

FINANCIAL VIABILITY ASSESSMENT

**Barnsley Road
Goldthorpe
South Yorkshire**

Hoover Homes

22 October 2020



**CUSHMAN &
WAKEFIELD**

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Executive Summary

COVID-19

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on the 11 March 2020, has impacted global financial markets. Market activity is being impacted in many sectors.

We note that the majority of the comparable evidence which we have considered to inform the assumptions adopted in this FVA pre-dates the outbreak of COVID-19. The revenues have been adopted in the FVA on the assumption that market activity will not be disrupted for a prolonged time period due to the impact of the COVID-19 pandemic.

The scale of the impact of the COVID-19 pandemic on the residential market and sales values cannot be fully assessed at this stage, as the duration of disruption and the effectiveness of government support remains unknown. To reinforce, the GDV assessment and adopted sales pace assumptions do not account for any potential impairment should the market not recover within a reasonable time period.

Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep under frequent review the assumptions, appraisals and advice contained in this report. We reserve the right to review our findings once the impact of COVID-19 on the real estate market can be accurately assessed.

Summary Table

Input	C&W Assumption
SITE	Land at Barnsley Road, Goldthorpe
APPLICANT	Hoober Homes
CONSULTANT	Cushman & Wakefield
PROPOSED DEVELOPMENT	44 no. 2 and 3-bedroom dwellings
POLICY REQUIREMENTS	10% affordable housing £96,000 towards secondary education
BENCHMARK LAND VALUE	£470,000 (£180 per net developable acre)
Net Sales Area	40,678 sq ft
Net Developable Area	2.62 acres
GDV	£6,782,058
Build Costs	£4,344,004
Abnormal Development Costs	£96,000
Contingency	£149,070
Professional Fees	£348,720
Marketing and Disposal Fees	£99,454
Developer's Profit	£1,317,076
POLICY-COMPLIANT RESIDUAL LAND VALUE	-£130,000 (negative)

Conclusions

Our report demonstrates the scheme is unable to viably deliver any level of planning gain when measured against our opinion of Benchmark Land Value.

Our approach is in accordance with updated planning guidance and is supported by robust evidence. We therefore consider our conclusions reasonable and valid.

1. Introduction

1.1 Scope

Cushman & Wakefield (C&W) has been instructed by Hoover Homes to undertake a Financial Viability Assessment (FVA) in respect of the proposed residential development of land at Barnsley Road, Goldthorpe.

The appraisal is based on an accepted industry methodology, which has been tested by key stakeholders from both the private and public sectors. It is based on up-to-date information, which will stand up to public scrutiny.

In preparing this report, C&W can confirm that we have acted with objectivity, impartially, without interference and with reference to all appropriate available sources of information. C&W can confirm that no conflict or risk of conflict of interest exists. We can also confirm that no performance related or contingent fees have been agreed with respect to the outcome of this report.

The National Planning Policy Framework (NPPF) was revised in July 2018, with further updates published in May 2019. Paragraph 2 of the PPG on viability and plan-making refers to ensuring viability and deliverability:

‘Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan’

1.2 Cushman & Wakefield’s Methodology

Cushman & Wakefield’s (C&W) methodology for assessing the affordable housing and S.106 contributions that can be viably supported by the proposed scheme is in-line with RICS and planning policy guidance and has three key stages:

Stage One: Establish appraisal input parameters based on a residual approach, including revenues, costs and developer’s profit. We will run an appraisal to establish the residual land value assuming delivery of a policy-compliant scheme including 10% affordable housing and other S.106 requirements.

Stage Two: Identify a Benchmark Land Value in accordance with current NPPF guidance. This establishes a minimum land value which must reasonably incentivise a landowner to release the site for development.

Stage Three: Run a scenario-testing exercise to assess the level of affordable housing the proposed scheme can viably afford to deliver. We will run a sensitivity analysis to demonstrate how viability is impacted by an adjustment to the level of affordable housing and developer’s profit.

We outline below each of these stages and undertake a robust assessment of the viability of the proposed scheme.

2. Site Overview

2.1 Site Location

Goldthorpe is a former mining village lying within the metropolitan borough of Barnsley, South Yorkshire. It is around 9 miles west of Barnsley town centre, 8 miles west of Doncaster and 17 miles to the north east of Sheffield. Goldthorpe's population was recorded as 6,051 at the 2011 Census.

Nearby villages including Bolton-upon-Deane, which merges with Goldthorpe to the south, Thurnscoe, Hickleton and Barnburgh.

Goldthorpe is well-served by public and private transport links. It lies to the south of the A635, which provides direct access to both Barnsley and Doncaster. Junction 36 of the M1 lies around 9 miles to the south west whilst Junction 37 of the A1(M) is 5 miles to the east.

There is a village train station, directly serving Sheffield (32 minutes) and Leeds (45 minutes). There are also regular bus services, connecting with nearby towns and villages, and Barnsley within 30 minutes.

There are local amenities and a local schools nearby, including Sacred Heart Catholic Primary School (rated as Outstanding by Ofsted), Dearne Goldthorpe Primary School (rated as Requires Improvement) and Highgate Primary Academy (rated as Good), which is 0.2 miles to the east.

The subject site sits to the north of Barnsley Road close to its junction with Holygrove roundabout and the A635. There is an Aldi supermarket directly to the west and established residential areas to the east. There are extensive areas of open countryside to the north and west.

2.2 Site Description

The site lies to the western fringe of Goldthorpe and comprises a regular-shaped parcel of amenity land. It enjoys a broadly level topography and consists of overgrown grassland, hedgerows and trees.

The northern boundary abuts the A635 and the southern boundary Barnsley Road. Immediately to the west is an Aldi supermarket and to the east is a historic Avant Homes scheme comprising two-storey detached dwellings fronting Holly Grove and Mulberry Close.

We are informed the site extends to a gross area of 2.92 acres (1.18 hectares) and a net developable area of 2.62 acres (1.06 hectares), representing a 10% reduction from gross to net.

2.3 Proposal Summary

Hoover Homes proposes to develop the site into a scheme of 44 no. 2 and 3-bedroom terraced, semi-detached and detached dwellings.

The scheme layout provides a single vehicular access point via Barnsley Road and leads to housing arranged in a linear configuration around a central spine road and cul-de-sacs.

The proposed site plan is provided within **Appendix B**. The proposed schedule of accommodation is as follows:

House type	Type	Beds	Storeys	No.	NSA (sq ft)	Total NSA
HL67	Terrace	2	2	10	728	7,280

House type	Type	Beds	Storeys	No.	NSA (sq ft)	Total NSA
HL70	Semi-detached	2	2	2	782	1,564
HL85	Semi-detached	3	2	7	911	6,377
HL89	Semi-detached	3	2	8	958	7,664
HL95	Semi-detached	3	2	6	958	5,748
HL97	Semi-detached	3	2.5	9	1,049	9,441
HLI 15	Detached	3	2	2	1,302	2,604
Totals		44				40,678
Averages					925	

The proposed mix includes 27% 2 beds and 73% 3-bed dwellings. The proposed Net Sales Area (NSA) is 40,678 sq ft and dwelling sizes range from 728 sq ft to 1,302 sq ft, reflecting an average of 925 sq ft.

We note 33 no. dwellings (75%) are smaller than 1,000 sq ft and 11 no. dwellings (25%) are larger than 1,000 sq ft. 80% of proposed dwellings are 2-storey and 20% are 2.5 storeys in height.

From our experience of selling and valuing residential development land and undertaking viability assessments across the region, new-build schemes currently range in development density between 14,000 sq ft and 16,000 sq ft per net developable acre, depending on product mix and market area.

The proposed scheme reflects a density of 15,525 sq ft or 17 units per net developable acre, which is considered a reasonable density for a scheme of this nature and within this location.

3. Planning Overview

3.1 Planning Policy

Barnsley Metropolitan Borough Council (BMBC) adopted its Local Plan in January 2019. Therefore, it carries full weight for planning decisions in the borough, superseding the remaining saved policies from the Unitary Development Plan (adopted 2000) and the Core Strategy (adopted 2011).

The site is allocated as Urban Fabric in the Local Plan, where there is a presumption in favour of sustainable development.

3.2 Planning History

Planning approval was granted in November 2014 for the ‘erection of a food store with car parking, landscaping and associated works (full) and erection of residential development (outline)’ under planning reference 2014/1020.

Whilst the full consent was implemented, the residential outline consent is now lapsed.

3.3 Pre-application Meeting

A pre-application meeting was held with BMBC in 2019 in respect of a proposal for a 42-no. unit housing scheme.

A formal pre-app response confirms the principle of residential development is established on account of the lapsed consent and that the proposal would be compliant with Local Plan Policy H5, which relates to residential development on large, non-allocated sites.

Further considerations were highlighted in respect of housing mix, confirming that a proposal of 42 no. dwellings would not meet the minimum density requirements of 40 no. dwellings per hectare. Further items discussed including on-site open space requirements, highways, flooding, drainage and archaeology, which was a condition in relation to the lapsed consent. Additionally, the pre-app response confirms the site is greenfield in nature.

3.4 Affordable Housing

The Council’s affordable housing policy seeks a requirement for 10% of dwellings to be of affordable tenure on sites of 15 or more dwellings in Bolton, Goldthorpe, Thurnscoe, Hoyland, Wombwell, Darfield, North Barnsley and Royston, South Barnsley and Worsbrough and Rural East (Policy H7 Affordable Housing). This requirement was also confirmed at the pre-application meeting.

BMBC Local Plan’s Supplementary Planning Document ‘Affordable Housing - Adopted May 2019’ identifies a tenure split of 80% affordable homes for rent and 20% affordable home ownership and indicative transfer values of 50% of open market value to each tenure type.

3.5 S.106 Requirements

The pre-app response confirms BMBC seeks an education contribution towards 6 secondary school places, with an indicative figure of £96,000. The response also indicates there may be a requirement for a greenspace contribution, but this figure is unconfirmed.

The Council therefore seeks delivery of 10% affordable housing plus £96,000 towards other S.106 items based on the proposed development of 44 no. dwellings.

4. Residential Market Overview

4.1 UK Housing Market

According to the HM Land Registry data, the average house price in the UK in June 2020 was £237,834. Property prices on average rose 2.7% from the previous month and increased by 3.4% annually.

The August 2020 RICS UK Residential Survey results indicated a strong momentum behind the sales market, though acknowledges the long-term view remains cautious. It is anticipated that the pandemic will cause a lasting shift in the desirability of certain property characteristics, such as an increase in demand for gardens over the next two years.

The survey reports a net balance of 63% of contributors reported an increase in buyer interest during August. New instructions were also reported to have risen, though the average number of homes currently held on estate agents' books remains low at an average of 42 properties.

There was strong growth indicated by a number of contributors for the third successive month. Near-term sales expectations remain modestly positive though the 12-month sales outlook is still negative, compounded by concerns over the wider economic climate.

The August survey indicates a sharp acceleration in house price inflation with 44% of respondents reporting an increase in prices, the strongest since 2016. It was reported that all parts of the UK are seeing prices increases, with the exception of London. For properties listed at below £500,000, 78% of respondents reported that sales prices are aligned with asking prices.

5. Stage One – Residual Land Value

To establish the viability of the proposed scheme we have adopted the residual approach, which involves calculating the Gross Development Value (GDV) of the development on completion and deducting all costs associated with bringing the scheme forward, including an element of developer's profit.

5.1 Gross Development Value

In accordance with planning policy guidance, to establish achievable revenues for the proposed scheme we have assumed delivery by a hypothetical housebuilder. We have undertaken research on new-build and second-hand sold prices in the locality, taking care to select developments and properties which are most closely comparable to the subject site.

5.1.1 New-build Revenue Analysis

The most relevant evidence for establishing likely sales revenues on new build schemes is other comparable new build developments. Evidence should come from schemes within the immediate vicinity of any site being considered or, if this is not possible, schemes situated within neighbouring areas where house prices are comparable.

The key benefits of utilising new build evidence are:

- Accurate floor areas can be verified through information included on house builder websites or from floor plans submitted as part of the planning application for a site
- New build housing is more homogenous than second-hand stock, with specification typically similar across schemes and prior to alterations and additions by individual homeowners
- Values can be therefore accurately be compared on a rate per sq ft basis

When utilising new build evidence, it is important to note that housebuilders frequently offer incentives to purchasers or negotiate discounts against quoted asking prices to achieve sales.

Not all sales incentives offered by developers to secure plot sales are accounted for within the figure quoted at HM Land Registry (HMLR), most notably, part-exchange. For the purpose of comparing net sales revenues on a like-for-like basis, the price quoted on HMLR should therefore be discounted to allow for additional sales incentives, typically in the order of 3-5% depending on market area. For the purposes of this report we have applied a discount of 3% from the gross revenues sourced from HMLR.

Note that in analysing sales evidence we have relied upon HMLR data and floor areas contained within the EPC Register. As such, we are reliant upon the accuracy of this data. While there may be some margin of error, the comparables do nonetheless provide good evidence for likely achievable values at the subject site and are in-line with our expectations of value based upon our market knowledge.

We have utilised the following new build evidence to inform our assessment of achievable revenues. A schedule of analysis is provided within **Appendix A**.

5.1.2 Avant Homes – Bella View, Goldthorpe

Bella View is a development of 2, 3 and 4-bedroom family homes located to the eastern fringe of Goldthorpe and close to local amenities and the A635. The scheme comprises a selection of 470 no. terraced, semi-detached and detached dwellings and is now fully sold.

Our market research confirms there were only 10 no. open market transactions between January and April 2019, representing a sales rate of 3.3 units per month.

House Type	No.	Averages			
		Size	Price	Gross £ per sq ft	Net £ per sq ft
Semi-detached	2	743	£125,450	£169	£164
Detached	8	916	£174,894	£191	£185
Blended	10	882	£165,005	£187	£182

The average blended sale price was £165,005 across 882 sq ft, representing an average gross revenue of £187 per sq ft across a range of £166 to £201 per sq ft.

Whilst HMLR does account for most sales incentives offered by the housebuilder to the developer it does not account for part-exchanged sales, where the net receipt to the housebuilder may follow sometime after submission of forms to HMLR.

On this basis we consider it appropriate to apply a 3% discount to the average revenues on a £ per sq ft basis to establish a net revenue position. We therefore surmise the blended average net revenue equates to **£182 per sq ft**.

Our analysis indicates the 2 no. semi-detached dwellings sold for £107,950 and £142,950, reflecting gross revenues of £166 per sq ft (£161 net) and £173 per sq ft (£168 net).

The detached properties achieved between £161,500 and £204,950 and between £171 per sq ft and £201 per sq ft gross (£166 and £195 per sq ft net), reflecting an average of £191 per sq ft (£185 per sq ft net). The evidence indicates the detached units are achieving a price premium on a £ per sq ft basis.

The evidence provides a strong indication of the tone for new-build revenues within Goldthorpe. The site sits within close proximity of local amenities and road links but also benefits from open countryside views to the east and south, which may improve its marketability. Whilst the scheme is now fully sold, we understand sales rates have been low during recent years.

5.1.3 Gleeson Homes – Barnburgh View, Goldthorpe

Barnburgh View comprises 206 no. 2, 3 and 4-bedroom semi-detached and detached homes located to the south of Bella View and 1.3 miles to the south east of the subject.

We have undertaken analysis of sales via HMLR, which confirms there were 4 no. transactions between February and June 2019 across semi-detached and detached units, reflecting a sales rate of 1 unit per month.

House Type	No.	Averages			
		Size	Price	Gross £ per sq ft	Net £ per sq ft
Semi-detached	2	786	£123,895	£158	£150
Detached	2	910	£159,245	£175	£170
Blended	4	848	£141,570	£167	£162

The average blended price was £141,570 across an average floor area of 848 sq ft, representing an average blended gross revenue of £167 per sq ft (£162 per sq ft net).

The 2 no. semi-detached properties sold for £117,795 and £129,995, reflecting gross revenues of £154 per sq ft and £161 per sq ft (£149 and £156 per sq ft net). The detached dwellings sold for £141,495 and £176,995, reflecting £183 and £170 per sq ft gross (£177 and £164 per sq ft net). We note these are small detached properties, which appear to command a price premium over the semi-detached dwellings.

Gleeson Homes' website lists the following plots as currently for sale:

House Type	Plot	Type	Beds	Asking price
Galway	152	Detached	3	£146,995
Fergus	153	Detached	3	£159,995
Liffey	151	Detached	3	£174,995
Kildare	154	Detached	3	£177,995
Average				£164,995

We calculate the achieved average detached sale price reflects a discount of 3.5% from the average asking price, which broadly falls in line with our expectations.

Whilst the scheme occupies a comparable location adjacent to Bella View, there is a difference of circa £20 per sq ft in the average blended revenue being achieved. However, Avant delivers an enhanced specification by comparison to Gleeson and we therefore consider an average blended revenue above £167 per sq ft can be achieved at the subject.

5.1.4 House Crowd Developments – The Woodlands, Bolton-upon-Dearne

House Crowd Developments is a SME developer with existing housing and apartment schemes predominantly in the north west.

The Woodlands is located within the village of Bolton-upon-Dearne, 1.3 miles to the south of the subject. Whilst the area lacks the immediate access to the A635, it also benefits from a train station serving Leeds and Sheffield.

The Woodlands is a gated development of 28 no. 4 bedroom detached and semi-detached family homes sitting within an established residential area with access to local amenities and Lacewood Primary School (rated as Good by Ofsted).

We have analysed 17 no. sales between January and December 2019, reflecting a sales rate of 1.7 sales per month.

House Type	No.	Averages			
		Size	Price	Gross £ per sq ft	Net £ per sq ft
Semi-detached	10	1,381	£215,780	£156	£152
Detached	7	1,327	£250,000	£188	£183
Blended	17	1,359	£229,871	£169	£164

The scheme comprises a high proportion of 2.5 and 3-storey product (82%), which generally command a lower revenue by comparison to traditional 2-storey properties on account of reduced footprint and restricted eaves heights to the upper floor. Typically, we would anticipate a 15% reduction in achievable revenues on a £ per sq ft basis between 2.5/3-storey properties and traditional 2-storey dwellings.

Further analysis of sales by storey height indicates the following:

Storeys	No.	Averages			
		Size	Price	Gross £ per sq ft	Net £ per sq ft
2	4	1,241	£252,500	£204	£198
2.5	10	1,362	£217,985	£160	£155
3	3	1,507	£239,317	£159	£154

The evidence indicates the 2.5/3-storey dwellings are achieving an average blended revenue of circa £160 per sq ft (£155 net), which represents a 20% discount by comparison to the average gross revenue of £204 (£198 net) being achieved for the 2-storey dwellings, which is marginally higher than anticipated. On this basis, the average blended revenue of £169 per sq ft (£164 per sq ft net) is reduced on account of the high proportion of 2.5/3-storey dwellings.

Bolton-upon-Deerne is a broadly comparable market location to Goldthorpe, benefitting from good transport links to the main road network, local amenities and schools. The scheme also benefits from views over Mansion Park and immediate access to it, which will boost its marketability. This is also an exclusive scheme within a gated development, and it is therefore reasonable to assume it attracts a price premium.

We have applied greater weight to the 2-storey evidence but consider a blended average net revenue below £198 per sq ft to be achievable at the subject.

5.1.5 Summary of new-build revenues

Our analysis of new-build revenues is as follows:

Scheme	Developer	Overall				Comparison
		Floor Area	Price	Gross £ per sq ft	Net £ per sq ft	
Bella View	Avant Homes	882	£165,005	£187	£182	Similar
Barnburgh View	Gleeson Homes	848	£141,570	£167	£162	Similar
HC Developments*	The Woodlands*	1,241	£252,500	£204	£198	Superior

a 3% discount has been applied to the gross average revenue to account for sales incentives not captured by HM Land Registry

**represents 2-storey evidence only*

5.1.6 Second-hand revenue analysis

We have analysed second-hand transactional data to further inform our analysis. Whilst not as important as new build evidence, second-hand data can help establish likely end-revenues on new build schemes, providing an indication of the strength of a market area. There are however weaknesses that must be taken into consideration:

- Accurate information on size is not always available. For example, some estate agents only provide areas for rooms, excluding hallways, bathrooms and en-suites, while others include all useable space, including bathrooms, halls and conservatories. EPCs include bathrooms, en-suites and hallways but exclude conservatories. Differences in the way that areas are calculated can make direct comparison difficult.
- There is typically no way to verify the accuracy of the floor area information available.
- Second-hand stock is not homogenous, with condition, specification and decor varying from property to property. Such differences can have a significant impact on the price achievable and make it difficult to analyse values accurately.

We have utilised floor area information from the EPC Register and whilst we appreciate these may not provide a completely accurate assessment by comparison to new build, the figures can be used as a good indicator of revenues achieved in the surrounding area.

The subject site lies immediately adjacent to a legacy Avant Homes scheme and there have been a small number of second-hand transactions over recent months. Given the subject lies within a fringe location, we have focussed our analysis on this scheme given the comparable location but recognising the subject will attract a new-build premium.

The sample data demonstrates there have been 5 no. sales of detached two-storey properties between August 2019 and July 2020. The sales achieved an average price of £191,900 across 1,135 sq ft, representing an average blended revenue of **£170 per sq ft**. There is a broad consistency in sale prices, ranging from £185,000 to £207,000, reflecting revenues between £152 and £196 per sq ft.

Whilst we consider the proposed development will target a cross-section of the market, it is important to be mindful of the established second-hand market when forming an opinion of anticipated new-build revenues. It is generally accepted by property professionals working within the residential industry that a new-build premium typically lies between 5% and 15%.

Applying a premium to the average revenue of **£170 per sq ft** indicates a new-build premium lie between **£178 per sq ft** and **£196 per sq ft**. However, we acknowledge Goldthorpe is a secondary residential location and thus anticipate a new-build premium would lie to the lower end of this range.

It should be noted that no detailed analysis has been undertaken in respect of the time spent marketing individual properties to achieve the sales revenues outlined.

5.1.7 GDV Summary – Market Housing

Goldthorpe holds strong appeal to the family and commuter markets on account of its proximity to road links, amenities and schools, as evidenced by the supply of new-build housing schemes being delivered over recent years. The combined unit numbers delivered by Avant and Gleeson equate to over 650 to date, though we understand sales rates for Avant's scheme have been low.

Bella View comprises 470 no. units and our market research indicates it is achieving an average blended gross revenue of £187 per sq ft (£182 per sq ft net). The scheme occupies a comparable fringe location, benefitting from similar access to amenities and road links.

By contrast, Gleeson's Barnburgh View lies immediately to the south of Bella View, but is achieving a lower average blended gross revenue of £167 per sq ft (£162 per sq ft net). However, Avant delivers an enhanced specification by comparison to Gleeson and therefore this price differential is not surprising.

We have also analysed a nearby scheme at Bolton-upon-Deane by SME Crowd House Developments. The scheme is delivering 24 no. units and is achieving an average blended revenue of £204 per sq ft (£198 per sq ft) across its 2-storey dwellings, though the blended average is lower on account of the high proportion of 2.5/3-storey product. The site occupies a broadly comparable market location but sits within a gated development with views over a park, which may boost its exclusivity and marketability.

We have also established the the adjacent historic Avant Homes scheme is achieving revenues of £170 per sq ft, which lies within the range identified by the new-build revenue analysis. Whilst we would expect a new-build premium to be achievable, we consider it reasonable to assume this would lie to the lower end of the range usually anticipated.

The subject site benefits from good access to the A635, an Aldi Supermarket and within walking distance of a 'good' school. However, the proximity to the main road and the proposed shared access with the supermarket may also impact its marketability.

Having regard to our market research we therefore consider net revenues at the subject will lie between £170 and £180 per sq ft.

5.1.8 GDV Summary – Affordable Housing

Our assessment of achievable revenues is based on circa 10% affordable housing in accordance with BMBC policy. In the absence of detailed scheme proposals, we have adopted blended revenues for the purposes of this exercise, which we consider to be robust and appropriate.

In the absence of prescribed transfer values, we have assumed a blended average affordable housing revenue equating to 50% of the average private sales revenue for each scheme. This assumes a 50% split of social rented and intermediate tenures.

5.1.9 GDV Conclusions

Having regard to our comparable evidence analysis, our assessment of achievable revenues is as follows:

Private (88.6%)

House type	Type	No.	NSA	£ psf	Sale price	Total Sales
HL67	Terrace	7	728	£187	£136,136	£952,952
HL85	Semi-detached	7	911	£183	£166,713	£1,166,991
HL89	Semi-detached	8	958	£181	£173,398	£1,387,184
HL95	Semi-detached	6	958	£181	£173,398	£1,040,388
HL97	Semi-detached	9	1,049	£154	£161,546	£1,453,914
HLI 15	Detached	2	1,302	£174	£226,548	£453,096
Totals		39				£6,454,525
Averages			947	£174.78	£165,501	

Affordable (11.4%)

House type	Type	No.	NSA	£ psf	Sale price	Total Sales
HL67	Terrace	3	728	£87.39	£63,619	£190,857
HL70	Semi-detached	2	782	£87.39	£68,338	£136,676
Totals		5				£327,553
Averages			750	£87.39	£65,509	

Total (100%)

Totals		44				£6,782,058
Averages			925	£166.73	£154,138	

Whilst the properties may ultimately be marketed for a value higher than the figures stated, our opinion of revenues represents the value we consider a housebuilder could achieve following deductions for negotiating discounts and incentives. Asking prices could be in the region of 5% higher to allow for these incentives and price negotiations.

5.2 Cost Assumptions**5.2.1 Build costs**

To assess the residual land value of the proposed development, we have deducted the costs of construction from the GDV. The cost assumptions associated with identifying the value of the proposed scheme fall into two distinct sections:

- The cost of delivering the housing, including plot externals; and
- The cost of delivering the infrastructure, services, site works etc. over and above that of the traditional house building costs. These are the abnormal development costs.

The NPPF and PPG guidance states build costs should be based on appropriate data and identifies the Build Cost Information Service (BCIS) as an appropriate source. A scheme of this scale will not appeal to volume housebuilders, where a lower quartile build cost estimate would be reasonable point of reference. We have therefore adopted the BCIS median build cost for the purposes of viability testing.

The BCIS median rate for general estate housing dated 10 October 2020 and rebased to Barnsley over a 5-year period equates to £1,045 per sq m (£97.08 per sq ft), which includes standard plot build plus prelims.

BCIS does not account for costs associated with immediate plot externals such as gardens, driveways and utility service connections. We have therefore added a 10% allowance to account for plot externals

not captured in the BCIS data. This gives an 'all-in' build cost of **£1,149.50 per sq m (£106.79 per sq ft)**.

BCIS also excludes any allowance for construction of external garages and therefore we have assumed an extra-over cost in respect of the 1 no. double detached garage proposed. We consider a cost of £15,000 to be appropriate and have reflected this within our appraisal.

For the avoidance of doubt, this cost relates to the plot build and plot externals only and makes no allowance towards abnormal cost items. Our approach is robust, consistent with the latest NPPF guidance and is supported by independent BCIS data.

5.2.2 Abnormal Development Costs

The Applicant has provided us with a summary of abnormal development costs, which is summarised as follows:

Abnormal Item	Cost (£)
Pump stations (foul and surface water)	£159,000
Attenuation pond	£45,000
Retaining structures	£40,000
Japanese Knotweed removal	£16,000
Foundations extra-over	£66,000
Acoustic treatments	£20,000
Utility diversions	£20,000
Total	£366,000

Our appraisal adopts an abnormal development cost of **£366,000**, equating to approximately £140,000 per net developable acre and £8,318 per plot.

We have phased payment of abnormal costs on a weighted approach from the start of the pre-construction period until the end of the construction period to reflect the assumption the majority of abnormal costs will be incurred in the early stages of development.

5.2.3 Professional Fees

Professional fees typically range from 6-10% of the standard build cost (including garages), depending on site complexity and design challenges.

Given the scale of proposed development, we have adopted Professional Fees of **8%**.

5.2.4 Contingency

In our experience, contingency allowance should range from 3-5%, depending on the risks associated with the development.

We have adopted a **3%** contingency to the standard build cost. We have applied a **5%** contingency to the abnormal development costs to reflect the greater uncertainty and risk.

5.2.5 Finance

We have adopted a finance rate of **6%** based on the land and construction cost, inclusive of all arrangement, monitoring and exit fees.

5.2.6 Marketing and Sales Fees

We have allowed **2% marketing** and **1% agent fees** to the private units, plus **500 per unit legal fees** across all tenures.

5.2.7 Acquisition Costs

We have assumed standard acquisition costs, comprising **Stamp Duty Land Tax** at the prevailing rate, **1% agent** and **0.5% legal fees**.

5.2.8 S.106 Contributions

We have allowed a S.106 payment in respect of the requirement to contribute towards 6 secondary school places, as informed by pre-app discussions. On this basis we have assumed a payment of £96,000 within our appraisal.

In the absence of further information, we have assumed a single payment on first occupation.

5.2.9 Sales and Build Rate

We have assumed a build and sales rate of **2.5 no. private units per month** assuming one outlet. The build and sales period each equate to 16 months, or 1.3 years. This reflects a build and sales rate of 2.75 units per month across all tenures.

We have assumed the development includes a 3-month lead-in with sales commencing 5 months after construction start. We have assumed a 5-month post construction tail for the sale of the final units. Our cashflow assumes a total development timeline of 25 months, or 2.1 years.

5.2.10 Developer's Profit

There continues to be a healthy debate across the industry around what represents an appropriate level of developers profit in viability assessments. There is no definitive answer, although the majority of guidance and appeal precedents point to a minimum profit of 20% of GDV being appropriate.

Published in July 2018, updated PPG and NPPF guidance on viability identifies an assumption of 15-20% of GDV may be considered a suitable return for developers to establish the viability of planning policies. It acknowledges that alternative figures may be suitable where there is evidence to support, depending on the type, scale and risk profile of planned development.

However, this assumption relates to planning stage viability when specific cost information is unlikely to be available.

C&W have experience in selling a range of residential development land to national and regional housebuilders and we can confirm that from our experience they do not vary their profit requirement below 20% of GDV. C&W also undertake a significant number of bank funding valuations for developments to be undertaken by housebuilders and can confirm that a development which generates a profit on GDV of less than 20% is highly unlikely to be able to secure development funding. In the

absence of bank funding, some housebuilders have sought funding through alternative sources, notably high net worth individuals and property investment companies. In our experience, such individuals are also unwilling to support developments which generate a profit of less than 20% of GDV.

The updated NPPF guidance indicates that a lower level of profit may be accepted by the developer in respect of affordable units, as they are transferred to a Registered Provider. We consider 8% of GDV to be reasonable on affordable units.

We have therefore adopted a blended developer's profit, based on **20% on the private GDV** and **8% on the affordable GDV**, which is consistent with NPPF guidance. The blended profit equates to **19.42% on GDV**.

5.3 Residual Land Value

We have established appropriate appraisal input parameters to inform a residual appraisal calculation using Argus Developer software.

We have undertaken a policy-compliant appraisal based on the proposed scheme and mix, which assumes delivery of 5 no. affordable units (10%) and a S.106 contribution of £96,000 in S.106 in accordance with the Council's anticipated planning gain requirements.

We have adopted market-facing inputs based on our market research and experience, and abnormal costs provided by the Applicant. Our inputs are supported by evidence and are considered robust and appropriate.

The residual output based on a policy-compliant position equates to a *negative* land value of -£130,000.

6. Stage Two: Benchmark Land Value

6.1 Overview

To assess the viability of the proposed development, we must compare the residual land value established in Stage One with a Benchmark Land Value (BLV).

On 24 July 2018, the Government published updated National Planning Policy Framework (NPPF) and Planning Policy Guidance (PPG) in respect of viability. This introduced a new approach for assessing BLV known as **Current Use Value Plus (CUV+)**. The guidance was subsequently amended in May 2019, which provided more clarity around the approach to establishing BLV.

The RICS released its own revised guidance in May 2019 by way of publication of Financial Viability in Planning: Conduct and Reporting, 1st Edition (which will become mandatory for RICS members undertaking viability assessments in September 2019). This related largely to procedure for undertaking viability. Further guidance on approach is due later this year.

To determine CUV+, guidance states we are first required to establish the CUV of the land. We must then establish the landowner premium, which is the minimum amount over and above CUV which reasonably incentivises a sale and releases the site for development. The guidance states BLV should:

- be based on CUV;
- allow for a sufficient premium to landowner(s);
- reflect the implication of abnormal costs, including infrastructure costs and professional fees; and
- be informed by market evidence, including current uses, costs and values, where possible. Market evidence should be based on policy-compliant developments or otherwise be adjusted to reflect the cost of according with planning policy.

The guidance states that the price paid for the land cannot be used to support BLV and reduce the level of planning gain delivery.

PPG also recognises it may be appropriate to establish a viable Alternative Use Value (AUV). In such instances, AUV should be evidenced by cost and value information to support the BLV. However, as the premium is implicit within the AUV, it must not be double counted.

6.2 Current Use Value

Establishing CUV is the first component in assessing Benchmark Land Value. In the PPG, Current Use Value is defined as:

‘the value of the land in its existing use. Current use value is not the price paid and should disregard hope value.’

The site comprises predominantly grassland and vegetation, with a part-surfaced area to the south adjacent to Barnsley Road. It is bounded by fences to each boundary and is broadly level. Furthermore, the site is allocated as Urban Fabric within the adopted Local Plan, where there is a presumption in favour of sustainable development

The site benefitted from a hybrid consent for foodstore and residential development in 2014 under reference 2014/1020. This consent related to full consent for the erection of a food store with car parking, landscaping and associated works, and outline for residential development across the subject

site. Whilst the foodstore consent was implemented, no further applications were lodged in respect of the subject site and the consent is now lapsed.

Pre-app discussions confirm the site complies with Policy H5, which relates to residential development on large, non-allocated sites. It is therefore reasonable to assume the principle of residential development is established.

However, NPPF viability guidance confirms that CUV must *disregard* hope value and, in the absence of an implementable consent, we consider it appropriate to assume amenity land use. By this same token it is not appropriate to assess BLV on the basis of AUV and we have therefore disregarded this approach.

To establish the CUV, we have considered the value of the land in its current form, as undeveloped, greenfield land. Whilst non-agricultural in nature, the land is amenity/grassland.

Amenity land values vary but, in our experience, typically command in the order of £10,000 - £15,000 per gross acre, dependant on quality, location, size, etc. The subject lies within a sustainable location, but its future uses are limited given its proximity to a foodstore and residential areas. On this basis, we consider it reasonable to adopt a CUV equivalent to £10,000 per gross acre assuming use as amenity/paddock land.

The gross site area is 2.92 acres and our opinion of CUV is therefore £30,000, rounded. For reference, our opinion of CUV represents circa £11,500 per net developable acre.

6.3 Landowner Premium (+)

To assess the level of planning gain delivery the scheme can afford, viability guidance states we must assess a reasonable landowner premium over and above CUV which we consider would suitably incentivise the landowner to release the site for residential development having regard to the risks and anticipated returns.

Guidance states that the landowner premium should:

- provide a reasonable incentive for a landowner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements;
- be informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration; and
- Evidence used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners.

We consider the principle of residential development is established by way of the lapsed outline consent and this has been affirmed in the pre-app meeting. However, in the absence of an implementable consent there is an element of planning risk and a landowner premium needs to reflect the uncertainty in securing an implementable residential consent.

In considering an appropriate uplift there are a number of sources available to us and we will provide comment on each in turn.

Viability guidance is silent on how an appropriate premium should be established. Whilst a premium should suitably incentive the landowner to release the site for residential development, it should also

have regard to the market and thus, we consider comparable land transactional evidence should serve as a cross-check, an approach consistent with NPPF viability guidance.

6.3.1 Planning Decisions

We have interrogated legal precedents in order to provide an indication of what may be deemed an appropriate landowner incentive, though clearly individual circumstances will dictate each case. We have focussed on decisions post-July 2018, when NPPF viability guidance was refreshed.

The 'Report on the examination of the draft North Tyneside Community Infrastructure Levy Charging Schedule', (published October 2018) discussed the principle of an appropriate premium. Here, the Planning Inspector considers the principle of applying a 20-30 multiplier to CUV for greenfield sites, as proposed by the Council's consultants. The Inspector states: 'I see little persuasive evidence that these judgements are unreasonable'.

We are also aware of an appeal decision in respect of a site in Poulton-le-Fylde, Lancashire, where the applicant submitted a FVA to support a scheme of 130 no. dwellings. To assess the BLV, the consultants argued that an appropriate uplift equates to 15-25 as a multiplier of CUV for greenfield sites. The appeal was allowed by the Planning Inspector in February 2020.

6.4 Market Evidence

We would comment that we do not consider it appropriate to establish BLV based on a multiplier alone, as when not applied in the correct context it can be regarded as arbitrary with no regard to the market. For that reason, we consider it paramount that comparable land transactional evidence should be considered to provide an informed, holistic view of BLV adopting the CUV+ methodology. This approach is fully consistent with viability guidance.

To this end we have analysed transactional evidence of residential land within the area. Land associated with Bella View by Avant Homes was acquired in 2008, and Gleeson's Barnburgh View site was acquired in 2012. We consider this evidence too historic and have disregarded it within our assessment.

Our report considers The Woodlands scheme by House Crown Developments, which extends to a net developable area of 1.2 ha (2.97 acres). We have established via HMLR it was acquired in May 2016 for £602,000, representing a land value of £203,000 per net developable acre.

The site comprised the former Bolton Hall Nursing Home and approval was secured in March 2017, thus the site was acquired prior to grant of planning approval. On this basis it is reasonable to assume the price paid was discounted on account of planning risk.

Whilst we recognise land value is directly impacted by costs required to bring a site forward, we have been unable to establish the full extent of costs relevant to this scheme. Nevertheless, the evidence provides an indication of land values in the area and we consider it appropriate to apply weight to it in our assessment of BLV.

6.5 BLV Conclusions

The principle of residential development is established by way of the lapsed outline consent and it is therefore reasonable to assume a premium would lie above our opinion of CUV at £30,000. However, such an uplift would need to account for planning risk in the absence of an implementable consent as well as abnormal development costs required to bring the site forward for residential development. To

guide a suitable premium, we have considered legal decisions and analysed a key comparable land transaction, an approach fully consistent with viability guidance.

The Woodlands is comparable in scale to the subject but is achieving higher revenues than we consider achievable at the subject. We therefore consider it appropriate to apply a downwards adjustment to the tone of £200,000 per net developable acre.

Our opinion of achievable net revenues is the order or 10% below those being achieved for two-storey properties at The Woodlands and therefore, discounting the land value of £200,000 per net developable acre by the same proportion, represents a value of £180,000 per net developable acre.

For reference this reflects a multiplier of 15.7 above CUV, which lies to the lower end of the range established through planning decisions and therefore reflects a suitable premium which, we consider, would reasonably incentivise the landowner to release the site for residential development.

The net developable area of the subject is 2.62 acres and our opinion of Benchmark Land Value is therefore £470,000, equivalent to £180,000 per net developable acre.

7. Stage Three: Conclusions

7.1 Overview

In Stage One we established a policy-compliant land value, incorporating 5 no. affordable units and a £96,000 S.106 contribution, of -£130,000 (negative).

In Stage Two we established a BLV of £470,000, equating to £180,000 per net developable acre.

Given the residual land output assuming a policy-compliant position returns a negative value, we conclude the scheme is unable to viably deliver 5 no. affordable housing units and a S.106 contribution of £96,000.

7.2 Sensitivity Analysis

To test the level of affordable housing that could be delivered we have undertaken a sensitivity analysis in accordance with the RICS Guidance Note, Financial Viability in Planning: Conduct and Reporting (effective 1 September 2019).

We have run scenarios assuming a S.106 contribution of £96,000 but reduced levels of affordable housing. For the avoidance of doubt, all other appraisal inputs are consistent across each scenario, with the exception of GDV, profit and sales rate.

% Affordable	Private		Affordable		Combined GDV	RLV	RLV per net acre
	No.	Floor Area (sq ft)	No.	Floor Area (sq ft)			
11.4%	39	36,930	5	3,748	£6,782,058	-£130,000	n/a
9.1%	40	37,658	4	3,020	£6,854,931	-£88,000	n/a
6.8%	41	38,440	3	2,238	£6,932,203	-£41,000	n/a
4.5%	42	39,168	2	1,510	£7,004,718	£4,500	£1,700
2.3%	43	39,950	1	728	£7,081,642	£50,000	£19,000
0%	44	40,678	-	-	£7,153,000	£94,000	£35,000

The table demonstrates the scheme is unable to meet the BLV of £470,000 (£180,000 per net developable acre), even with delivery of nil affordable housing but assuming a S.106 payment of £96,000.

We have further tested viability by excluding all affordable housing and £96,000 of S.106 costs, which returns a residual land value of approximately £180,000 (£70,000 per net developable acre).

There still remains a significant shortfall between the residual land output excluding all planning gain requirements and our opinion of BLV. We therefore conclude the scheme is unable to viably deliver any level of planning gain.

8. Conclusions

We have demonstrated that the site is unable to viably deliver the Council's full planning policy requirements.

Our approach is in accordance with updated planning guidance and is supported by robust transactional evidence. We therefore consider our conclusions both reasonable and valid.

We have tested the viability of the scheme by running a scenario testing exercise to vary the amount of affordable housing the scheme could deliver when measured against our opinion of BLV.

We therefore conclude the scheme is unable to viably deliver any level of planning gain and meet the BLV threshold.

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Appendix A – Comparable Revenue Analysis

Avant Homes – Bella View, Goldthorpe

Date	Address	Type	Sale price	NSA	Gross £ per sq ft
Jan 2019	2, Meltonfield	Detached	£204,950	1087	£183
Feb 2019	25, Ceramia Court	Detached	£161,500	829	£189
Feb 2019	9, Ceramia Court	Detached	£165,950	829	£194
Feb 2019	3, Bella Avenue	Detached	£194,950	1076	£176
Mar 2019	1, Bella Avenue	Semi-detached	£142,950	861	£161
Mar 2019	11, Bella Avenue	Detached	£164,950	829	£193
Mar 2019	7, Bella Avenue	Detached	£166,950	829	£195
Mar 2019	7, Foxmires Grove	Semi-detached	£107,950	624	£168
Mar 2019	21, Ceramia Court	Detached	£164,950	829	£193
Apr 2019	4, Meltonfield	Detached	£174,950	1023	£166

Gleeson Homes – Barnburgh View

Date	Address	Type	Sale price	NSA	Gross £ per sq ft
Feb 2019	25 West Moor Croft	Semi-detached	£117,795	764	£154
Mar 2019	17 West Moor Croft	Semi-detached	£129,995	807	£161
May 2019	4 Pickhills Groves	Detached	£141,495	775	£183
Jun 2019	29 West Moor Croft	Detached	£176,995	1044	£170

House Crowd Developments – The Woodlands

Date	Address	Type	Sale price	NSA	Gross £ per sq ft
Jan 2019	9 The Woodlands	Detached	£245,000	1281	£191
Jan 2019	4 The Woodlands	Detached	£250,000	1249	£200
Aug 2019	2 The Woodlands	Detached	£250,000	1206	£207
Nov 2019	22 The Woodlands	Detached	£265,000	1227	£216
Mar 2020	11 The Woodlands	Semi-detached	£214,950	1367	£157
Mar 2019	16 The Woodlands	Semi-detached	£215,000	1378	£156
Jul 2019	15 The Woodlands	Semi-detached	£214,950	1367	£157
Aug 2019	21 The Woodlands	Semi-detached	£215,000	1367	£157
Oct 2019	18 The Woodlands	Semi-detached	£215,000	1335	£161
Nov 2019	19 The Woodlands	Semi-detached	£215,000	1378	£156
Dec 2019	6 The Woodlands	Semi-detached	£209,950	1378	£152
Feb 2020	14 The Woodlands	Semi-detached	£210,000	1367	£154
May 2020	25 The Woodlands	Semi-detached	£220,000	1367	£161
May 2019	7 The Woodlands	Detached	£250,000	1313	£190
Oct 2019	24 The Woodlands	Detached	£245,000	1507	£163
Nov 2019	33 The Woodlands	Detached	£245,000	1507	£163
Mar 2020	31 The Woodlands	Semi-detached	£227,950	1507	£151

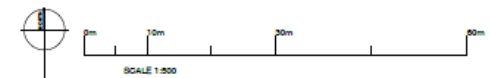
Appendix B – Proposed Site Layout

House Type	Occupancy	Type	GB	sq'	No.	%
MUST	2 Bed	2 Storey	67.64	735	10	22.7%
MUST	2 Bed	2 Storey	72.50	752	2	4.3%
MUST	3 Bed	2 Storey	84.64	911	7	15.9%
MUST	3 Bed	2 Storey	80	855	6	13.2%
MUST	3 Bed	2 Storey	80	855	6	13.6%
MUST	3 Bed	2.5 Storey	97.44	1049	9	20.5%
MUST	3 Bed	2 Storey	121	1302	2	4.5%

OVERALL TOTAL			3779	40679	44	100.0%
SITE AREA (GROSS)	2.92	1.15				
SITE AREA (NET)	2.62	1.06				
UNIT DENSITY	17	Units/Gross	AREA DENSITY	155.26	sq' / acre	
	41	Units/Net/Gross		35.066	sq' / hectare	

NOTE: THE RED LINE INDICATES THE PROPOSED PLANNING APPLICATION BOUNDARY AND IS SUBJECT TO COMPLETION. ALL OTHER BOUNDARIES SHALL BE COMPLETED BY THE CLIENT. THIS DRAWING IS BASED ON A TOPOGRAPHICAL SURVEY PROVIDED BY A THIRD PARTY. THIS DRAWING IS TO BE USED IN CONJUNCTION WITH ALL OTHER SURVEY DOCUMENTS. THE NOTES INDICATED ON THIS DRAWING EXISTENCE THOSE COMPATIBLE WITH THE WORK QUALITY PROVIDED. FOR PROPOSED TREES AND LANDSCAPING PROPOSALS, PLEASE REFER TO SEPARATE ARCHITECTURAL PROPOSALS.

IMPORTANT NOTE:
This layout is based on an Ordnance Survey Plan and therefore actual boundaries and layout may vary following results of Site Topographical Survey and Title Boundaries.



Legend

Boundary Treatments:

1.0m high screen wall

1.0m high feathered edge fence

1.8m high close boarded fence with 300mm trellis
Refer to boundary treatment layout and details for further information

Front entrance door

Secondary entrance door

Lockable personnel gate (max. 1.01m)

Visitor Parking

Shared private driveway - Tarmac/Gravel

Refuse and recycling:

LA Waste Provision
LA line to be placed onto permanent paved area.

800x1,000mm flag base to bin storage area

Bin Collection Point with flag base to use indicated on drawing

Paved Path Area

To consist of 2m x 2m of 600x600 slabs positioned central to door. Paths to be 800mm wide to front entrance. All other paths to be 600mm wide and rear of dwelling with 150mm margin adjacent dwelling.

Shared paths to rear and side to be increased to 800mm wide.

Garage

Planning Boundary Line

Trees and Hedgerows:

Existing trees to be retained and protected within the development

Root protection zone of existing trees to be retained

Indicative landscaping

Trees/Shrubs to be removed

1. Updated to reflect design changes	26.03.2020	HS1
2. Initial design	26.03.2020	HS1
3. Final design	26.03.2020	HS1

DATE	26.03.2020	DRAWN	HS1
SCALE	1:500@42	CHK	HS1

Barnsley Road, Goldthorpe

Site Appraisal

Dwg No H51-BRG-001

HS1

HOOBER homes

HIVE

Appendix C – Policy-compliant Appraisal Summary

APPRAISAL SUMMARY**CUSHMAN & WAKEFIELD****Barnsley Road, Goldthorpe - Hooper Homes****Summary Appraisal for Phase 1****Currency in £****REVENUE**

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Private	39	36,930	174.78	165,501	6,454,525
Affordable	<u>5</u>	<u>3,748</u>	87.39	65,507	<u>327,533</u>
Totals	44	40,678			6,782,058

NET REALISATION **6,782,058****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)	(132,723)
	(132,723)

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Private	36,930	106.79	3,943,755
Affordable	<u>3,748</u>	106.79	<u>400,249</u>
Totals	40,678		4,344,004

Build contingency	3.00%	130,770
Abnormals contingency	5.00%	18,300
Abnormal costs		366,000
1 x double garage		15,000
S.106		96,000
		626,070

PROFESSIONAL FEES

Professional fees	8.00%	348,720
		348,720

MARKETING & LETTING

Marketing	2.00%	129,091
		129,091

DISPOSAL FEES

Sales Agent Fee	1.00%	64,545
Sales Legal Fee	44 un 500.00 /un	22,000
		86,545

FINANCE

Debit Rate 6.0000%, Credit Rate 0.0000% (Nominal)	
Land	(12,158)
Construction	75,433
Total Finance Cost	63,275

TOTAL COSTS **5,464,982****PROFIT****1,317,076****Performance Measures**

Profit on Cost%	24.10%
Profit on GDV%	19.42%
IRR	77.56%

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About Cushman & Wakefield

Cushman & Wakefield is a leading global real estate services firm that helps clients transform the way people work, shop and live. The firm's 45,000 employees in more than 60 countries provide deep local and global insights that create significant value for our clients.

Cushman & Wakefield is among the largest commercial real estate services firms, with core services of agency leasing, asset services, capital markets, facility services, global occupier services, investment & asset management (DTZ Investors), project & development services, tenant representation and valuation & advisory.

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