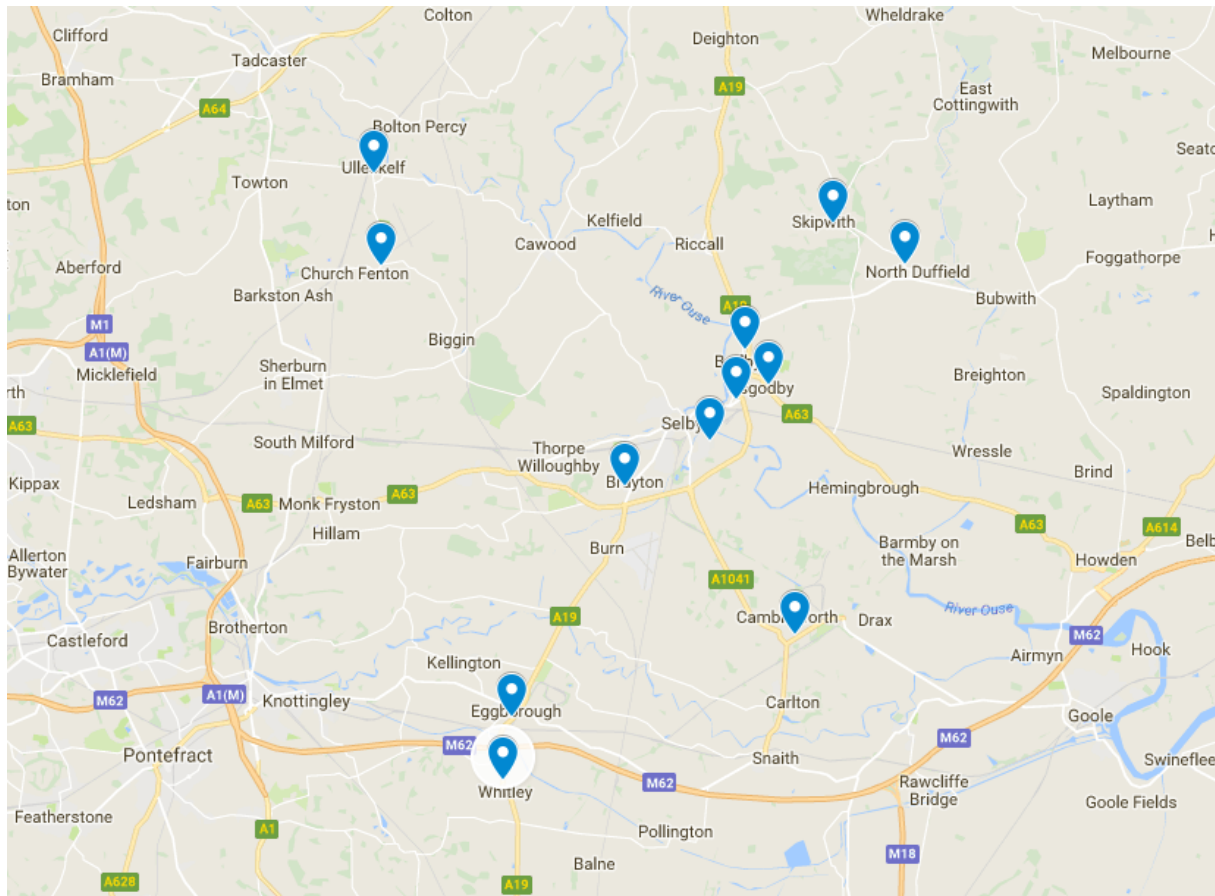

Viability testing of 12 residential development sites in Selby District

Completed on behalf of Selby District Council



3rd October 2017

CP Viability Ltd



Independent Property Experts

1 INTRODUCTION

- 1.1 CP Viability Ltd (“CPV”) has been instructed by Selby District Council (“the Council”) to undertake individual viability assessments of 12 residential development sites.
- 1.2 In accordance with the RICS, prior to accepting this instruction we can confirm that we undertook a conflict of interest check. Having undertaken this review we are unaware of any conflict of interest that prevents CP Viability from undertaking this instruction. If, at a later date, a conflict is identified we will notify all parties to discuss how this should be managed.
- 1.3 We have assessed the viability of each scheme as at 3rd October 2017.
- 1.4 David Newham undertook an inspection of the sites on the 27th September 2017.
- 1.5 In accordance with the RICS Guidance on Viability (Guidance Note 1, 2012), our appraisal assumes 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).
- 1.6 9 of the 12 sites benefit from an existing planning consent, 1 has an outline consent pending consideration with the remaining 2 sites each allocated for housing. Each site is currently included within the Council’s calculation of its 5 year housing land supply. CPV have been instructed to prepare residual appraisals for each site to help determine whether viability pressure could impact on delivery.
- 1.7 The sites to be tested are as follows:

Pg	PLAN Selby Ref	Location	Application Reference	No. of houses
5	BARLBY-10	Bay Horse Inn, Phase 1, York Rd, Barlby	2016/0392/REM	11
11	BRAYTON-21	Land nr The Poplars, Brayton	2015/0712/OUT	44
17	OSGODBY-4	Osgodby Nurseries, Hull Rd, Osgodby	2015/0131/OUT	22
22	SELBY-54	Former Rigid Papers, Denison Rd, Selby	2012/0159/OUT	302
34	SELBY-7	Land b/w A19 & A63 Bypass, Barlby	n/a	153
39	NDUFFIELD-7	Land west of The Green, North Duffield	2015/0517/OUT	35
45	SKIPWITH-4	Land south of Main St, Skipwith	2014/0894/FUL	15
51	ULLESKELF-6	RAF, Busk Lane, Church Fenton	2013/0811/OUT	65
56	ULLESKELF-7	Land at Church Fenton Lane, Ulleskelf	2015/0190/OUT	30
61	EGGBOROUGH-3	Land south of Selby Rd, Eggborough	n/a	75
67	WHITLEY-14	Rosslyn, Selby Rd, Whitley	2014/0130/OUT	24
72	CAMBLESFORTH-10	Land nr Mill Farm, Camblesforth	n/a	34

1.8 For each site, the Council has provided a brief summary of the planning history and, where applicable, copies of historic viability assessments. For general information about the sites we have reviewed the online planning portal. We have relied on these various sources of information and have looked to model the viability assessments as closely as possible to the existing planning consent. This assessment does not therefore provide a critique of the proposed development design of each site (i.e. we have not commented on the efficiency of design, density etc). Our role is limited to testing the viability of the proposals as detailed on the relevant planning applications.

1.9 Please note, where there are gaps in the required information we have either undertaken further research or made assumptions based on our experience (where assumptions have been made these are explicitly referred to in our summary).

1.10 The appraisals have been completed using the ARGUS Developer toolkit, an industry leader for modelling development cash flows. The individual appraisals are appended to this report.

- 1.11 For our initial viability appraisal testing we have looked to apply the Council's full policy provisions. If a scheme is shown to be unviable with the full policy provision, we have then looked to adjust the level of affordable housing and re-run the appraisal, on an iterative basis, up until the scheme reaches a point deemed to be viable and deliverable (if possible).
- 1.12 This report reflects the independent views of CP Viability, based on the research undertaken, the evidence identified and the experience of the analysing surveyor. For ease of reference, we have commented on each site individually.

2 BARLBY-10: BAY HORSE INN, PHASE 1, YORK ROAD, BARLBY



2.1 Property Description

2.1.1 The village of Barlby is located circa 2 miles to the north east of Selby, situated close to Osgodby. The main access roads into the village is the A19. The site itself is located within the centre of the village.

2.1.2 The land comprises a former public house, which has since been demolished and the site largely cleared (albeit at the time of inspection there was some debris on site and low level vegetation). The western boundary was covered by a high tree line. The site extends to circa 0.60 Ha (1.48 acres), on a gross basis.



2.2 Development proposals

2.2.1 In September 2016 reserved matters were approved for the development of 11 dwellings, summarised as follows:

Type	Beds	Total units	Size (sq m)	Total size (sq m)
Detached	4	2	141.00	282
Detached	3	4	126.72	507
Semi	3	1	88.00	88
Semi	3	2	71.07	142
Semi	2	2	61.22	122
		11		1,141

2.3 Gross Development Value (sales revenue)

2.3.1 We have researched house prices in the local area and note the following recent 'new-build' sales in the village of Barlby:

Address			Price	Sq m	£ psm	Date	Type
15	RIVERSIDE AVENUE	BARLBY	£ 210,000	84	£ 2,500	16/12/2016	Detached
7	RIVERSIDE AVENUE	BARLBY	£ 215,995	84	£ 2,571	16/12/2016	Detached
9	RIVERSIDE AVENUE	BARLBY	£ 216,995	85	£ 2,553	25/11/2016	Detached
5	POPLAR DRIVE	BARLBY	£ 219,995	85	£ 2,588	31/03/2017	Detached
2	HOLT DRIVE	BARLBY	£ 249,995	108	£ 2,315	15/12/2016	Detached
1	RIVERSIDE AVENUE	BARLBY	£ 292,995	112	£ 2,616	30/09/2016	Detached
11	RIVERSIDE AVENUE	BARLBY	£ 265,995	112	£ 2,375	16/12/2016	Detached
5	RIVERSIDE AVENUE	BARLBY	£ 249,995	112	£ 2,232	20/02/2017	Detached
17	RIVERSIDE AVENUE	BARLBY	£ 264,995	113	£ 2,345	07/04/2017	Detached
3	RIVERSIDE AVENUE	BARLBY	£ 299,995	131	£ 2,290	31/03/2017	Detached
4	RIVERSIDE AVENUE	BARLBY	£ 309,995	143	£ 2,168	25/11/2016	Detached
4	PRIVET DRIVE	BARLBY	£ 334,995	143	£ 2,343	09/12/2016	Detached
1	PRIVET DRIVE	BARLBY	£ 309,995	143	£ 2,168	27/01/2017	Detached
3	PRIVET DRIVE	BARLBY	£ 309,995	143	£ 2,168	27/01/2017	Detached
6	RIVERSIDE AVENUE	BARLBY	£ 334,995	150	£ 2,233	25/11/2016	Detached
8	RIVERSIDE AVENUE	BARLBY	£ 313,995	150	£ 2,093	16/12/2016	Detached
4	HOLT DRIVE	BARLBY	£ 328,495	150	£ 2,190	16/12/2016	Detached
2	PRIVET DRIVE	BARLBY	£ 336,995	150	£ 2,247	16/12/2016	Detached
5	PRIVET DRIVE	BARLBY	£ 339,995	150	£ 2,267	24/02/2017	Detached
8	HOLT DRIVE	BARLBY	£ 344,995	158	£ 2,184	31/03/2017	Detached
CHURCH VIEW	HOWDEN ROAD	BARLBY	£ 174,000	71	£ 2,451	14/07/2016	Semi
CHURCH VIEW	HOWDEN ROAD	BARLBY	£ 170,000	71	£ 2,394	29/04/2016	Semi
1	POPLAR DRIVE	BARLBY	£ 181,995	77	£ 2,364	24/02/2017	Semi
3	POPLAR DRIVE	BARLBY	£ 183,995	77	£ 2,390	24/02/2017	Semi
19	POPLAR DRIVE	BARLBY	£ 139,995	60	£ 2,333	05/05/2017	Terrace
21	POPLAR DRIVE	BARLBY	£ 139,995	60	£ 2,333	05/05/2017	Terrace
23	POPLAR DRIVE	BARLBY	£ 145,995	60	£ 2,433	05/05/2017	Terrace
CHURCH VIEW	HOWDEN ROAD	BARLBY	£ 165,000	71	£ 2,324	02/11/2016	Terrace
CHURCH VIEW	HOWDEN ROAD	BARLBY	£ 154,000	71	£ 2,169	02/08/2016	Terrace
CHURCH VIEW	HOWDEN ROAD	BARLBY	£ 165,000	71	£ 2,324	04/08/2016	Terrace
10	POPLAR DRIVE	BARLBY	£ 167,995	77	£ 2,182	31/03/2017	Terrace
6	POPLAR DRIVE	BARLBY	£ 172,995	77	£ 2,247	31/03/2017	Terrace
8	POPLAR DRIVE	BARLBY	£ 167,995	77	£ 2,182	31/03/2017	Terrace
15	POPLAR DRIVE	BARLBY	£ 177,995	77	£ 2,312	28/04/2017	Terrace
7	POPLAR DRIVE	BARLBY	£ 175,995	77	£ 2,286	28/04/2017	Terrace
9	POPLAR DRIVE	BARLBY	£ 169,995	77	£ 2,208	28/04/2017	Terrace
12	POPLAR DRIVE	BARLBY	£ 199,995	89	£ 2,247	31/03/2017	Terrace

2.3.2 Having considered all of the above, we adopted an average sales value of just under £2,400 per sq m.

2.3.3 For the affordable rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value. Both are in line with our experience of assessing other housing schemes across the region.

2.4 Gross Development Cost (outgoings to implement the development)

2.4.1 Given the relatively small size of the proposed scheme, we consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works. In this case, we consider the median rate to be appropriate, which rebased to Selby currently equates to £1,087 per sq m.

2.4.2 To cover external costs, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature.

2.4.3 For professional fees we have allowed 8% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme.

- 2.4.4 For abnormal costs, no further details are provided. However, and for the purposes of our appraisal, we consider it appropriate to make an allowance for some level of abnormal costs. Based on other schemes we have appraised, we have allowed a rate equivalent to circa £125,000 per net developable hectare (or £50,000 per net developable acre).
- 2.4.5 For policy contributions, we have taken the figures as shown in the S106 agreement. This includes a recreational open space provision and waste and recycling contribution, totalling £13,205. In this case the S106 states that 27.27% affordable housing provision has been agreed (equivalent to 3 on-site dwellings).
- 2.4.6 For marketing costs, we have allowed 1.5% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).
- 2.4.7 In terms of the benchmark land value, we have looked at other schemes we have appraised across the wider area, as well historic viability assessments of sites within the general locality. Given the nature, location and size of the site we anticipate a landowner would seek a minimum land return of £350,000.
- 2.4.8 As for profit, for a smaller scheme in this type of location we would anticipate that a local developer / housebuilder would look to implement the project. Typically, more local developers require a lower return when compared to regional or volume housebuilders (as their overheads are lower). For this reason we consider a profit margin equivalent to 15% of the sales revenue to be appropriate.
- 2.4.9 Based on the above inputs (plus allowances for land purchase costs and banking arrangement fees) we have run a policy compliant ARGUS appraisal based on a sales rate of circa 1 per calendar month.

2.4.10 Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £407,072. This is therefore above our benchmark land value of £350,000.

2.4.11 Based on our appraisal, which tests the Council planning policy contributions stated within the S106 agreement, we therefore conclude that the site is currently viable.

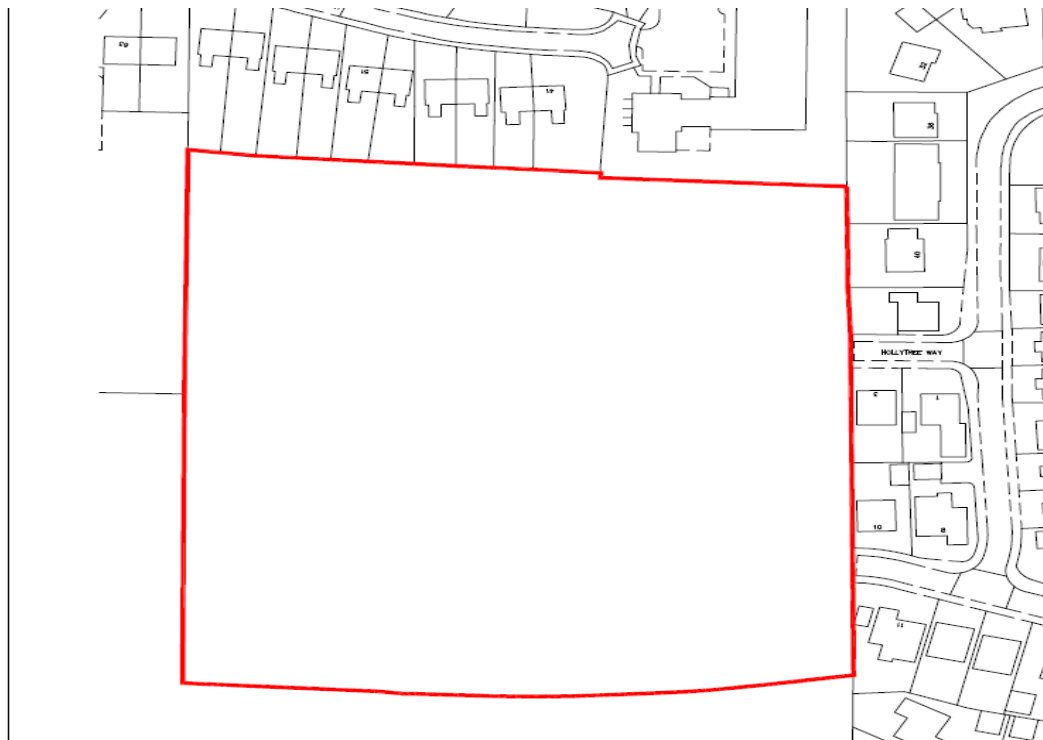
3 BRAYTON-21: LAND TO THE REAR OF THE POPLARS, BRAYTON



3.1 Property Description

3.1.1 This is situated within the village of Brayton, which lies approximately 2 miles to the south west of Selby, with its main access via the A19. The site is located immediately to the west and south of a modern residential estate (which appears to date back to the early 2000s). The site is positioned on the edge of the Brayton settlement, with the remaining boundaries adjoining undeveloped agricultural land.

3.1.2 The site is broadly rectangular and relatively level, comprising undeveloped 'greenfield' land, which appears to currently be used for agricultural purposes. This extends to circa 1.94 Ha (4.79 acres), on a gross basis.



3.2 Development proposals

3.2.1 The site benefits from an outline planning permission for the development of 44 dwellings, therefore the full extent of the proposed housing has yet to be agreed. For the purposes of our assessment we have therefore adopted the following units and average areas:

Type	Beds	Total units	Average Size (sq m)	Total size (sq m)
Market value	Mix	26	116.92	3,040
Affordable	Mix	18	97.78	1,760
		44		4,800

3.3 Gross Development Value (sales revenue)

3.3.1 We have researched house prices in the local area and note the following recent 'new-build' sales in the neighbouring village of Thorpe Willoughby:

Address		Price	Sq m	£ psm	Date	Type
12 BLACKSHAW CRESCENT	THORPE WILLOUGHBY	£ 330,000	155	£ 2,129	01/03/2016	Detached
63 PRIVET DRIVE	THORPE WILLOUGHBY	£ 310,000	151	£ 2,053	24/03/2016	Detached
31 PRIVET DRIVE	THORPE WILLOUGHBY	£ 249,950	106	£ 2,358	22/04/2016	Detached
9 BLACKSHAW CRESCENT	THORPE WILLOUGHBY	£ 329,950	151	£ 2,185	28/04/2016	Detached
65 PRIVET DRIVE	THORPE WILLOUGHBY	£ 315,000	151	£ 2,086	12/05/2016	Detached
29 PRIVET DRIVE	THORPE WILLOUGHBY	£ 270,000	123	£ 2,195	24/05/2016	Detached
51 PRIVET DRIVE	THORPE WILLOUGHBY	£ 249,950	90	£ 2,777	27/05/2016	Detached
27 PRIVET DRIVE	THORPE WILLOUGHBY	£ 329,950	151	£ 2,185	27/05/2016	Detached
10 BLACKSHAW CRESCENT	THORPE WILLOUGHBY	£ 359,950	169	£ 2,130	27/05/2016	Detached
68 PRIVET DRIVE	THORPE WILLOUGHBY	£ 289,950	133	£ 2,180	31/05/2016	Detached
7 BLACKSHAW CRESCENT	THORPE WILLOUGHBY	£ 218,000	151	£ 1,444	08/06/2016	Detached
15 BLACKSHAW CRESCENT	THORPE WILLOUGHBY	£ 318,000	151	£ 2,106	17/06/2016	Detached
11 HOWARD CLOSE	THORPE WILLOUGHBY	£ 240,000	106	£ 2,264	24/06/2016	Detached
12 PRIVET DRIVE	THORPE WILLOUGHBY	£ 245,000	106	£ 2,311	24/06/2016	Detached
53 PRIVET DRIVE	THORPE WILLOUGHBY	£ 279,950	104	£ 2,692	29/06/2016	Detached
94 PRIVET DRIVE	THORPE WILLOUGHBY	£ 277,450	123	£ 2,256	30/06/2016	Detached
14 PRIVET DRIVE	THORPE WILLOUGHBY	£ 240,000	106	£ 2,264	01/07/2016	Detached
16 PRIVET DRIVE	THORPE WILLOUGHBY	£ 280,000	133	£ 2,105	26/08/2016	Detached
18 PRIVET DRIVE	THORPE WILLOUGHBY	£ 299,950	133	£ 2,255	31/08/2016	Detached

3.3.2 We have also looked at second-hand sales in Brayton on the neighbouring modern housing estate:

Address		Price	Sq m	£ psm	Date	Type
10 ST WILFRIDS CRESCENT	BRAYTON	£ 146,000	87	£ 1,678	02/08/2013	Semi
19 THE POPLARS	BRAYTON	£ 231,000	117	£ 1,974	16/08/2010	Detached
25 THE POPLARS	BRAYTON	£ 211,000	132	£ 1,598	29/07/2011	Detached
29 THE POPLARS	BRAYTON	£ 207,500	101	£ 2,054	14/05/2015	Detached
35 THE POPLARS	BRAYTON	£ 203,000	101	£ 2,010	31/10/2014	Detached
37 THE POPLARS	BRAYTON	£ 235,000	99	£ 2,374	30/05/2014	Detached
10 WILLOW BANK	BRAYTON	£ 232,000	112	£ 2,071	09/12/2010	Detached
4 WILLOW BANK	BRAYTON	£ 152,000	62	£ 2,452	30/09/2011	Detached

3.3.3 Please note, based on the above we have made adjustments to reflect the date of the sales and also to reflect the fact that new build schemes tend to attract a premium above second-hand sales (to reflect the modern specification, benefit of the 10 year builder's warranty and also because of the perceived benefit of the property having not been 'lived in' before).

3.3.4 Having undertaken our analysis, and making adjustments given the size of each dwelling, our adopted sales values show an average sales value of just under £2,400 per sq m.

3.3.5 For the affordable rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value. Both are in line with our experience of assessing other housing schemes across the region.

3.4 Gross Development Cost (outgoings to implement the development)

3.4.1 Given the relatively small size of the proposed scheme and its location, we consider the BCIS to be an appropriate database for benchmarking build costs. We have adopted the median rate, rebased to Selby, which currently equates to £1,087 per sq m.

3.4.2 To cover external costs we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature.

3.4.3 For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme.

- 3.4.4 For abnormal costs, no further details are provided. However, and for the purposes of our appraisal, we consider it appropriate to make an allowance for some level of abnormal costs. Based on other schemes we have appraised, we have allowed a rate equivalent to circa £125,000 per net developable hectare (or £50,000 per net developable acre).
- 3.4.5 For policy contributions, we have taken the figures as shown in the S106 agreement, totalling £153,166. In this case, the target for the affordable housing policy is for 40% on-site units (in this case 18 dwellings).
- 3.4.6 For marketing costs, we have allowed 2.5% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).
- 3.4.7 In terms of the benchmark land value, we have looked at other schemes we have appraised across the wider area, as well historic viability assessments of sites within the general locality. Given the nature, location and size of the site we anticipate a landowner would seek a minimum land return equivalent in the region of £200,000 per net acre (say £800,000).
- 3.4.8 As for profit, for a greenfield scheme in this location we anticipate that a regional developer would look to implement the project. We consider a profit margin equivalent to 20% of the market value dwellings and 6% on cost for the affordable units (giving a 'blended' figure of just under 16.5%) to be a reasonable incentive to implement the scheme.
- 3.4.9 Based on the above inputs (plus allowances for land purchase costs and banking arrangement fees) we have run a policy compliant ARGUS appraisal based on a sales rate of just over 2 per calendar month.
- 3.4.10 Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £820,468. This is therefore above our benchmark land value of £800,000.

3.4.11 Based on our appraisal, which tests the Council planning policy contributions stated within the S106 agreement, we therefore conclude that the site is currently viable.

4 OSGODBY-4: OSGODBY NURSERIES, HULL ROAD, OSGODBY



4.1 Property Description

4.1.1 The village of Osgodby is located circa 2 miles to the north east of Selby. The main access roads into the village are the A19 and the A63. The site itself is located to the south side of the village, fronting on to the A63 Hull Rd. The is an edge of settlement location and therefore partly looks onto open fields.

4.1.2 The site is broadly rectangular in shape and relatively flat, comprising an undeveloped 'greenfield', which we understand previously formed part of a Nursery business. The site area extends to circa 0.8 Ha (1.98 acres), on a gross basis.



4.2 Development proposals

4.2.1 The site benefits from an outline planning permission for 22 dwellings, therefore the full extent of the proposed housing has yet to be agreed. For the purposes of our assessment we have therefore adopted the following units and average areas:

Type	Beds	Total units	Average Size (sq m)	Total size (sq m)
Market value	Mix	13	116.92	1,520
Affordable	Mix	9	83.33	750
		22		2,340

4.3 Gross Development Value (sales revenue)

4.3.1 We have researched house prices in the local area and note a general lack of 'new build' house sales within Osgodby. The nearest new build development identified is at the nearby village of Barlby. Please see above Section 2 for further details.

4.3.2 The Zoopla Zed Index shows a current average value of £211,902 in Osgodby, compared to £184,103 in Barlby. This would suggest that values achievable in Barlby would at least be achieved in Osgodby, if not improved upon. That said, the site in Barlby is considered to be better located than the site in Osgodby, therefore adjustments are needed to reflect this.

4.3.3 Having considered all of the above, our adopted sales values equate to an average sales value of just over £2,200 per sq m.

4.3.4 For the affordable rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value. Both are in line with our experience of assessing other housing schemes across the region.

4.4 Gross Development Cost (outgoings to implement the development)

4.4.1 Given the relatively small size of the proposed scheme and its location, we consider the BCIS to be an appropriate database for benchmarking build costs. We have adopted the median rate, rebased to Selby, which currently equates to £1,087 per sq m.

- 4.4.2 To cover external costs we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature.
- 4.4.3 For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme.
- 4.4.4 For abnormal costs, no further details are provided. However, and for the purposes of our appraisal, we consider it appropriate to make an allowance for some level of abnormal costs. Based on other schemes we have appraised, we have allowed a rate equivalent to circa £125,000 per net developable hectare (or £50,000 per net developable acre).
- 4.4.5 For policy contributions, we have taken the figures as shown in the S106 agreement, totalling £101,048. In this case, the target for the affordable housing policy is for 40% on-site units (in this case 18 dwellings).
- 4.4.6 For marketing costs, we have allowed 2.5% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).
- 4.4.7 In terms of the benchmark land value, we have looked at other schemes we have appraised across the wider area, as well historic viability assessments of sites within the general locality. Given the nature, location and size of the site we anticipate a landowner would seek a minimum land return equivalent in the region of £225,000 per net acre (say £400,000).
- 4.4.8 As for profit, for a greenfield scheme in this location we anticipate that either a local or regional developer would look to implement the project. We consider a profit margin equivalent to 18.5% of the market value dwellings and 6% on cost for the affordable units to be a reasonable incentive to implement the scheme.

- 4.4.9 Based on the above inputs (plus allowances for land purchase costs and banking arrangement fees) we have run a policy compliant ARGUS appraisal based on a sales rate of circa 1.5 per calendar month.
- 4.4.10 Our appraisal (as appended) shows that, based on the above inputs, and the full Council policy requirements, the scheme generates a residual site value below the benchmark land value, suggesting the scheme is unviable when the full policy provisions are applied.
- 4.4.11 On an iterative basis, we have subsequently reduced the amount of affordable housing to test at what level, if any, the scheme becomes viable. Our appraisal shows that with 4 affordable units (18.18%) the scheme produces a site value in excess of the benchmark land value and is therefore viable.
- 4.4.12 Based on our appraisal testing we therefore conclude that the site is currently viable, but only if the level of affordable housing is reduced to 18.18% (albeit with the other S106 contributions remaining at their policy levels).**

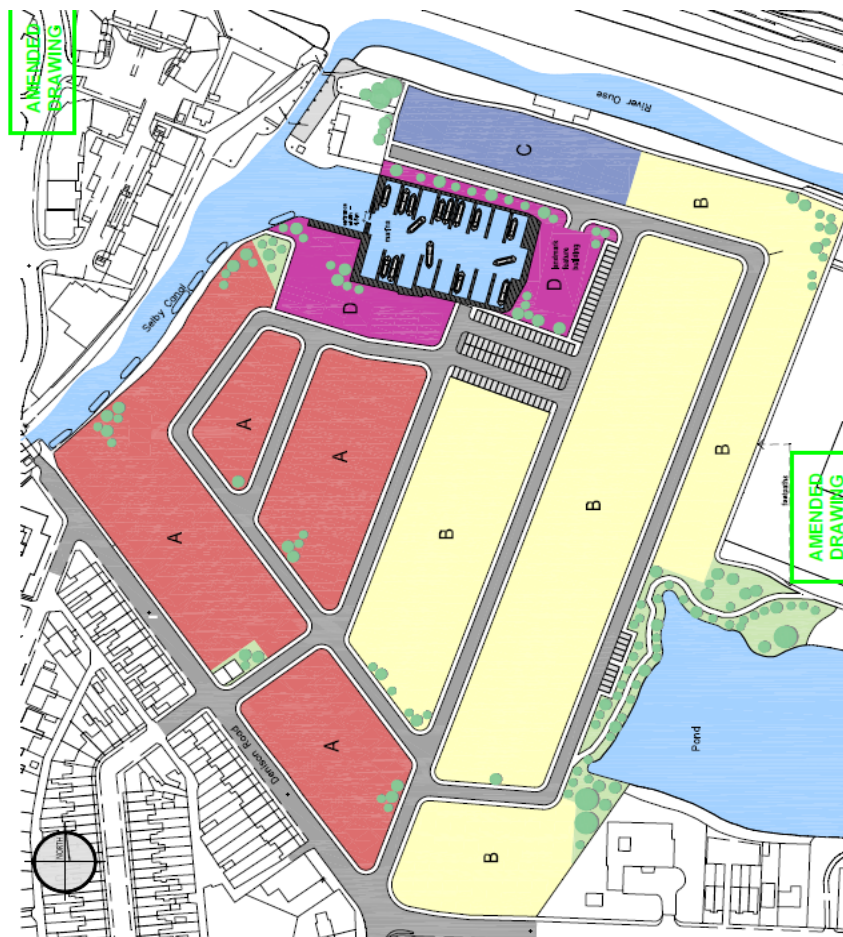
5 SELBY-54: FORMER RIGID PAPERS, DENISON ROAD, SELBY



5.1 Property Description

5.1.1 The site is located on the east side of Selby, approximately 0.5 miles from the town centre. This is positioned on the south bank of the River Ouse and the east side of Selby canal. There is established housing immediately to the south and industrial uses to the east. We also note there is a large pond situated adjacent to the site. The main access is via Denison Rd, which runs along the southern boundary of the land. We note Denison Rd includes a small bridge over the Selby Canal, which at the current time has weight restrictions on passing traffic.

5.1.2 Historically, the site has been used for a variety of industrial uses, including a flax mill and most recently a paper and corrugated cardboard manufacture facility. All the buildings associated with the previous uses have since been demolished and the site cleared. At the time of inspection, the site comprised mainly low-lying vegetation. The site extends to circa 7.54 Ha (18.63 acres), on a gross basis.



5.2 Development proposals

5.2.1 The site benefits from an outline planning permission for a variety of residential and commercial uses, including a 32 berth marina. As this is in outline form the full extent of the proposals have yet to be agreed. For the purposes of our assessment, and having had regard to previous viability appraisals undertaken on the site, we have adopted the following units and average areas:

Type	Total units	Average size (sq m)	Total size (sq m)
Flats	42	67.80	2,848
Flats	10	90	900
Houses	250	110	27,500
			31,248
4 storey retail / leisure / office			1,080
Retail units			840
Leisure and retail at Canal			112
Marina (32 berths)			n/a

5.3 Gross Development Value (sales revenue)

5.3.1 For the housing elements we have identified two areas across Selby town where new build house sales have recently been achieved. The first is in the Millgate / Flaxley Rd area of the town, which is located around 1 mile from the subject site, set back from the south bank of the River Ouse in an established residential location. We have identified the following transactions from this location (post 2016):

Address		Price	Sq m	£ per sq m	Date	Type
83 COUPLAND ROAD	SELBY	£ 192,000	108	£ 1,778	16/12/2016	Detached
2 HOLME VIEW	SELBY	£ 238,995	110	£ 2,173	30/06/2016	Detached
1 HOLME BANK	SELBY	£ 237,995	110	£ 2,164	22/04/2015	Detached
4 HOLME BANK	SELBY	£ 248,995	123	£ 2,024	13/06/2016	Detached
5 HOLME BANK	SELBY	£ 246,995	123	£ 2,008	31/03/2016	Detached
4 HOLME VIEW	SELBY	£ 257,995	126	£ 2,048	02/09/2016	Detached
6 HOLME VIEW	SELBY	£ 257,995	126	£ 2,048	28/06/2016	Detached
3 HOLME BANK	SELBY	£ 289,995	143	£ 2,028	30/06/2016	Detached
8 HOLME VIEW	SELBY	£ 299,995	148	£ 2,027	30/06/2016	Detached
2 HOLME BANK	SELBY	£ 329,995	160	£ 2,062	30/06/2016	Detached
3 COUPLAND MEADOW	SELBY	£ 179,995	78	£ 2,308	23/12/2016	Semi
7 COUPLAND MEADOW	SELBY	£ 179,995	78	£ 2,308	16/12/2016	Semi
11 COUPLAND MEADOW	SELBY	£ 182,995	78	£ 2,346	23/12/2016	Semi
15 COUPLAND MEADOW	SELBY	£ 179,995	78	£ 2,308	23/12/2016	Semi
17 COUPLAND MEADOW	SELBY	£ 179,995	78	£ 2,308	23/12/2016	Semi
19 COUPLAND MEADOW	SELBY	£ 176,995	78	£ 2,269	23/12/2016	Semi
6 COUPLAND COURT	SELBY	£ 149,995	61	£ 2,459	31/10/2016	Terrace
7 COUPLAND COURT	SELBY	£ 149,995	61	£ 2,459	25/11/2016	Terrace
8 COUPLAND COURT	SELBY	£ 149,995	61	£ 2,459	14/11/2016	Terrace
9 COUPLAND COURT	SELBY	£ 154,995	61	£ 2,541	30/06/2016	Terrace
10 COUPLAND COURT	SELBY	£ 149,995	61	£ 2,459	25/11/2016	Terrace
11 COUPLAND COURT	SELBY	£ 140,070	61	£ 2,296	25/11/2016	Terrace
14 COUPLAND COURT	SELBY	£ 154,995	61	£ 2,541	30/06/2016	Terrace
3 COUPLAND MEWS	SELBY	£ 168,995	72	£ 2,347	11/11/2016	Terrace
82 ELSTON AVENUE	SELBY	£ 164,995	78	£ 2,115	12/02/2016	Terrace
84 ELSTON AVENUE	SELBY	£ 166,995	78	£ 2,141	29/01/2016	Terrace
89 COUPLAND ROAD	SELBY	£ 199,995	108	£ 1,852	21/12/2016	Terrace
101 COUPLAND ROAD	SELBY	£ 197,995	110	£ 1,800	23/12/2016	Terrace

5.3.2 In addition, we have also identified a number of sales (post 2016) for houses on the Staynor Hall development, which is located around 1 mile south of Denison Rd, close to the A63:

Address			Price	Sq m	£ per sq m	Date	Type
25	BLACKTHORN CLOSE	SELBY	£ 191,999	79	£ 2,430	08/01/2016	Detached
1	BLACKTHORN CLOSE	SELBY	£ 219,999	91	£ 2,418	30/09/2016	Detached
15	BLACKTHORN CLOSE	SELBY	£ 239,999	100	£ 2,400	29/04/2016	Detached
3	HORNBEAM CLOSE	SELBY	£ 239,999	100	£ 2,400	30/09/2016	Detached
7	BLACKTHORN CLOSE	SELBY	£ 239,999	100	£ 2,400	30/11/2016	Detached
6	THE STABLES	SELBY	£ 304,999	157	£ 1,943	04/02/2016	Detached
1	THE STABLES	SELBY	£ 324,999	169	£ 1,923	29/01/2016	Detached
8	THE PLANTATION	SELBY	£ 339,999	169	£ 2,012	27/05/2016	Detached
5	THE STABLES	SELBY	£ 311,999	173	£ 1,803	29/03/2016	Detached
4	THE STABLES	SELBY	£ 326,999	181	£ 1,807	30/09/2016	Detached
26	BLACKTHORN CLOSE	SELBY	£ 161,999	69	£ 2,348	24/03/2016	Semi
3	BLACKTHORN CLOSE	SELBY	£ 159,999	69	£ 2,319	16/12/2016	Semi
5	BLACKTHORN CLOSE	SELBY	£ 166,999	69	£ 2,420	22/12/2016	Semi
9	BLACKTHORN CLOSE	SELBY	£ 184,999	79	£ 2,342	29/04/2016	Semi
11	BLACKTHORN CLOSE	SELBY	£ 189,999	79	£ 2,405	29/04/2016	Semi
19	PALM HOUSE DRIVE	SELBY	£ 195,999	79	£ 2,481	20/02/2017	Semi
88	BLACKTHORN CLOSE	SELBY	£ 139,999	68	£ 2,059	10/06/2016	Terrace
41	PALM HOUSE DRIVE	SELBY	£ 140,000	68	£ 2,059	22/12/2016	Terrace
38	BLACKTHORN CLOSE	SELBY	£ 144,999	69	£ 2,101	30/06/2016	Terrace
48	BLACKTHORN CLOSE	SELBY	£ 154,999	69	£ 2,246	30/06/2016	Terrace
84	BLACKTHORN CLOSE	SELBY	£ 146,999	69	£ 2,130	30/06/2016	Terrace
46	BLACKTHORN CLOSE	SELBY	£ 144,999	69	£ 2,101	29/07/2016	Terrace
42	BLACKTHORN CLOSE	SELBY	£ 144,999	69	£ 2,101	14/10/2016	Terrace
40	BLACKTHORN CLOSE	SELBY	£ 139,999	69	£ 2,029	28/10/2016	Terrace
44	BLACKTHORN CLOSE	SELBY	£ 149,999	69	£ 2,174	30/11/2016	Terrace
58	BLACKTHORN CLOSE	SELBY	£ 153,999	83	£ 1,855	26/02/2016	Terrace
56	BLACKTHORN CLOSE	SELBY	£ 158,999	83	£ 1,916	31/03/2016	Terrace
60	BLACKTHORN CLOSE	SELBY	£ 158,999	83	£ 1,916	30/06/2016	Terrace

5.3.3 Having considered all of the above, and taking into account the location of the site next to the river and within walking distance of Selby town centre, for the houses on site we have adopted an average sales value equivalent to £2,100 per sq m.

5.3.4 In terms of flat sales, we have identified a mixture of new build and second-hand sales, summarised below:

Address				Price	Sq m	£ psm	Date	
	23	COUPLAND COURT	SELBY	£ 119,995	57	£ 2,105	19/12/2016	Flat
1	ELSTON COURT	COUPLAND ROAD	SELBY	£ 102,995	59	£ 1,746	18/05/2016	Flat
2	ELSTON COURT	COUPLAND ROAD	SELBY	£ 102,995	59	£ 1,746	12/05/2016	Flat
3	ELSTON COURT	COUPLAND ROAD	SELBY	£ 100,995	59	£ 1,712	13/05/2016	Flat
4	ELSTON COURT	COUPLAND ROAD	SELBY	£ 90,995	59	£ 1,542	13/05/2016	Flat
5	ELSTON COURT	COUPLAND ROAD	SELBY	£ 102,995	59	£ 1,746	12/05/2016	Flat
6	ELSTON COURT	COUPLAND ROAD	SELBY	£ 102,995	59	£ 1,746	12/05/2016	Flat
7	ELSTON COURT	COUPLAND ROAD	SELBY	£ 105,995	63	£ 1,682	23/05/2016	Flat
8	ELSTON COURT	COUPLAND ROAD	SELBY	£ 105,995	61	£ 1,738	23/05/2016	Flat
9	ELSTON COURT	COUPLAND ROAD	SELBY	£ 105,995	63	£ 1,682	23/05/2016	Flat
1	THE HOLMES	COUPLAND ROAD	SELBY	£ 95,995	59	£ 1,627	24/07/2015	Flat
2	THE HOLMES	COUPLAND ROAD	SELBY	£ 95,995	59	£ 1,627	31/07/2015	Flat
3	THE HOLMES	COUPLAND ROAD	SELBY	£ 95,995	57	£ 1,684	25/08/2015	Flat
4	THE HOLMES	COUPLAND ROAD	SELBY	£ 84,995	58	£ 1,465	31/07/2015	Flat
5	THE HOLMES	COUPLAND ROAD	SELBY	£ 97,995	59	£ 1,661	31/07/2015	Flat
6	THE HOLMES	COUPLAND ROAD	SELBY	£ 97,995	59	£ 1,661	07/08/2015	Flat
7	THE HOLMES	COUPLAND ROAD	SELBY	£ 99,995	61	£ 1,639	30/07/2015	Flat
8	THE HOLMES	COUPLAND ROAD	SELBY	£ 95,995	60	£ 1,600	31/07/2015	Flat
9	THE HOLMES	COUPLAND ROAD	SELBY	£ 98,000	61	£ 1,607	14/08/2015	Flat
	1	CLOG MILL GARDENS	SELBY	£ 64,000	39	£ 1,641	12/05/2017	Flat
	10	CLOG MILL GARDENS	SELBY	£ 88,500	52	£ 1,702	04/08/2016	Flat
	12	CLOG MILL GARDENS	SELBY	£ 62,000	32	£ 1,938	07/04/2017	Flat
	2	CLOG MILL GARDENS	SELBY	£ 68,000	38	£ 1,789	18/11/2015	Flat
	20	CLOG MILL GARDENS	SELBY	£ 90,500	52	£ 1,740	23/09/2016	Flat
	24	CLOG MILL GARDENS	SELBY	£ 84,750	52	£ 1,630	20/11/2015	Flat
	25	CLOG MILL GARDENS	SELBY	£ 60,000	26	£ 2,308	07/08/2015	Flat
	26	CLOG MILL GARDENS	SELBY	£ 83,000	52	£ 1,596	15/04/2016	Flat
	28	CLOG MILL GARDENS	SELBY	£ 85,000	52	£ 1,635	01/09/2016	Flat
	32	CLOG MILL GARDENS	SELBY	£ 88,500	52	£ 1,702	30/01/2015	Flat
	38	CLOG MILL GARDENS	SELBY	£ 87,000	52	£ 1,673	11/04/2016	Flat
	41	CLOG MILL GARDENS	SELBY	£ 70,000	39	£ 1,795	26/08/2016	Flat
	47	CLOG MILL GARDENS	SELBY	£ 67,000	32	£ 2,094	23/05/2017	Flat
	6	CLOG MILL GARDENS	SELBY	£ 80,000	52	£ 1,538	08/12/2016	Flat
	60	CLOG MILL GARDENS	SELBY	£ 87,500	52	£ 1,683	23/08/2015	Flat
	104	CLOG MILL GARDENS	SELBY	£ 67,000	39	£ 1,718	15/06/2015	Flat
	114	CLOG MILL GARDENS	SELBY	£ 80,000	56	£ 1,429	26/05/2017	Flat
	63	CLOG MILL GARDENS	SELBY	£ 64,000	32	£ 2,000	31/05/2017	Flat
	74	CLOG MILL GARDENS	SELBY	£ 90,000	52	£ 1,731	28/06/2017	Flat
	75	CLOG MILL GARDENS	SELBY	£ 68,000	39	£ 1,744	16/01/2015	Flat
	87	CLOG MILL GARDENS	SELBY	£ 55,000	26	£ 2,115	15/07/2015	Flat
	90	CLOG MILL GARDENS	SELBY	£ 63,500	52	£ 1,221	31/07/2017	Flat
FLAT 15	NAUTICA	THE WATERFRONT	SELBY	£ 94,000	90	£ 1,044	17/08/2016	Flat
FLAT 38	NAUTICA	THE WATERFRONT	SELBY	£ 95,000	69	£ 1,377	29/05/2015	Flat
FLAT 42	NAUTICA	THE WATERFRONT	SELBY	£ 75,000	75	£ 1,000	30/11/2016	Flat
FLAT 48	NAUTICA	THE WATERFRONT	SELBY	£ 77,500	42	£ 1,845	02/10/2015	Flat
FLAT 18	HALCYON	THE WATERFRONT	SELBY	£ 97,500	58	£ 1,681	21/12/2015	Flat
	1	ROSE COURT	SELBY	£ 105,000	59	£ 1,780	16/12/2016	Flat
	19	ROSE COURT	SELBY	£ 99,999	56	£ 1,786	15/05/2015	Flat
	2	ROSE COURT	SELBY	£ 102,000	59	£ 1,729	13/10/2016	Flat
	20	ROSE COURT	SELBY	£ 99,999	56	£ 1,786	30/04/2015	Flat
	21	ROSE COURT	SELBY	£ 99,999	56	£ 1,786	30/06/2015	Flat
	22	ROSE COURT	SELBY	£ 99,999	56	£ 1,786	24/04/2015	Flat
	23	ROSE COURT	SELBY	£ 104,999	56	£ 1,875	12/06/2015	Flat
	24	ROSE COURT	SELBY	£ 100,000	56	£ 1,786	30/06/2015	Flat
	5	ROSE COURT	SELBY	£ 99,999	59	£ 1,695	02/02/2015	Flat

5.3.5 Having considered the above (and made adjustments for location, date of sale, whether it is a second-hand sale or a new build etc) we have arrived at average sales value of £1,850 per sq m.

5.3.6 For the affordable rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value. Both are in line with our experience of assessing other housing schemes across the region.

5.3.7 With regard to the commercial elements, we have adopted a 'rent and yield' approach (as is common practice in the market place). This involves identifying the market rent of the asset and capitalising the income with an appropriate yield to arrive at a capital value. We have identified the following leasehold transactions in Selby:

Start Date	Address	Floor	Sq m	Rent psm	Use	Term
21/07/2017	Back St	GRND	499	£ 55	Office/Retail	3 yrs
01/11/2015	64A Gowthorpe	1st	70	£ 56	Office	5 yrs
15/04/2016	York St	GRND	79	£ 89	Retail	5 yrs
15/09/2017	19 Brook St	GRND	73	£ 91	Retail	6 yrs
01/01/2016	Ousegate	GRND	36	£ 97	Office	1 yr
09/05/2017	4-6 New Ln	GRND,1	251	£ 100	Retail	5 yrs
01/10/2016	62 Gowthorpe	GRND,1	90	£ 127	Retail	5 yrs
01/07/2016	Ousegate	GRND	28	£ 133	Office	1 yr
01/01/2016	21-23 Scott Rd	1st	38	£ 134	Retail	
18/05/2017	31-33 Finkle St	GRND	205	£ 141	Retail	6 yrs
17/08/2016	31-33 Finkle St	GRND	205	£ 141	Retail	
01/11/2015	24-28 Gowthorpe	GRND	149	£ 168	Retail	10 yrs
22/04/2016	24-28 Gowthorpe` St	GRND	196	£ 181	Retail	5 yrs
22/03/2016	6 Gowthorpe	GRND,1-2	74	£ 196	Retail	5 yrs
01/02/2016	19C Market Cross	GRND,1	137	£ 201	Retail	10 yrs
01/12/2015	21-23 Scott Rd	GRND	19	£ 205	Retail	5 yrs
16/01/2017	45-47 Gowthorpe	GRND	43	£ 211	Retail	
17/02/2017	29 Gowthorpe	GRND,1	67	£ 237	Retail	6 yrs

- 5.3.8 This shows a wide variance in market rents, dependent on numerous factors (including size of unit, location, condition etc). Furthermore, the majority of the above are located within Selby town and are therefore a different type of location to Denison Road (which is on the edge of the town).
- 5.3.9 Having considered the above, and taking into account the nature of the commercial space that will be provided at Denison Road, we have adopted a rental range of £135 to £150 per sq m. In terms of the yield, we have adopted an average investment yield of 9%, which is considered appropriate given the nature of the assets.
- 5.3.10 With regard to the Marina berths, we note a historic viability assessment of the site sought advice from a business rates assessor who specialised in valuing Marinas. The advice provided was that an average rental of £2,500 per annum could be expected in this location, capitalised again with a yield of 9%. For the purposes of this assessment we have accepted these figures and adopted the same in our appraisal.
- 5.3.11 Finally, we have also assumed the reversionary freehold interest in the apartments would be sold. We have assumed a ground rent equivalent to £225 per annum and capitalised this using an investment yield of 6%.

5.4 Gross Development Cost (outgoings to implement the development)

5.4.1 To identify the build costs we have again considered the BCIS. However, to give the data some context we note that between January 2012 and March 2017 there were 137 separate housing schemes across the UK which were used for 'elemental' analysis in determining the various BCIS rates. Of this sample, the size of schemes ranged from 1 house to 68 houses, with an average of 12.52 houses per scheme submitted into the data. 85% of the sample comprised schemes consisting of 20 houses or less and only 1.46% of the sample (2 schemes) comprised 50 or more dwellings. In other words, the vast majority of the data used for analysis when determining the various BCIS rates was derived from small schemes implemented by either local or relatively small contractors. We note that no volume house builder contributed to the aforementioned sample.

5.4.2 It is generally accepted that volume house-builders are able to construct houses at a cheaper rate than smaller building firms (owing to their ability to bulk-buy materials and their ability to offer more regular work, therefore negotiate cheaper contracts with sub-contractors etc). The BCIS acknowledges this through a note on "Economies of Scale" it published on 25th Oct 2016, which states the following:

Pricing levels on building contracts tend to fall as the size of the project increases.

The latest BCIS Tender Price Study, based on project tender price indices analysed by contract sum, shows that pricing levels fall by as much as 20% between small contracts and multimillion pound schemes.

Compared to the mean value of projects in the study of £1.7million projects, pricing on small projects is 10% higher, while pricing on projects over £40million can be 10% lower.

- 5.4.3 As indicated above, the sample used in the elemental analysis does not include data from larger scale projects, it is mostly derived from schemes comprising 20 or less houses. As the cheaper volume house-builder costs are not reflected within this sample, the data can be regarded as being inherently high, at least when trying to determine the construction costs for a large scheme (in excess of say 50 units). For this reason, the BCIS is considered to be less reliable for larger developments (like the subject site, which would require implementation by a large volume house builder).
- 5.4.4 Concern over the use of BCIS median for large schemes is supported by the Flaxley Rd, Selby (APP/N2739/s/16/3149425) decision where the Planning Inspector ruled that the BCIS median rate was not appropriate.
- 5.4.5 Having considered all of the above, and for the purposes of our appraisal, we have utilised the BCIS lower quartile rate for the residential elements (being £972 per sq m for the housing and £1,129 per sq m for the apartments).
- 5.4.6 For the commercial elements the median rate is considered to be appropriate (equating to £947 per sq m)
- 5.4.7 To cover external costs, we have adopted an additional 20% of the basic build cost (which includes garages). For contingency, given the complex nature of the project, we have allowed a further 5% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature.

- 5.4.8 For professional fees, again given the complexities of the project, we have allowed 8% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme.
- 5.4.9 For abnormal costs, we have reviewed the allowances made in historic viability assessments, which we understand we based on further details provided by the applicant. This include water infrastructure, marina perimeter sheet piling, marina construction including isolation structure and soil top cover. This totalled £1,399,550. In addition, we have allowed a further rate equivalent to circa £300,000 per net developable hectare (or £125,000 per net developable acre), to cover any additional abnormal items that might arise.
- 5.4.10 For policy contributions, we have taken the figures as shown in the S106 agreement, totalling £1,205,711. In this case, the target for the affordable housing policy is for 4.30% on-site units (equating to 13 dwellings).
- 5.4.11 For marketing costs, we have allowed 2.5% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units). We have also allowed 15% of the first year's rent on the commercial elements, to cover commercial letting agent fees and legal costs.
- 5.4.12 In terms of the benchmark land value, this is a large, challenging brownfield site with significant associated abnormal costs. In our view, these factors should serve to drive down the expectations of the landowner regarding the site value. In this context, and also noting the Olympia Park site to the north of the river (which is also a large, brownfield site with significant development challenges) has been marketed for sale in recent years, we consider a benchmark land value in the region of £1.5million (just above £100,000 per net acre) to be more than reasonable given the nature of the land.

5.4.13 As for profit, given the size and complexities of the scheme we consider a profit margin equivalent to 20% of the market value dwellings and 6% on cost for the affordable units to be a reasonable incentive to implement the scheme. For the commercial elements we have allowed 15% on revenue. Overall, this gives a 'blended' profit for the entire scheme of just over £13million (or 19.39% of revenue).

5.4.14 Based on the above inputs (plus allowances for land purchase costs and banking arrangement fees) we have run a policy compliant ARGUS appraisal. For the residential elements this assumes a sale of 2.5 per calendar month.

5.4.15 Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £1,765,139. This is therefore above our benchmark land value of £1.5million.

5.4.16 Based on our appraisal testing (and the adopted inputs) we therefore conclude that the site is currently viable.

6 SELBY-7: LAND B/W A19 AND A63 BYPASS, BARLBY



6.1 Property Description

6.1.1 The site is located on the outskirts of Barlby, on the southern side of the village, located close to the A19 and A63 roundabout. This is approximately 1.5 miles north east of Selby town centre and around half a mile from the proposed BOCM Pauls Olympia Park development site (a substantial mixed-use scheme providing residential and commercial uses).

6.1.2 The site comprises undeveloped agricultural land, which is broadly triangular in shape and generally level throughout. The site extends to circa 5.62 Ha (13.89 acres), on a gross basis.



6.2 Development proposals

6.2.1 The site is currently subject to an outline planning permission (pending consideration), with the final masterplan showing a scheme for 153 dwellings. As this is at outline stage the full extent of the proposed housing has yet to be agreed. For the purposes of our assessment we have therefore adopted the following units and average areas, which are considered appropriate in this location (and follows previous appraisals undertaken by the applicant):

Type	Beds	Total units	Average Size (sq m)	Total size (sq m)
Market value	Mix	91	103.85	9,450
Affordable	Mix	62	70.65	4,380
		153		13,830

6.3 Gross Development Value (sales revenue)

- 6.3.1 Given the location of the site in between Barlby and Selby we have considered new build transactions within each of these locations (please see Sections 2 and 5 for details of the comparable sales identified).
- 6.3.2 Having considered the above, and having made adjustments to reflect the size and nature of the subject scheme, our average sales value equates to just under £2,050 per sq m.
- 6.3.3 For the affordable rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value. Both are in line with our experience of assessing other housing schemes across the region.

6.4 Gross Development Cost (outgoings to implement the development)

- 6.4.1 For a larger scale scheme of this nature and in this location (please see comments above in Section 5) we consider it appropriate to adopt the BCIS lower quartile construction cost (rebased to Selby). This is currently £972 per sq m.
- 6.4.2 To cover external costs, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature.
- 6.4.3 For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme.

- 6.4.4 For abnormal costs, no further details are provided. However, and for the purposes of our appraisal, we consider it appropriate to make an allowance for some level of abnormal costs. Based on other schemes we have appraised, and also taking into account Council comments regarding potential flood risk, we have allowed a rate equivalent to circa £250,000 per net developable hectare (or £100,000 per net developable acre).
- 6.4.5 For policy contributions, no further details have been provided. However, using other schemes as a broad benchmark, we have allowed £400,000 to cover policy contributions.
- 6.4.6 For marketing costs, we have allowed 2.5% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).
- 6.4.7 In terms of the benchmark land value, we have looked at other schemes we have appraised across the wider area, as well historic viability assessments of sites within the general locality. Given the nature, location and size of the site we anticipate a landowner would seek a minimum land return equivalent in the region of £1,900,000 (just over £170,000 per net acre).
- 6.4.8 As for profit, for a greenfield scheme in this location we anticipate that a regional developer would look to implement the project. We consider a profit margin equivalent to 20% of the market value dwellings and 6% on cost for the affordable units to be a reasonable incentive to implement the scheme.
- 6.4.9 Based on the above inputs (plus allowances for land purchase costs and banking arrangement fees) we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.
- 6.4.10 Our appraisal (as appended) shows that, based on the above inputs, and the full Council policy requirements, the scheme produces a land value below our benchmark. This therefore shows a full policy compliant scheme as being unviable.

- 6.4.11 On an iterative basis, we have subsequently reduced the amount of affordable housing to test at what level, if any, the scheme becomes viable. Our appraisal shows that with 32 affordable units (20.92%) the scheme produces a site value of £1,913,768, therefore above our benchmark land value of £1,900,000.
- 6.4.12 **Based on our appraisal testing we therefore conclude that the site is currently viable, but only if the level of affordable housing is reduced to 20.92% (albeit with the other planning policy contributions totalling £400,000).**

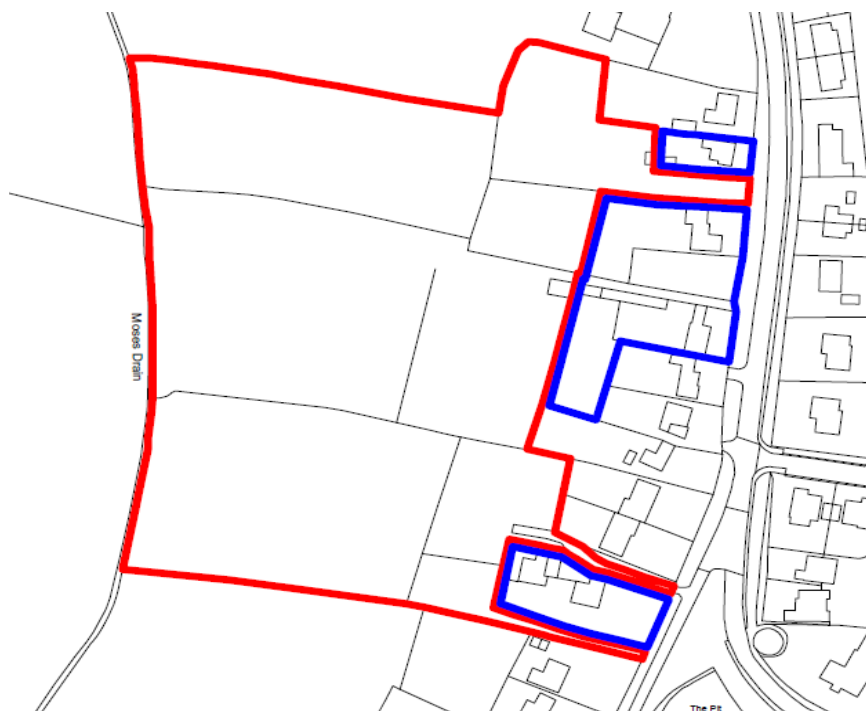
7 NDUFFIELD-7: LAND WEST OF THE GREEN, NORTH DUFFIELD



7.1 Property Description

7.1.1 This is situated within the village of North Duffield, an attractive rural village which lies approximately 2 miles to the north east of Selby and 12 miles south east of York, with its main access via the A163. The site is located close to the centre of the village, behind a row of established residential dwellings (which front onto York Road). The site is on the edge of settlement and as such overlooks open fields.

7.1.2 The site is an irregular shape but appears relatively level, comprising undeveloped 'greenfield' land. This extends to circa 2.47 Ha (6.10 acres), on a gross basis.



7.2 Development proposals

7.2.1 The site benefits from an outline planning permission for the development of 35 dwellings, therefore the full extent of the proposed housing has yet to be agreed. For the purposes of our assessment we have therefore adopted the following units and average areas, which are considered appropriate in this location (and follows previous appraisals undertaken by the applicant):

Type	Beds	Total units	Average Size (sq m)	Total size (sq m)
Market value	Mix	22	143.86	3,165
Affordable	Mix	13	86.23	1,121
		35		4,286

7.3 Gross Development Value (sales revenue)

7.3.1 There is a general lack of new build transactional evidence within the village. The nearest new build housing estate identified is located in Barlby, which is around 4.5 miles to the south west (please see above Section 2).

7.3.2 In addition to considering the new build sales at Barlby, we have also considered second-hand sales in North Duffield (post 2016) and have identified the following:

Address			Price	Sq m	£ psm	Date	Type
SOUTHEND COTTAGE	MAIN STREET	NORTH DUFFIELD	£150,000	57	£ 2,632	29/01/2016	Terrace
	28 WILLOW DRIVE	NORTH DUFFIELD	£218,000	80	£ 2,725	26/02/2016	Detached
	9 WESTFIELD ROAD	NORTH DUFFIELD	£150,000	63	£ 2,381	26/02/2016	Semi
POPLAR COTTAGE		NORTH DUFFIELD	£200,000	73	£ 2,740	04/03/2016	Detached
	23 ASH CLOSE	NORTH DUFFIELD	£147,000	77	£ 1,909	30/03/2016	Semi
	14 BROADMANOR	NORTH DUFFIELD	£300,000	134	£ 2,239	31/03/2016	Detached
	6 BROADMANOR	NORTH DUFFIELD	£215,000	84	£ 2,560	20/06/2016	Detached
	1 BROADMANOR	NORTH DUFFIELD	£202,000	94	£ 2,149	20/06/2016	Detached
	24 MAPLE DRIVE	NORTH DUFFIELD	£105,000	69	£ 1,522	01/07/2016	Terrace
	4 CHESTNUT CLOSE	NORTH DUFFIELD	£265,000	114	£ 2,325	05/07/2016	Detached
SPRINGBURN	MAIN STREET	NORTH DUFFIELD	£387,500	159	£ 2,437	08/07/2016	Detached
SPRINGFIELD HOUSE FARM	GREEN LANE	NORTH DUFFIELD	£325,000	178	£ 1,826	02/09/2016	Detached
	11 WILLOW DRIVE	NORTH DUFFIELD	£175,000	82	£ 2,134	23/09/2016	Semi
	37 GREEN LANE	NORTH DUFFIELD	£310,000	161	£ 1,925	30/09/2016	Detached
	4 LIME CLOSE	NORTH DUFFIELD	£152,000	64	£ 2,375	05/10/2016	Semi
	8 OAK ROAD	NORTH DUFFIELD	£212,000	82	£ 2,585	28/10/2016	Detached
	5 CHESTNUT CLOSE	NORTH DUFFIELD	£260,000	132	£ 1,970	28/10/2016	Detached
THE WEAVERS	YORK ROAD	NORTH DUFFIELD	£398,000	178	£ 2,236	22/11/2016	Detached
SCHOOL HOUSE	MAIN STREET	NORTH DUFFIELD	£211,500	91	£ 2,324	23/01/2017	Semi
THISTLEDOWN	MARKET WEIGHTON ROAD	NORTH DUFFIELD	£302,000	138	£ 2,188	27/01/2017	Detached
	44 OAK ROAD	NORTH DUFFIELD	£145,000	61	£ 2,377	24/03/2017	Semi
AYSGARTH HOUSE	YORK ROAD	NORTH DUFFIELD	£310,000	135	£ 2,296	29/03/2017	Detached
	16 WILLOW DRIVE	NORTH DUFFIELD	£260,000	98	£ 2,653	28/04/2017	Detached
LILAC COTTAGE	MAIN STREET	NORTH DUFFIELD	£230,000	56	£ 4,107	28/04/2017	Semi
	4 WESTFIELD ROAD	NORTH DUFFIELD	£167,500	61	£ 2,746	28/04/2017	Terrace
	8 CHESTNUT CLOSE	NORTH DUFFIELD	£185,000	103	£ 1,796	02/05/2017	Detached
	38 OAK ROAD	NORTH DUFFIELD	£180,000	64	£ 2,813	09/06/2017	Semi
	28 OAK ROAD	NORTH DUFFIELD	£166,000	72	£ 2,306	12/06/2017	Detached
	12 WESTFIELD ROAD	NORTH DUFFIELD	£172,000	61	£ 2,820	07/07/2017	Semi

7.3.3 Furthermore, at the time of our inspection we also noted a small modern housing scheme opposite the subject land, on Champions Gate. This provides a reasonable point of comparison, even though a number of the sales date back to 2009, some of the sales represent second hand transactions rather than new sales and we were unable to identify the dwelling sizes for 4 of the transactions:

	Address	Price	Sq m	£ psm	Date	Type
3	CHAMPIONS GATE NORTH DUFFIELD	£ 320,000			15/07/2009	Detached
5	CHAMPIONS GATE NORTH DUFFIELD	£ 290,000			30/06/2017	Detached
6	CHAMPIONS GATE NORTH DUFFIELD	£ 320,000	126	£ 2,540	11/11/2009	Detached
7	CHAMPIONS GATE NORTH DUFFIELD	£ 310,000			30/11/2009	Detached
8	CHAMPIONS GATE NORTH DUFFIELD	£ 450,000	252	£ 1,786	16/04/2010	Detached
9	CHAMPIONS GATE NORTH DUFFIELD	£ 305,000			03/09/2009	Detached
1	CHAMPIONS GATE NORTH DUFFIELD	£ 525,000	334	£ 1,572	13/10/2011	Detached
2	CHAMPIONS GATE NORTH DUFFIELD	£ 480,000	240	£ 2,000	30/09/2010	Detached

7.3.4 Please note, based on the above we have made adjustments to reflect the date of the sales and also to reflect the fact that new build schemes tend to attract a premium above second-hand sales (to reflect the modern specification, benefit of the 10 year builder’s warranty and also because of the perceived benefit of the property having not been ‘lived in’ before).

7.3.5 Having undertaken our analysis, and making adjustments given the size of each dwelling, our adopted sales values show an average sales value of around £2,350 per sq m.

7.3.6 For the affordable rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value. Both are in line with our experience of assessing other housing schemes across the region.

7.4 Gross Development Cost (outgoings to implement the development)

- 7.4.1 Given the relatively small size of the proposed scheme and its location, we consider the BCIS to be an appropriate database for benchmarking build costs. We have adopted the median rate, rebased to Selby, which currently equates to £1,087 per sq m.
- 7.4.2 To cover external costs, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature.
- 7.4.3 For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme.
- 7.4.4 For abnormal costs, we have reviewed the figures as shown on a past viability appraisal, which total £313,142. For the purposes of this assessment, we have adopted the same in our appraisal.
- 7.4.5 For policy contributions, we have taken the figures as shown in the S106 agreement, totalling £159,425. In this case, the target for the affordable housing policy is for 37.14% on-site units (in this case 13 dwellings).
- 7.4.6 For marketing costs, we have allowed 2.5% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).
- 7.4.7 In terms of the benchmark land value, we have looked at other schemes we have appraised across the wider area, as well historic viability assessments of sites within the general locality. Given the nature, location and size of the site we anticipate a landowner would seek a minimum land return equivalent in the region of £175,000 per net acre (say £900,000).

- 7.4.8 As for profit, for a greenfield scheme in this location we anticipate that a regional developer would look to implement the project. We consider a profit margin equivalent to 20% of the market value dwellings and 6% on cost for the affordable units (giving a 'blended' figure of just over 17%) to be a reasonable incentive to implement the scheme.
- 7.4.9 Based on the above inputs (plus allowances for land purchase costs and banking arrangement fees) we have run a policy compliant ARGUS appraisal based on a sales rate of just over 2 per calendar month.
- 7.4.10 Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £963,747. This is therefore above our benchmark land value of £900,000.
- 7.4.11 Based on our appraisal, which tests the Council planning policy contributions stated within the S106 agreement, we therefore conclude that the site is currently viable.**

8 SKIPWITH-4: LAND SOUTH OF MAIN STREET, SKIPWITH



8.1 Property Description

8.1.1 The village of Skipwith is located circa 7 miles to the north east of Selby, and 11 miles south of York, relatively close to the village of North Duffield. The main access roads into the village is York Rd. The site itself is located within the centre of the village.

8.1.2 The property comprises an existing farm complex, with a traditional farm house to front and various farming / storage buildings to the rear. The western and southern boundaries of the site overlook open fields. The site extends to circa 0.87 Ha (2.15 acres), on a gross basis.



8.2 Development proposals

8.2.1 The site benefits from an outline planning permission for the development of 14 new build dwellings (plus the refurbishment of the existing farmhouse). As this is at outline stage the full extent of the proposed housing has yet to be agreed. However, and for the purposes of our assessment, we have adopted the following units and average areas, which are considered appropriate in this location (and follows previous appraisals undertaken by the applicant):

Type	Beds	Total units	Size (sq m)	Total size (sq m)
Detached	3	1	130	130
Detached	3	1	130	130
Detached	4	2	160	320
Detached	4	1	160	160
Detached	4	1	160	160

Detached	3	1	130	130
Detached	1	1	70	70
Semi	2	2	90	180
Semi	3	4	90	360
Existing property		1		
		15		1,640

8.3 Gross Development Value (sales revenue)

8.3.1 There is a general lack of new build transactional evidence within the village. The nearest new build housing estate identified is located in Barlby, which is around 5miles to the south west (please see above Section 2).

8.3.2 In addition to considering the new build sales at Barlby, we have also considered second-hand sales in Skipwith and have identified the following:

Address	Price	Sq m	£ psm	Date	Type
OAK HOUSE SKIPWITH	£ 395,000	217	£ 1,820	09/09/2016	Detached
POND VIEW SKIPWITH	£ 385,000	184	£ 2,092	30/06/2017	Detached
SCHOOL FARM SKIPWITH	£ 300,000	200	£ 1,500	31/03/2016	Detached
5 COMMON RD SKIPWITH	£ 440,000	262	£ 1,679	11/11/2016	Detached
MAYFIELD HOUSE SKIPWITH	£ 380,000	167	£ 2,275	12/06/2015	Detached
HOLLY HOUSE SKIPWITH	£ 390,000	174	£ 2,241	31/03/2016	Detached
SPRING BARN COTTAGE SKIPWITH	£ 315,000	151	£ 2,086	14/11/2016	Detached
ERIMUS HOUSE SKIPWITH	£ 665,000	237	£ 2,806	01/09/2016	Detached
1 BLUE BELL FARM COURT SKIPWITH	£ 395,000	218	£ 1,812	03/05/2013	Detached
2 BLUE BELL FARM COURT SKIPWITH	£ 436,000	192	£ 2,271	22/06/2006	Detached

8.3.3 Please note, based on the above we have made adjustments to reflect the date of the sales and also to reflect the fact that new build schemes tend to attract a premium above second-hand sales (to reflect the modern specification, benefit of the 10 year builder's warranty and also because of the perceived benefit of the property having not been 'lived in' before).

8.3.4 Having undertaken our analysis, and making adjustments given the size of each dwelling, for the new build dwellings our adopted sales values show an average sales value of around £2,550 per sq m. We do not have full details of the existing farmhouse, however for the purposes of this assessment we have allowed a capital value of £400,000.

8.3.5 For the affordable rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value. Both are in line with our experience of assessing other housing schemes across the region.

8.4 Gross Development Costs (outgoings to implement the development)

8.4.1 Given the relatively small size of the proposed scheme, we consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works. In this case, we consider the median rate to be appropriate, which rebased to Selby currently equates to £1,087 per sq m. For the refurbishment of the existing farmhouse we have allowed £100,000.

8.4.2 To cover external costs, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature.

8.4.3 For professional fees we have allowed 8% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme.

- 8.4.4 For abnormal costs, no further details are provided. However, and for the purposes of our appraisal, we consider it appropriate to make an allowance for some level of abnormal costs. Based on other schemes we have appraised, we have allowed a rate equivalent to circa £185,000 per net developable hectare (or £75,000 per net developable acre). We have also allowed an additional £75,000 to cover demolition works to the existing farm complex.
- 8.4.5 For policy contributions, we have taken the figures as shown in the S106 agreement. This includes a recreational open space provision and waste and recycling contribution, totalling £63,826. In this case the S106 states that 13.33% affordable housing provision has been agreed (equivalent to 2 on-site dwellings).
- 8.4.6 For marketing costs, we have allowed 1.5% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).
- 8.4.7 In terms of the benchmark land value, we have taken into account the current existing use as a farming complex. When considering existing use value assessors will often apply an uplift above this figure to arrive at the benchmark land value. This is to reflect the fact that a landowner would require an added incentive above the existing use value to release the land for development (if there was no uplift, there would be no real benefit to pursuing a development, with the associated time and cost). In this case, we have allowed £750,000 for the existing farm complex, plus an uplift of 20%. This gives an overall benchmark land value of £900,000.
- 8.4.8 As for profit, for a smaller scheme in this type of location we would anticipate that a local developer / housebuilder would look to implement the project. Typically, more local developers require a lower return when compared to regional or volume housebuilders (as their overheads are lower). For this reason, we consider a profit equivalent to 15% of revenue for the market value units and 6% on cost for the affordable to be appropriate.

8.4.9 Based on the above inputs (plus allowances for land purchase costs and banking arrangement fees) we have run a policy compliant ARGUS appraisal based on a sales rate of circa 1 per calendar month.

8.4.10 Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £968,041. This is therefore above our benchmark land value of £900,000.

8.4.11 Based on our appraisal, which tests the Council planning policy contributions stated within the S106 agreement, we therefore conclude that the site is currently viable.

9 ULLESKELF-6: RAF CHURCH FENTON, BUSK LANE, CHURCH FENTON



9.1 Property Description

9.1.1 The village of Church Fenton is located circa 10 miles to the north west of Selby and 7 miles south of Tadcaster. The main access to the village is via the A162. The site itself forms part of the redundant Church Fenton airbase. This is situated adjacent to Leeds East Airport, to the north of the village centre. The site has direct access from Busk Lane.

9.1.2 The land was formerly used as part of the RAF Church Fenton Airbase. The area is now disused, although there remains variety of buildings on site, all of which would be cleared as part of any development. The site subject to development extends to circa 2.96 Ha (7.31 acres), on a gross basis, with a net developable area of 2.44 Ha (6.03 acres).



9.2 Development proposals

9.2.1 The site benefits from an outline planning permission, although we understand Harron Homes have submitted a reserved matters application. We understand the proposed house types are as follows:

Type	Beds	Total units	Size (sq m)	Total size (sq m)
Hadleigh	2	3	74	222
Bamburgh	3	8	81	648
Salcombe	4	8	147	1,176
Birkwith	4	5	119	595
Settle	4	10	143	1,430
Nidderdale	4	9	131	1,179
Ingleton	4	3	148	444
Windsor	4	11	136	1,496
Warkworth	4	5	172	860
Portchester	5	3	174	522
		65		8,572

9.3 Gross Development Value (sales revenue)

9.3.1 We have researched house prices in the local area and note the ongoing Eagle Manor (Berkeley Deveer) scheme within Church Fenton. According to the development's website, all of the units have either been sold or are sold subject to contract, with the selling agents indicating that demand has been strong for houses on the scheme. However, the sales prices are yet to be confirmed on the Land Registry. Instead, we have therefore assessed the asking prices, which are summarised below:

Eagle Manor, Church Fenton Berkeley Deveer						
			Beds	Size in Brochure	SOLD STC Asking	Asking £psm
Plot 1	The Austen	Det	5	164.16	£ 425,000	£ 2,589
Plot 2	The Churchill	Det	4	132.11	£ 370,000	£ 2,801
Plot 3	The Woodhouse	Semi	3	93.55	£ 230,000	£ 2,459
Plot 4	The Woodhouse	Semi	3	93.55	£ 230,000	£ 2,459
Plot 5	The Woodhouse	Semi	3	93.55	£ 230,000	£ 2,459
Plot 6	The Woodhouse	Semi	3	93.55	£ 230,000	£ 2,459
Plot 7	The Woodhouse	Semi	3	93.55	£ 230,000	£ 2,459
Plot 8	The Woodhouse	Semi	3	93.55	£ 230,000	£ 2,459
Plot 9	The Bertram	Det	4	140.75		£ -

9.3.2 Having undertaken our analysis, and making adjustments to reflect the above being asking prices, our adopted sales values show an average sales value of around £2,500 per sq m.

9.3.3 For the affordable rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value. Both are in line with our experience of assessing other housing schemes across the region.

9.4 Gross Development Cost (outgoings to implement the development)

- 9.4.1 Given the size of the proposed scheme, its location, and the nature of the product that would be required for the local market, we consider the BCIS median rate to be appropriate, rebased to Selby, which currently equates to £1,087 per sq m.
- 9.4.2 To cover external costs, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature.
- 9.4.3 For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme.
- 9.4.4 For abnormal costs, we have referenced previous viability appraisals undertaken by the applicant, which refer to demolition works and ground floor raising works. We have subsequently allowed for both, with a total abnormal costs allowance of £295,000.
- 9.4.5 For policy contributions, we have taken the figures as shown in the S106 agreement, totalling £241,351. In this case, the target for the affordable housing policy is for 40% on-site units (in this case 26 dwellings).
- 9.4.6 For marketing costs, we have allowed 2.5% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).
- 9.4.7 In terms of the benchmark land value, we have looked at other schemes we have appraised across the wider area, as well historic viability assessments of sites within the general locality. Given the nature, location and size of the site we anticipate a landowner would seek a minimum land return equivalent in the region of £1.5million (or circa £250,000 per net acre).

- 9.4.8 As for profit, for a scheme in this location we anticipate that a regional developer would look to implement the project. We consider a profit margin equivalent to 20% of the market value dwellings and 6% on cost for the affordable units (giving a 'blended' figure of just under 16.63%) to be a reasonable incentive to implement the scheme.
- 9.4.9 Based on the above inputs (plus allowances for land purchase costs and banking arrangement fees) we have run a policy compliant ARGUS appraisal based on a sales rate of just over 2 per calendar month.
- 9.4.10 Our appraisal (as appended) shows that, based on the above inputs, the scheme returns a land value of £2,671,725. This is therefore comfortably above our benchmark land value of £1.5million.
- 9.4.11 Based on our appraisal, which tests the Council planning policy contributions stated within the S106 agreement, we therefore conclude that the site is currently viable.**

10 ULLESKELF-7: LAND EAST OF CHURCH FENTON LANE, ULLESKELF



10.1 Property Description

10.1.1 The village of Ulleskelf is located circa 10 miles to the north west of Selby and 4 miles south east of Tadcaster. The main access to the village is via the B1223, and is located around 1.5 miles to the north of Leeds East Airport (therefore close to Church Fenton).

10.1.2 The site comprises undeveloped grassland, which overlooks open fields to the most part, currently used for agricultural purposes, extending to circa 1.07 Ha (2.64 acres), on a gross basis.



10.2 Development proposals

10.2.1 The site benefits from an outline planning permission for the development of 30 dwellings, therefore the full extent of the proposed housing has yet to be agreed. For the purposes of our assessment we have therefore adopted the following units and average areas:

Type	Beds	Total units	Average Size (sq m)	Total size (sq m)
Market value	Mix	18	120	2,160
Affordable	Mix	12	97.50	1,170
		30		3,330

10.3 Gross Development Value (sales revenue)

10.3.1 We have considered the comparable evidence identified above in Church Fenton (please see Section 9).

10.3.2 We also note that the site is currently being marketed through the developer's website (Berkley DeVeer) and local agents Thomlinsons (with the scheme called 'Orchard Park'). A marketing board on site indicates that over 50% of the proposed houses have already been sold 'off-plan'. The Bronte (a 3 bed detached) is being marketed at an asking price of £265,000, The Churchill (a 4 bed detached) at £355,000, The Bertram (4 bed detached) at £380,000 and The Victoria (4 bed detached) at £415,000.

10.3.3 Having considered the above our average sales value equates to £318,000 (or £2,650 per sq m).

10.3.4 For the affordable rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value. Both are in line with our experience of assessing other housing schemes across the region.

10.4 Gross Development Cost (outgoings to implement the development)

10.4.1 Given the size of the proposed scheme, its location, and the nature of the product that would be required for the local market, we consider the BCIS median rate to be appropriate, rebased to Selby, which currently equates to £1,087 per sq m.

- 10.4.2 To cover external costs, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature.
- 10.4.3 For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme.
- 10.4.4 For abnormal costs, no further details are provided. However, and for the purposes of our appraisal, we consider it appropriate to make an allowance for some level of abnormal costs. Based on other schemes we have appraised, we have allowed a rate equivalent to circa £125,000 per net developable hectare (or £50,000 per net developable acre).
- 10.4.5 For policy contributions, we have taken the figures as shown in the S106 agreement, totalling £118,670. In this case, the target for the affordable housing policy is for 40% on-site units (in this case 12 dwellings).
- 10.4.6 For marketing costs, we have allowed 2.5% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).
- 10.4.7 In terms of the benchmark land value, we have looked at other schemes we have appraised across the wider area, as well historic viability assessments of sites within the general locality. Given the nature, location and size of the site we anticipate a landowner would seek a minimum land return equivalent in the region of £700,000 per net acre (say £300,000).
- 10.4.8 As for profit, for a greenfield scheme in this location we anticipate that a regional developer would look to implement the project. We consider a profit margin equivalent to 20% of the market value dwellings and 6% on cost for the affordable units to be a reasonable incentive to implement the scheme.

- 10.4.9 Based on the above inputs (plus allowances for land purchase costs and banking arrangement fees) we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.
- 10.4.10 Our appraisal (as appended) shows that, based on the above inputs, and the full Council policy requirements, the scheme generates a residual site value of £1,271,919. This is therefore above our benchmark land value of £700,000.
- 10.4.11 Based on our appraisal, which tests the Council planning policy contributions stated within the S106 agreement, we therefore conclude that the site is currently viable.**

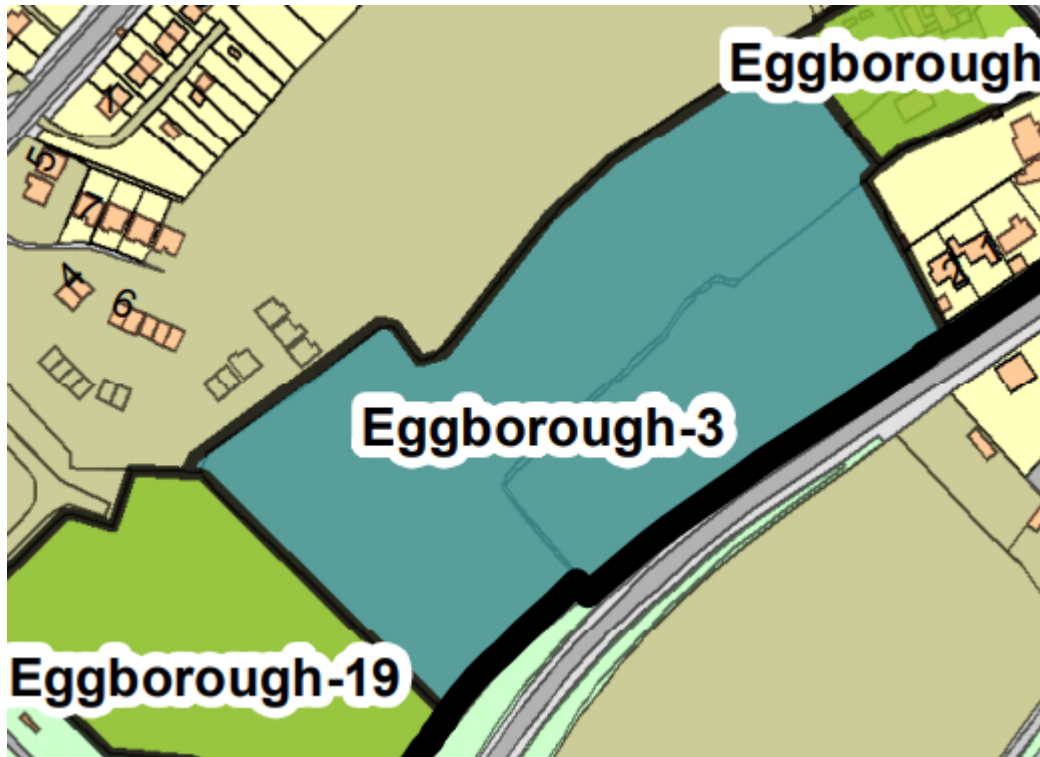
11 EGGBOROUGH-3: LAND SOUTH OF SELBY RD, EGGBOROUGH



11.1 Property Description

11.1.1 The village of Eggborough is located circa 7 miles to the south west of Selby. The main access to the village is via the A19, although the village is also only a short distance from Junction 34 of the M62.

11.1.2 The site comprises undeveloped grassland / scrubland, which is bounded to the south by the A19 and to the north by a modern housing estate. This extends to circa 3.14 Ha (7.76 acres), on a gross basis.



11.2 Development proposals

11.2.1 The site does not currently benefit from a planning consent. However, the site is allocated for housing. It is estimated that the site will provide 75 dwellings in total. For the purposes of our assessment we have adopted the following units and average areas:

Type	Beds	Total units	Average Size (sq m)	Total size (sq m)
Market value	Mix	60	102.25	6,135
Affordable	Mix	15	83.00	1,245
		75		7,380

11.3 Gross Development Value (sales revenue)

11.3.1 We have identified the following comparable transactions in Eggborough:

Address		Price	Sq m	£ psm	Date	Type
26 MILL CROFT	EGGBOROUGH	£ 199,995	95	£ 2,105	18/12/2015	Detached
16 MILLSTONE LANE	EGGBOROUGH	£ 199,995	95	£ 2,105	11/09/2015	Detached
20 MILLSTONE LANE	EGGBOROUGH	£ 199,995	95	£ 2,105	21/12/2015	Detached
29 MILLSTONE LANE	EGGBOROUGH	£ 224,995	95	£ 2,368	13/04/2017	Detached
32 MILLSTONE LANE	EGGBOROUGH	£ 202,995	95	£ 2,137	09/10/2015	Detached
38 MILLSTONE LANE	EGGBOROUGH	£ 199,950	95	£ 2,105	19/05/2016	Detached
42 MILLSTONE LANE	EGGBOROUGH	£ 211,995	95	£ 2,232	22/08/2016	Detached
46 MILLSTONE LANE	EGGBOROUGH	£ 211,995	95	£ 2,232	15/07/2016	Detached
51 MILLSTONE LANE	EGGBOROUGH	£ 216,995	95	£ 2,284	24/06/2016	Detached
19 THE GRANARY	EGGBOROUGH	£ 219,995	95	£ 2,316	11/11/2016	Detached
23 THE GRANARY	EGGBOROUGH	£ 219,995	95	£ 2,316	10/11/2016	Detached
18 MILLSTONE LANE	EGGBOROUGH	£ 209,995	97	£ 2,165	07/09/2015	Detached
26 MILLSTONE LANE	EGGBOROUGH	£ 212,995	97	£ 2,196	29/10/2015	Detached
30 MILLSTONE LANE	EGGBOROUGH	£ 212,995	97	£ 2,196	23/10/2015	Detached
39 MILLSTONE LANE	EGGBOROUGH	£ 214,995	97	£ 2,216	22/04/2016	Detached
40 MILLSTONE LANE	EGGBOROUGH	£ 219,995	97	£ 2,268	23/05/2016	Detached
44 MILLSTONE LANE	EGGBOROUGH	£ 219,995	97	£ 2,268	24/06/2016	Detached
49 MILLSTONE LANE	EGGBOROUGH	£ 208,996	97	£ 2,155	11/08/2016	Detached
21 THE GRANARY	EGGBOROUGH	£ 227,995	97	£ 2,350	11/11/2016	Detached
4 THE GRANARY	EGGBOROUGH	£ 221,995	99	£ 2,242	21/12/2016	Detached
5 THE GRANARY	EGGBOROUGH	£ 224,995	99	£ 2,273	16/09/2016	Detached
10 THE GRANARY	EGGBOROUGH	£ 221,995	99	£ 2,242	11/04/2017	Detached
12 THE GRANARY	EGGBOROUGH	£ 224,995	99	£ 2,273	22/12/2016	Detached
22 THE GRANARY	EGGBOROUGH	£ 221,995	99	£ 2,242	02/12/2016	Detached
3 THE GRANARY	EGGBOROUGH	£ 232,995	100	£ 2,330	09/09/2016	Detached
9 THE GRANARY	EGGBOROUGH	£ 242,995	100	£ 2,430	25/08/2016	Detached
11 THE GRANARY	EGGBOROUGH	£ 227,995	100	£ 2,280	08/09/2016	Detached
15 THE GRANARY	EGGBOROUGH	£ 227,995	100	£ 2,280	14/10/2016	Detached
20 THE GRANARY	EGGBOROUGH	£ 229,995	100	£ 2,300	25/11/2016	Detached
22 MILLSTONE LANE	EGGBOROUGH	£ 212,995	101	£ 2,109	06/11/2015	Detached
2 THE GRANARY	EGGBOROUGH	£ 229,995	101	£ 2,277	19/12/2016	Detached
18 THE GRANARY	EGGBOROUGH	£ 229,995	101	£ 2,277	28/11/2016	Detached
3 MILLSTONE LANE	EGGBOROUGH	£ 237,495	106	£ 2,241	30/09/2016	Detached
7 MILLSTONE LANE	EGGBOROUGH	£ 219,995	106	£ 2,075	12/06/2015	Detached
15 MILLSTONE LANE	EGGBOROUGH	£ 222,995	106	£ 2,104	28/09/2015	Detached
37 MILLSTONE LANE	EGGBOROUGH	£ 224,995	106	£ 2,123	18/04/2016	Detached
9 MILLSTONE LANE	EGGBOROUGH	£ 229,995	114	£ 2,018	16/10/2015	Detached
48 MILLSTONE LANE	EGGBOROUGH	£ 239,995	114	£ 2,105	22/07/2016	Detached
1 THE GRANARY	EGGBOROUGH	£ 249,995	114	£ 2,193	23/09/2016	Detached
6 THE GRANARY	EGGBOROUGH	£ 249,995	114	£ 2,193	22/12/2016	Detached
8 THE GRANARY	EGGBOROUGH	£ 246,995	114	£ 2,167	23/02/2017	Detached
17 THE GRANARY	EGGBOROUGH	£ 242,995	114	£ 2,132	06/10/2016	Detached
25 MILLSTONE LANE	EGGBOROUGH	£ 259,995	122	£ 2,131	31/03/2017	Detached
5 MILLSTONE LANE	EGGBOROUGH	£ 256,495	125	£ 2,052	30/09/2016	Detached
17 MILLSTONE LANE	EGGBOROUGH	£ 239,995	125	£ 1,920	29/07/2015	Detached
27 MILLSTONE LANE	EGGBOROUGH	£ 242,000	125	£ 1,936	01/03/2017	Detached
31 MILLSTONE LANE	EGGBOROUGH	£ 254,995	125	£ 2,040	24/03/2016	Detached
33 MILLSTONE LANE	EGGBOROUGH	£ 244,995	125	£ 1,960	24/03/2016	Detached
35 MILLSTONE LANE	EGGBOROUGH	£ 254,995	125	£ 2,040	08/04/2016	Detached
36 MILLSTONE LANE	EGGBOROUGH	£ 259,995	125	£ 2,080	09/05/2016	Detached
41 MILLSTONE LANE	EGGBOROUGH	£ 244,995	125	£ 1,960	29/04/2016	Detached
47 MILLSTONE LANE	EGGBOROUGH	£ 266,995	125	£ 2,136	17/06/2016	Detached
53 MILLSTONE LANE	EGGBOROUGH	£ 249,995	125	£ 2,000	21/07/2016	Detached
55 MILLSTONE LANE	EGGBOROUGH	£ 264,995	125	£ 2,120	29/07/2016	Detached
11 MILLSTONE LANE	EGGBOROUGH	£ 249,995	128	£ 1,953	27/11/2015	Detached
21 MILLSTONE LANE	EGGBOROUGH	£ 269,995	128	£ 2,109	13/04/2017	Detached
7 THE GRANARY	EGGBOROUGH	£ 269,995	138	£ 1,956	25/08/2016	Detached
34 MILLSTONE LANE	EGGBOROUGH	£ 259,995	139	£ 1,870	09/10/2015	Detached
19 MILLSTONE LANE	EGGBOROUGH	£ 274,995	141	£ 1,950	03/09/2015	Detached
23 MILLSTONE LANE	EGGBOROUGH	£ 299,995	141	£ 2,128	07/04/2017	Detached
43 MILLSTONE LANE	EGGBOROUGH	£ 279,995	141	£ 1,986	06/05/2016	Detached
45 MILLSTONE LANE	EGGBOROUGH	£ 284,995	141	£ 2,021	10/06/2016	Detached
24 MILL CROFT	EGGBOROUGH	£ 147,995	81	£ 1,827	21/12/2015	Semi
25 MILL CROFT	EGGBOROUGH	£ 147,995	81	£ 1,827	21/12/2015	Semi
2 MILLSTONE LANE	EGGBOROUGH	£ 144,995	81	£ 1,790	26/06/2015	Semi
4 MILLSTONE LANE	EGGBOROUGH	£ 144,995	81	£ 1,790	03/07/2015	Semi
6 MILLSTONE LANE	EGGBOROUGH	£ 144,995	81	£ 1,790	05/08/2015	Semi
8 MILLSTONE LANE	EGGBOROUGH	£ 144,995	81	£ 1,790	14/08/2015	Semi
16 THE GRANARY	EGGBOROUGH	£ 149,995	81	£ 1,852	09/12/2016	Semi
18 MILL CROFT	EGGBOROUGH	£ 134,995	70	£ 1,929	04/03/2016	Terrace
19 MILL CROFT	EGGBOROUGH	£ 129,995	70	£ 1,857	04/03/2016	Terrace
20 MILL CROFT	EGGBOROUGH	£ 132,995	70	£ 1,900	29/02/2016	Terrace
10 MILLSTONE LANE	EGGBOROUGH	£ 129,995	70	£ 1,857	21/08/2015	Terrace
12 MILLSTONE LANE	EGGBOROUGH	£ 124,995	70	£ 1,786	21/08/2015	Terrace
14 MILLSTONE LANE	EGGBOROUGH	£ 129,995	70	£ 1,857	21/08/2015	Terrace
21 MILL CROFT	EGGBOROUGH	£ 147,995	81	£ 1,827	26/02/2016	Terrace
22 MILL CROFT	EGGBOROUGH	£ 134,995	81	£ 1,667	29/03/2016	Terrace

11.3.2 Having considered the above our average sales value equates to around £2,050 per sq m.

11.3.3 For the affordable rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value. Both are in line with our experience of assessing other housing schemes across the region.

11.4 Gross Development Cost (outgoings to implement the development)

11.4.1 For a larger scale scheme of this nature and in this location (please see comments above in Section 5) we consider it appropriate to adopt the BCIS lower quartile construction cost (rebased to Selby). This is currently £972 per sq m.

11.4.2 To cover external costs, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature.

11.4.3 For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme.

11.4.4 For abnormal costs, no further details are provided. However, and for the purposes of our appraisal, we consider it appropriate to make an allowance for some level of abnormal costs. Based on other schemes we have appraised, and also taking into account Council comments regarding potential flood risk on site, we have allowed a rate equivalent to circa £185,000 per net developable hectare (or £75,000 per net developable acre).

- 11.4.5 For policy contributions, as the scheme does not benefit from an existing planning consent we have looked to apply the Community Infrastructure Levy (“CIL”) charge, which was adopted by Selby District Council from 1st Jan 2016. Eggborough is considered to be in the ‘moderate’ charging area, and is therefore subject to a charge equivalent to £35 per sq m (applied to market value dwellings only). Based on the areas outlined above, this gives a total CIL charge of £195,825.
- 11.4.6 In addition to CIL, other Section 106 charges still apply, including recreational open space and waste and recycling contributions. We have taken the averages from other schemes, which gives a total of £29,875.
- 11.4.7 For marketing costs, we have allowed 2.5% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).
- 11.4.8 In terms of the benchmark land value, we have looked at other schemes we have appraised across the wider area, as well historic viability assessments of sites within the general locality. Given the nature, location and size of the site we anticipate a landowner would seek a minimum land return equivalent in the region of £700,000 (just under £110,000 per net acre).
- 11.4.9 As for profit, for a greenfield scheme in this location we anticipate that a regional developer would look to implement the project. We consider a profit margin equivalent to 20% of the market value dwellings and 6% on cost for the affordable units to be a reasonable incentive to implement the scheme.
- 11.4.10 Based on the above inputs (plus allowances for land purchase costs and banking arrangement fees) we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2 per calendar month.

- 11.4.11 Our appraisal (as appended) shows that, based on the above inputs, and the full Council policy requirements, the scheme produces a land value below our benchmark. This therefore shows a full policy compliant scheme as being unviable.
- 11.4.12 On an iterative basis, we have subsequently reduced the amount of affordable housing to test at what level, if any, the scheme becomes viable. Our appraisal shows that with 21 affordable units (28%) the scheme produces a site value in excess of the benchmark land value and is therefore viable.
- 11.4.13 **Based on our appraisal testing we therefore conclude that the site is currently viable, but only if the level of affordable housing is reduced to 28% (albeit with the other planning policy contributions remaining at their policy levels).**

12 WHITLEY-14: ROSSLYN, SELBY RD, WHITLEY



12.1 Property Description

12.1.1 The village of Eggborough is located circa 9 miles to the south west, just south of junction 34 of the M62. This is circa 3 miles to the south of Eggborough.

12.1.2 The site comprises an existing dwelling and gardens plus additional undeveloped grassland / scrubland. The total site area extends to circa 0.88 Ha (2.17 acres), on a gross basis.



12.2 Development proposals

12.2.1 The site benefits from an outline planning permission for the development of 24 dwellings, therefore the full extent of the proposed housing has yet to be agreed. For the purposes of our assessment we have therefore adopted the following units and average areas (please note, based on the site plan on the planning file it appears the existing building is to be demolished, or is at least out of the 'red line' boundary for the scheme, therefore we have not included this within our appraisal):

Type	Beds	Total units	Average Size (sq m)	Total size (sq m)
Market value	Mix	14	107.86	1,510
Affordable	Mix	10	95.00	950
		24		2,460

12.3 Gross Development Value (sales revenue)

12.3.1 We have considered the comparable evidence identified in Eggborough (please see above Section 11). For the purposes of comparing the locations, we note that under the Zoopla Zed Index (which gives an average dwelling price for different settlements), Eggborough currently has a figure of £199,544. In comparison, Whitley has a current average of £251,802. This would suggest that, generally speaking, Whitley can support average values at least in line with Eggborough, if not higher.

12.3.2 Having considered the above our average sales value equates to just under £2,200 per sq m.

12.3.3 For the affordable rented units we have assumed the transfer price would equate to 50% of the equivalent market value. For the intermediate / shared ownership units we have assumed the transfer price would equate to 67.5% of the equivalent market value. Both are in line with our experience of assessing other housing schemes across the region.

12.4 Gross Development Cost (outgoings to implement the development)

12.4.1 Given the size of the proposed scheme, its location, and the nature of the product that would be required for the local market, we consider the BCIS median rate to be appropriate, rebased to Selby, which currently equates to £1,087 per sq m.

12.4.2 To cover external costs, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature.

- 12.4.3 For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme.
- 12.4.4 For abnormal costs, no further details are provided. However, and for the purposes of our appraisal, we consider it appropriate to make an allowance for some level of abnormal costs. Based on other schemes we have appraised, and also taking into account Council comments regarding potential flood risk on site and required demolition, we have allowed a rate equivalent to circa £250,000 per net developable hectare (or £100,000 per net developable acre), plus £25,000 to cover demolition works.
- 12.4.5 For policy contributions, we have taken the figures as shown in the S106 agreement, totalling £2,025. In this case, the target for the affordable housing policy is for 40% on-site units (in this case 10 dwellings).
- 12.4.6 For marketing costs, we have allowed 2.5% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).
- 12.4.7 In terms of the benchmark land value, we have looked at other schemes we have appraised across the wider area, as well historic viability assessments of sites within the general locality. We are also aware the property was marketed for sale in April 2017, although the agent was unable to confirm whether a sale had been agreed. Given the nature, location and size of the site we anticipate a landowner would seek a minimum land return equivalent in the region of £400,000 (just over £200,000 per net acre).
- 12.4.8 As for profit, for a greenfield scheme in this location we anticipate that a regional developer would look to implement the project. We consider a profit margin equivalent to 18.5% of the market value dwellings and 6% on cost for the affordable units to be a reasonable incentive to implement the scheme.

- 12.4.9 Based on the above inputs (plus allowances for land purchase costs and banking arrangement fees) we have run a policy compliant ARGUS appraisal based on a sales rate of circa 1.5 per calendar month.
- 12.4.10 Our appraisal (as appended) shows that, based on the above inputs, and the full Council policy requirements, the scheme produces a land value below our benchmark. This therefore shows a full policy compliant scheme as being unviable.
- 12.4.11 On an iterative basis, we have subsequently reduced the amount of affordable housing to test at what level, if any, the scheme becomes viable. Our appraisal shows that with 3 affordable units (12.5%) the scheme produces a site value in excess of the benchmark land value and is therefore viable.
- 12.4.12 **Based on our appraisal testing we therefore conclude that the site is currently viable, but only if the level of affordable housing is reduced to 12.5% (albeit with the other planning policy contributions remaining at their policy levels).**

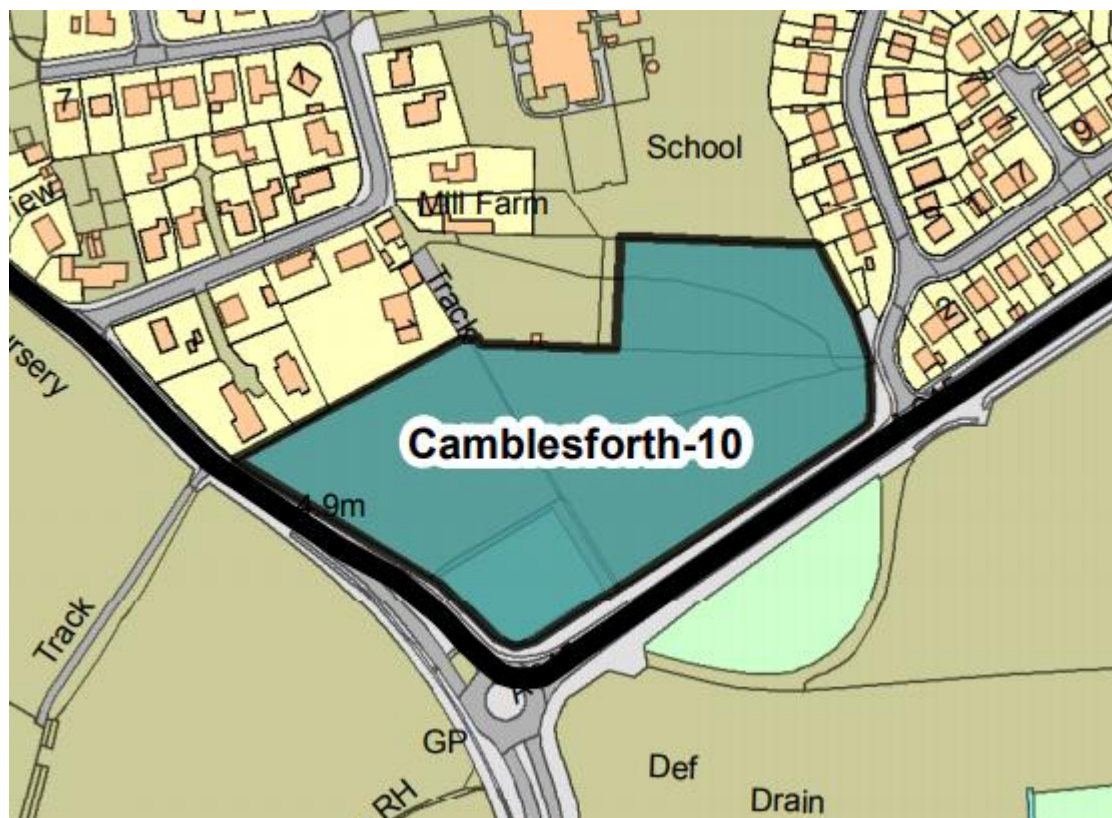
13 CAMBLESFORTH-10: LAND SOUTH OF MILL FARM, CAMBLESFORTH



13.1 Property Description

13.1.1 The village of Camblesforth is located circa 5 miles south of Selby, off the A1041. This is within approximately 1.5 miles of Drax Power Station.

13.1.2 The site is located on the south side of the village and comprises undeveloped grassland / scrubland. This is bounded to the south by the A1041 and A645 roundabout to the south and the north by Camblesforth Community Primary Academy. The site extends to circa 2.05 Ha (5.07 acres), on a gross basis.



13.2 Development proposals

13.2.1 The site does not currently benefit from a planning consent. However, the site is allocated for housing. It is estimated that the site will provide 34 dwellings in total. For the purposes of our assessment we have adopted the following units and average areas:

Type	Beds	Total units	Average Size (sq m)	Total size (sq m)
Market value	Mix	34	132.06	4,490
		34		4,490

13.3 Gross Development Value (sales revenue)

13.3.1 There is currently limited new build transaction evidence in Camblesforth. We have therefore widened our analysis to incorporate sales achieved in and around Selby (see Section 5).

13.3.2 Having considered the above our average sales value equates to just over £2,000 per sq m.

13.4 Gross Development Cost (outgoings to implement the development)

13.4.1 Given the size of the proposed scheme, its location, and the nature of the product that would be required for the local market, we consider the BCIS median rate to be appropriate, rebased to Selby, which currently equates to £1,087 per sq m.

13.4.2 To cover external costs, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3% (based on the BCIS cost plus the external works). Both are considered to be in line our experience in the market place for a scheme of this nature.

13.4.3 For professional fees we have allowed 6% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme.

13.4.4 For abnormal costs, no further details are provided. However, and for the purposes of our appraisal, we consider it appropriate to make an allowance for some level of abnormal costs. Based on other schemes we have appraised, and also taking into account Council comments regarding potential flood risk on site and decontamination, we have allowed a rate equivalent to circa £185,000 per net developable hectare (or £75,000 per net developable acre).

- 13.4.5 For policy contributions, as the scheme does not benefit from an existing planning consent we have looked to apply the Community Infrastructure Levy (“CIL”) charge, which was adopted by Selby District Council from 1st Jan 2016. Eggborough is considered to be in the ‘moderate’ charging area, and is therefore subject to a charge equivalent to £35 per sq m (applied to market value dwellings only). Based on the areas outlined above, this gives a total CIL charge of £157,150.
- 13.4.6 In addition to CIL, other Section 106 charges still apply, including recreational open space and waste and recycling contributions. We have taken the averages from other schemes, which gives a total of £17,210.
- 13.4.7 For marketing costs, we have allowed 2.5% of sales revenue, plus £600 per dwelling legal fees (reducing to £300 per dwelling for the affordable units).
- 13.4.8 In terms of the benchmark land value, we have looked at other schemes we have appraised across the wider area, as well historic viability assessments of sites within the general locality. Given the nature, location and size of the site we anticipate a landowner would seek a minimum land return equivalent in the region of £400,000 (just over £110,000 per net acre).
- 13.4.9 As for profit, for a greenfield scheme in this location we anticipate that a regional developer would look to implement the project. We consider a profit margin equivalent to 20% of the market value dwellings and 6% on cost for the affordable units to be a reasonable incentive to implement the scheme.
- 13.4.10 Based on the above inputs (plus allowances for land purchase costs and banking arrangement fees) we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2 per calendar month.

- 13.4.11 Our appraisal (as appended) shows that, based on the above inputs, and the full Council policy requirements, the scheme produces a land value below our benchmark. This therefore shows a full policy compliant scheme as being unviable.
- 13.4.12 On an iterative basis, we have subsequently reduced the amount of affordable housing to test at what level, if any, the scheme becomes viable. Our appraisal shows that with 0 affordable units (0%) the scheme produces a site value of £393,108, therefore marginally below our benchmark land value of £400,000.
- 13.4.13 **Based on our appraisal testing we therefore conclude that the site is currently marginally viable, but only if the level of affordable housing is reduced to 0% (albeit with the other planning policy contributions remaining at their policy levels).**

14 SUMMARY

14.1 By way of a brief summary, our appraisal testing shows the following:

Number of schemes	Outcome	Cumulative number of dwellings
7	Viable with full policy / agreed S106	502
4	Viable with reduced affordable housing	274
1	Viable with nil affordable housing	34
0	Unviable	0

14.2 We therefore conclude that all 12 of the sites (delivering a cumulative total of 810 dwellings) are either currently viable or can be put into a position of viability through the reduction of the affordable housing provision. From a viability perspective, we conclude that it is appropriate to include these sites within the Council's 5 Year Housing Land Supply assessment.

David Newham MRICS RICS Registered Valuer



CP Viability Ltd

October 2017