BNP PARIBAS REAL ESTATE | Real Estate for a changing world

Financial Viability Assessment

Site off Grove Street, Barnsley

Prepared for

BAPP Management Company Limited

FOI Exemption Section 41 & 43 (2) Private and Confidential

March 2015

Contents

1	Introduction	3
2	Background and Description	5
3	Methodology	6
4	Appraisal Assumptions	7
5	Appraisal Assessment	13
6	Conclusion	17

Appendices

Appendix 1 Residential Sales Value Evidence	18
Appendix 2 Appraisal Summaries	19

BNP Paribas Real Estate
1st Floor, Fountain Precinct, Balm Green
Sheffield, S1 2JA

Telephone: 0114 263 9210
Email: alex.willis@bnpparibas.com
Web: realestate.bnpparibas.co.uk

1 Introduction

1.1 BNP Paribas Real Estate has been commissioned by BAPP Management Company Ltd to prepare a Financial Viability Assessment of their proposed development of the site off Grove Street in Barnsley ("the proposed development"). Our terms of reference are summarised as follows:

- Assess the Residual Land Value ("RLV") of the proposed development by way of a development appraisal.
- Using the outputs of the appraisal, consider an appropriate and economically viable affordable housing package in line with Barnsley Council's affordable housing policy as set out within Policy CSP15 of the adopted Core Strategy, as well as the viability of the development of the public green space and retention of the existing two storey building as required by a covenant from the 2007 sale of the western half of the site.
- Prepare a Financial Viability Assessment report to present the findings.

BNP Paribas Real Estate

1.2 BNP Paribas Real Estate is a leading firm of chartered surveyors, town planning and international property consultants. The practice offers an integrated service from fourteen offices within the United Kingdom and over sixty offices in key commercial centres in Europe, the United States of America and the Asian and Pacific regions.

1.3 BNP Paribas Real Estate has a wide ranging client base, acting for international companies and individuals, banks and financial institutions, private companies, public sector corporations, government departments, local authorities and registered social landlords.

1.4 The full range of property services includes:

- Planning and development 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.

1.5 The Viability Consulting team of BNP Paribas Real Estate advises landowners, developers, local authorities and registered social landlords ("RSLs") on the provision of affordable housing.

1.6 The firm therefore has extensive experience of advising landowners, developers, local authorities and RSLs on the value of affordable housing and economically and socially sustainable residential developments.

1.7 This report has been prepared by Alex Willis MA MRICS and David Couch MA MRICS, both RICS Registered Valuers who work in the Sheffield office.

Report structure

1.8 This report is structured as follows:

Section 2 provides background and a description of the site and the proposed development;

Section 3 describes our methodology and approach to determining the RLV generated by the proposed development;

Section 4 sets out our assumptions and variables used to complete the appraisals;

Section 5 assesses the outputs of the appraisals; and

Section 6 sets out our conclusions.

Disclaimer

1.9 The contents of this report do not constitute a valuation, in accordance with Valuation Standards 1.1 of the RICS Global and UK Valuation Standards (March 2012), and should not be relied upon as such. This report is addressed to the Applicant only and its contents should not be reproduced in part or in full without our prior consent.

Confidentiality

1.10 The inputs and results of this report are commercially sensitive and are provided to Barnsley Council ("the Council") on a confidential basis. Accordingly, it is requested that this document is excluded from the Freedom of Information Act under Sections 41 and 43(2) and must not be disclosed to any third party.

2 Background and Description

2.1 The site is located circa 0.5 mile to the east of Barnsley town centre, immediately west of Grove Street and Oakwell football stadium. It is bounded by terraced housing on Belgrave Road to the north, Grasmere Road to the south and Thirlmere Road to west.

2.2 The site comprises two stone built former school buildings and associated hard standing and extends to circa 0.45 hectares (1.12 acres) in area. The single storey building fronting Grove Street has a Gross Internal Area (GIA) of circa 700 sq. m. (7,535 sq. ft.), with the two storey building to the rear having a GIA of circa 1,658 sq. m. (17,847 sq. ft.).

History

2.3 The two storey building at the site was previously granted planning permission for conversion to 24 apartments as set out in the table below. The company who purchased this building and the western part of the site in 2007 was subsequently placed into receivership following financial default.

2.4 This permission has not been implemented and has now expired. However, a covenant from the 2007 sale of the western half of the site to which the apartment conversion permission relates requires the retention of this building and the development of part of the site as public green space extending to circa 750 sq. m. (8,073 sq. ft.). Accordingly, the viability of the conversion of the building and the development of the open space are also considered in this report.

2.5 The table below sets out the previously approved schedule of accommodation for the conversion.

Unit Type	No.	Av. Area (sq ft)
1 Bed Apartment (Ground Floor)	13	415
1 Bed Apartment (First Floor)	5	429
2 Bed Apartment (First Floor)	6	645
Overall	**24**	**476**

Proposed Residential Development

2.6 The proposed residential development comprises 32 no. 2 and 3 bedroom terraced and semi-detached houses comprising a total floor area of 2,765 sq. m. (29,766 sq. ft.), with associated private garden space, off street parking and landscaping. However, this does not include the development of public green space which, as set out above, is required by a covenant from the 2007 sale of the western half of the site.

2.7 The table below sets out the proposed schedule of accommodation.

Unit Type	No.	Av. Area (sq ft)
2 bed terrace	11	753
3 bed terrace	12	1,023
3 bed semi-detached	9	1,023
Overall	**32**	**930**

3 Methodology

3.1 We have used *Argus Developer* ("Argus") to appraise the development proposal. 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 valuations. Further details can be accessed at www.argussoftware.com.

3.2 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 we include profit as a development cost.

3.3 The difference between the total development value and total costs equates to the residual land value ("RLV"). 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.

3.4 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.

3.5 In order to assess whether a development scheme can be regarded as being economically viable it is necessary to compare the RLV that is produced with a benchmark land value. If the proposed development generates a RLV that is significantly higher than the benchmark it can be regarded as being economically viable and therefore capable of providing additional affordable housing. However, if the proposed development generates a RLV that is lower than the benchmark it should be deemed economically unviable and the quantum of affordable housing should be reduced until viability is achieved.

4 Appraisal Assumptions

4.1 This section of the report sets out the general principles and assumptions which have been used to undertake a development appraisal of the scheme.

Private Residential Sales Values

4.2 Land Registry data for all residential sales in Barnsley indicates a significant fall of approximately 25% in average residential sale values from the January 2008 peak (£114,488) to the most up to date data available at January 2015 (£86,142). The January 2015 value is also 3% down on the 2014 high in April (£88,915).

4.3 In order to come to a view on private residential sales values to be used in the appraisals, regard must be had to recent sales in the more immediate area surrounding the site. Land registry data demonstrates that average residential resale values between February 2014 and October 2014 within 0.5 miles of the site (using post code S71 1ES) are as set out in the table below.

Property Type	No of Sales	Av. Sale Price	High Sale Price	Low Sale Price
Flat	4	£56,113	£73,000	£32,000
Terraced	36	£66,662	£152,000	£27,000
Semi-Detached	6	£82,250	£125,000	£36,000
Detached	3	£114,665	£124,995	£107,000
Overall	**49**	**£70,649**	**£152,000**	**£27,000**

Property Type	No of Sales	Av. Sale Price	High Sale Price	Low Sale Price
1 bedroom	1	£54,950	£54,950	£54,950
2 bedrooms	17	£57,059	£80,000	£27,000
3 bedrooms	14	£79,060	£125,000	£35,500
4 bedrooms	1	£140,000	£140,000	£140,000
5 bedrooms	1	£59,000	£59,000	£59,000
Unknown	15	£75,400	£152,000	£27,000
Overall	**49**	**£70,649**	**£152,000**	**£27,000**

Residential Sales within 1/2 mile of S71 1ES within the Last Year (Source Rightmove)

4.4 It should also be noted that these average sale prices are considerably below the average for the wider Barnsley area as shown in the table below.

Property Type	Av. Sale Price within 1/2 mile of S71 1ES	Av. Sale Price within Barnsley	%age Difference
Terraced	£66,662	£87,791	-24%
Semi-Detached	£82,250	£106,527	-23%
Detached	£114,665	£192,133	-40%
Overall	**£70,649**	**£139,143**	-49%

4.5 Furthermore, the site is located within the S71 post code district and according to Zoopla, average sale values within this area are as follows:

- Flats - £138 per sq. ft.

- Terraced - £90 per sq. ft.
- Semi-detached - £118 per sq. ft.
- Detached - £133 per sq. ft.

4.6 Due to the premium typically achieved for new build housing when compared to similar sized resale housing, consideration has been given to new build houses for sale in the surrounding area. The most comparable of these is the Oakwell View development located circa 300 metres to the south east of the site, fronting Pontefract Road. Current availability and previous sales are set out below:

- **For Sale**

  8 no. three bedroom new build terraced houses for sale from £115,000 to £125,000

  1 no. two bedroom flat for sale for £79,950

- **Sold**

  3 no. three bedroom terrace houses sold since January 2014 for between £80,000 and £85,000.

  23 flats sold between May 2010 and August 2011 with an average sale price of circa £67,000, a high of £81,000 and a low of £60,000

4.7 Based on the Oakwell View development, it is considered that a premium in the region of 10% above resale values in the surrounding is achievable for new build housing.

4.8 Further details of the above are set out at Appendix 1.

4.9 The table below sets out the unit sales prices that have been adopted in calculating the Gross Development Value for the proposed residential development assuming no affordable housing.

Unit	Type	Number of Beds	Number of Units	Av. Area (sq ft)	Av. Sale Price	Av. Sale Price (PSF)
T1	Terrace	2	11	753	£100,000	£133
T2	Terrace	3	12	1,023	£125,000	£122
T3	Semi-detached	3	9	1,023	£135,000	£132
		Total	**32**	**930**	**£121,130**	**£129**

BNPPRE Revenue Assumptions for proposed 32 dwelling development

4.10 These sales prices are informed by the evidence set out above and summarised below:

- Terrace sales within 1/2 mile of S71 1ES within the Last Year (36) average circa £67,000 with a high of £152,000 and low of £27,000 - only 5 sales over £100,000.
- Semi-Detached sales within 1/2 mile of S71 1ES within the Last Year (6) average circa £82,000 with a high of £125,000 and low of £36,000 - only 2 sales over £100,000

- 2 Bed sales within 1/2 mile of S71 1ES within the Last Year (17) average circa £57,000 with a high of £80,000 and low of £27,000 - only 5 sales over £100,000
- 3 Bed sales within 1/2 mile of S71 1ES within the Last Year (14) average circa £79,000 with a high of £125,000 and low of £36,000 - only 3 sales over £100,000
- 3 Bed new build for sale within 1/2 mile of S71 1ES (8) with a high of £125,000 and low of £115,000 - Oakwell View town houses.
- Zoopla average for S71 terraced of £90 per sq. ft. and semi-detached of £118 per sq. ft.

4.11 In addition, as set out in Section 2, due to the covenant requiring the retention of the two storey building on the site, consideration is also given to the viability of the conversion of this building based on the previous planning permission. Accordingly, the table below sets out the unit sales values that have been adopted in calculating the Gross Development Value for the conversion.

Type	Number of Beds	Number of Units	Av. Area (sq ft)	Av. Sale Price	Av. Sale Price (PSF)
Apartment (Ground Floor)	1	13	415	£70,000	£157
Apartment (First Floor)	1	5	429	£75,000	£163
Apartment (First Floor)	2	6	645	£90,000	£132
	Total	**24**	**476**	**£77,723**	**£152**

BNPPRE Revenue Assumptions for 24 apartment conversion

4.12 These sales prices are informed by the evidence set out above and summarised below:

- Flat sales within 1/2 mile of S71 1ES within the Last Year average circa £56,000 with a high of £73,000 and low of £32,000 - 1 bed £55,000
- No new build flats sales 1/2 mile of S71 1ES within the Last Year
- Flat sales at Oakwell View between May 2010 and August 2011 (23 or 18 per year) average £67,000 with a high of £81,000 and low of £60,000
- 2 Bed new build for sale within 1/2 mile of S71 1ES (1) circa £80,000 - Oakwell View apartment
- Zoopla average for S71 flats of £138 per sq. ft.

Affordable Housing Revenue and Grant Funding

4.13 Based on the private sale values assumptions set out above and BNPPRE knowledge and previous experience of affordable residential sales values, the following affordable values are considered achievable at the site:

- **32 dwelling development**
  - Social Rented - £45 per sq. ft.

- Intermediate / Shared Ownership - £77 per sq. ft.

- **24 apartment conversion**

  - Social Rented - £53 per sq. ft.

  - Intermediate / Shared Ownership - £91 per sq. ft.

4.14 Based on an assumed requirement for 75% Social Rented Housing Units and 25% Intermediate Housing Units, the following blended affordable values have been assumed:

- £53 per sq. ft. for the 32 dwelling development

- £63 per sq. ft. for the 24 apartment conversion.

4.15 These values assume no grant funding in line with expectations of RSLs and developers in the current economic climate.

Residential Build Costs

4.16 In assessing the likely residential build costs for the proposed redevelopment, regard has been had to Building Cost Information Service (BCIS) data, as well as BNPPRE's knowledge of housing developers build costs. BCIS gives the following Yorkshire and Humber Regionally adjusted mean base costs:

- 2 storey semi-detached housing – £81.50 per sq. ft.

- 2 storey terraced housing – £84.30 per sq. ft.

- Flat / apartment conversion / rehabilitation – £103 per sq. ft.

4.17 These figures exclude the cost of external works, services and other infrastructure works.

4.18 A blended build cost of £80 per sq. ft. for the 32 terraced and semi-detached house development and £97 per sq. ft. for the 24 apartment conversion have has been included in the appraisals. These are below the BCIS costs set out above.

4.19 An additional 5% allowance based on total build costs has been made for external works, services and other infrastructure works. These costs are in line with BNPPRE's knowledge of build costs used by house builders on similar schemes.

4.20 These build costs reflect the type of construction and design required to achieve the private sales values set out above. It also includes an allowance for construction of the housing in line with current Building Regulations requirements.

4.21 It is important to note that 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, this is likely to 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.

Abnormal Costs

4.22 Further to the above, given the previously developed nature of the site, there will be abnormal development costs associated with the demolition of the existing buildings and underground structures, in order to prepare the site for the proposed 32 dwelling development.

4.23 The cost of the demolition and site preparation works are estimated to be £50,000. This is an additional cost to those expected on a "standard" serviced site.

Town Planning Costs

4.24 Planning expenditure of £40,000 anticipated in preparing the necessary technical reports, plans and other documents to support the planning application, as well as paying the Council's application fee have been included in the appraisals.

Professional Fees

4.25 In line with market practice and having consideration for the nature of the site we have assumed professional fees at 6% of construction costs, which is at the lower end of typical assumptions.

Contingency

4.26 Again, in line with market practice and having consideration for the nature of the site we have assumed a contingency of 5% of construction costs, to reflect the development uncertainties associated with the development of this previously developed site.

Interest

4.27 Base interest rates are currently at 0.5% and 3 month LIBOR was recently at 0.56%. Prior to the recession, developers were able to obtain development finance for land acquisition costs at rates of between 2.5% and 3% over base interest and LIBOR rates. However, development finance rates continue to be disconnected from this principle in the current economic climate, due to the increased perceived risk of development.

4.28 This situation is likely to improve over time, but it is difficult to give any indication of timescales for improvement, with base interest and LIBOR rates also likely to increase at the same time. For the purposes of the appraisals a rate of 7% has been applied, given the more marginal nature of the proposed development having regard to the average cost of finance in the current market.

Developer's Profit

4.29 Major financial institutions and house builder's requirements for profit returns on development schemes in the current financial climate remain tight. Banks have also raised their expectations in terms of risk and required rate of return, particularly for more marginal developments such as that proposed at the site.

4.30 Developer's profit is a fundamental requirement in terms of development viability. More specifically, 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.

4.31 Given the more marginal nature of the proposed development, a 20% return on private sales values is considered to be the minimum developer return required to bring this forward. It is considered doubtful that any proposals for the development of the site predicting a return of less than this would be considered viable in the current market.

4.32 This profit rate reflects market expectation and relevant appeal decisions on viability (notably the Shinfield case Ref: APP/X0360/A/12/2179141).

Planning Obligations

4.33 No planning obligations have been assumed in the appraisals. Any costs associated with planning obligations would have a consequent negative impact on development viability.

Marketing and Disposal Costs

4.34 In line with our experience of the market, we have adopted the following costs of sales:

- Marketing at 2% of market GDV;
- Agent fees at 1% of market GDV; and
- Legal fees at 0.5% of GDV.

Timescales

4.35 We have adopted the following timescale assumption for the proposed development:

- 32 dwelling development
  - 6 month pre construction period for securing planning permission, completing the demolition and other site preparation and obtaining other approvals e.g. discharge of planning conditions.
  - 18 month construction period.
  - 18 month sales period commencing with the first sale receipt 4 months into the construction period and an average of 1.8 private unit sales per month thereafter – which is above the sales rates historically achieved on the Oakwell View development circa 1.3 units per month.
  - Abnormal and planning costs paid during the pre-construction period.
- 24 apartment conversion
  - 6 month pre construction period for securing planning permission, site preparation and obtaining other approvals e.g. discharge of planning conditions.
  - 13 month conversion period.
  - 13 month sales period commencing with the first sale receipt 4 months into the construction period and an average of 1.8 private unit sales per month thereafter – which is above the sales rates historically achieved on the Oakwell View development circa 1.3 units per month.
  - Planning costs paid during the pre-construction period.

5 Appraisal Assessment

5.1 In this section, we consider the outputs of the appraisals and the implications for the provision of affordable housing in the proposed development.

Viability Benchmark

5.2 In line with the RICS Financial Viability in Planning guidance (2012), in order to assess the viability of the proposed development one must compare the Residual Land Value of the development with a suitable benchmark. The viability benchmark / landowner's return is an integral consideration in assessing development viability, as this is the return below which the land may not be released by a landowner to enable development to take place.

5.3 The RICS guidance sets out the following definition of a site value / viability benchmark:

> '*Site Value should equate to the market value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan.*'

5.4 The site and existing buildings are located within the Urban Area of Barnsley defined in the adopted Unitary Development Plan, where saved policies support new development. Accordingly, the future reuse of the buildings and / or the redevelopment of the site are likely to be acceptable in principle.

5.5 In order to establish an appropriate site value / viability benchmark we have considered the value of the site with regard to the following properties located within 1 mile of the site.

- **The Old Vicarage, 76 Doncaster Road, Barnsley, S70 1TW**

  Circa 3,500 sq. ft. 2 storey former vicarage building previously used as offices on 0.56 acre with planning consent for conversion to 6 apartments and 4 houses to the rear (ref. 2012/1142).

  Sold September 2014 for £160,000 or circa £290,000 per acre and £45 per sq. ft.

- **18A Beech Street, Barnsley, S70 4HT**

  Circa 2,200 sq. ft. commercial building with office accommodation over 3 floors plus single story workshop.

  Sold March 2014 for £60,000 or £27 per sq. ft.

- **Rockingham Works, Windermere Road, Barnsley, S71 1EG**

  Circa 6,278 sq. ft. former bakery premises building on 0.35 acre site with redevelopment potential and planning permission previously granted for a development of 12 apartments.

  Asking price £300,000 or circa £860,000 per acre and £48 per sq. ft.

- **Land at Newton Street, Barnsley, S70 6DA**

  Circa 2,830 sq. ft. former warehouse premises on 0.18 acre with Outline Planning Permission (extension granted 22-11-2013) for the erection of 7 two bedroom townhouses (reference 2013/1033).

  Asking price £249,950 or circa £1.4m per acre and £88 per sq. ft.

5.6 As set out above, the site has potential for reuse of the existing buildings or redevelopment. Accordingly, the Old Vicarage Building is considered good sales evidence of a similar development opportunity in order to determine the site value / viability benchmark. The sale price of the Beech Street property and asking prices of the Rockingham Works site and land at Newton Street also provide further guidance, although it is likely that the sale price for the latter properties would be below their asking prices.

5.7 Based on the above and the future reuse / redevelopment potential of the site, our view it that the site value / viability benchmark is £321,000, as set out below:

- A minimum of £25 per sq. ft. for the circa 7,500 sq. ft. single storey building = £187,500
- A minimum of £7.50 per sq. ft. for the circa 17,800 sq. ft. two storey building (reflecting it poorer standard of repair) = £133,500

5.8 It should be noted that this site value / viability benchmark is considerably below the £605,100 the western half of the site (i.e. excluding the single storey building and adjacent land) alone was purchased for in 2007.

Appraisal Results

5.9 Our appraisals for the 32 dwelling development and 24 apartment conversion assuming no affordable housing are attached at Appendix 2, with the RLVs for these appraisals are as set out in the table below against the viability benchmark.

Scheme	Residual Land Value	Viability Benchmark
32 dwelling development	£113,000	£321,000
24 apartment conversion	£8,000	£133,500

5.10 In summary of the above, the RLV for the 32 dwelling development assuming no affordable housing is below the Viability Benchmark. Accordingly it is evident that it is **not** currently viable for this scheme to provide any affordable housing.

5.11 Furthermore, the 32 dwelling development does not include any public green space, which is required by a covenant from the 2007 sale of the western half of the site. If this 750 sq. m. (8,073 sq. ft.) public green space is required as part of the future residential development of the site, on a pro rata basis, this is would result in a reduction in the area that can be built upon, meaning a loss of 5 houses and a development of 27 dwellings.

5.12 The loss of 5 dwellings reduces the RLV from the £113,000 set out above for the 32 dwelling development and, therefore, further below the viability benchmark. This demonstrates that it is **not** currently viable to provide the public green space as required by the 2007 covenant.

5.13 It should also be noted that the RLV for the 24 apartment conversion assuming no affordable housing is below the viability benchmark for the two storey building and adjacent land, and only marginally positive. This demonstrates that it is also **not** currently viable to retain and convert the existing two storey building to apartments as required by the 2007 covenant.

Vacant Building Credit

5.14 The Government has been looking at ways to encourage the redevelopment of brownfield land. In March 2014 the Government published a consultation on "Planning Performance and Planning Contributions", which sought views on *'a further amendment to national policy so that local authorities should not apply section 106 affordable housing contributions to buildings brought back into any use, other than proportionately for any increase in floor space. This would be on the basis of providing an incentive for brownfield development in accordance with national policy.'* (Para 8 of the Government's response to the consultation on the Planning Contributions (Section106 planning obligations) published in November 2014). In the Government's response to the consultation published in November 2014 it identified at Para 23 that,

> *'After careful consideration of these responses we are making the following changes to national policy with regard to section 106 planning obligations:*
> *…*
>
> *…A financial credit, equivalent to the existing gross floorspace of any vacant buildings brought back into any lawful use or demolished for re-development, should be deducted from the calculation of any affordable housing contributions sought from relevant development schemes.'*

5.15 This position was further reiterated by Brandon Lewis, The Minister of State, Department for Communities and Local Government (DCLG) identified in his written ministerial statement to the House of Commons on 28 November 2014 (Column 53WS).

5.16 Subsequently on 28 November 2014 DCLG updated the National Planning Practice Guidance (NPPG) to introduce the Vacant Building Credit, and consequently only requires affordable housing obligations to apply to any increase in floorspace in proposed developments. Paragraph: 021 of the NPPG (Reference ID: 23b-021-20141128) identifies that,

> *'where a vacant building is brought back into any lawful use, or is demolished to be replaced by a new building, the developer should be offered a financial credit equivalent to the existing gross floorspace of relevant vacant buildings when the local planning authority calculates any affordable housing contribution which will be sought. Affordable housing contributions would be required for any increase in floorspace.'*

5.17 Paragraph 022 of the NPPG (Reference ID: 23b-022-20141128) goes on to specify that,

> *'Where there is an overall increase in floorspace in the proposed development, the local planning authority should calculate the amount of affordable housing contributions required from the development as set out in their Local Plan. A 'credit' should then be applied which is the equivalent*

of the gross floorspace of any relevant vacant buildings being brought back into use or demolished as part of the scheme and deducted from the overall affordable housing contribution calculation.'

5.18 As identified in section 2, the site includes two former school buildings which are now vacant. Given this and the changes to the NPPG set out above, it is clear that the Vacant Building Credit should be applied when calculating the amount of affordable housing required as part of the future development of the site. However, as it has been demonstrated above that it is **not** currently viable for the proposed 32 dwelling development to provide any affordable housing we have not considered the Vacant Building Credit further at this stage.

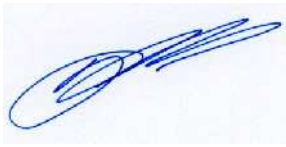
6 Conclusion

6.1 Our viability appraisal results set out in Section 5 demonstrate that the economics of the proposed 32 dwelling development **cannot** currently viably support any affordable housing. More specifically, the Residual Land Value of the proposed development assuming no affordable housing (£113,000) is below the Viability Benchmark (£321,000) and the inclusion of affordable housing will reduce the Residual Land Value further below the viability benchmark.

6.2 In light of the above, it is concluded that when assessed against current affordable housing policies, it is **not** currently viable for the proposed 32 dwelling development to provide any affordable housing.

6.3 It has also been demonstrated in Section 5 that it is **not** currently viable to develop the public green space and or retain the existing two storey building as required by a covenant from the 2007 sale of the western half of the site**.**





Alex Willis
RICS Registered Valuer

David Couch
RICS Registered Valuer

for and on behalf of BNP Paribas Real Estate

Appendix 1 Residential Sales Value Evidence

Former Grove Street Junior & Infant School, Grasmere Road, BARNSLEY, S71 1ES
19/02/2015
Residential Sales within 1/2 mile of S71 1ES within the Last Year (Source Rightmove.co.uk)

Rightmove
The majority of sales in Barnsley during the last year were semi-detached properties, selling for an average price of £106,527. Terraced properties sold for an average of £87,791, with detached properties fetching £192,133.

Barnsley, with an overall average price of £121,569, was similar in terms of sold prices to nearby Monk Bretton (£120,513), but was more expensive than Mapplewell (£111,711) and cheaper than Dodworth (£147,386).

Overall sold prices in Barnsley over the last year were 7% up on the previous year and 6% down on the 2007 level of £129,344.

Zoopla
Area guide for S71

S71 Zed-Index
£112,854
stats for All properties

Value change
£2,256 (2.04%)
from 1 year ago

Avg. price paid: **£105,093**
No. of property sales: **2,079**
over Last 5 years

Avg. asking price in S71: £130,257
No. of properties for sale in S71: 273

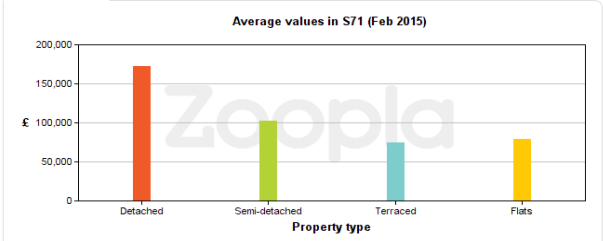
Avg. asking rent in S71: £446 pcm
No. of properties to rent in S71: 53

Property value data/graphs for S71

Property type	Avg. current value	Avg. £ per sq ft.	Avg. # beds	Avg. £ paid (last 12m)
Detached	£171,933	£133	3.4	£162,179
Semi-detached	£101,966	£118	2.9	£98,554
Terraced	£74,708	£90	2.6	£77,913
Flats	£78,781	£138	1.9	£78,466

Average values | Value trends | Value ranges | Home values

Compare to another area



Current asking prices in S71

Property type	1 bed	2 beds	3 beds	4 beds	5 beds
Houses	-	£84,673 (68)	£121,472 (126)	£197,981 (47)	£240,500 (8)
Flats	£25,000 (1)	£69,835 (13)	-	-	-
All	£25,000 (1)	£82,292 (81)	£121,472 (126)	£197,981 (47)	£240,500 (8)

Current asking rents in S71

Property type	1 bed	2 beds	3 beds	4 beds	5 beds
Houses	£303 pcm (2)	£434 pcm (18)	£490 pcm (8)	£745 pcm (1)	-
Flats	£341 pcm (5)	£406 pcm (13)	£360 pcm (1)	-	-
All	£331 pcm (7)	£422 pcm (31)	£476 pcm (9)	£745 pcm (1)	-

Property Type	Av. Sale Price Within 0.5 mil of S71 1ES	Barnsley	%age Difference
Terraced	£66,662	£87,791	-24%
Semi-Detached	£82,250	£106,527	-23%
Detached	£114,665	£192,133	-40%
Overall	**£70,649**	**£139,143**	-49%

Property Type	No of Sales	Av. Sale Price	High Sale Price	Low Sale Price
Flat	4	£56,113	£73,000	£32,000
Terraced	36	£66,662	£152,000	£27,000
Semi-Detached	6	£82,250	£125,000	£36,000
Detached	3	£114,665	£124,995	£107,000
Overall	**49**	**£70,649**	**£152,000**	**£27,000**

Property Type	No of Sales	Av. Sale Price	High Sale Price	Low Sale Price
1 bedroom	1	£54,950	£54,950	£54,950
2 bedrooms	17	£57,059	£80,000	£27,000
3 bedrooms	14	£79,060	£125,000	£35,500
4 bedrooms	1	£140,000	£140,000	£140,000
5 bedrooms	1	£59,000	£59,000	£59,000
6 bedrooms	0			
Unknown	15	£75,400	£152,000	£27,000
Overall	**49**	**£70,649**	**£152,000**	**£27,000**

Bedrooms

3 Evelyn Terrace, Barnsley, South Yorkshire S70 1UX
£35,500 Terraced, Freehold 17-Dec-14 3 bedrooms
3



26 Beckett Street, Barnsley, South Yorkshire S71 1BN
£115,000 Terraced, Freehold 15-Dec-14
0

4 Elm Row, Barnsley, South Yorkshire S71 1HR
£32,000 Terraced, Freehold 19-Nov-14 2 bedrooms
2



75 Brinckman Street, Barnsley, South Yorkshire S70 1JQ
£35,000 Terraced, Freehold 18-Nov-14
0

122 Sheffield Road, Barnsley, South Yorkshire S70 1JB
£152,000 Terraced, Freehold 11-Nov-14
0

£115,000 Terraced, Freehold 05-Aug-03

3 Market Close, Barnsley, South Yorkshire S71 1DP
£125,000 Semi-Detached, Freehold 07-Nov-14 3 bedrooms
3



£64,950 Detached, Freehold 22-Mar-02

5 Market Close, Barnsley, South Yorkshire S71 1DP
£119,000 Semi-Detached, Freehold 07-Nov-14
0

15 Osborne Street, Barnsley, South Yorkshire S70 1UJ



£45,000	Terraced, Freehold	07-Nov-14	2 bedrooms	2
£40,000	Terraced, Freehold	07-Dec-12		
£18,000	Terraced, Freehold	24-Oct-01		

51 Corporation Street, Barnsley, South Yorkshire S70 4PQ



£70,000	Terraced, Freehold	05-Nov-14	3 bedrooms	3
£45,000	Semi-Detached, Freehold	01-Oct-04		

35 Sunderland Terrace, Barnsley, South Yorkshire S70 1UP



£32,000	Terraced, Freehold	04-Nov-14	2 bedrooms	2

38 Park Road, Barnsley, South Yorkshire S70 1YE



£83,500	Terraced, Freehold	31-Oct-14	3 bedrooms	3
£44,000	Terraced, Freehold	30-May-03		
£36,995	Terraced, Freehold	08-Sep-00		

4 Langdale Court, Barnsley, South Yorkshire S71 1AW



£73,000	Flat, Leasehold	24-Oct-14	2 bedrooms	2
£75,000	Flat, Leasehold	19-Nov-10		
£91,950	Flat, Leasehold	28-Sep-04		

89 Portland Street, Barnsley, South Yorkshire S70 3QT



£112,000	Detached, Freehold	15-Oct-14	3 bedrooms	3

8 Victor Terrace, Barnsley, South Yorkshire S70 1UL

£38,995	Terraced, Freehold	10-Oct-14	3 bedrooms	3
£31,000	Terraced, Freehold	30-May-14		

10 Beech Street, Barnsley, South Yorkshire S70 4HT

£53,000	Terraced, Freehold	26-Sep-14		0
£25,000	Terraced, Freehold	10-Jul-00		

41 Eldon Street North, Barnsley, South Yorkshire S71 1LF



£59,000	Terraced, Freehold	19-Sep-14	5 bedrooms	5

12 Clyde Street, Barnsley, South Yorkshire S71 1EB

£52,000	Terraced, Freehold	03-Sep-14	2 bedrooms	2
£39,950	Terraced, Freehold	23-May-03		

6 Grasmere Road, Barnsley, South Yorkshire S71 1ES



£80,000	Terraced, Freehold	29-Aug-14	2 bedrooms	2
£87,500	Terraced, Freehold	15-Dec-06		
£26,000	Terraced, Freehold	12-Jan-01		

236 Doncaster Road, Barnsley, South Yorkshire S70 1UQ

£119,950	Terraced, Freehold	29-Aug-14	3 bedrooms	3

12 Vernon Street North, Barnsley, South Yorkshire S71 1DB



£67,000	Terraced, Freehold	27-Aug-14	2 bedrooms	2

23 Seth Terrace, Barnsley, South Yorkshire S70 1UW

£27,000	Terraced, Freehold	26-Aug-14		0

21 Bala Street, Barnsley, South Yorkshire S71 1DY



£66,500	Terraced, Freehold	22-Aug-14	2 bedrooms	2
£85,000	Terraced, Freehold	01-Dec-06		
£36,950	Terraced, Freehold	22-Oct-02		

17 Osborne Mews, Barnsley, South Yorkshire S70 1UU



£54,950	Flat, Leasehold	22-Aug-14	1 bedroom	1
£47,500	Flat, Leasehold	04-Jul-11		

148 Barnsbridge Grove, Barnsley, South Yorkshire S70 3RW

£76,000	Terraced, Freehold	31-Jul-14		0
£79,950	Terraced, Freehold	30-Jul-10		

123 Doncaster Road, Barnsley, South Yorkshire S70 1UF



£88,000	Terraced, Freehold	29-Jul-14	3 bedrooms	3
£93,000	Terraced, Freehold	29-Aug-13		
£88,000	Terraced, Freehold	27-Jan-06		
£28,000	Terraced, Freehold	04-Oct-99		

102 Barnsbridge Grove, Barnsley, South Yorkshire S70 3RW



£140,000	Terraced, Freehold	23-Jul-14	4 bedrooms	4
£159,950	Terraced, Freehold	26-Jun-09		

48 Denton Street, Barnsley, South Yorkshire S71 1DA

£45,000	Terraced, Freehold	04-Jul-14		0

14 Gold Street, Barnsley, South Yorkshire S70 1TT

	£73,150	Terraced, Freehold	04-Jul-14	3 bedrooms
3				



10 Victor Terrace, Barnsley, South Yorkshire S70 1UL

	£27,000	Terraced, Freehold	04-Jul-14	2 bedrooms
2				

3 Eaming View, Barnsley, South Yorkshire S71 1DJ

	£77,000	Semi-Detached, Freehold	23-May-14	2 bedrooms
2				



23 Corporation Street, Barnsley, South Yorkshire S70 4PQ

	£80,000	Terraced, Freehold	22-May-14	3 bedrooms
3				
	£40,000	Terraced, Freehold	18-Oct-13	

83 Portland Street, Barnsley, South Yorkshire S70 3QT

£98,000	Terraced, Freehold	19-May-14	
0			

17 Beckett Street, Barnsley, South Yorkshire S71 1BN

	£67,000	Terraced, Freehold	09-May-14	2 bedrooms
2				
	£75,000	Terraced, Freehold	08-Jan-10	
	£78,000	Terraced, Freehold	09-Oct-06	
	£25,000	Terraced, Freehold	26-Jan-01	



66 Langdale Court, Barnsley, South Yorkshire S71 1AW

2	**£64,500**	Flat, Leasehold	02-May-14	2 bedrooms
	£87,500	Flat, Leasehold	12-Nov-04	



33 Twibell Street, Barnsley, South Yorkshire S71 1DG

	£36,000	Semi-Detached, Freehold	29-Apr-14	2 bedrooms
2				



3 Beech Street, Barnsley, South Yorkshire S70 4HT

	£64,500	Semi-Detached, Freehold	25-Apr-14	3 bedrooms
3				
	£69,995	Terraced, Freehold	27-Oct-06	
	£63,000	Terraced, Freehold	27-Jun-05	
	£59,950	Terraced, Freehold	07-Oct-04	



5a Jubilee Terrace, Barnsley, South Yorkshire S70 1UY

£34,000	Terraced, Freehold	23-Apr-14	
0			
£30,000	Terraced, Freehold	17-Oct-03	

12 Sherwood Street, Barnsley, South Yorkshire S71 1DZ

£68,000	Terraced, Freehold	17-Apr-14	
0			

18 Brinckman Street, Barnsley, South Yorkshire S70 1JD

	£48,000	Terraced, Freehold	16-Apr-14	2 bedrooms
2				



91 Harborough Hill Road, Barnsley, South Yorkshire S71 1BQ

	£72,000	Semi-Detached, Freehold	09-Apr-14	2 bedrooms
2				

4 Vernon Street, Barnsley, South Yorkshire S71 1BW

	£65,000	Terraced, Freehold	24-Mar-14	2 bedrooms
2				

258 Doncaster Road, Barnsley, South Yorkshire S70 1XE

	£51,250	Terraced, Freehold	21-Mar-14	3 bedrooms
3				

38 Bridge Street, Barnsley, South Yorkshire S71 1PL

£45,000	Terraced, Freehold	18-Mar-14	
0			

10, Britannia House, Duke Crescent, Barnsley, South Yorkshire S70 1JW

0	**£32,000**	Flat, Leasehold	18-Mar-14

1 Coniston Road, Barnsley, South Yorkshire S71 1EJ

	£66,000	Terraced, Freehold	12-Mar-14	2 bedrooms
2				
	£58,000	Terraced, Freehold	08-Dec-05	



20 Beckett Street, Barnsley, South Yorkshire S71 1BN

	£115,000	Terraced, Freehold	03-Mar-14	3 bedrooms
3				



41 Harborough Hill Road, Barnsley, South Yorkshire S71 1BB

£124,995	Detached, Freehold	03-Mar-14	
0			

10a Bala Street, Barnsley, South Yorkshire S71 1DY

£107,000	Detached, Freehold (New Build)	28-Feb-14	
0			

3 Henshall Street, Barnsley, South Yorkshire S70 1XX

	£49,995	Terraced, Freehold	27-Feb-14	3 bedrooms
3				
	£62,000	Terraced, Freehold	09-Aug-06	



Former Grove Street Junior & Infant School, Grasmere Road, BARNSLEY, S71 1ES
19/02/2015
Oakwell View Sales (Source Rightmove.co.uk)

Property Type	No of Sales	Av. Sale Price	High Sale Price	Low Sale Price
Flat	23	£66,678	£81,000	£60,000



49 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0
£81,000 Flat, Leasehold (New Build) 02-Aug-11 2 bedrooms

57 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0
£81,000 Flat, Leasehold (New Build) 02-Aug-11

53 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0
£81,000 Flat, Leasehold (New Build) 02-Aug-11

26 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0
£63,000 Flat, Leasehold (New Build) 08-Jul-11

65 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0
£63,000 Flat, Leasehold (New Build) 24-Jun-11

63 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0
£68,000 Flat, Leasehold (New Build) 02-Jun-11

55 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0
£68,000 Flat, Leasehold (New Build) 21-Apr-11

£68,000 Flat, Leasehold (New Build) 21-Apr-11

55 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0
£68,000 Flat, Leasehold (New Build) 21-Apr-11

£68,000 Flat, Leasehold (New Build) 21-Apr-11

61 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0
£68,000 Flat, Leasehold (New Build) 21-Apr-11

Property Type	No of Sales	Av. Sale Price	High Sale Price	Low Sale Price
Terraced	13	£92,508	£140,000	£78,000

86 Pontefract Road, Barnsley, South Yorkshire S71 1EZ 0
£85,000 Terraced, Leasehold 15-Aug-14 3 bedrooms

£83,600 Terraced, Leasehold 11-Jun-10



104 Pontefract Road, Barnsley, South Yorkshire S71 1EZ 0
£85,000 Terraced, Leasehold 15-Aug-14 3 bedrooms
£83,600 Terraced, Leasehold 30-Apr-10



98 Pontefract Road, Barnsley, South Yorkshire S71 1EZ 0
£80,000 Terraced, Leasehold 24-Jan-14 3 bedrooms



100 Pontefract Road, Barnsley, South Yorkshire S71 1EZ 0
£85,000 Terraced, Leasehold (New Build) 06-Jan-12

110 Pontefract Road, Barnsley, South Yorkshire S71 1EZ 0
£88,000 Terraced, Leasehold (New Build) 11-Aug-10 3 bedrooms



102 Pontefract Road, Barnsley, South Yorkshire S71 1EZ 0
£88,000 Terraced, Leasehold (New Build) 15-Jul-10 3 bedrooms

47 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0
£68,000 Flat, Leasehold (New Build) 20-Apr-11

£68,000 Flat, Leasehold (New Build) 20-Apr-11

47 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0
£68,000 Flat, Leasehold (New Build) 20-Apr-11

£68,000 Flat, Leasehold (New Build) 20-Apr-11

30 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0
£63,000 Flat, Leasehold (New Build) 12-Nov-10 2 bedrooms



12 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0
£62,000 Flat, Leasehold (New Build) 27-Oct-10

16 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0
£63,000 Flat, Leasehold (New Build) 25-Oct-10

22 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0
£63,000 Flat, Leasehold (New Build) 25-Oct-10

18 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0
£60,000 Flat, Leasehold (New Build) 13-Oct-10

17 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0
£63,000 Flat, Leasehold (New Build) 05-Oct-10 2 bedrooms



23 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0
£63,000 Flat, Leasehold (New Build) 04-Oct-10

20 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0
£60,000 Flat, Leasehold (New Build) 24-Sep-10

24 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0
£65,000 Flat, Leasehold (New Build) 17-Sep-10 2 bedrooms



92 Pontefract Road, Barnsley, South Yorkshire S71 1EZ 0
£88,000 Terraced, Leasehold (New Build) 30-Jun-10 3 bedrooms



96 Pontefract Road, Barnsley, South Yorkshire S71 1EZ
0
£83,600 Terraced, Leasehold (New Build) 14-May-10

88 Pontefract Road, Barnsley, South Yorkshire S71 1EZ 0
£78,000 Terraced, Leasehold (New Build) 14-May-10 3 bedrooms



94 Pontefract Road, Barnsley, South Yorkshire S71 1EZ 0
£78,000 Terraced, Leasehold (New Build) 07-May-10 3 bedrooms



76 Pontefract Road, Barnsley, South Yorkshire S71 1EZ 0
£140,000 Terraced, Freehold 02-May-08 3 bedrooms



£100,000 Terraced, Freehold 22-Feb-05
£49,000 Terraced, Freehold 21-Aug-02

82 Pontefract Road, Barnsley, South Yorkshire S71 1EZ 0
£126,000 Terraced, Freehold 25-Aug-04 3 bedrooms
£99,950 Terraced, Freehold 05-Sep-03



78 Pontefract Road, Barnsley, South Yorkshire S71 1EZ
0
£98,000 Terraced, Freehold 28-Apr-04 3 bedrooms



28 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0

£65,000 Flat, Leasehold (New Build) 20-Jul-10

33 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0

£64,800 Flat, Leasehold (New Build) 21-May-10 2 bedrooms



£64,800 Flat, Leasehold (New Build) 21-May-10

33 Oakwell Vale, Barnsley, South Yorkshire S71 1DU 0

£64,800 Flat, Leasehold (New Build) 21-May-10 2 bedrooms



£64,800 Flat, Leasehold (New Build) 21-May-10

Former Grove Street Junior & Infant School, Grasmere Road, BARNSLEY, S71 1ES				
19/02/2015				
Oakwell View for Sale				
Bedrooms	**Property Type**	**Address**	**Asking Price**	**Agent**
3	3 Bedroom townhouse	Oakwell View, Oakwell, Barnsley	£ 125,000	William H Brown, 01226 977124
3	3 Bedroom townhouse	Oakwell View, Oakwell, Barnsley	£ 125,000	William H Brown, 01226 977124
3	3 Bedroom townhouse	Oakwell View, Oakwell, Barnsley	£ 125,000	William H Brown, 01226 977124
3	3 Bedroom townhouse	Oakwell View, Oakwell, Barnsley	£ 125,000	William H Brown, 01226 977124
3	3 Bedroom townhouse	Oakwell View, Oakwell, Barnsley	£ 125,000	William H Brown, 01226 977124
3	3 Bedroom townhouse	Oakwell View, Oakwell, Barnsley	£ 125,000	William H Brown, 01226 977124
3	3 Bedroom townhouse	Oakwell View, Oakwell, Barnsley	£ 115,000	William H Brown, 01226 977124
3	3 Bedroom townhouse	Oakwell View, Oakwell, Barnsley	£ 115,000	William H Brown, 01226 977124
2	2 Bedroom apartment	OAKWELL VALE, Barnsley, S71	£ 79,950	Gates Estates, 01226 977111

Appendix 2 Appraisal Summaries

APPRAISAL SUMMARY — BNP PARIBAS REAL ESTATE

Land off Grove Road, Barnsley - 32 Houses No AH

Summary Appraisal for Phase 1

REVENUE				
Sales Valuation	**ft²**	**Rate ft²**	**Gross Sales**	
2 Bed Terr. (11)	8,283	£132.80	1,100,000	
3 Bed Terr. (12)	12,276	£122.19	1,500,000	
3 Bed Semi (9)	9,207	£131.96	1,215,000	
Totals	29,766		3,815,000	**3,815,000**
NET REALISATION				**3,815,000**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			113,263	
Agent Fee		1.00%	1,133	
Legal Fee		1.00%	1,133	
Town Planning			40,000	
				155,528
CONSTRUCTION COSTS				
Construction	**ft²**	**Rate ft²**	**Cost**	
2 Bed Terr. (11)	8,283	£80.00	662,640	
3 Bed Terr. (12)	12,276	£80.00	982,080	
3 Bed Semi (9)	9,207	£80.00	736,560	
Totals	29,766		2,381,280	**2,381,280**
Contingency		5.00%	33,132	
Demolition			50,000	
				83,132
Other Construction				
Externals & servicing		5.00%	119,064	
				119,064
PROFESSIONAL FEES				
All Professional Fees		6.00%	142,877	
				142,877
MARKETING & LETTING				
Marketing		2.00%	76,300	
				76,300
DISPOSAL FEES				
Sales Agent Fee		1.00%	38,150	
Sales Legal Fee		0.50%	19,075	
				57,225
FINANCE				
Timescale	**Duration**	**Commences**		
Pre-Construction	6	Mar 2015		
Construction	18	Sep 2015		
Sale	18	Jan 2016		
Total Duration	28			
Debit Rate 7.00% Credit Rate 0.00% (Nominal)				
Land			14,110	
Construction			22,484	
Total Finance Cost				36,594
TOTAL COSTS				**3,052,000**
PROFIT				**763,000**

Performance Measures

Land off Grove Road, Barnsley - 32 Houses No AH

Profit on Cost%	25.00%
Profit on GDV%	20.00%
Profit on NDV%	20.00%
	81.41%
Profit Erosion (finance rate 7.000%)	3 yrs 3 mths

APPRAISAL SUMMARY — BNP PARIBAS REAL ESTATE

Land off Grove Road, Barnsley - 24 Apartments Conversion No AH

Summary Appraisal for Phase 1

REVENUE				
Sales Valuation	**ft²**	**Rate ft²**	**Gross Sales**	
1 Bed GF Apt. (13)	5,395	£156.63	845,000	
1 Bed FF Apt. (5)	2,145	£163.17	350,000	
2 Bed FF Apt. (6)	3,870	£131.78	510,000	
Totals	11,410		1,705,000	**1,705,000**
NET REALISATION				**1,705,000**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			7,949	
Agent Fee		1.00%	79	
Legal Fee		1.00%	79	
Town Planning			40,000	
				48,108
CONSTRUCTION COSTS				
Construction	**ft²**	**Rate ft²**	**Cost**	
1 Bed GF Apt. (13)	5,395	£97.00	523,315	
1 Bed FF Apt. (5)	2,145	£97.00	208,065	
2 Bed FF Apt. (6)	3,870	£97.00	375,390	
Totals	11,410		1,106,770	**1,106,770**
Contingency		5.00%	26,166	
				26,166
Other Construction				
Externals & servicing		5.00%	55,339	
				55,339
PROFESSIONAL FEES				
All Professional Fees		6.00%	66,406	
				66,406
MARKETING & LETTING				
Marketing		2.00%	34,100	
				34,100
DISPOSAL FEES				
Sales Agent Fee		1.00%	17,050	
Sales Legal Fee		0.50%	8,525	
				25,575
FINANCE				
Timescale	**Duration**	**Commences**		
Pre-Construction	6	Mar 2015		
Construction	13	Sep 2015		
Sale	13	Dec 2015		
Total Duration	22			
Debit Rate 7.00% Credit Rate 0.00% (Nominal)				
Land			483	
Construction			1,053	
Total Finance Cost				1,536
TOTAL COSTS				**1,364,000**
PROFIT				
				341,000
Performance Measures				
Profit on Cost%		25.00%		

Land off Grove Road, Barnsley - 24 Apartments Conversion No AH

Profit on GDV%	20.00%
Profit on NDV%	20.00%
	315.32%
Profit Erosion (finance rate 7.000%)	3 yrs 3 mths