

report

Financial Viability
Assessment

Land off South View,
Darfield, Barnsley
(2025/0127)

On Behalf of:
Mr Hughes

June 11th 2026

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1.0 Introduction and Background

- 1.1 We act as expert consultants in matters pertaining to planning, affordable housing, and development economics on behalf of Mr Hughes (“the applicant”).
- 1.2 This report has been prepared in connection with a Financial Viability Assessment (“FVA”) which seeks to assess the value of financial contributions toward affordable housing and other planning obligations that can viably be provided in connection with the proposed redevelopment of land off South View, Darfield (“the application site”).
- 1.3 The site is located within the administrative area of Barnsley Council (‘the Council’) and extends to 0.9 hectares (2.22 acres) in total.
- 1.4 This FVA supports a planning application (Ref: 2025/0127) which seeks full planning approval for residential development comprising 32 dwellings with associated landscaping and access. Subsequent amendments to the submitted drawings have reduced the number of dwellings for which permission is sought to 30 (“the application proposals”).
- 1.5 The site comprises previously undeveloped land which is currently arranged as agricultural smallholdings/paddock land and which is subject to a significant variation in levels, with land on the northern boundary to South View being some 14 metres higher than at its southern boundary with Hill Street.
- 1.6 This equates to an average slope gradient of 10 degrees (increasing to 40 degrees in the most severe locations) which poses considerable challenges in the creation of a suitable platform for residential development bearing in mind the need for maximum highway gradients etc.
- 1.7 To achieve a suitable platform for residential development requires excavation and disposal of a significant volume of on-site material,

together with the construction of retaining walls to stabilise the excavated areas.

- 1.8 This adds significant additional cost over and above the standard cost of constructing a development of this type and size and it is considered that it is these abnormal costs that prejudice the ability of the application proposals to support provision of 3no. affordable dwellings and for financial contributions to be made toward Education, Greenspace, and Sustainable Travel (“the S106 Obligations Package”) whilst still generating the level of developer return necessary for a project of this nature to secure development finance.
- 1.9 Appraisal modelling has been undertaken to demonstrate the viability of the application proposals;
- a) Inclusive of the S106 Obligations Package; and
 - b) Exclusive of the S106 Obligations Package.
- 1.10 The object of this FVA is to establish the value of the S106 Obligations Package that can viably be supported having regard to the estimated value of the development, less all anticipated costs, including Benchmark Land Value, whilst delivering an acceptable level of developer return.
- 1.11 Section two of this report examines the prevailing planning framework with regard to economic viability in planning. Consideration is given to government policy and guidance and its emphasis that targets for affordable housing provision and other planning obligations must be deliverable. Examination is also undertaken in respect of the policy position of the Council with regard to affordable housing, planning obligations, and the supporting evidence base produced in respect of viability that underpins these.
- 1.12 Section three sets out the methodology and assumptions used in the viability modelling process. The rationale behind the inputs used are fully explained and wherever possible a comparison made with the sources of data for use in the viability assessment process recommended by National

Planning Practice Guidance. This approach is fully in accordance with the requirements of national policy and guidance.

- 1.13 Particular regard is had to the selection and use of an appropriate Benchmark Land Value, as well as consideration of anticipated abnormal development costs, and the necessary minimum rate of developer return.
- 1.14 Section four considers the results of the viability modelling exercise undertaken in relation to the application proposals. It considers that even in the absence of the S106 obligations package the rate of developer return generated by the application proposals is marginal.
- 1.15 Section five concludes that the application should be approved without a requirement for the provision of 3no. affordable dwellings and financial contributions to Education, Greenspace, and Sustainable Travel as these render the application proposals unviable.
- 1.16 This FVA is provided on a confidential basis to the Council. It is therefore requested that the report should not be disclosed to any third parties (other than any consultants as may be instructed by the Council to review this report) under the *Freedom of Information Act 2000* (sections 41 and 43(2)) or under the *Environmental Information Regulations*. However, in accordance with the provisions of the revised NPPF a separate executive summary is provided which can be made publicly available.

2.0 Overview and Policy Context

2.1 National Policy and Guidance

2.1.1 The National Planning Policy Framework (“NPPF”), was originally published in March 2012, revised in July 2018, updated in February 2019, revised in July 2021, updated in September 2023, revised in December 2023, revised again on 12th December 2024 and revised most recently on 7th February 2025. The contents of the revised NPPF are material considerations which must be taken into account by decision makers from the date of publication.

2.1.2 Paragraph 173 of the original NPPF required Local Planning Authorities to have regard to viability in both plan making and decision taking:

“Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing landowner and willing developer to enable the development to be deliverable.” (emphasis added).

2.1.3 The wording of the original NPPF was unequivocal in stating that the cost of planning obligations and policy burdens should still allow competitive returns to willing landowners and developers taking account of the ‘normal’ costs of development and mitigation. Thus, any policy requirement such as for affordable housing if established at the

margins of viability assuming 'normal' costs of development and mitigation would still require relaxation in circumstances where 'abnormal' costs were present.

- 2.1.4 Paragraph 47 of the original NPPF required LPA's to identify and update annually a supply of specific deliverable sites to provide a five-year supply of housing against their housing requirements (plus a buffer of 5%, increased to 20% where there is a record of persistent under delivery). The footnote to the paragraph stated that:

"To be considered deliverable, sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable."

(emphasis added)

- 2.1.5 Paragraph 49 of the original NPPF stated that:

"Relevant policies for the supply of housing should not be considered up-to-date if the local planning authority cannot demonstrate a five-year supply of deliverable sites."

In this regard the five-year supply identified must have been capable of meeting the full objectively assessed needs for market and affordable housing in the housing market area.

- 2.1.6 Paragraph 35 of the revised NPPF states in respect of 'Development Contributions':

"Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water

management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan.

(Emphasis Added)

- 2.1.7 In respect of the consideration of viability in connection with individual planning applications Paragraph 59 of the revised NPPF states:

"Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan making stage, should reflect the recommended approach in national planning practice guidance, including standardised inputs, and should be made publicly available."

(Emphasis Added)

- 2.1.8 Detailed consideration of the contents of National Planning Practice Guidance ("NPPG") as referred to in paragraph 59 of the NPPF with regard to consideration of appropriate viability inputs will be deferred until section 3.0 where consideration will be given to each of the appraisal inputs which have been applied in the modelling. However, it is worthwhile pointing out that paragraph 008 of the viability guidance states:

"Where a viability assessment is submitted to accompany a planning application, the executive summary should refer back to the viability assessment that informed the plan and summarise what has changed

since then. It should also set out the proposed developer contributions and how this compares with policy requirements.”

2.1.9 Consideration of the circumstances that may justify submission of a viability assessment at the planning application stage are outlined in paragraph 007 of NPPG which asks '*Should viability be assessed in decision making?* In response it advises that:

'Such circumstances could include, for example where development is proposed on unallocated sites of a wholly different type to those used in viability assessment that informed the plan; where further information on infrastructure or site costs is required; where particular types of development are proposed which may significantly vary from standard models of development for sale (for example build to rent or housing for older people); or where a recession or similar significant economic changes have occurred since the plan was brought into force.'

(Emphasis Added)

2.1.10 In respect of the application proposals it is considered that changes to wider macro-economic conditions are of such a magnitude that the trading environment within which housebuilders operate has changed fundamentally since paragraph 007 of NPPG was published back in May 2019. Further analysis in this regard is undertaken in section 3.0.

2.1.11 In a stable economic environment the expectation of national policy and guidance is that if local policy requirements fully reflect the expectations of landowners at plan making stage, then the need for individual viability appraisals at planning application stage should be considerably diminished i.e., '*only if there has been a change in site circumstances since the plan was brought into force*'. However, owing to the long gestation period of Local Plans it is entirely possible that the viability evidence which underpins a Local Plan may have become out of date

within a few years of a plan being adopted. This is considered to be the case in connection with the application proposals.

2.1.12 Paragraphs 006, 011, and 018 of NPPG all advise that '*Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan*'. There is an undeniable logic to this approach as if purchasers were able to acquire land without regard to any local policy requirements in the expectation that these could be removed through a viability negotiation exercise then clearly local policy would have no 'teeth'.

2.1.13 However, it follows that such a stipulation is only relevant in consideration of Local Plan policies which have been informed by an assessment of viability (reflective of the changes to national policy and guidance introduced in July 2018 onwards), which were established having regard to landowners' expectations, and have been subject to independent examination and inspector deliberation.

2.1.14 Paragraph 009¹ of NPPG asks 'How should viability be reviewed during the lifetime of project? In response it states that:

"Plans should set out circumstances where review mechanisms may be appropriate, as well as clear process and terms of engagement regarding how and when viability will be reassessed over the lifetime of the development to ensure policy compliance and optimal public benefits through economic cycles. Policy compliant means development which fully complies with up to date plan policies. A decision maker can give appropriate weight to emerging policies."

It is therefore evident that a review mechanism (or 'clawback' in a S106 agreement) may only be utilised where supported by a Local Plan policy

¹ Paragraph: 009 Reference ID: 10-009-20190509

which outline where and when use of such arrangements may be considered necessary.

2.1.15 With regard to policies which seek provision of affordable housing paragraph 63 of the NPPF requires Local Planning Authorities, having first established their overall level of housing need, to assess, the size, type and tenure of housing needed for different groups in the community and ensure that these requirements are reflected in local planning policies.

2.1.16 Where a need for affordable housing is identified, paragraph 64 requires that planning policies should specify the type of affordable housing required (including the minimum proportion of Social Rent homes required), and expect this to be met on-site unless:

a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and

b) the agreed approach contributes to the objective of creating mixed and balanced communities.

2.1.17 In terms of a site size threshold in relation to the provision of affordable housing paragraph 65 requires that that this should not be sought from developments that do not comprise Major Development (10 dwellings or more) other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer).

2.1.18 This same paragraph continues to state that in order to support the re-use of brownfield land, in instances where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by an amount proportionate to the existing vacant floorspace.

2.1.19 Paragraph 66 states that in connection with applications for housing that comprise major development:

".....planning policies and decisions should expect that the mix of affordable housing required meets identified local needs, across Social Rent, other affordable housing for rent and affordable home ownership tenures." (emphases added)

This wording confirms the primacy of Local Plan policies in decision making, and that the NPPF itself does not impose any specific requirements in terms of how affordable housing policy should be administered on individual Local Planning Authorities.

2.2 Local Policy Position

- 2.2.1 The Barnsley Local Plan ("BLP") was adopted on 3rd January 2019.
- 2.2.2 Policy H7 is concerned with the provision of affordable housing on market housing sites.
- 2.2.3 The policy establishes a threshold of 15 dwellings above which housing developments will be expected to provide a proportion of affordable housing. The proportion varies according to geographical location.
- 2.2.4 In Penistone and the Rural West 30% affordable housing is sought, reducing to 20% in Darton and Barugh and 10% in Bolton, Goldthorpe, Thurnscoe, Hoyland, Wombwell, Darfield, North Barnsley and Royston, South Barnsley and Worsbrough and Rural East.
- 2.2.5 The application proposals are therefore subject to an expected 10% affordable housing provision (3 dwellings).
- 2.2.6 However, the policy text continues to state that:

"These percentages will be sought unless it can be demonstrated through a viability assessment that the required figure would render the scheme unviable."

- 2.2.7 Paragraph 9.23 of the supporting text acknowledges that the affordable housing targets in the policy have been derived from an Affordable Housing Viability Study, whilst paragraph 9.24 reiterates that application of these targets is subject to them being consistent with the economic viability of individual development proposals.
- 2.2.8 An Affordable Housing Supplementary Planning Document (“AHSPD”) was adopted in July 2022.
- 2.2.9 Whilst the AHSPD does not provide further detail in respect of the required approach toward viability it does confirm the Councils expectations in respect of affordable housing transfer values.

Viability Evidence Base

- 2.2.11 To reiterate, paragraph 59 of NPPF states:

“The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date.” (Emphasis Added)

This is supported by paragraph 008 of NPPG in relation to viability which advises:

“Where a viability assessment is submitted to accompany a planning application, the executive summary should refer back to the viability assessment that informed the plan and summarise what has changed since then. It should also set out the proposed developer contributions and how this compares with policy requirements.” (Emphasis Added)

It is therefore clear that the preparation of a viability assessment should have regard to the local policy context and be able to demonstrate why the assumptions that informed the viability assessment upon which these

are based cannot be applied in connection with an individual application proposal.

2.2.12 Consultants CP Viability Limited published the 'Local Plan Viability Testing Update' ("LPVTU") in May 2019 .

2.2.13 The LPVTU comprised an update to an earlier viability study prepared in 2016 to test the emerging policies of the Local Plan. Following adoption of the plan in February 2019 the LPVTU undertook further viability testing to establish the ability of development proposals to support higher levels of financial contributions toward planning obligations that were intended to be introduced through the Supplementary Planning Process.

2.2.14 Although produced after adoption of the Local Plan it is considered that the LPVTU comprises the viability study which informed the policies of the BLP in accordance with paragraph 59 of NPPF.

3.0 Viability Appraisal and Assumptions

- 3.1 It is evident that the NPPF stresses the importance of ensuring the viability and deliverability of Local Plan objectives.
- 3.2 When preparing a viability submission to accompany an individual planning application (or an application to modify existing planning obligations) the NPPF and NPPG now require that this should refer back to the original viability study that informed the Local Plan and summarise what has changed since then.
- 3.3 As identified in paragraph 2.1.9, NPPG considers the circumstances where a viability assessment may be required in decision making include 'where a recession or similar significant economic changes have occurred' (emphasis added). What may constitute 'significant economic changes' is not defined, although it is considered that there have been significant economic changes in the period since the evidence base underpinning the Local Plan was prepared.
- 3.4 The Bank of England defines the UK economy as being in recession when it experiences two consecutive quarters (i.e. six months) of negative growth. Since the publication of the LPVTU the UK has experienced multiple economic shocks.
- 3.5 Firstly, whilst the onset of the Coronavirus pandemic in 2020 may be considered to represent an exceptional event which caused the UK to enter into a technical recession (in Q1 and Q2 of that year), the recovery following has been erratic, and further single quarters of negative growth have been recorded on several occasions since.

- 3.6 The UK economy is still only 6% larger now, than it was 6 years ago (i.e. pre-pandemic) as indicated in Table 1.0 below.

Table 1.0 – UK GDP Growth – January 2007 – February 2026²

Monthly index, UK, January 2007 to March 2026

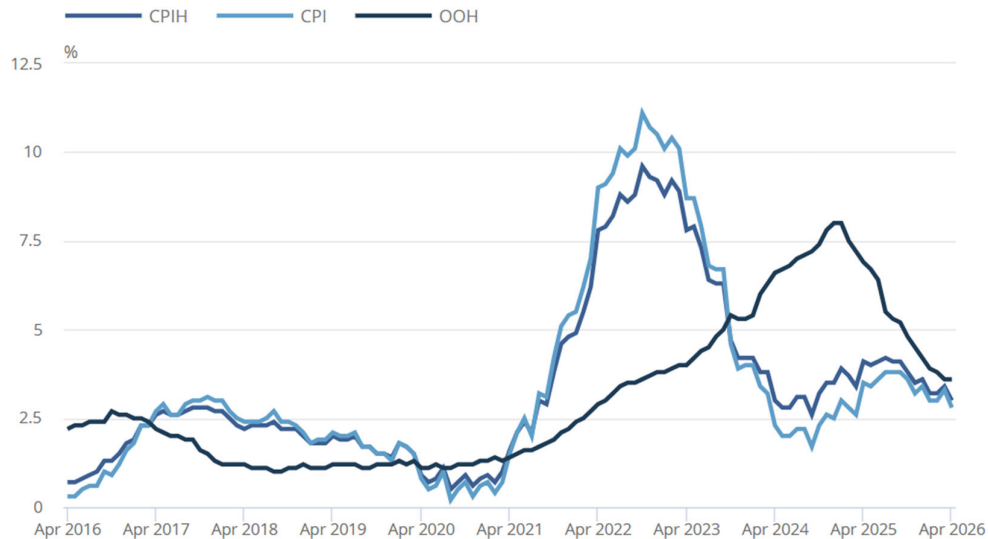


- 3.7 Whilst economic growth has stagnated, this is not reflected in the costs of goods and services facing consumers with rising inflation placing severe strain on the disposable incomes of households.
- 3.8 As indicated in Table 2.0 below the UK annual inflation rate as measured by the Consumer Price Index ("CPI") increased from 0.3% in November 2020 to a high of 11.1% in October 2022, following which the rate of increase briefly fell back to 1.7% (below the Bank of England target of 2%) but has since increased again to 3.3%. Whilst this stabilisation in the rate of growth of consumer prices is to be welcomed, it has been brought about through an increase in interest rates that has severely constrained household's disposable incomes.

² Source – Office of National Statistics – GDP Growth – March 2026

Table 2.0 – UK Annual Inflation Rate³

CPIH, owner occupiers' housing (OOH) costs component and CPI annual inflation rates, UK, April 2016 to April 2026



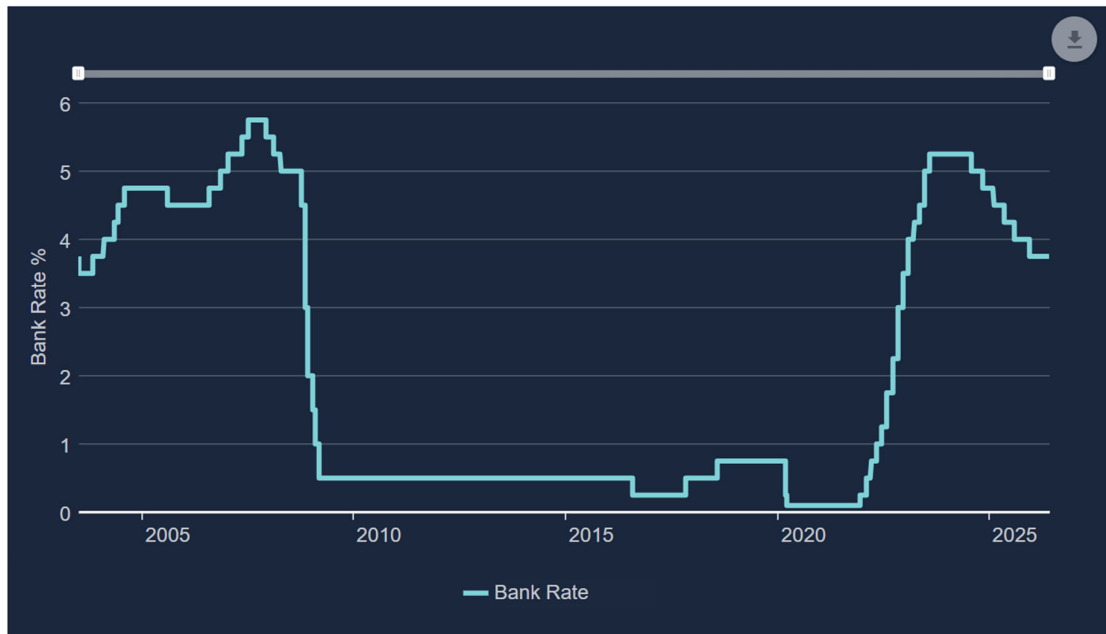
3.9 A component of Consumer Price Inflation with Housing Costs (“CPIH”) is the cost of paying rent or servicing mortgages which have risen in response to the successive increases in the Bank of England base rate implemented in an effort to stem increases in CPI.

3.10 As indicated in Table 3.0, the Owner-Occupied Housing (“OOH”) component of CPIH rose exponentially and at its peak equated to an annual increase in housing costs of 8%. This was in response to changes in the bank base rate which increased from 0.1% to 5.25% in the space of 20 months (in excess of a 50 fold increase) as is graphically demonstrated in Table 3.0 below. This resulted in the highest base rate for 15 years which was sustained for 12 consecutive months before undergoing a marginal cut to 5% in August 2024 followed by further staged cuts down to 3.75% in January 2026 where it has remained since. For point of reference the

Bank of England base rate as of the date of publication of the LPVTU was 0.75%.

Table 3.0 – Bank of England Base Rate⁴

Bank Rate over time



3.11 The increases applied to the bank base rate impacted rapidly on the interest rate applied by mortgage lenders in respect of new lending.

3.12 In summation, since the LPVTU was published economic growth in the UK has stagnated, the country has been through several shallow recessions, the rate of price inflation has increased considerably resulting in diminished disposable incomes for consumers whilst increases in interest rates have pushed up mortgage costs, squeezing affordability for many households and restricting their ability to purchase new dwellings.

⁴ Source – Bank of England – January 2025

- 3.13 For these reasons it is considered that changes in wider macro-economic conditions are of such a magnitude that the trading environment within which housebuilders operate has changed fundamentally and therefore submission of a Financial Viability Assessment in connection with an individual planning application is fully justified.
- 3.14 Furthermore, there is a time lag between real world events with attendant economic effects and these effects being reflected in published economic data. For example the conflict between the United States and Iran, which has consequential negative outcomes for World Trade have yet to be fully reflected in the published economic data.
- 3.15 Having regard to the expectation in paragraph 59 of NPPF that development should be viable where up-to-date policies have set out the contributions expected the applicant is justified in seeking a viability assessment at the application stage. This assessment should be afforded significant weight by the decision maker.

Viability Assessment Model

- 3.16 The economic viability of the approved development has been appraised using ARGUS Developer, a leading real estate development pro forma and management software solution that is widely used in property development and investment analysis.
- 3.17 In line with recommended practice the assessment which has been undertaken assumes the position of a hypothetical landowner and a hypothetical developer. The intention of a viability assessment is therefore to identify the approach a 'typical' or 'average' developer / landowner would take to delivering the site for development. A viability assessment

does not therefore seek to reflect the specific circumstances of any particular body (whether landowner or developer).

- 3.18 The assessment which has been undertaken seeks to establish in relation to the approved development the outturn level of developer return based on estimated development revenue (sales values) less all anticipated development costs, including abnormal costs and infrastructure works, sales costs, finance charges, and input Benchmark Land Value ('BLV').
- 3.19 The outturn level of developer return can be analysed to determine whether or not the approved development is viable and deliverable depending on the proportion of affordable housing provision and financial contributions toward other planning obligations incorporated into the appraisal model. If the outturn rate of developer return is equal to or in excess of the target rate of return it would indicate that the approved development is capable of supporting the package of planning obligations incorporated into the appraisal model.
- 3.20 Conversely, If the outturn rate of developer return is below the target rate of return it would indicate that the approved development is not capable of supporting the package of planning obligations incorporated into the appraisal model.
- 3.21 Through an iterative process therefore it is possible to establish the maximum proportion of affordable housing provision and financial contributions toward other planning obligations that the approved development can support whilst still achieving the target rate of developer return required.

Establishment of Benchmark Land Value

3.22 As identified, it is necessary to input a Benchmark Land Value (“BLV”) into the appraisal model on a fixed cost basis to represent the payment to the landowner needed to incentivise them to release the site for development.

3.23 With regard to the contents of the NPPG paragraph 013⁵ asks ‘*How should land value be defined for the purpose of viability assessment?*’.

“To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called ‘existing use value plus’ (EUV+).

In order to establish benchmark land value, plan makers, landowners, engage and provide evidence to inform this iterative and collaborative process.”

3.24 As should be noted, estimation of BLV has to have regard to the ‘minimum return’ at which it is considered a ‘reasonable’ land owner would sell their land. In this regard it must be assumed that landowners have market knowledge and are aware of other transactions in the local market area, and that they will always seek to sell for a use that generates the best and highest value for their site.

3.25 The LPVTU established a BLV for land in agricultural use of £200,000 per hectare (£80,940 per acre) irrespective of its location within Barnsley.

⁵ Paragraph: 013 Reference ID: 10-013-20180724

- 3.26 The application site extends to 0.9 hectares (2.22 acres) which would suggest a BLV of £180,000. This is the figure which has been used in the appraisal modelling undertaken.
- 3.27 With regard to developers' land acquisition costs an allowance of £7,500 has been applied in relation to legal fees, together with Stamp Duty Land Tax calculated at the prevailing rate (£600).

Dwelling Mix and Estimated Market Sales Values

- 3.28 The application proposals comprise a bespoke architectural design encompassing 3 bedrooed semi-detached houses of varying sizes and design involving either ground and first floor accommodation with additional accommodation within the roof space (2½ storey dwellings) or ground, first, and second floor accommodation of the same size (3 storey dwellings).
- 3.29 The use of 2½ and 3 storey dwellings is considered necessary in response to the topographical challenges which the application site poses.
- 3.30 The proposed mix of dwelling types by floor area is as set out in Table 4.0 below:

Table 4.0 – Housetype Mix by Dwelling Size

Housetype	Ground Floor (sq.ft)	1st Floor (sq.ft)	2nd Floor (sq.ft)	Total (sq.ft)	No.
Type B	431	431	231	1,093	4
Type D	502	502	312	1,316	18
Type E	409	409	409	1,227	2
Type F	502	502	501	1,505	4
Type G	502	502	314	1,318	2

- 3.31 The LPVTU assessed new build residential values for both detached, and semi-detached dwellings in this area of Barnsley to be £1,950/m² (£181/sq.ft).
- 3.32 Since the date of publication of the LPVTU the Land Registry House Price Index records that prices in Barnsley have increased by 43%⁶. Subject to this indexation the original figures used in the LPVTU would now equate to £2,789/m² (£259/sq.ft).
- 3.33 However, it is unlikely that the benefits of this house price inflation will have been enjoyed equally, and it is possible that prices may have increased faster in areas of Barnsley that already exhibited above average property values.
- 3.34 Therefore, regard has also been had to a recent local development undertaken in Darfield by Barratt Homes known as 'Netherfield', located approximately 750m west of the application site on Pitt Street.
- 3.35 Details of recorded Land Registry sales prices for Semi-Detached dwellings (by date) are reproduced in Appendix 1.0.
- 3.36 The data reveals that the average £/sq.ft sales price achieved between June 2023 and May 2025 equated to £247/sq.ft. with the last 3 sales recorded as having taken place in 2025 achieving an average price of £252/sq.ft.
- 3.37 It is therefore considered that an appropriate £/sq.ft revenue for application in the appraisal modelling undertaken equates to £250/sq.ft.
- 3.38 However, it must be acknowledged that all of the proposed semi-detached dwellings at Netherfield comprise traditional 2 storey dwellings. Therefore an adjustment is required to reduce the value attributable to accommodation situated above first floor level, the accepted practice of which relates to 'halving back' the rate attributable to the ground and first

⁶ Index May 2019 = 76.5, March 2026 = 109.5 (+43%)

floor areas (i.e. a rate of £125/sq.ft is applied to the second floor accommodation.

3.39 When applied to the scheduled areas this generates the suggested following values which have then been rounded (figures in brackets) for use in the appraisal modelling:

- Type B – £244,375 (£245,000)
- Type D – £290,000 (£290,000)
- Type E – £255,625 (£255,000)
- Type F – £313,625 (£315,000)
- Type G – £290,250 (£290,000)

Timing of Development and Sales

3.40 The appraisal modelling undertaken assumes that the site would be acquired following grant of planning approval followed by a 6 month pre-plot construction period when site reprofiling works and construction of retaining walls would be undertaken in order to create a suitable residential development platform. This is in advance of any plot construction work.

3.41 Plot construction work itself has an estimated duration of 24 months, with the first plot sale completing 12 months after dwelling construction commences, with a total sales duration of 18 months, equivalent to 1.67 dwelling sales per month.

3.42 The total projected development and sales period is therefore 35 months in duration.

Development Costs

3.43 Paragraph 012 of NPPG asks, '*How should costs be defined for the purpose of viability assessment?*'.

'Assessment of costs should be based on evidence which is reflective of local market conditions. As far as possible, costs should be identified at the plan making stage. Plan makers should identify where costs are unknown and identify where further viability assessment may support a planning application.

Costs include:

- build costs based on appropriate data, for example that of the Building Cost Information Service*
- abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites. These costs should be taken into account when defining benchmark land value*
- site-specific infrastructure costs, which might include access roads, sustainable drainage systems, green infrastructure, connection to utilities and decentralised energy. These costs should be taken into account when defining benchmark land value*
- the total cost of all relevant policy requirements including contributions towards affordable housing and infrastructure, Community Infrastructure Levy charges, and any other relevant policies or standards. These costs should be taken into account when defining benchmark land value*
- general finance costs including those incurred through loans*
- professional, project management, sales, marketing and legal costs incorporating organisational overheads associated with the site. Any professional site fees should also be taken into account when defining benchmark land value*
- explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project risk and developers return*

Plot Construction Costs.

- 3.44 The LPVTU applied BCIS Lower Quartile construction costs for sites over 50 dwellings in size and BCIS Median construction costs for site of less than 50 dwellings in size. As the application proposals comprise 30 dwellings reference has therefore been made to BCIS Median Construction costs as reproduced at Appendix 2.0.
- 3.45 The rate for 3 Storey 'Estate Housing' is £1,409/m (£131/sq.ft) and this has been applied in the appraisal modelling undertaken.

Contingency Allowance

- 3.46 In accordance with the assumptions used in the LPVTU an allowance equivalent to 3% of plot construction costs has been applied in the appraisal modelling.

External Works Costs

- 3.47 The LPTVU applies an allowance equivalent to 15% of plot construction costs to cover external works costs in relation to standard road costs, drainage, services, parking, footpaths, landscaping etc. which are not included within BCIS cost data.
- 3.48 However, in relation to application proposals the access road is shared with an extant planning permission (2007/1699) for the development of 4 detached and 10 semi-detached dwellings along the existing route of Hill Street.
- 3.49 Overall, this equates to 44 dwellings, of which the application proposals equate to two-thirds of the combined development. In recognition of this the external works allowance in respect of the application proposals has been reduced to 10% of plot construction costs in acknowledgement of the shared costs attributable to development of the extant permission.

Abnormal Costs

- 3.50 As identified in paragraph 1.7, in order to achieve a suitable platform for residential development requires the excavation and disposal of a significant volume of on-site material, together with the construction of retaining walls to stabilise the excavated areas.
- 3.51 Such works evidently fall outside of the ambit of standardised plot construction costs as derived from examination of BCIS data.
- 3.52 In order to inform the appraisal modelling undertaken a cost estimate has been provided by specialist Barnsley based excavation and earthworks contractor Jakto Transport and Excavations, based on their analysis of the topographical survey and extent of works required to deliver the residential development platform.
- 3.53 The cost estimate from Jakto is reproduced at Appendix 3.0 and indicates significant additional costs in the sum of £842,263 which must be undertaken before any 'normal' site works or plot construction may be commenced.

Planning Obligation Costs

As identified at paragraph 1.8 financial contributions toward planning obligations have been requested in the following sums:

- Education - £206,000
- Green Space - £123,000
- Sustainable Travel - £22,000
- **Total £351,000**

- 3.54 The Barnsley Local Plan Affordable Housing Supplementary Planning Document ("AHSPD") was approved for use in the determination planning applications in July 2022.

- 3.55 Section 14 of the AHSPD is concerned with the transfer values at which affordable dwellings will be required to be sold. Paragraph 14.2 advises that indicative transfer prices (whether for sale or for rent) equate to 50% of open market value, and paragraph 14.4 advises that these values will be used to calculate the commuted sum should it not be possible to reach an agreement with a Registered Provider.
- 3.56 For the purpose of the appraisal modelling this discount has been applied to the smallest, and least valuable housetypes proposed (Type B dwellings).
- 3.57 With an estimated open market value of £245,000 the discounted transfer price results in a loss of revenue of £122,500 per dwelling (£367,500 in total).

Building Safety Levy

- 3.58 The Building Safety Levy ("BSL") is a tax on new residential buildings in England that comes into force on 1 October 2026. It requires developers to pay a per-square-metre charge during the building control application process to fund the remediation of life-critical fire safety defects in residential buildings
- 3.59 The BSL therefore represents a new (and mandatory) development cost that could not have been foreseen (and therefore accommodated) within the LPVTU.
- 3.60 The rates payable in relation to BSL vary by each local authority area. There are separate rates for Previously Developed and Non-Previously Developed land, with the rate for Non-Previously developed land being double for that of Previously Developed. Affordable Housing is exempt.
- 3.61 The published rate for Barnsley is £16.60 per square metre of residential development. Applied to the 39,206sq.ft (£3,642m²) of the application proposals this generates a levy payment of £60,457 (payable prior to issue of the first building control completion notice) reducing to £56,390 in the

model inclusive of affordable housing when account is taken of the available exemption.

Professional Fees

- 3.62 The LPVTU utilised an allowance for professional fees calculated at 8% of plot construction costs in relation to sites of 20 dwellings or less reducing to 6% for sites in excess of 20 dwellings. Having regard to the significant abnormal development costs identified it is considered that use of an 8% allowance is also appropriate in relation to the application proposals despite it comprising in excess of 20 dwellings.

Sales and Marketing Costs

- 3.63 In respect of sales and marketing costs an allowance of 3% of the forecast sales revenue has been applied in line with the assumptions used in the LPVTU.
- 3.64 With regard to legal costs on disposal the LPVTU utilised a figure of £500 per plot. Taking account of inflation in the intervening period this has been increased to £800 per plot in the appraisal modelling.

Development Finance Costs

- 3.65 Whilst the LPVTU utilised a development finance rate of 6% which is considered unrepresentative of current market conditions having regard to the change in the Bank of England base rate over the intervening period (as identified in table 3.0).
- 3.66 Having regard to the likely financing costs that would be faced by a small developer of the type that would bring forward the application proposals we have utilised a rate of 10%, which is considered conservative in relation the development risks identified.

Consideration of Developer Return

3.67 Paragraph 018⁷ of NPPG advises that:

"For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies."

As will be clear from the wording, these assumptions are only intended to apply in respect of *plan making*, which implies that use of alternative rates of developer return may be appropriate when undertaking decision making based on consideration of detailed scheme proposals.

3.68 The paragraph continues to state that:

"Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development."

In this regard it is noted that the application proposals may be considered 'higher risk' than a typical greenfield estate type development owing to the significant up-front costs associated with site re-profiling and the construction of retaining walls.

3.69 Taking these site specific factors into account, as well as the wider macro-economic situation more generally, it is considered that an appropriate rate of developer return in connection with the approved development would equate to 20% of GDV.

3.70 The LPVTU also applied a developer return of 20% of GDV in relation to market housing sales, albeit with a lower return of 6% of GDV on any affordable housing units.

⁷ Paragraph: 018 Reference ID: 10-018-20190509

3.71 Recognition of the need to have regard to wider macro-economic issues was provided by an inspector in connection with an appeal decision (APP/Y3615/W/22/3298341) dated 28th November 2022 in relation to land at North Lodge Farm, Lower Road, Effingham.

3.72 At paragraph 68 the inspector had regard to the contents of NPPG in consideration of the appropriate rate of developer return to be applied in relation to decision making in the current economic climate and observed:

"Although it refers expressly to plan making, I also see no good reason why the profit range of 15-20% identified in the Government's planning practice guidance (NPPG) should not reasonably be applied to a scheme of this type in order to assess viability, particularly when read in the context of para 58 of the Framework. Given the fairly difficult and comparatively uncertain economic circumstances for the construction sector at present and regardless of what profit margin the appellant has worked to in the past, it is reasonable to assume developer risk is greater now than at other more economically stable times. Consequently, notwithstanding the evidence regarding house prices and demand for housing in the area, and in respect to programming and sales revenue, a profit target to the higher end of the range, up to 20% of gross development value, is reasonable."

(Emphasis Added)

3.73 In the following section, comparison is made between the outturn rates of developer return achieved in the appraisal modelling undertaken in comparison to a benchmark rate of developer return equivalent to 20% of GDV (19.37% blended inclusive of affordable housing) to determine the maximum amount of affordable housing and financial contributions toward other planning obligations that the application proposals are able to support.

4.0 Results of Viability Modelling

- 4.1 Having completed all the inputs into the viability modelling process it is then possible to analyse the outturn level of developer return achieved by the approved development which can be compared against the level of developer return advocated by NPPG.
- 4.2 A copy of the appraisal output for the application proposals incorporating provision of 3 affordable dwellings as well as financial contributions toward S106 obligations totaling £351,000, has been reproduced at Appendix 4.0.
- 4.3 The estimated development value is £8,182,500, whilst estimated development costs are £8,263,174 resulting in a loss to the developer of £80,674 (a negative profit of -0.99% of GDV).
- 4.4 On this basis the application proposals would be wholly unviable and hence undeliverable.
- 4.5 A further appraisal output with both affordable housing provision and financial contributions toward S106 obligations removed has been reproduced at Appendix 5.0.
- 4.6 In the absence of affordable housing being required total estimated revenue increases to £8,550,000 whilst estimated development costs reduce to £7,905,451 as a result of financial contributions toward S106 obligations being removed.
- 4.7 This results in the application proposals being brought back into profitability with an estimated developer return of £644,509. However, at 7.54% of GDV this is considerably lower than the minimum return of 15% of GDV advocated by NPPG.

- 4.8 As such the application proposals should be considered as being only 'marginally viable', even when the requirement for affordable housing provision and financial contributions toward planning obligations are removed.

5.0 Summary and Conclusions

- 5.1 The NPPF considers that where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. The weight to be given to a viability assessment is a matter for the decision maker, but the onus rests with an applicant to demonstrate whether a viability assessment is justified at the application stage.
- 5.2 NPPG outlines the circumstances in which a viability assessment may be justified in relation to decision taking. These include '*where a recession or similar significant economic changes have occurred since the plan was brought into force*'. In this regard significant economic changes are considered to have occurred in recent years which severely constrain the viability of residential development proposals.
- 5.3 The NPPF requires that all viability assessments, including those undertaken at the plan making stage, should reflect the recommended approach in planning practice guidance, use standardised inputs, and be made publicly available.
- 5.4 Paragraph 008 of NPPG advises that where a viability assessment is submitted to accompany a planning application (or an application to modify existing planning obligations) it should refer back to the viability assessment that informed the plan '*and summarise what has changed since then*'.
- 5.5 The LPTVU was published in 2019, and since this date economic growth has stalled, inflation has eroded the disposable incomes of households, and increases in interest rates have pushed up the cost of home purchase, resulting in real (i.e. inflation adjusted) falls in house prices in recent years.

This has resulted in a very challenging macroeconomic environment for housebuilders to operate within.

- 5.6 The appraisal modelling undertaken clearly indicates that a requirement for the application proposals to provide 3 affordable dwellings, together with financial contributions toward other planning obligations would result in a loss making and therefore wholly unviable development.
- 5.7 Therefore, it is requested that planning approval is granted without any requirement for affordable housing provision or financial contributions toward other planning obligations in order to maximise the prospect of the application proposals being brought forward for development and contributing to the Councils housing land supply position.

APPENDICES

1.0 Comparable Sales Value Research

Netherfield, Barnsley - Barratt Homes

Semi Detached

No.	Street	Postcode	Price	Date	Type	Size (Sq.m)	£/Sq.m	Size (Sq.ft)	£/Sq.ft		
56	PITT STREET	S73 8AS	203,296	13/06/2023	S	75	2,711	807	252		
64	PITT STREET	S73 8AS	189,996	23/06/2023	S	75	2,533	807	235		
22	MITCHELLS MAIN CLOSE	S73 8GJ	177,596	29/09/2023	S	75	2,368	807	220		
24	MITCHELLS MAIN CLOSE	S73 8GJ	179,996	29/09/2023	S	75	2,400	807	223		
19	COLLIERY MOUNT	S73 8GH	204,246	22/03/2024	S	75	2,723	807	253		
21	COLLIERY MOUNT	S73 8GH	217,995	28/03/2024	S	75	2,907	807	270		
25	COLLIERY MOUNT	S73 8GH	199,946	12/04/2024	S	75	2,666	807	248		
23	COLLIERY MOUNT	S73 8GH	202,995	10/05/2024	S	78	2,603	840	242		
12	COLLIERY MOUNT	S73 8GH	174,396	07/06/2024	S	75	2,325	807	216		
14	COLLIERY MOUNT	S73 8GH	174,396	14/06/2024	S	75	2,325	807	216		
58	MITCHELLS MAIN CLOSE	S73 8GJ	234,995	20/09/2024	S	79	2,975	850	276		
33	MITCHELLS MAIN CLOSE	S73 8GJ	223,246	11/10/2024	S	79	2,826	850	263		
56	MITCHELLS MAIN CLOSE	S73 8GJ	199,496	25/10/2024	S	76	2,625	818	244		
2	NETHERFIELD GARDENS	S73 8GL	211,495	01/11/2024	S	75	2,820	807	262		
31	MITCHELLS MAIN CLOSE	S73 8GJ	204,246	11/11/2024	S	76	2,687	818	250		
4	NETHERFIELD GARDENS	S73 8GL	208,996	28/11/2024	S	75	2,787	807	259		
14	NETHERFIELD GARDENS	S73 8GL	199,496	19/12/2024	S	75	2,660	807	247		
12	NETHERFIELD GARDENS	S73 8GL	199,496	28/02/2025	S	75	2,660	807	247		
58	PITT STREET	S73 8AS	201,595	30/05/2025	S	75	2,688	807	250		
1	COLLIERY MOUNT	S73 8GH	218,496	30/05/2025	S	78	2,801	840	260	3	252
						4,026,415		1516	2,656	16,319	247

2.0 BCIS Construction Cost Data

BCIS®

£/M2 STUDY

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

Last updated: 30-May-2026 08:17

Rebased to Barnsley (89; sample 34)

MAXIMUM AGE OF RESULTS: DEFAULT PERIOD

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
810.1 Estate housing							
Generally (15)	1,437	714	1,216	1,374	1,574	4,912	1271
Single storey (15)	1,645	952	1,378	1,580	1,792	4,912	197
2-storey (15)	1,388	714	1,193	1,343	1,527	2,985	1007
3-storey (15)	1,455	886	1,239	1,409	1,615	2,899	62
4-storey or above (15)	2,978	1,457	2,384	2,661	3,961	4,424	5
810.11 Estate housing detached (15)							
	1,970	1,044	1,495	1,679	2,258	4,912	17
810.12 Estate housing semi detached							
Generally (15)	1,452	838	1,231	1,408	1,593	3,175	325
Single storey (15)	1,613	1,035	1,414	1,601	1,746	3,175	73
2-storey (15)	1,405	838	1,218	1,355	1,545	2,437	242
3-storey (15)	1,396	1,048	1,109	1,332	1,607	2,033	10
810.13 Estate housing terraced							
Generally (15)	1,435	845	1,183	1,353	1,557	4,424	195
Single storey (15)	1,595	1,016	1,358	1,557	1,889	2,266	14

BCIS®

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
2-storey (15)	1,382	845	1,173	1,321	1,494	2,985	153
3-storey (15)	1,453	886	1,244	1,399	1,603	2,899	26
4-storey or above (15)	4,193	3,961	-	-	-	4,424	2

3.0 Cost Estimate for Site Reprofilng and Retaining Walls



Jakto Transport Ltd Oaks Lane Stairfoot Bamsley S71 1HT
 Tel 01226 248050 Web www.jakto.co.uk Email enquiries@jakto.co.uk

Scheme - South View, Darfield

Date - 11th June 2026

	Quantity	Unit	Rate	Total
Prelims Enabling				2,900.00
Prelims running cost				56,321.48
D GROUNDWORK				
D20 Excavating and Filling				
Cut	18351	m3	1.00	18,351.00
Fill to make up levels	1444	m3	4.77	6,887.88
Disposal off site (inert subject to receipt of SI)	16908	m3	19.24	325,309.92
Surface treatment				
Compacting ground	9098	m2	0.31	2,820.38
Compacting fill	2907	m2	0.31	901.17
Retaining Walls - subject to receipt of design	1	item	428,771.66	428,771.66
			Total	842,263.49

**4.0 Appraisal Output – With Affordable Housing and S106
Financial Contributions**

South View, Darfield, Barnsley

30 x 3 Bedroom Houses

3 x Affordable Units & Full S106 Contributions

Development Pro Forma

Prepared by Neil Tatton

Resolve106

June 11, 2026

PROJECT PRO FORMA

RESOLVE106

South View, Darfield, Barnsley 30 x 3 Bedroom Houses 3 x Affordable Units & Full S106 Contributions

Project Pro Forma for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
Housetype B - Market Housing	1	1,093	224.15	245,000	245,000
Housetype D - Market Housing	18	23,724	220.03	290,000	5,220,000
Housetype E - Market Housing	2	2,454	207.82	255,000	510,000
Housetype F - Market Housing	4	6,020	209.30	315,000	1,260,000
Housetype G - Market Housing	2	2,636	220.03	290,000	580,000
Housetype B - Affordable Housing	3	3,279	112.08	122,500	367,500
Totals	30	39,206			8,182,500

TOTAL PROJECT REVENUE 8,182,500

DEVELOPMENT COSTS

ACQUISITION COSTS

Fixed Price	180,000				
Fixed Price (2.25 Acres @ 80,000.00 /Acre)			180,000		
Land Transfer Tax				600	180,000
Effective Land Transfer Tax Rate	0.33%				
Legal Fee			7,500		8,100

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost
Housetype B - Market Housing	1,093	131.00	143,183
Housetype D - Market Housing	23,724	131.00	3,107,844
Housetype E - Market Housing	2,454	131.00	321,474
Housetype F - Market Housing	6,020	131.00	788,620
Housetype G - Market Housing	2,636	131.00	345,316
Housetype B - Affordable Housing	3,279	131.00	429,549
Totals	39,206 ft²		5,135,986
Contingency		3.00%	154,080
S106 Education			206,000
S106 Greenspace			123,000
S106 Sustainable Travel			22,000
Building Safety Levy			56,390

Other Construction Costs 5,697,456

Site Reprofitting & Retaining Walls			842,263
Roads, Sewers & Open Space	10.00%		513,599
			1,355,862

PROFESSIONAL FEES

Other Professional Fees	8.00%		327,463
			327,463

DISPOSAL FEES

Sales Agent Fee	3.00%		163,950
Sales Legal Fee			800
			164,750

TOTAL COSTS BEFORE FINANCE 7,733,630

FINANCE

Debit Rate 10.000%, Credit Rate 0.000% (Nominal)			
Land			52,717
Construction			452,762
Other			24,065
Total Finance Cost			529,544

TOTAL COSTS 8,263,174

PROFIT

(80,674)

Performance Measures

Profit on Cost%	-0.98%
Profit on GDV%	-0.99%
Profit on NDV%	-0.99%
IRR% (without Interest)	7.87%
Profit Erosion (finance rate 10.000)	N/A

**5.0 Appraisal Output – Without Affordable Housing and
S106 Financial Contributions**

South View, Darfield, Barnsley
30 x 3 Bedroom Houses
No Affordable Units or S106 Contributions

Development Pro Forma
Prepared by Neil Tatton
Resolve106
June 11, 2026

PROJECT PRO FORMA

RESOLVE106

South View, Darfield, Barnsley 30 x 3 Bedroom Houses No Affordable Units or S106 Contributions

Project Pro Forma for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
Housetype B - Market Housing	4	4,372	224.15	245,000	980,000
Housetype D - Market Housing	18	23,724	220.03	290,000	5,220,000
Housetype E - Market Housing	2	2,454	207.82	255,000	510,000
Housetype F - Market Housing	4	6,020	209.30	315,000	1,260,000
Housetype G - Market Housing	2	2,636	220.03	290,000	580,000
Totals	30	39,206			8,550,000

TOTAL PROJECT REVENUE

8,550,000

DEVELOPMENT COSTS

ACQUISITION COSTS

Fixed Price	180,000				
Fixed Price (2.25 Acres @ 80,000.00 /Acre)			180,000		180,000
Land Transfer Tax				600	
Effective Land Transfer Tax Rate	0.33%				
Legal Fee			7,500		
					8,100

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost	
Housetype B - Market Housing	4,372	131.00	572,732	
Housetype D - Market Housing	23,724	131.00	3,107,844	
Housetype E - Market Housing	2,454	131.00	321,474	
Housetype F - Market Housing	6,020	131.00	788,620	
Housetype G - Market Housing	2,636	131.00	345,316	
Totals	39,206 ft²		5,135,986	
Contingency		3.00%	154,080	
Building Safety Levy			60,457	
				5,350,523

Other Construction Costs

Site Reprofiting & Retaining Walls			842,263	
Roads, Sewers & Open Space	10.00%		513,599	
				1,355,862

PROFESSIONAL FEES

Other Professional Fees	8.00%	361,827		361,827
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DISPOSAL FEES

Sales Agent Fee	3.00%	186,000		
Sales Legal Fee			800	
				186,800

TOTAL COSTS BEFORE FINANCE

7,443,111

FINANCE

Debit Rate 10.000%, Credit Rate 0.000% (Nominal)				
Land			52,717	
Construction			400,915	
Other			8,748	
Total Finance Cost				462,380

TOTAL COSTS

7,905,491

PROFIT

644,509

Performance Measures

Profit on Cost%	8.15%
Profit on GDV%	7.54%
Profit on NDV%	7.54%
IRR% (without Interest)	20.07%
Profit Erosion (finance rate 10.000)	10 mths