

19 February 2013

FAO: Bo Khan

Sevenhills Estates
Hudson House
9 Newbound Lane
Broomhill
Sheffield
S10 2PJ

Dear Sirs

Darfield, Barnsley – Development Appraisal to Build 32 Dwellings

Please see enclosed the development appraisal to build 32 Dwellings on land off Snape Hill Road and Havelock Street, Darfield Barnsley.

In considering this development appraisal Ref DAR19022013, dated 19 February 2013, it is our considered opinion that development is clearly not economically viable, making a financial loss of approximately £139,000 (-4.80%).

We would suggest that you discuss with the Local Planning Authority as to whether they would allow for the s106 planning obligations to be renegotiated in order to make the development economically viable.

If the Local Planning Authority were to further consider this approach, we believe that it would be possible to demonstrate that the development can proceed if the obligations are removed.

Yours faithfully



Tan Khan
Regional Director

tan.khan@monaghans.co.uk

Enc: Development Appraisal

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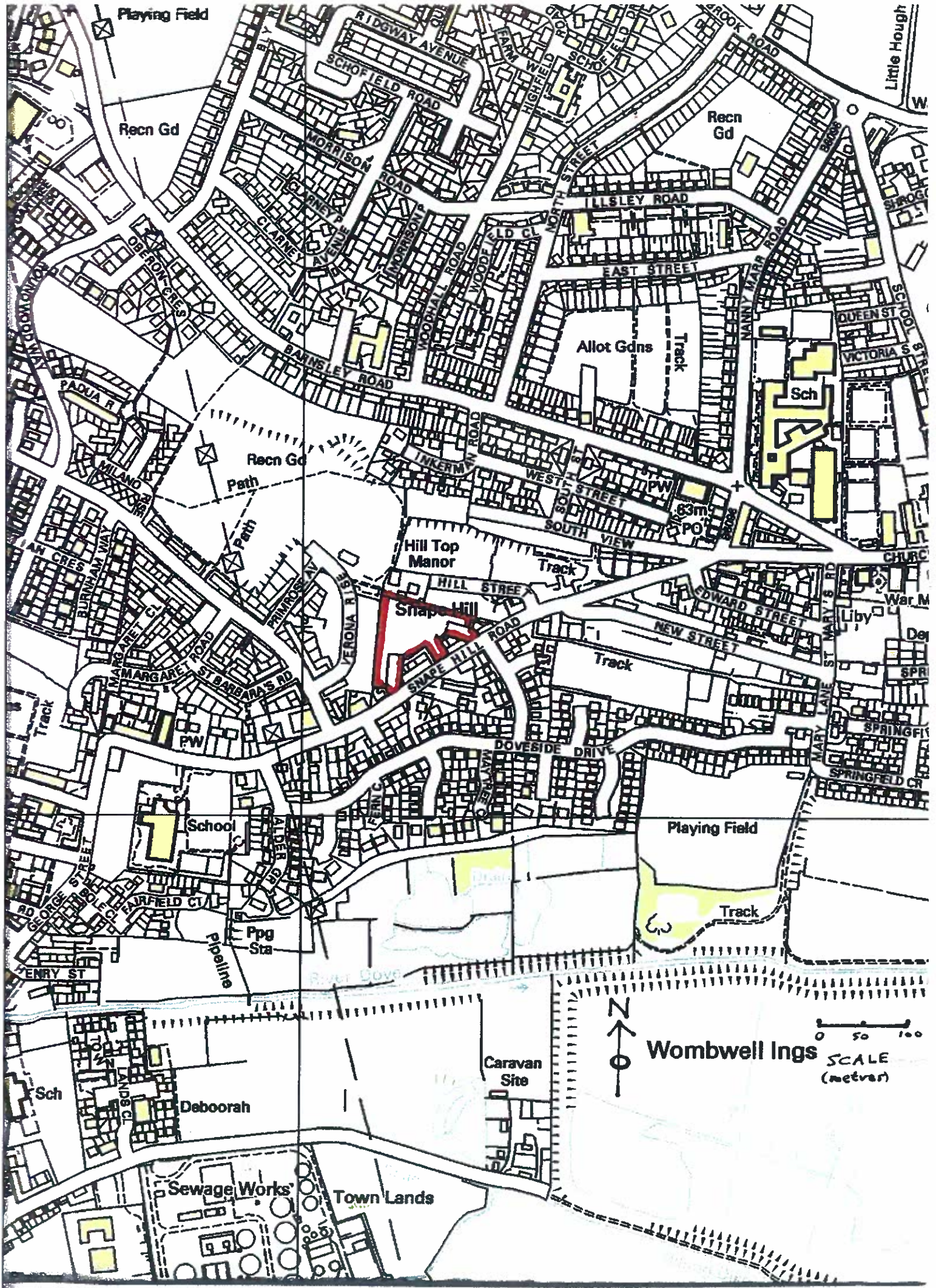
Sevenhills Estates Ltd

LAND AT HAVELOCK STREET, OFF SNAPE HILL ROAD, DARFIELD, BARNSLEY S73 2012/0256

Application for removal or variation of condition(s) following the grant of planning permission

List of Supporting documents

1. Site Plan of scheme
2. Statement explaining proposed removal of conditions
3. Letter from Monaghans regarding valuation
4. Development appraisal
5. Sales valuation 1
6. Sales valuation 1 – email
7. Sales valuation 2
8. OS Map of locale, scale 1:5000
9. List of Supporting documents



Playing Field

Recn Gd

Recn Gd

Allot Gdns

Sch

Recn Gd

Path

Hill Top Manor

Snake Hill

School

Playing Field

Ppg Sta

Track

Caravan Site

Sewage Works

Town Lands

Wombwell Ings

0 50 100
SCALE
(metres)

PLOT	BEDROOMS	DESCRIPTION	SQ.FT	PRICE	£/SQ.FT
1 - Type J	2	Semi detached house	710	90,000	126
2 - Type J	2	Semi Detached House	710	90,000	126
3 - Type C	2	Apartments	701 - 748	70 - 75,000	99 - 100
4 - Type C	2	Apartments	701 - 748	70 - 75,000	99 - 100
5 - Type C	2	Apartments	701 - 748	70 - 75,000	99 - 100
6 - Type C	2	Apartments	701 - 748	70 -75,000	99 - 100
7 - Type D	2	Town House	630	85,000	134
8 - Type D	2	Town House	630	85,000	134
9 - Type D	2	Town House	630	85,000	134
10 - Type D	2	Town House	630	85,000	134
11 - Type J	2	Town House	918	100,000	108
12 - Type J	2	Town House	918	100,000	108
13 - Type J	2	Town House	918	100,000	108
14 - Type J	2	Town House	918	100,000	108
15 - Type J	2	Town House	918	100,000	108
16 -Type J	2	Town House	918	100,000	108
17 -Type J	2	Town House	918	100,000	108
18 - Type J	2	Town House	918	100,000	108
19 -Type J	2	Town House	918	100,000	108
20 - Type J	2	Town House	918	100,000	108
21 - Type J	2	Town House (larger plot size)	918	100,000	108
22 -Type D	2	Town House	630	85,000	134
23 - Type D	2	Town House	630	85,000	134
24 - Type D	2	Town House	630	85,000	134
25 -Type D	2	Town House	630	85,000	134
26 - Type F	4	Town House	1026	120,000	116
27 - Type F	4	Town House	1026	120,000	116
28 - Type F	4	Town House	1026	120,000	116
29 - Type D	2	Semi Detached House	630	90,000	142
30 - Type D	2	Semi Detached House	630	90,000	142
31 - Type H	2	Semi Detached House	630	90,000	142
32- Type G	3	Semi Detached House	995	115,000	115
TOTAL			24,425 - 25,513	2.985,000 - 3.005,000	122 -117

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Statement explaining proposed removal of conditions

An independent valuation of the viability of the site has been undertaken by the highly experienced and respected cost consultants, Monaghans (please see attached). As their development appraisal shows, the inclusion of these three conditions pushes the scheme into the red, and thus renders it unviable. With these conditions removed, the development stands to make a profit of 3%, which is very small but it gives the scheme a chance of getting built. It is still marginal, and any figure lower than that would simply not be worth the risk.

The spreadsheet identifies the conditions as 'section 106 contributions', although they are not actually part of a 106 agreement in this case. The estimated cost of each is given below:

Condition 10

At least 15% of the energy supply from renewable or low-carbon energy sources

This would typically be achieved through solar panels. The cost of pv cells, cylinder and controls, and fitting would be in the order of £2,500 per unit, which totals £80,000 across 32 units.

Condition 12

Provision of 15% affordable housing

This would equate to five units. Discussions with an RSL via the Council's Affordable Housing Officer indicate that the preference is for houses rather than apartments, and assessed as 4 x 2-bed houses and 1 x 3-bed house. These would need to be supplied at a discount on market value, estimated at £22,000 per unit, which totals £110,000. (A similar figure would result if off-site provision were to be negotiated).

Condition 13

Provision of or enhancement to off-site public open space

Under SPG20 this would be £1,102 for each 2-bed dwelling, and £1,322 for each 3-bed dwelling. In this scheme there are 28 and 4 such units respectively, giving a total contribution of £36,144. If the new SPG were applied, this figure would increase by around 25%.

Sales Evaluations are from figures supplied by Sequence Homes (Wm Brown) and Sorbys (please see attached).