

Addendum - Economic Viability Assessment

Land at Wakefield Road, Smithies, Barnsley

Prepared for: Gleeson Regeneration

Private and Confidential

1. Addendum to EVA dated April 2022

Following on from our initial assessment in April 2022, we have now had chance to review the amended scheme (attached in Appendix A) and the new information provided by the Applicant. Please note, this must be read in accordance with the original report.

To summarise, the following areas have been amended within the appraisal and we have reviewed the scheme as per the market conditions in April in order to provide a 'like for like' comparison between the two schemes.

We have therefore not updated any figures to accommodate recent changes in market conditions, namely sales revenues or build costs.

- **Site Layout** – There has been a slight decrease in total sqft to 182,025 sqft as a result in a change to some of the house types to accommodate the layout revisions. The has also included a house type mix change.
- **Planning Gain** – Based on the revised scheme, there has been an increase in Education and Heritage contributions. Off-site recreation remains the same.
- **Abnormals** – There has been an increase in the abnormal cost estimates.

As a result of the above changes, the below table outlines the resultant impact on the appraisal (attached for reference).

Inputs	JLL April Assumptions	JLL December Assumptions	Difference
Net Sales Area (NSA)	187,190 sqft	182,025 sqft	-5,165 sqft
No. 2 Bed's	26	105	+79
No. 3 Bed's	129	106	-23
No. 4 Bed's	47	14	-33
Unit Numbers	202	225	+23
Residual land value	£635,438	£204,945	-£430,493
Gross Development Value (GDV)	£37,134,500	£36,737,000	-£397,500
Build cost	£20,143,516	£19,587,710	-£555,806
Build cost contingency (3%)	£604,305	£587,631	-£16,674
Abnormal Development Costs	£4,531,666	£4,873,706	£342,040
Planning Gain	£1,370,237	£1,776,104	£405,867
Professional fees (6%)	£1,208,611	£1,175,263	-£33,348
Finance (6%)	£142,514	£145,545	£3,031
Developers profit (Blended)	£7,227,035	£7,113,330	-£119,705

Summary

To summarise, we have taken into account the new information provided, and have reviewed our appraisal accordingly.

The purpose of this assessment is to test the financial viability of the proposed development, taking into account the policy requirements set by the Council as well as national planning policy guidance.

We have previously outlined **the scheme is unable to deliver 10% affordable housing, and all planning gain whilst meeting the BLV threshold.**

We have provided (Appendix B) an appraisal which demonstrates that the site is less viable now than originally assessed. The site is now delivering a land value £430,493 **less** than the original scheme we appraised.

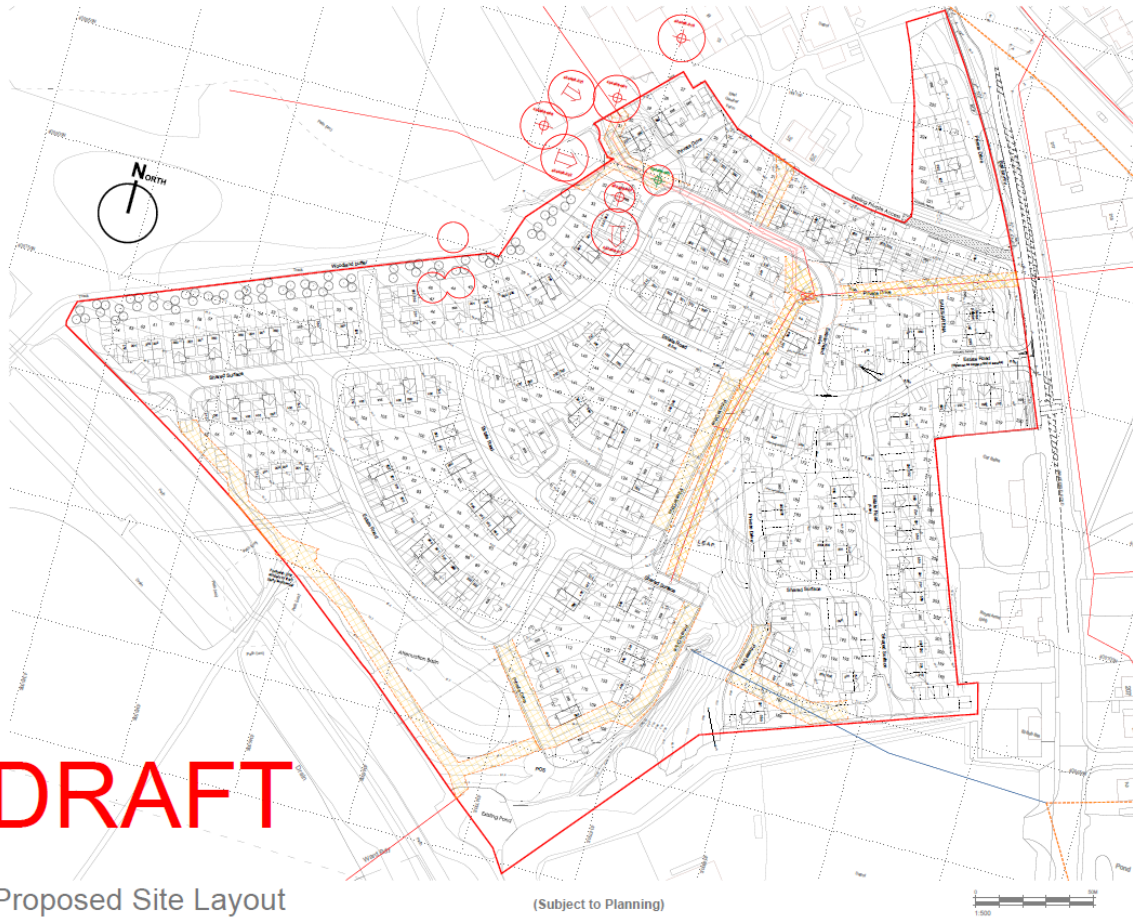
This FVA has demonstrated that the full planning obligations identified by the Council **can not** viably be offered on a residential development of this nature.

We have demonstrated that 0 affordable housing can viably be delivered by this site, together with the planning gain.

The commercial decision upon whether to proceed with any development (subject to planning) will be at the discretion of the Applicant.

Appendix A

Wakefield Road, Athersley, Smithies, Barnsley



HouseType:	Qty:	No:
201 Core	38	255
202 Core	28	225
212 Mayfield	38	255
350 Gln	38	255
351 Cranford	38	255
352 Maple	38	255
354 Stride	38	255
359 Ciltson	38	255
360 Millford	38	255
401 Langford	48	255
403 Canford	48	255
436 Broasce	48	255
Total:	256	

Rev	By	Note	Date
DRAFT	0	Site	10/11/22
	1	Layout redraw following LA Planning committee and Design team meeting 20/10/22	20/10/22
	2	House added to the schedule and drainage arrangements	20/10/22
	3	Paths included along northwestern boundary. Approval being asked to include this on detailed flood risk response to report	25/06/22
	4	Easements clarified. Path added	25/06/22

PRA Architecture
 81 The Leazes, Leazes Road, Park, 1010 0BAH, 01949 02770
 Leeds@pra-architecture.com | www.pra-architecture.com

PROJECT: Smithies, Barnsley
 TITLE: Proposed Site Layout
 CLIENT: Gleeson
 DATE: 01/11/21 SCALE: 1:500@A0
 DRAWING: 028/08 REVISION: 0
 DRAWN: 011 CHECKED: 011

We will endeavour to be fully responsive to your enquiries. The drawing and any design elements are the copyright of PRA Architecture Ltd.

DRAFT

Proposed Site Layout

(Subject to Planning)

Appendix B

APPRAISAL SUMMARY

LICENSED COPY

Wakefield Road, Smithies - Gleeson Regeneration

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
2 Bed - Private Dwellings	82	54,322	215.88	142,888	11,715,000
3 Bed - Private Dwellings	106	97,539	204.30	187,995	19,927,500
4 Bed - Private Dwellings	14	15,191	198.97	215,893	3,022,500
2 Bed - Affordable Dwellings - AR	18	11,718	129.03	84,000	1,512,000
2 Bed - Affordable Dwellings - SO	5	<u>3,255</u>	172.04	112,000	<u>560,000</u>
Totals	225	182,025			36,737,000

NET REALISATION

36,737,000

OUTLAY

ACQUISITION COSTS

Residualised Price (19.18 Acres @ 10,685.34 /Acre)		204,945		204,945
Stamp Duty		631		
Effective Stamp Duty Rate	0.31%			
Agent Fee	1.00%	2,049		
Legal Fee	0.50%	1,025		
				3,708

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost
2 Bed - Private Dwellings	54,322	107.61	5,845,590
3 Bed - Private Dwellings	97,539	107.61	10,496,172
4 Bed - Private Dwellings	15,191	107.61	1,634,704
2 Bed - Affordable Dwellings - AR	11,718	107.61	1,260,974
2 Bed - Affordable Dwellings - SO	<u>3,255</u>	107.61	<u>350,271</u>
Totals	182,025 ft²		19,587,710
Contingency		3.00%	587,631
Abnormal Development Costs			4,873,706
Abnormal Development Contingency		5.00%	243,885
Education Contribution			1,363,500
Heritage Contribution			229,745
Off Site Recreation			172,859
			27,058,837

PROFESSIONAL FEES

Professional Fees	6.00%	1,175,263		1,175,263
-------------------	-------	-----------	--	-----------

MARKETING & LETTING

Marketing	1.50%	519,975		519,975
-----------	-------	---------	--	---------

DISPOSAL FEES

Sales Agent Fee		1.00%	346,650	
Sales Legal Fee	225 un	750.00 /un	168,750	
				515,400

TOTAL COSTS BEFORE FINANCE

29,478,125

FINANCE

Debit Rate 6.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				145,545

TOTAL COSTS

29,623,670

PROFIT

7,113,330

Wakefield Road, Smithies - Gleeson Regeneration**Performance Measures**

Profit on Cost%	24.01%
Profit on GDV%	19.38%
Profit on NDV%	19.38%
IRR% (without Interest)	51.52%
Profit Erosion (finance rate 6.000)	3 yrs 7 mths
Land Cost pAcre	10,885

JLL City Point

Leeds
LS1 2HL

Brad Harris

Associate Director

brad.harris@eu.jll.com

About JLL

JLL (NYSE: JLL) is a leading professional services firm that specializes in real estate and investment management. JLL shapes the future of real estate for a better world by using the most advanced technology to create rewarding opportunities, amazing spaces and sustainable real estate solutions for our clients, our people and our communities. JLL is a Fortune 500 company with annual revenue of \$16.6 billion, operations in over 80 countries and a global workforce of operations in over 80 countries and a global workforce of more than 91,000 as of December 31, 2020. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated. For further information, visit jll.com.

About JLL Research

JLL's research team delivers intelligence, analysis and insight through market-leading reports and services that illuminate today's commercial real estate dynamics and identify tomorrow's challenges and opportunities. Our more than 400 global research professionals track and analyse economic and property trends and forecast future conditions in over 60 countries, producing unrivalled local and global perspectives. Our research and expertise, fuelled by real-time information and innovative thinking around the world, creates a competitive advantage for our clients and drives successful strategies and optimal real estate decisions.

jll.co.uk

Jones Lang LaSalle

©2021 Jones Lang LaSalle IP, Inc. All rights reserved. The information contained in this document has been compiled from sources believed to be reliable. Neither Jones Lang LaSalle nor any of its affiliates accept any liability or responsibility for the accuracy or completeness of the information contained herein. And no reliance should be placed on the information contained in this document.