Independent Viability Experts

CP Viability Ltd

FAO Ms Jessica Duffield
Senior Planning Officer
Barnsley Council

Sent by email only

Our ref: DN-1450
Your ref: 2025/0122
Date: 24th June 2026

Dear Ms Duffield,

PROPERTY ADDRESS: Land south of Barugh Green Road Barugh Green Barnsley S75 1JY
INSTRUCTING BODY: Barnsley Council
APPLICANT: Avant Homes

Further to our initial viability report dated 22nd October 2025 and our initial rebuttal response dated 13th May 2026. This further addendum should be read alongside our original report and our May rebuttal response.

1. Background

1.1. The site is comprised of undeveloped greenfield land. We understand that this extends to 4.8 Ha (11.95 acres) on a gross basis.

1.2. The current planning application is: **2025/0122** - *"Erection of 149 dwellings including associated access, drainage and landscaping works"*

1.3. Acting for the applicant, Bespoke Property Consultants ("BPC") undertook a viability review of the scheme in Nov 2025. BPC concluded that "*…the development does not generate a surplus over the Benchmark Land Value to fund affordable housing on site*".

1.4. Acting as an independent assessor on the instruction of the Council, we undertook a viability review of the scheme on 19th February 2026. We concluded that the scheme was viable with 26 (17.45%) onsite affordable housing and S106 contributions of £1,801,207. We reached a different conclusion to BPC owing to the following differences between the respective appraisals:

Input	BPC appraisal	CPV appraisal
Plot construction	£14,560,566	£14,802,475
BNG	£110,000	£104,000
Building Regs	£983,400	£372,500
Contingency	£1,089,750	£528,214
Abnormals	£3,849,155	£2,825,131
Professional fees	£1,743,601	£1,123,775
Disposal inc legals	£1,291,243	£1,009,797
Debit interest	£893,494	£1,788,113
Developer profit	20% MV	18.03% MV / 6% AH
Benchmark land value	£1,707,018	£1,434,267

1.5. Please note, the abnormal costs allowance adopted in our model was based on 3rd party independent quantity surveyor advice, undertaken by Hainstone on 17th February 2026.

1.6. BPC submitted a rebuttal to our appraisal (received on 8th April 2026). We responded on 13th May 2026, commenting specifically on affordable housing revenue, benchmark land value, contingency, abnormal costs, professional fees, disposal fees, finance, profit and development programme. Hainstone provided updated costs, which we inputted into our appraisal. we were not persuaded to adjust our other appraisal assumptions. Our updated appraisal showed the scheme to be viable with:

- 24 (16.11%) onsite affordable, split as 17 rented and 7 intermediate
- S106 contributions £1,801,207

1.7. On 11th June 2026 we received further rebuttal comments from BPC (again acting for the applicant). The purpose of this latest addendum is to provide a response to BPC's rebuttal comments.

1.8. For ease, we have followed the order as set out in BPC's latest rebuttal.

2. Affordable Housing

2.1. BPC have agreed to increase the rented affordable revenue from 45% of market value to 50% of market value. This is now an agreed position.

3. Contingency

3.1. BPC's maintain that a 5% allowance is appropriate. We continue to disagree and maintain that 3% is a reasonable allowance in the context of a viability appraisal. No agreement has therefore been reached on this point.

4. Abnormal costs

4.1. BPC indicate that they have accepted Hainstone's suggested adjustment for the "Earthworks: disposal sub-soil: inert material". However, for the "Earthworks: turnover top 3m of made ground" and "Drainage: SUDS basin, swales etc" they have retained their positions. We have reverted to Hainstone's advice dated 13th May 2026 and maintained the adjusted abnormal costs in the appraisal.

4.2. With regards to Future Homes Standard, BPC's original appraisal included an allowance equivalent to £6,600 per dwelling (total of £983,400). Hainstone originally advised that the total costs should equate to £372,500 (£2,500 per dwelling). No adjustment was applied in their May 26 advice.

4.3. In their latest comments, BPC refer to the Government's consultation document from 2023 and state that in that document it referred to a figure of £6,200 per dwelling and apply inflation to this, suggesting this supports their allowance. Reference is also made to 3rd party quantity surveyor advice, which suggests a higher allowance of circa £7,160 per dwelling.

4.4. A key concern in our considerations is the assumption that the 'cost' of the Future Home Standard is simply a cost which will not have any impact on value. Adopting BPC's approach, there is a cost applied to the Future Homes Standard, but with no upward adjustment in the corresponding values of the dwellings. This is contrary to the Government's 2023 consultation, which recognised that part / all of the costs associated with the standard are likely to be recovered through upward adjustments in dwelling values. This, in our view, is logical because the standards will result in dwellings being significantly more energy efficient. For illustration, if there are 2 identical dwellings next to one another, but one is significantly more energy efficient, so has lower energy bills, this would be more attractive to buyers and subsequently would attract a higher price. BPC's current approach is to apply non-Future Homes Standard values but include the full cost of Future Homes Standard. We consider that this significantly underplays the reality of the impact that Future Homs Standard will have on house pricing (put simply, when seeking mortgages buyers will be able to cite lower energy bills, which means they can borrow more money and ultimately pay higher prices for the dwellings).

4.5. That said, we are conscious that, in 2026, the approach of applying £2,500 per dwelling to cover Future Homes Standards in viability testing has been applied to other schemes in Barnsley in 2026 (for example Keresforth Rd, Dodworth 2022/0016).

4.6. In our view, for the reasons discussed above, we consider a 'cost' of £2,500 per dwelling to be a reasonable allowance for the purposes of the viability testing, within the context of non-Future Homes Standard values (which has been applied to the modelling). We are not therefore persuaded to change the approach in our assessment.

5. Professional fees

5.1. BPC have accepted our suggested allowance of 6.06%. This is now an agreed position.

6. Profit on GDV

6.1. BPC maintain that a 20% profit margin is required, whereas our last model adopted 18.03% on revenue.

6.2. We would make the point that, even if we accepted all of BPC's appraisal assumptions, the scheme would not generate a profit at 20% on revenue. The fact that this is still being pursued as a project demonstrates that the applicant is willing / able to bring this forward at a profit *below* 20% on revenue. To try to argue that 20% is the minimum requirement does not therefore reflect the reality of their own appraisal.

6.3. We are not persuaded to adjust our position and maintain that 18.03% on revenue is reasonable (and falls within the 15% to 20% range advocated in the viability guidance).

7. Conclusions

7.1. We are not persuaded to adjust any of our allowances, as set out in our May 26 rebuttal response. Our position therefore remains unchanged from May 26; we consider the scheme to be viable on the basis of 24 (16.11%) onsite affordable units, provided as 17 rented and 7 intermediate, plus S106 contributions totalling £1,801,207.