expired) outline planning permission for residential development, located approximately 0.8 miles to the south west of the Property on the outskirts of Goldthorpe. Acquired by Hooper Homes in November 2019 without an implementable planning permission for £860k, equating to circa **£306k per gross acre**, with a currently undetermined application for full planning permission subsequently submitted in October 2020 for the development of 44 dwellings.
 - Southfield Crescent and Rectory Lane, Thurnscoe, S63 0RW

A circa 0.4 acre former local authority garages site, located approximately 0.9 miles to the north west of the Property. Acquired by Blackstone Developments Limited at auction in October 2019 with no planning permission for £172k, equating to circa **£430k per gross acre**, with a planning application for the development of 6 dwellings subsequently submitted in November 2019 and approved in January 2020.
 - Westfield Crescent, Thurnscoe, Barnsley S63 0PU

A circa 0.2 acre development site, approximately 1.1 miles to the north west of the Property. Acquired by Blackstone Developments Limited at auction in October 2019 with no planning permission for £172k, equating to circa **£334k per gross acre**, with a planning application for the development of 6 dwellings subsequently submitted in November 2019 and approved in January 2020.
 - Site of Former Nurses Home, Cemetery Road, Mexborough S64 9PN

A cleared site extending to circa 0.73 acres, located approximately 4 miles to the south of the Property in Mexborough. Acquired at auction in August 2018 with no planning permission for £310k, equating to circa **£425k per gross acre**, with a currently undetermined application for outline planning permission subsequently submitted in August 2019 for the development of 11 dwellings.
 - Ash Grove House, Ash Grove, South Elmsall, Pontefract, WF9 2TF

A circa 1.26 acre former care home site, located approximately 6.7 miles to the north of the Property in South Elmsall. Acquired by Cairnwell Estates in June 2018 with no planning permission for £535k, equating to circa **£425k per gross acre**, with a planning application for the development of a 30 bed care home and 4 no extra care units (C2) subsequently submitted in September 2018 and approved in May 2019.

- Howarth House, Brinsworth, Rotherham

We have recently complete the sale of this circa 1.4 acre site of a former care home, located circa 11 miles to the south west of the Property in Brinsworth. Acquired by Habbin Homes in August 2020 unconditionally with no planning permission for £450k, equating to circa **£321k per gross acre**, with a planning application expected to be submitted for residential development shortly.

- 6.13 The sales listed above show a range of values achieved for the sale of land with residential development potential ranging from £306k to £430k per acre. All of these sales were completed without planning permission, meaning the prices paid were discounted to reflect planning risk, as well as assume planning policy compliance in terms of affordable housing and Section 106 contributions. As such, they are considered to offer good evidence of the premium above EUV (i.e. benchmark land value) required to incentivise the release of land in and around Thurnscoe for residential development,
- 6.14 The Ash Grove House sale also provides specific evidence of land sold without planning permission for the development of C2 residential care accommodation, equating to circa £425k per gross acre. In addition, as noted above, we have received a number of offers for a similar sized site off Badsley Moor Lane in East Dene for the development of C2 residential care accommodation. Confidentially, the offers received are close to the middle of the range of values achieved for the sales listed above (£306k to £430k per acre).
- 6.15 The Badsley Moor Lane site offers and Ash Grove House sale are considered to provide good evidence of the likely AUV of the Property, which should be also be accounted for when determining the benchmark land value
- 6.16 Based on the above, our opinion of the benchmark land value the Property is £600,000. This equates to circa £221k per gross acre, which is a significant discount on all of the values achieved in the sales listed above, or £309k per net developable acre, which is also below all but one of these sales. It is therefore the minimum residual land value that must be met in order to incentivise release of the Property and the delivery of the 22 new residential dwellings proposed to meet local needs.

Appraisal Results

- 6.17 We undertook appraisals of the Proposed Development assuming 2 of the dwellings are provided as affordable rent, in line with discussions with Alison Dalton at Barnsley Council and Policy H7 of the adopted Barnsley Local Plan, to assess whether this is viable.
- 6.18 As the RLV was below the benchmark land value, we undertook a further appraisal of the proposed development assuming no affordable housing and another also assuming no other Section 106 contributions.
- 6.19 The summaries of these appraisals are attached at Appendix 2, with the results summarised in the table below.

Option	Residual Land Value	Benchmark Lane Value	Deficit
10% affordable housing & £181k Section 106 contributions	-£55,000	£600,000	£655,000
0% affordable housing & £181k Section 106 contributions	£29,000	£600,000	£571,000

Option	Residual Land Value	Benchmark Lane Value	Deficit
0% affordable housing & £0 Section 106 contributions	£209,000	£600,000	£391,000

Appraisal results

- 6.20 These results demonstrate that the residual land value of the appraisal with no affordable housing is also below the benchmark land value. Furthermore, even if no Section 106 contributions are included, the residual land value remains below the benchmark land value.
- 6.21 In light of the current disruption and uncertainty relating to Covid-19, we have also carried out a sensitivity analysis to consider the magnitude of change in sales values or build costs that would be required to exceed the benchmark land value. The results of our sensitivity analysis for our appraisal assuming no affordable housing or Section 106 contributions are attached at Appendix 2, with the summary table reproduced below.

Table of Land Cost and Gross Development Value

Construction: Rate pF					
Sales: Rate pF	-10.00 pF	-5.00 pF	0.00 pF	+5.00 pF	+10.00 pF
-10.00 pF	(£287,849) £2,751,230	(£192,836) £2,751,230	(£95,844) £2,751,230	£2,404 £2,751,230	£100,816 £2,751,230
-5.00 pF	(£342,405) £2,830,615	(£248,997) £2,830,615	(£152,871) £2,830,615	(£54,880) £2,830,615	£43,207 £2,830,615
0.00 pF	(£396,961) £2,910,000	(£303,582) £2,910,000	(£209,031) £2,910,000	(£112,163) £2,910,000	(£14,115) £2,910,000
+5.00 pF	(£451,517) £2,989,385	(£358,138) £2,989,385	(£264,759) £2,989,385	(£169,086) £2,989,385	(£71,398) £2,989,385
+10.00 pF	(£506,073) £3,068,770	(£412,694) £3,068,770	(£319,314) £3,068,770	(£225,227) £3,068,770	(£128,682) £3,068,770

Sensitivity Analysis : Assumptions for Calculation

Construction: Rate pF

Original Values are varied in Fixed Steps of £5.00

Heading	Phase	Rate	No. of Steps
2 & 3 Bed Bungalows Priv. (16)	1	£99.00	2 Up & Down
3 Bed Terraced Priv. (6)	1	£88.00	2 Up & Down

Sales: Rate pF

Original Values are varied in Fixed Steps of £5.00

Heading	Phase	Rate	No. of Steps
2 & 3 Bed Bungalows Priv. (16)	1	£197.90	2 Up & Down
3 Bed Terraced Priv. (6)	1	£151.85	2 Up & Down

- 6.22 This highlights that even with a £10 per sq. ft. increase in sales values and reduction in build costs, the residual land value / land cost (£506k) remains below benchmark land value.
- 6.23 A future increase in sale values and reduction in build costs may therefore narrow the gap between the residual land value and the benchmark land value. However, it is highly unlikely that the changes will be significant enough to make the provision affordable housing and other Section 106 contributions viable.
- 6.24 It is concluded therefore that in current market conditions, it is not commercially viable for the Proposed Development to provide affordable housing and other Section 106 contributions. However, the Proposed Development can be made commercially viable by removing the affordable housing and other Section 106 contributions, as well as the Applicant accepting a below benchmark land value.

7 Conclusion

- 7.1 The appraisals demonstrate that the financial viability of the Proposed Development of the Property is adversely impacted by the inclusion of affordable housing and other Section 106 contributions.
- 7.2 More specifically, the appraisals show the residual land value of the appraisal with and without affordable housing and other Section 106 contributions are below the minimum benchmark land value.
- 7.3 It is therefore concluded that the provision of affordable housing and other Section 106 contributions as part of the Proposed Development is not financially viable. However, the Proposed Development can be made commercially viable by removing the affordable housing and other Section 106 contributions, as well as the Applicant accepting a below benchmark land value.
- 7.4 In doing this, the Proposed Development will be able to provide additional bungalows and housing to help meet the needs of the local area.

Appendix 1 New Build Sales Evidence

Keepmoat Homes, Willow Heights, Thurnscoe, S63 0AW

2-3 bedroom homes Prices coming soon

<https://www.keepmoat.com/willow-heights-thurnscoe>

Willow Heights by Keepmoat Homes is an exciting development featuring a modern and spacious range of 129 new two and three bedroom homes and two bedroom detached bungalows.

Willow Heights is a well designed development, creating a new community featuring two green open spaces and a well equipped play area.

2017/1051 Erection of 129 dwellings (Phase 2), associated infrastructure and public open space (Full Consent). Residential Development (Phase 3) and associated infrastructure (Outline) - Hybrid Application. Land c
Road, Thurnscoe, Rotherham, S63 0PG Approved 7 March 2018

<https://www.applications.barnsley.gov.uk/PlanningExplorerMVC/Home/ApplicationDetails?planningApplicationNumber=2017%2F1051>

2019/0809 Reserved Matters Application for residential development of 360 dwellings (Phase 3) Land North of Lingamore Leys, Thurnscoe, Rotherham, S63 0PG Pending 11/11/2020

<https://www.applications.barnsley.gov.uk/PlanningExplorerMVC/Home/ApplicationDetails?planningApplicationNumber=2019%2F0809>

Address	Date Sold	Sold Price	New Build	Property Type	Est. beds.	Floor area sq	Price per s	Tenure	Type
40, Emerald Green Grove, Thurnscoe, Rotherham, South Yorkshire S63 0FA	27/02/2020	115995	Y	Semi-detached	2	646	£179.60	Freehold	Halstead
70, School Street, Thurnscoe, Rotherham, South Yorkshire S63 0AW	14/02/2020	140500	Y	Semi-detached	3	861	£163.16	Freehold	Windsor
66, School Street, Thurnscoe, Rotherham, South Yorkshire S63 0AW	13/02/2020	99000	Y	Semi-detached	2	646	£153.29	Freehold	Halstead
68, School Street, Thurnscoe, Rotherham, South Yorkshire S63 0AW	13/02/2020	99000	Y	Semi-detached	2	646	£153.29	Freehold	Halstead
64, School Street, Thurnscoe, Rotherham, South Yorkshire S63 0AW	13/02/2020	99000	Y	Semi-detached	2	646	£153.29	Freehold	Halstead
17, Blossom Way, Thurnscoe, Rotherham, South Yorkshire S63 0AS	19/12/2019	115995	Y	Semi-detached	2	646	£179.60	Freehold	Halstead
11, Blossom Way, Thurnscoe, Rotherham, South Yorkshire S63 0AS	18/12/2019	153995	Y	Semi-detached	3	1,055	£145.99	Freehold	Bamburgh
15, Blossom Way, Thurnscoe, Rotherham, South Yorkshire S63 0AS	13/12/2019	153995	Y	Semi-detached	3	1,055	£145.99	Freehold	Bamburgh
53, Emerald Green Grove, Thurnscoe, Rotherham, South Yorkshire S63 0FA	10/10/2019	110995	Y	Semi-detached	2	646	£171.86	Freehold	Halstead
51, Emerald Green Grove, Thurnscoe, Rotherham, South Yorkshire S63 0FA	03/10/2019	110995	Y	Semi-detached	2	646	£171.86	Freehold	Halstead
45, Emerald Green Grove, Thurnscoe, Rotherham, South Yorkshire S63 0FA	29/08/2019	109995	Y	Semi-detached	2	646	£170.31	Freehold	Halstead
39, Emerald Green Grove, Thurnscoe, Rotherham, South Yorkshire S63 0FA	29/08/2019	148995	Y	Semi-detached	3	1,055	£141.25	Freehold	Bamburgh
41, Emerald Green Grove, Thurnscoe, Rotherham, South Yorkshire S63 0FA	29/08/2019	148995	Y	Semi-detached	3	1,055	£141.25	Freehold	Bamburgh
43, Emerald Green Grove, Thurnscoe, Rotherham, South Yorkshire S63 0FA	29/08/2019	109995	Y	Semi-detached	2	646	£170.31	Freehold	Halstead
33, Emerald Green Grove, Thurnscoe, Rotherham, South Yorkshire S63 0FA	25/07/2019	108995	Y	Semi-detached	2	646	£168.77	Freehold	Halstead
31, Emerald Green Grove, Thurnscoe, Rotherham, South Yorkshire S63 0FA	25/07/2019	108995	Y	Semi-detached	2	646	£168.77	Freehold	Halstead
10, Emerald Green Grove, Thurnscoe, Rotherham, South Yorkshire S63 0FA	30/05/2019	104995	Y	Semi-detached	2	646	£162.57	Freehold	Halstead
8, Emerald Green Grove, Thurnscoe, Rotherham, South Yorkshire S63 0FA	30/05/2019	109995	Y	Semi-detached	2	646	£170.31	Freehold	Halstead
17, Newland Gardens, Thurnscoe, Rotherham, South Yorkshire S63 0FB	28/02/2019	139995	Y	Semi-detached	3	1,055	£132.71	Freehold	Bamburgh
15, Newland Gardens, Thurnscoe, Rotherham, South Yorkshire S63 0FB	28/02/2019	139995	Y	Semi-detached	3	1,055	£132.71	Freehold	Bamburgh
4, Newland Gardens, Thurnscoe, Barnsley, South Yorkshire S63 0FB	31/01/2019	137995	Y	Semi-detached	3	861	£160.25	Freehold	Windsor

Total sales	42	£5,594,325				35,349	£160.70
Average sales		£133,198				842	£158.26
Sales per month	3.23						

Type	No	Price Av.	Sq. Ft. Av.	Price PSF Av.
2 bed bungalows	2	£129,498	624	£207.42
2 bed semi detached houses	13	£107,996	646	£167.22
2 bed terraced houses	3	£100,332	646	£155.35
3 bed semi detached houses	8	£145,558	1,006	£144.63
3 bed detached houses	16	£154,120	982	£156.91

2017/1355 Erection of 1 block of 6 no. 2 bed apartments with associate car parking and communal areas. Car Park adjacent to No. 15 Westfield Crescent, Thurnscoe, Rotherham, S63 0PU Approved 30 November 2017

2016/0382 Erection of 4 no. dwellings Car Park adjacent 15 Westfield Crescent, Thurnscoe, Rotherham, S63 0PU Approved

Address	Date Sold	Sold Price	New Build	Property Type	Est. beds.	Floor area sq ft	Price per sq ft	Tenure	Floor
Apartment 5, 9, Westfield Crescent, Thurnscoe, Rotherham, South Yorkshire	11/05/2020	100000	Y	Flat		667	149.84	Leasehold	Ground
EPC shows all 6 apartments are 62 sq m									

House Crowd Developments, The Woodlands, Carrhead Lane, Bolton-upon-Dearne, Rotherham, S63 8DA

Gated development of 28 homes

4 bed detached & semi-detached homes

Finished in Yorkshire stone in a mature woodland setting

The Woodlands has been developed in a three-acre plot once occupied by a care home.

Its position and mature setting have created the opportunity for a private gated development with attractive grass and woodland areas containing oak, sycamore, beech and pear trees, amongst others.

The development offers views over the Dearne Valley.

Twenty-eight homes have been crafted; a mixture of detached and semi-detached properties with spacious family focused accommodation over two and three storeys.

<https://housecrowd-developments.com/development/the-woodlands/>

2016/0926 Demolition of existing building and erection of 28 no. dwellings with associated external works. Bolton Hall Nursing Home, Carr Head Lane, Bolton upon Dearne, Rotherham, S63 8DA

Approved 29 March 2017

Address	Date Sold	Sold Price	New Build	Property Type	Est. beds.	Floor area sq ft	Price per sq ft	Tenure
25, The Woodlands, Bolton Upon Dearne, Rotherham, South Yorkshire S63 8F	01/05/2020	220000	Y	Semi-detached		1367.02	160.93	Freehold
11, The Woodlands, Bolton Upon Dearne, Rotherham, South Yorkshire S63 8F	26/03/2020	214950	Y	Semi-detached		1367.02	157.24	Freehold
31, The Woodlands, Bolton Upon Dearne, Rotherham, South Yorkshire S63 8F	24/03/2020	227950	Y	Semi-detached		1506.95	151.27	Freehold
14, The Woodlands, Bolton Upon Dearne, Rotherham, South Yorkshire S63 8F	21/02/2020	210000	Y	Semi-detached		1367.02	153.62	Freehold
6, The Woodlands, Bolton Upon Dearne, Rotherham, South Yorkshire S63 8F	19/12/2019	209950	Y	Semi-detached		1377.78	152.38	Freehold
33, The Woodlands, Bolton Upon Dearne, Rotherham, South Yorkshire S63 8F	21/11/2019	245000	Y	Detached		1506.95	162.58	Freehold
22, The Woodlands, Bolton Upon Dearne, Rotherham, South Yorkshire S63 8F	19/11/2019	265000	Y	Detached		1227.08	215.96	Freehold
19, The Woodlands, Bolton Upon Dearne, Rotherham, South Yorkshire S63 8F	04/11/2019	215000	Y	Semi-detached		1377.78	156.05	Freehold
24, The Woodlands, Bolton Upon Dearne, Rotherham, South Yorkshire S63 8F	25/10/2019	245000	Y	Detached		1506.95	162.58	Freehold
18, The Woodlands, Bolton Upon Dearne, Rotherham, South Yorkshire S63 8F	18/10/2019	215000	Y	Semi-detached		1334.72	161.08	Freehold
21, The Woodlands, Bolton Upon Dearne, Rotherham, South Yorkshire S63 8F	16/08/2019	215000	Y	Semi-detached		1367.02	157.28	Freehold
2, The Woodlands, Bolton Upon Dearne, Rotherham, South Yorkshire S63 8F	13/08/2019	250000	Y	Detached		1205.56	207.37	Freehold
15, The Woodlands, Bolton Upon Dearne, Rotherham, South Yorkshire S63 8F	29/07/2019	214950	Y	Semi-detached		1367.02	157.24	Freehold
7, The Woodlands, Bolton Upon Dearne, Rotherham, South Yorkshire S63 8F	21/05/2019	250000	Y	Detached		1313.2	190.38	Freehold
16, The Woodlands, Bolton Upon Dearne, Rotherham, South Yorkshire S63 8F	15/03/2019	215000	Y	Semi-detached		1377.78	156.05	Freehold
9, The Woodlands, Bolton Upon Dearne, Rotherham, South Yorkshire S63 8F	31/01/2019	245000	Y	Detached		1280.9	191.27	Freehold
4, The Woodlands, Bolton Upon Dearne, Rotherham, South Yorkshire S63 8F	24/01/2019	250000	Y	Detached		1248.61	200.22	Freehold

Total sales	17	£3,907,800				23,099	£170.21
Average sales		£229,871				1,359	£169.17
Sales per month	1.13						

Gleeson, Barnburgh View, Barnburgh Lane, Goldthorpe, S63 9FL

2, 3 & 4 Bedroom Homes Prices from £126,995 Freehold

Welcome to Barnburgh View, a development of beautiful 2, 3 and 4 bedroom homes situated in the village of Goldthorpe.

Providing the perfect location to set up home in a thriving community, this unique development benefits from open views over farm and woodland.

With great transport links, Goldthorpe is ideal for those looking to commute to Doncaster, Rotherham and Barnsley.

<https://gleesonhomes.co.uk/developments/barnburgh-view/>

Address	Date Sold	Sold Price	New Build	Property Type	Est. beds.	Floor area sq ft	Price per sq ft	Tenure
29, West Moor Croft, Goldthorpe, Rotherham, South Yorkshire S63 9FJ	14/06/2019	176995	Y	Detached		1,044	169.52	Freehold
4, Pickhills Grove, Goldthorpe, Rotherham, South Yorkshire S63 9FP	03/05/2019	141495	Y	Detached		775	182.57	Freehold
27, West Moor Croft, Goldthorpe, Rotherham, South Yorkshire S63 9FJ	29/03/2019	129995	Y	Semi-detached		807	161.03	Freehold
25, West Moor Croft, Goldthorpe, Rotherham, South Yorkshire S63 9FJ	12/02/2019	117795	Y	Semi-detached		764	154.13	Freehold

Total sales	4	£566,280				3,391	£166.81
Average sales		£141,570				848	£167.01
Sales per month	1.00						

Appendix 2 Appraisal Summaries

BNP PARIBAS REAL ESTATE

Development Appraisal

Thurnscoe

22 Dwellings 10% Aff.

Report Date: 08 December 2020

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE**

Thurnscoe
22 Dwellings 10% Aff.

Summary Appraisal for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
2 & 3 Bed Bungalows Priv. (14)	14	9,192	196.37	128,929	1,805,000
2 & 3 Bed Bungalows Aff. (2)	2	1,647	103.22	85,000	170,000
3 Bed Terraced Priv. (6)	<u>6</u>	<u>5,038</u>	151.85	127,500	<u>765,000</u>
Totals	22	15,877			2,740,000

NET REALISATION**2,740,000****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)	(54,889)
Agent Fee	5,000
Legal Fees	5,000
	(44,889)

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
2 & 3 Bed Bungalows Priv. (14)	9,192 ft²	99.00 pf²	910,008	
2 & 3 Bed Bungalows Aff. (2)	1,647 ft²	99.00 pf²	163,053	
3 Bed Terraced Priv. (6)	<u>5,038 ft²</u>	88.00 pf²	<u>443,344</u>	
Totals	15,877 ft²		1,516,405	1,516,405
Externals		15.00%	227,461	
Contingency		5.00%	75,820	
S106			181,165	
				484,446

PROFESSIONAL FEES

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Thurnscoe****22 Dwellings 10% Aff.**

All Professional Fees	8.00%	126,465	126,465
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MARKETING & LETTING

Marketing	2.00%	51,400	51,400
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DISPOSAL FEES

Sales Agent Fee	1.00%	25,700	
Sales Legal Fee	22 un 500.00 /un	11,000	36,700

FINANCE

Debit Rate 6.500% Credit Rate 0.250% (Nominal)			
Land		(3,771)	
Construction		45,596	
Other		(77)	
Total Finance Cost			41,749

TOTAL COSTS**2,212,276****PROFIT****527,724****Performance Measures**

Profit on Cost%	23.85%
Profit on GDV%	19.26%
Profit on NDV%	19.26%
IRR	63.27%
Profit Erosion (finance rate 6.500%)	3 yrs 4 mths

BNP PARIBAS REAL ESTATE

Development Appraisal

Thurnscoe

22 Dwellings No Aff.

Report Date: 08 December 2020

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE**

Thurnscoe
22 Dwellings No Aff.

Summary Appraisal for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
2 & 3 Bed Bungalows Priv. (16)	16	10,839	197.90	134,063	2,145,000
3 Bed Terraced Priv. (6)	<u>6</u>	<u>5,038</u>	151.85	127,500	<u>765,000</u>
Totals	22	15,877			2,910,000

NET REALISATION**2,910,000****OUTLAY****ACQUISITION COSTS**

Residualised Price	29,047
Agent Fee	5,000
Legal Fees	5,000
	39,047

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost
2 & 3 Bed Bungalows Priv. (16)	10,839 ft ²	99.00 pf ²	1,073,061
3 Bed Terraced Priv. (6)	<u>5,038 ft²</u>	88.00 pf ²	<u>443,344</u>
Totals	15,877 ft²		1,516,405

1,516,405

Externals	15.00%	227,461
Contingency	5.00%	75,820
S106		181,165
		484,446

PROFESSIONAL FEES

All Professional Fees	8.00%	139,509
		139,509

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Thurnscoe****22 Dwellings No Aff.****MARKETING & LETTING**

Marketing	2.00%	58,200	58,200
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DISPOSAL FEES

Sales Agent Fee	1.00%	29,100	
Sales Legal Fee	22 un 500.00 /un	11,000	40,100

FINANCE

Debit Rate 6.500% Credit Rate 0.250% (Nominal)			
Land		3,508	
Construction		46,877	
Other		(93)	
Total Finance Cost			50,293

TOTAL COSTS**2,328,000****PROFIT****582,000****Performance Measures**

Profit on Cost%	25.00%
Profit on GDV%	20.00%
Profit on NDV%	20.00%
IRR	59.00%
Profit Erosion (finance rate 6.500%)	3 yrs 6 mths

BNP PARIBAS REAL ESTATE

Development Appraisal

Thurnscoe

22 Dwellings No Aff. or S106

Report Date: 08 December 2020

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE**

Thurnscoe
22 Dwellings No Aff. or S106

Summary Appraisal for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
2 & 3 Bed Bungalows Priv. (16)	16	10,839	197.90	134,063	2,145,000
3 Bed Terraced Priv. (6)	<u>6</u>	<u>5,038</u>	151.85	127,500	<u>765,000</u>
Totals	22	15,877			2,910,000

NET REALISATION **2,910,000**

OUTLAY**ACQUISITION COSTS**

Residualised Price	209,031
Stamp Duty	1,181
Agent Fee	5,000
Legal Fees	5,000
	220,212

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost
2 & 3 Bed Bungalows Priv. (16)	10,839 ft ²	99.00 pf ²	1,073,061
3 Bed Terraced Priv. (6)	<u>5,038 ft²</u>	88.00 pf ²	<u>443,344</u>
Totals	15,877 ft²		1,516,405

Externals	15.00%	227,461
Contingency	5.00%	75,820
		303,281

PROFESSIONAL FEES

All Professional Fees	8.00%	139,509
		139,509

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Thurnscoe****22 Dwellings No Aff. or S106****MARKETING & LETTING**

Marketing	2.00%	58,200	
			58,200

DISPOSAL FEES

Sales Agent Fee	1.00%	29,100	
Sales Legal Fee	22 un 500.00 /un	11,000	
			40,100

FINANCE

Debit Rate 6.500% Credit Rate 0.250% (Nominal)			
Land		19,016	
Construction		31,369	
Other		(93)	
Total Finance Cost			50,293

TOTAL COSTS**2,328,000****PROFIT****582,000****Performance Measures**

Profit on Cost%	25.00%
Profit on GDV%	20.00%
Profit on NDV%	20.00%
IRR	59.00%
Profit Erosion (finance rate 6.500%)	3 yrs 6 mths

BNP PARIBAS REAL ESTATE

Development Appraisal

Thurnscoe

22 Dwellings No Aff. or S106

Report Date: 08 December 2020

SENSITIVITY ANALYSIS REPORT**BNP PARIBAS REAL ESTATE**

Thurnscoe
22 Dwellings No Aff. or S106

Table of Land Cost and Gross Development Value

Construction: Rate pf²					
Sales: Rate pf²	-10.00 pf²	-5.00 pf²	0.00 pf²	+5.00 pf²	+10.00 pf²
-10.00 pf²	(£287,849) £2,751,230	(£192,836) £2,751,230	(£95,644) £2,751,230	£2,404 £2,751,230	£100,816 £2,751,230
-5.00 pf²	(£342,405) £2,830,615	(£248,997) £2,830,615	(£152,871) £2,830,615	(£54,880) £2,830,615	£43,207 £2,830,615
0.00 pf²	(£396,961) £2,910,000	(£303,582) £2,910,000	(£209,031) £2,910,000	(£112,163) £2,910,000	(£14,115) £2,910,000
+5.00 pf²	(£451,517) £2,989,385	(£358,138) £2,989,385	(£264,759) £2,989,385	(£169,066) £2,989,385	(£71,398) £2,989,385
+10.00 pf²	(£506,073) £3,068,770	(£412,694) £3,068,770	(£319,314) £3,068,770	(£225,227) £3,068,770	(£128,682) £3,068,770

Sensitivity Analysis : Assumptions for Calculation**Construction: Rate pf²**

Original Values are varied in Fixed Steps of £5.00

Heading	Phase	Rate	No. of Steps
2 & 3 Bed Bungalows Priv. (16)	1	£99.00	2 Up & Down
3 Bed Terraced Priv. (6)	1	£88.00	2 Up & Down

Sales: Rate pf²

Original Values are varied in Fixed Steps of £5.00

Heading	Phase	Rate	No. of Steps
2 & 3 Bed Bungalows Priv. (16)	1	£197.90	2 Up & Down
3 Bed Terraced Priv. (6)	1	£151.85	2 Up & Down