

Viability Assessment (update)

Plot W & Silverhill Farm, Kingsway, Rochdale

February 2024



RogerHannah

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1. Introduction

1.1 Instructions

Roger Hannah has been instructed by David Wilson Homes to provide a financial viability assessment in respect of its proposed development at Plot W & Silverhill Farm, Kingsway, Rochdale.

This report is an update to the previous viability assessment ('VA') prepared RH, dated July 2022, which was reviewed by Adams Integra in January 2023 on behalf of the Council. Following the submission of this report, the scheme layout has been revised as a result of feedback from the Council. Due to the length of time that has passed since the submission of the initial report, the scheme costs and GDV have been reassessed to reflect current day values and costs.

This report has been prepared to support a planning application and considers the financial impact of the proposed planning obligations as well as the viability constraints of restoring the existing Grade II Listed buildings onsite and the new build element required to enable a viable scheme.

We understand that the report will be submitted to Rochdale Borough Council as part of the planning application for this development.

1.2 RICS Compliance

In accordance with the RICS Professional Statement, Financial viability in planning: conduct and reporting (2019), we can confirm the following:

- The persons involved in the preparation and review of this report are suitably qualified professionals that have extensive experience advising on viability matters across the region
- There are no conflicts of interest that affect our independent opinion being provided
- We have acted with objectivity, impartiality, without interference and with reference to all appropriate available sources of information

We can also confirm that we have had reference to and followed the best practice recommendations in the RICS Guidance Note, Assessing viability in planning under the National Planning Policy Framework 2019 for England (2021).

1.3 Reporting

The following suitably qualified professionals have produced and reviewed this report:

Author:

A handwritten signature in black ink, appearing to read 'J Mistry'.

.....
Jessica Mistry BA(Hons) MSc
Senior Surveyor

Reviewer:

A handwritten signature in black ink, appearing to read 'L Mackay'.

.....
Laura Mackay BA (Hons) MA MRICS
Director

I.4 Information Provided

We have been provided with and relied upon the following information:

- Schedule of abnormal development costs
- Proposed site layout plan
- Accommodation schedule
- Rexel Group costs

2. Executive Summary

Site	Plot W & Silverhill Farm, Kingsway, Rochdale, OL16 4PR			
Scheme	57 dwellings			
GDV	The total GDV for the scheme equates to £18,270,000, which we have adopted within appraisal. This equates to an average price of £267 per sq ft across the proposed house types.			
Build Costs	In terms of the base build costs for the proposed development, we have adopted the below rates: - New Build - £130 per sq ft - Silverhill Farm - £186.68 per sq ft (blended average) Further details of the base build costs are provided in Section 7 of this report.			
Abnormal Costs	The applicant has undertaken detailed review of the technical information relating to the site. A total cost of £2,509,916 (c.£44,000 per plot) has been included for abnormal works. A schedule of the above costs is provided at Appendix 2.			
Profit	Blended average of just over 18% on GDV			
Benchmark Land Value	We have adopted a Benchmark Land Value of £1,264,500 for the site.			
Appraisal Results –		Appraisal 1 – Policy Compliant	Appraisal 2 – Applicant’s Proposal	Appraisal 3 – Silverhill Farm
	Benchmark Land Value	£1,264,500	£1,264,500	£1,264,500
	Residual Land Value	-£1,017,226	£678,930	-£281,507
	Viability Concern	Yes	Marginal	Yes
Conclusions	The viability test that has been used compares the residual land value generated by the development, against the benchmark land value of the site. It clearly demonstrates that with a policy compliant level of affordable housing at 7.5% on value and S106 contributions, viability is an issue as the residual land value of -£1,017,226 is significantly below the benchmark land value of £1,264,500. The financial assessment undertaken shows that with 100% market sale and no affordable housing and S106 contributions, the scheme generates an improved residual land value of £678,930 however, this remains below the assessed benchmark land value of £1,264,500. The scheme is therefore considered marginal on this basis. Whilst viability remains an issue, we understand the applicant is taking a commercial view and is willing to progress with the scheme on this basis.			

The financial assessment undertaken shows that by developing the Silverhill Farm site in isolation, the appraisal produces a negative land value of **-£281,507**. The development is therefore unviable on this basis, justifying the new build element required to enable a deliverable scheme.

We are therefore of the opinion that policy requirements on site in relation to affordable housing and Section 106 contributions should be reduced subject to viability.

3. Site Information

3.1 Location

The site is located in the Burnedge suburb of Rochdale, approximately 1.5 miles to the southeast of Rochdale town centre. Rochdale comprises a large town within the administrative area of Greater Manchester. Manchester city centre is approximately 10 miles to the southwest.

In terms of road networks, New Broad Lane (B6194) runs through Burnedge, which connects to Oldham Road (A671) and the A664 to the north, providing access to the A627(M) and onto the M62. To the south Oldham Road (A671) runs directly into Oldham town centre, where it becomes the A62 providing direct access to Manchester city centre.

The nearest railway station is in Rochdale town centre, with regular services to Manchester Victoria and Leeds. Metrolink tram services run from Rochdale town centre and provide regular services to Manchester city centre and the surrounding areas. There is an hourly bus service from Burnedge to Rochdale town centre.

Included below is a plan showing the sites location within the region.

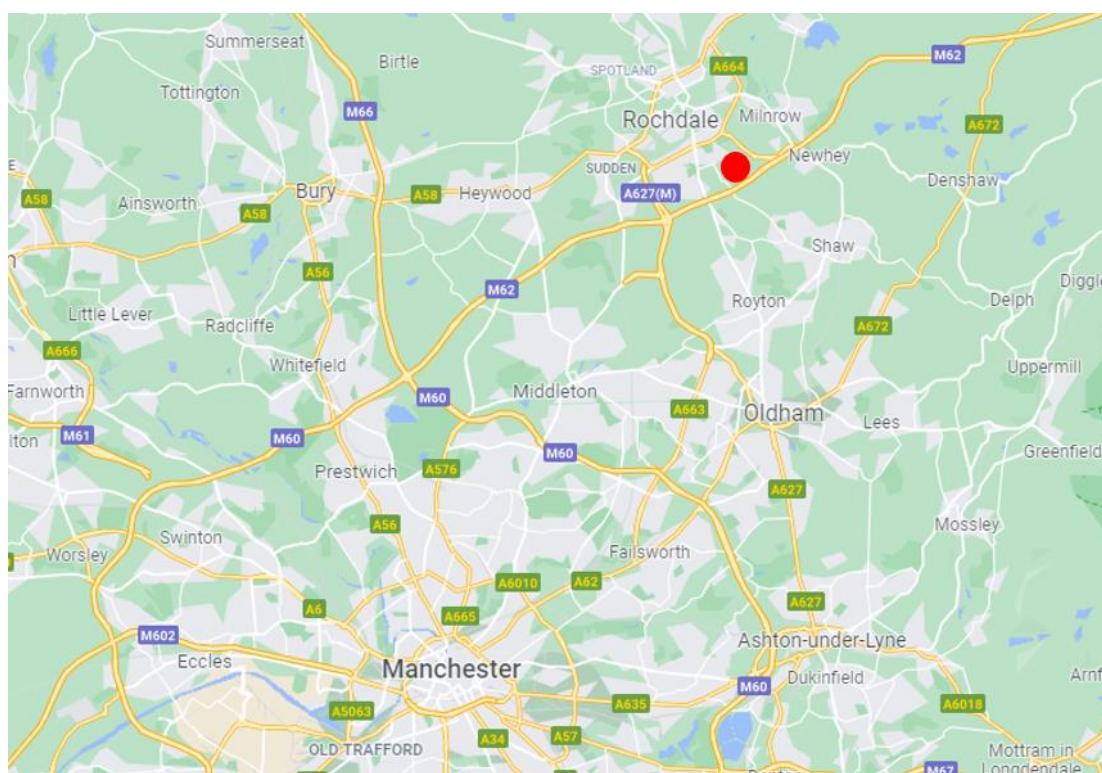


Figure 2: Location Plan (Source – Google Maps)

3.2 Situation

The subject site forms part of the wider Kingsway Business Park development, a major 420-acre mixed used development. Kingsway Business Park is a predominantly industrial and office-based development, with areas of residential development along the boundary. The wider area predominantly comprises of residential dwellings, with new build housing located along Broad Lane to the south.

The site is bordered by Lower Lane to the north, Kingsway Business Park to the east, residential properties to the south and Broad Lane to the west.

Included below is a plan showing the site's positioning within Rochdale.

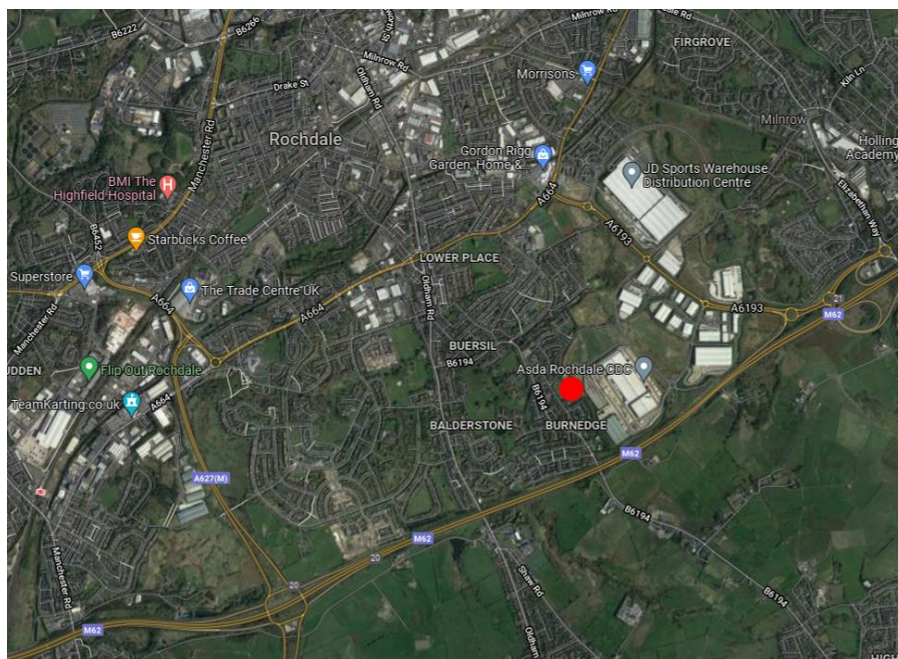


Figure 3: Situation Plan (Source – Google Maps)

3.3 The Site

The overall site extends to approximately 5.43 acres and comprises two elements, namely Silverhill Farm and Plot W of Kingsway Business Park. Silverhill Farm comprises a Grade II Listed farmhouse and barn buildings set on a rectangular plot that extends to 0.62 acres. The buildings are vacant. Plot W comprises an irregular shaped parcel of agricultural land that extends to 4.81 acres.

The approximate site boundaries are outlined on the plan below.

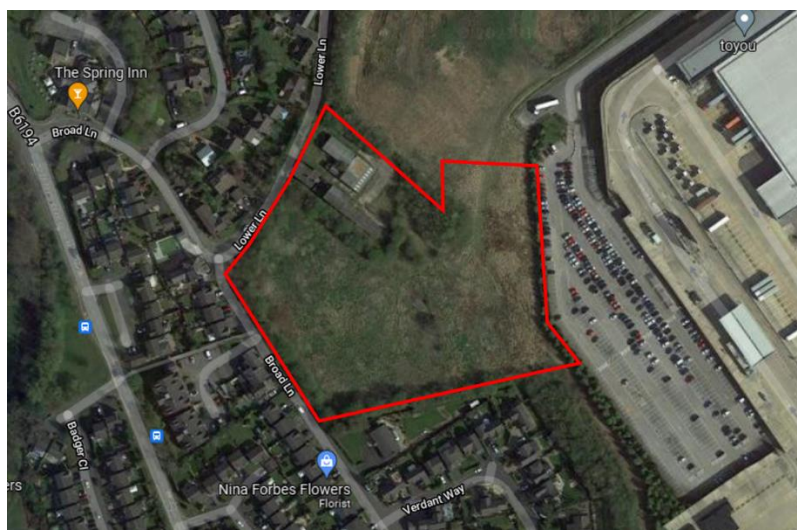


Figure 4: Site Plan (Source – Land Insight)

3.5 Planning Policy

In this section we set out the planning policy which is relevant in respect of viability. The Rochdale Core Strategy was adopted in October 2016. It is the lead document in the Local Plan. The Unitary Development Plan (“UDP”) from the 1996 – 2016 Local Plan is still in place until the Allocations Development Plan is adopted.

Rochdale forms part of the Greater Manchester Combined Authority and is one of the nine Local Authorities that is progressing with the Places for Everyone (“PfE”) Joint Development Plan.

3.5.1 Planning History

Plot W benefits from an outline planning consent, with all matters reserved, for a mixed-use business park for General and Light Industrial Uses (Classes B1 and B2), Offices in the Use Class B1, Distribution and Storage Uses (Class B8), Research and Development Uses in Use Class B1, Car Showrooms (Sui Generis Use), Hotels in Use Class C1, Ancillary Retail and Leisure in Use Classes A1 - A5 and D2, and Residential in Use Class C3. (Ref: 14/00542/OUT).

3.5.2 Affordable Housing

Policy C4 of the Core Strategy sets out the affordable housing policy for Rochdale. The Council's current affordable housing policy seeks a contribution of 7.5% of the development sales value of the overall scheme for all developments of 15 dwellings or more.

We have included this contribution in our policy compliant financial appraisal.

3.5.3 Community Infrastructure Levy

We understand that the Council currently do not have an adopted CIL charging schedule. The development will therefore not be liable for this charge.

3.5.4 S106 Contributions

We understand a total S106 contribution of £231,745 has been requested for the proposed development and includes the following:

- S106 Outdoor Sports Provision - £189,745
- S106 Biodiversity Net Gain - £42,000

The above contributions have been included in our policy compliant financial appraisal of the scheme.

4. Viability in Planning Guidance

4.1 National Planning Policy Framework

Paragraph 58 of the National Planning Policy Framework (NPPF), which was last updated in September 2023, states the following:

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

The NPPF places emphasis on assessing viability at the plan-making stage, but also sets out that it may also be required at the decision-making stage. It refers to the methodology set out in the Planning Practice Guidance (PPG), which we consider below.

4.2 Planning Practice Guidance

The PPG in respect of viability, which was last updated in 2024, defines a viability assessment at Paragraph 010 as:

“A process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return.”

The preferred method is to assess viability at the plan-making stage through the use of a typology approach. Paragraph 004 states:

“Plan makers can first group sites by shared characteristics such as location, whether brownfield or greenfield, size of sites and current and proposed use or type of development . . . Average costs and values can then be used to make assumptions about how the viability of each type of site would be affected by all relevant policies. Plan makers may wish to consider different potential policy requirements and assess the viability impacts of these. Plan makers can then come to a view on what might be an appropriate benchmark land value and policy requirement for each typology.”

The guidance requires standardised inputs to be used when assessing viability in relation to Gross Development Value (GDV), costs (construction costs and planning policy related costs), developer’s return and Benchmark Land Value (BLV), each of which will be assessed within this report. The BLV is to be assessed as the Existing Use Value (EUV) plus a minimum premium for the landowner.

The PPG also states that viability may also need to be assessed at the application stage, with paragraph 007 stating:

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

Paragraph 008 goes on to say that:

“The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and viability evidence underpinning the plan is up to date, and sites circumstances including any changes since the plan was brought into force, and the transparency of assumptions behind evidence submitted as part of the viability assessment.”

The PPG also sets out a clear need for strategic sites to be individually tested, with paragraph 005 stating:

“It is important to consider the specific circumstances of strategic sites. Plan makers can undertake site specific viability assessment for sites that are critical to delivering the strategic policies of the plan. This could include, for example, large sites, sites that provide a significant proportion of planning supply, sites that enable or unlock other development sites or sites within priority regeneration areas.”

Paragraph: 012 refers to costs associated with BNG

“it may be appropriate for local planning authorities to ask for further information in order to assist the consideration of biodiversity net gain as part of the determination of the planning application, where they believe this would be material to the consideration of the application. The amount of information on these matters will vary depending on the type and scale of development, type of planning application, the onsite habitat impacted, and the extent of any significant onsite enhancements”.

4.3 RICS Assessing viability in planning under the NPPF 2019

We have referred to the best practice recommendations within this RICS Professional Standard, dated 2021, which provides clarifications in relation to the PPG standardised input approach. It sets out the need to use residual appraisals to assess viability in planning, using the following diagram to demonstrate this:



Figure 7: RICS Residual Valuation Framework (Source – RICS)

This Professional Standard is clear that the NPPF and PPG are the ‘authoritative requirement’, providing clarity on the application of this relevant guidance and the relevance to other RICS guidance, including the following:

- RICS Professional Standard, Financial viability in planning: conduct and reporting (2019)
- RICS Guidance Note, Valuation of development property (2019)
- RICS Guidance Note, Comparable evidence in real estate valuation (2019)
- RICS Professional Statement, RICS Valuation – Global Standards ‘Red Book’ (2020)

It also provides additional guidance on the Benchmark Land Value (BLV), which should be assessed through a five-stage process:

1. Assess the EUV – the Market Value of the property is in existing use, excluding hope value
2. Assess the Alternative Use Value (AUV) where appropriate

3. Assess the premium above EUV
4. Determine the residual value of the site, assuming policy compliance, to cross check against the EUV and assessment of the premium
5. Reference land transaction evidence to sense check the EUV and assessment of the premium

We can confirm that we have had reference to the contents of this guidance and followed the best practice recommendations set out within it.

4.4 RICS Financial viability in planning: conduct and reporting

This Professional Statement, dated 2019, sets out a number of mandatory requirements in Section 2 that apply when assessing viability in planning, which we summarise as follows:

- All inputs into an appraisal must be reasonably justified with as much good quality evidence as possible. Where a reviewer disagrees with a submitted assessment and/or elements in it, differences must be clearly set out with supporting and reasonable justification. Where possible, practitioners should always try to resolve differences of opinion.
- In respect of the benchmark land value RICS members must report the existing use value, premium, market evidence and all supporting considerations, assumptions and justifications adopted, as well as alternative use value (if appropriate).
- All viability assessment must include a sensitivity analysis
- A non-technical summary of the report should be provided, which includes key figures and conclusions, so that non-specialists can better understand them
- RICS members must advocate reasonable, transparent and appropriate engagement between the parties.

We can confirm that we have had regard to the mandatory reporting requirements within this Professional Standard.

5. Methodology

5.1 Site Specific Viability Assessment

In accordance with the scenarios set out in the PPG, we have undertaken a site-specific assessment of viability for the following reasons:

- The adopted Local Plan evidence base is considered out of date
- Additional information is now available in respect of infrastructure or sites costs, compared to the assumptions adopted at the plan-making stage

5.2 Adopted Methodology

As per the PPG and RICS guidance, we have adopted the residual method to assess site viability. This is based on the following calculation:

Gross Development Value – (Costs + Developer's Return) = Residual Value

We have also established the Benchmark Land Value (BLV) as appropriate for assessing viability. Should the residual value be below the BLV, which represents the minimum return a reasonable landowner can expect, the development is deemed to be unviable and changes to planning policy are likely to be required to ensure that the development is delivered. We have therefore also assessed what level of planning obligations can be delivered in order for the BLV to be achieved, therefore resulting in a viable development.

6. Gross Development Value

Method	The PPG states the following: <i>“Gross development value is an assessment of the value of development. For residential development this may be total sales and/or capitalised net rental income from developments . . . For viability assessment of specific site or development, market evidence (rather than average figures) from the actual site or from existing developments can be used”</i> The RICS Guidance Note also defines this as follows: <i>“The aggregate market value of the proposed development, assessed on the special assumption that the development is complete on the date of valuation in the market conditions prevailing pm that date.”</i> We have therefore assessed the GDV with reference to the comparable method of valuation.																																								
Local Sales Market Overview	The table below sets out the average sold price for the different property types in Rochdale in the last 12 months from Zoopla. <table><tr><th>Property Type</th><th>Average Sold Price</th></tr><tr><td>Detached</td><td>£340,062</td></tr><tr><td>Semi</td><td>£188,665</td></tr><tr><td>Terrace</td><td>£136,053</td></tr><tr><td>Flats</td><td>£107,253</td></tr></table>	Property Type	Average Sold Price	Detached	£340,062	Semi	£188,665	Terrace	£136,053	Flats	£107,253																														
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Market Research	A summary table of average values across the new build developments we have had regard to is set out below. The market research we have had regard to is provided at Appendix 3. <table><tr><th>Scheme</th><th>Developer</th><th>Average Asking Price £ psf</th><th>Average Achieved Price £ psf</th><th>Average Unit Size (Sq ft)</th></tr><tr><td>Hill Top Park, Hill Top Drive, Rochdale OL11 2SB</td><td>Gleeson Homes</td><td>£315 (Gross) £299 (Net)</td><td>£248</td><td>761</td></tr><tr><td>Weavers Fold, Nixon Street Rochdale OL11 3JB</td><td>Hive Homes</td><td>£289 (Gross) £275 (Net)</td><td></td><td>815</td></tr><tr><td>The Cottons, Dobfield Road, Milnrow OL16 3AQ</td><td>Unknown</td><td>£288 (Gross) £274 (Net)</td><td></td><td>1,777</td></tr><tr><td>Boarshaw Clough M24 2NG</td><td>Paddle</td><td></td><td>£248</td><td>1,021</td></tr><tr><td>West Hollinsfield M24 5AX</td><td>Taylor Wimpey</td><td></td><td>£297</td><td>939</td></tr><tr><td>Willow Park M24 5BH</td><td>Keepmoat Homes</td><td></td><td>£267</td><td>903</td></tr><tr><td>Osprey Place M24 5PD</td><td>Hive Homes</td><td></td><td>£249</td><td>813</td></tr></table> In addition to the above, we have also undertaken market research for resale comparables at the Ginnell Farm scheme by Taylor Wimpey which is located approximately 0.4 miles to the south of the subject site. Phase 2 of the development consists of 58 x 3- and 4-bedroom dwellings and phase 1 comprises 110 units. The average achieved value for modern resale comparables at this development is £292 per sq ft across an average unit size of 814 sq ft. Whilst this development provides a good comparable in terms of its close proximity to the subject site, it benefits from being situated in a more desirable and prominent location and is also situated further away from the commercial buildings that the subject site backs onto.	Scheme	Developer	Average Asking Price £ psf	Average Achieved Price £ psf	Average Unit Size (Sq ft)	Hill Top Park, Hill Top Drive, Rochdale OL11 2SB	Gleeson Homes	£315 (Gross) £299 (Net)	£248	761	Weavers Fold, Nixon Street Rochdale OL11 3JB	Hive Homes	£289 (Gross) £275 (Net)		815	The Cottons, Dobfield Road, Milnrow OL16 3AQ	Unknown	£288 (Gross) £274 (Net)		1,777	Boarshaw Clough M24 2NG	Paddle		£248	1,021	West Hollinsfield M24 5AX	Taylor Wimpey		£297	939	Willow Park M24 5BH	Keepmoat Homes		£267	903	Osprey Place M24 5PD	Hive Homes		£249	813
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	We would also note that in comparison to the evidence above, 74% of the proposed development consists of larger house types ranging in size of between 1,001 to 2,228 sq ft. This will result in a lower average value on a £ psf basis across the scheme overall.																																																																																																																																																																													
GDV Summary	Following a detailed review of the local market the following open market sales values have been adopted. We have allowed for a premium above the new build prices for the development on the Silverhill part of the site which to be constructed to a bespoke design. <table border="1"> <thead> <tr> <th>Site</th><th>Property</th><th>Type</th><th>Beds</th><th>Sqm</th><th>Sq ft</th><th>No. Units</th><th>Total Sq ft</th><th>Market Values</th><th>£ psf</th><th>Total GDV</th></tr> </thead> <tbody> <tr> <td rowspan="9">Plot W of Kingsway Business Park</td><td>New Build</td><td>Tenby (End)</td><td>2b4p</td><td>81</td><td>870</td><td>13</td><td>11,306</td><td>£245,000</td><td>£282</td><td>£3,185,000</td></tr> <tr> <td>New Build</td><td>Tenby (mid)</td><td>2b4p</td><td>81</td><td>870</td><td>2</td><td>1,739</td><td>£245,000</td><td>£282</td><td>£490,000</td></tr> <tr> <td>New Build</td><td>Bala (end)</td><td>2b4p</td><td>93</td><td>1,001</td><td>3</td><td>3,003</td><td>£275,000</td><td>£275</td><td>£825,000</td></tr> <tr> <td>New Build</td><td>Bala (det)</td><td>2b4p</td><td>93</td><td>1,001</td><td>5</td><td>5,005</td><td>£280,000</td><td>£280</td><td>£1,400,000</td></tr> <tr> <td>New Build</td><td>Langstone (end)</td><td>3b5p</td><td>110</td><td>1,181</td><td>2</td><td>2,362</td><td>£315,000</td><td>£267</td><td>£630,000</td></tr> <tr> <td>New Build</td><td>Hazelborough</td><td>4b5p</td><td>108</td><td>1,163</td><td>5</td><td>5,815</td><td>£320,000</td><td>£275</td><td>£1,600,000</td></tr> <tr> <td>New Build</td><td>Berney</td><td>4b5p</td><td>124</td><td>1,338</td><td>6</td><td>8,028</td><td>£350,000</td><td>£262</td><td>£2,100,000</td></tr> <tr> <td>New Build</td><td>Dunnett</td><td>4b6p</td><td>126</td><td>1,354</td><td>9</td><td>12,186</td><td>£355,000</td><td>£262</td><td>£3,195,000</td></tr> <tr> <td>New Build</td><td>Hamford</td><td>4b6p</td><td>118</td><td>1,275</td><td>3</td><td>3,825</td><td>£335,000</td><td>£263</td><td>£1,005,000</td></tr> <tr> <td rowspan="5">Silverhill Farm</td><td>New Build</td><td>Conwy</td><td>4b6p</td><td>138</td><td>1,489</td><td>5</td><td>7,445</td><td>£390,000</td><td>£262</td><td>£1,950,000</td></tr> <tr> <td>New Build</td><td>New Bungalow</td><td>4b8p</td><td>130</td><td>1,399</td><td>1</td><td>1,399</td><td>£400,000</td><td>£286</td><td>£400,000</td></tr> <tr> <td>New Build</td><td>New House</td><td>4b8p</td><td>168</td><td>1,808</td><td>1</td><td>1,808</td><td>£450,000</td><td>£249</td><td>£450,000</td></tr> <tr> <td>Conversion</td><td>Barn</td><td>4b8p</td><td>205</td><td>2,206</td><td>1</td><td>2,206</td><td>£515,000</td><td>£233</td><td>£515,000</td></tr> <tr> <td>Conversion</td><td>Farmhouse</td><td>5b8p</td><td>207</td><td>2,228</td><td>1</td><td>2,228</td><td>£525,000</td><td>£236</td><td>£525,000</td></tr> <tr> <td colspan="3">Total</td><td></td><td></td><td></td><td>57</td><td>68,356</td><td></td><td>£267</td><td>£18,270,000</td></tr> </tbody> </table> The total GDV for the scheme equates to £18,270,000, which we have adopted within appraisal. This equates to an average price of £267 per sq ft across the proposed house types.										Site	Property	Type	Beds	Sqm	Sq ft	No. Units	Total Sq ft	Market Values	£ psf	Total GDV	Plot W of Kingsway Business Park	New Build	Tenby (End)	2b4p	81	870	13	11,306	£245,000	£282	£3,185,000	New Build	Tenby (mid)	2b4p	81	870	2	1,739	£245,000	£282	£490,000	New Build	Bala (end)	2b4p	93	1,001	3	3,003	£275,000	£275	£825,000	New Build	Bala (det)	2b4p	93	1,001	5	5,005	£280,000	£280	£1,400,000	New Build	Langstone (end)	3b5p	110	1,181	2	2,362	£315,000	£267	£630,000	New Build	Hazelborough	4b5p	108	1,163	5	5,815	£320,000	£275	£1,600,000	New Build	Berney	4b5p	124	1,338	6	8,028	£350,000	£262	£2,100,000	New Build	Dunnett	4b6p	126	1,354	9	12,186	£355,000	£262	£3,195,000	New Build	Hamford	4b6p	118	1,275	3	3,825	£335,000	£263	£1,005,000	Silverhill Farm	New Build	Conwy	4b6p	138	1,489	5	7,445	£390,000	£262	£1,950,000	New Build	New Bungalow	4b8p	130	1,399	1	1,399	£400,000	£286	£400,000	New Build	New House	4b8p	168	1,808	1	1,808	£450,000	£249	£450,000	Conversion	Barn	4b8p	205	2,206	1	2,206	£515,000	£233	£515,000	Conversion	Farmhouse	5b8p	207	2,228	1	2,228	£525,000	£236	£525,000	Total						57	68,356		£267	£18,270,000
Site	Property	Type	Beds	Sqm	Sq ft	No. Units	Total Sq ft	Market Values	£ psf	Total GDV																																																																																																																																																																				
Plot W of Kingsway Business Park	New Build	Tenby (End)	2b4p	81	870	13	11,306	£245,000	£282	£3,185,000																																																																																																																																																																				
	New Build	Tenby (mid)	2b4p	81	870	2	1,739	£245,000	£282	£490,000																																																																																																																																																																				
	New Build	Bala (end)	2b4p	93	1,001	3	3,003	£275,000	£275	£825,000																																																																																																																																																																				
	New Build	Bala (det)	2b4p	93	1,001	5	5,005	£280,000	£280	£1,400,000																																																																																																																																																																				
	New Build	Langstone (end)	3b5p	110	1,181	2	2,362	£315,000	£267	£630,000																																																																																																																																																																				
	New Build	Hazelborough	4b5p	108	1,163	5	5,815	£320,000	£275	£1,600,000																																																																																																																																																																				
	New Build	Berney	4b5p	124	1,338	6	8,028	£350,000	£262	£2,100,000																																																																																																																																																																				
	New Build	Dunnett	4b6p	126	1,354	9	12,186	£355,000	£262	£3,195,000																																																																																																																																																																				
	New Build	Hamford	4b6p	118	1,275	3	3,825	£335,000	£263	£1,005,000																																																																																																																																																																				
Silverhill Farm	New Build	Conwy	4b6p	138	1,489	5	7,445	£390,000	£262	£1,950,000																																																																																																																																																																				
	New Build	New Bungalow	4b8p	130	1,399	1	1,399	£400,000	£286	£400,000																																																																																																																																																																				
	New Build	New House	4b8p	168	1,808	1	1,808	£450,000	£249	£450,000																																																																																																																																																																				
	Conversion	Barn	4b8p	205	2,206	1	2,206	£515,000	£233	£515,000																																																																																																																																																																				
	Conversion	Farmhouse	5b8p	207	2,228	1	2,228	£525,000	£236	£525,000																																																																																																																																																																				
Total						57	68,356		£267	£18,270,000																																																																																																																																																																				
Affordable Housing	We have allowed for a sum equal to 7.5% of market sale GDV as a contribution towards affordable housing in the policy compliant appraisal. This equates to a total contribution of £1,370,250.																																																																																																																																																																													

7. Residual Appraisals

We have undertaken a residual appraisal of the proposed development and the following scenarios:

1. Whole scheme (57 units) tested on a policy compliant basis
2. Applicants' proposal which assumes 100% private sale of the proposed scheme (57 units) and no S106 / affordable housing contribution.
3. Development of the Silverhill Farm site in isolation (4 units)

Appraisal Assumptions	
GDV	The total GDV for the scheme equates to £18,270,000, which we have adopted within appraisal. This equates to an average price of £267 per sq ft across the proposed house types.
Base Build Costs	For the conversion and new build element on the Silverhill Farm part of the site which are to be constructed to a bespoke design, we were provided with an 'all in' base construction cost for the new build dwellings and £143.00 per sq ft for the conversion element by the Applicants cost advisors – Rexel Group in July 2022. The costs are inclusive of preliminaries, contractors' overheads and profit and external works but exclude Part L building regulations, abnormal works, professional fees and developer's contingency. We discuss these separately in the sections below. Considering the length of time that has passed since the cost assessment was undertaken by Rexel Group, we have applied inflation to above rates to reflect current day costs. This results in the following: • Conversion & New Build – £186.68 per sq ft (blended average) For the new build development on Plot W, a base build cost of £130 per sq ft has been adopted for the new build dwellings in the scheme based on our experience of housebuilder standard build costs and reference to BCIS data. This is reflective of the proposed specification and is inclusive of standard external works. We have adopted this rate based on a volume housebuilder delivering the site, albeit it would arguably be more appropriate to adopt higher costs akin to a smaller local / regional housebuilder in this instance to reflect the size of the scheme. The rates utilised makes allowances for the following: • Basic superstructure costs • Nominal strip footing foundations • Plot development costs (including provision of utilities, driveways, formation of curtilage parking spaces and gardens, boundary treatments to properties) • The rate includes for builders' preliminary costs (site management, all welfare facilities, site office, construction utilities, etc.) • Standard estate roads and sewers In addition to the above base build we have allowed for £322,940 (£5,666 per unit) of Part L costs. This is based on the figure of £4,850 set out in Option 2 of the Future Homes Standard consultation document (2019) issued by the Government and indexed linked to reflect current day costs.

Abnormal Costs	The applicant has undertaken a detailed review of the technical information relating to the site. The abnormal costs equate to £2,509,916 (£44,000 per plot) for the site. We have pro rata the abnormal costs for the appraisal of the Silverhill farm site in isolation.
Contingency	Considering the challenges and risk that are associated with brownfield sites, it is considered that a reasonably prudent developer would require a contingency to be included within their appraisal at this stage of the development cycle. Given the complex development including the restoration of the existing listed buildings on site and given the context of the previously developed site, a contingency sum equating to 3% of the total build cost has been allowed. This is considered conservative in the context of increasing build cost inflation.
Professional Fees	In accordance with standard industry practice, a provision equating to 7% of the total build cost has been allowed which reflects the work required to deliver a scheme of the size and nature.
Affordable Housing	We have allowed for a sum equal to 7.5% of market sale GDV as a contribution towards affordable housing in the policy compliant appraisal. This equates to a total contribution of £1,370,250.
Section 106 Costs	We understand a total S106 contribution of £231,745 has been requested for the proposed development and includes the following: • S106 Outdoor Sports Provision - £189,745 • S106 Biodiversity Net Gain - £42,000 The above contributions have been included in our policy compliant financial appraisal of the scheme.
CIL	Not applicable
Finance Costs	We have assumed a debit rate of 8.5%. The Bank of England raised the base rate over three consecutive months from 1.25% in June 2022 to 1.75% in August 2022, 2.25% in September, 3% in October 2022, 3.5% in November, 4% in February 2023, 4.50% in March 2023, 5% in June 2023 and 5.25% in August 2023. Therefore, a minimum interest figure of 8.5% is appropriate.
Disposal Costs	We have assumed a sales and marketing cost of 3%. This provides a budget towards sales agent fees, a show house, website, advertisement, and other marketing initiatives. We have also allowed for sales legal fees at £750 per unit. These are considered to be standard market assumptions.
Site Acquisition Costs	Stamp Duty at HMRC prevailing rates, 1% for agent fees and 0.5% for legal fees.
Profit Margin	During recent years, profit for market sale residential development has typically ranged between 18-20% of Gross Development Value (GDV) as advocated in National Planning

	Guidance on Viability. The level of profit should be considered in the round of the assumptions made within an appraisal and should reflect the risk in bringing the development forward. Market conditions have changed markedly over the last 12-18 months, including increasing interest rates, increasing cost of living, reduced affordability, reduced sales rates, increased incentives and high levels of build cost inflation. Market forecasts are for sales values to stagnate or decline and for costs to continue to increase which is markedly different to market forecasts from the majority of 2022 where generally house price growth was matching build cost inflation, and the market was buoyant. We are currently, therefore, of the view that the margin should be 20% on market sale GDV as a minimum starting point, which is also the same minimum levels lenders would typically apply for a development loan to be considered acceptable. That said, this change of assumptions is not filtering through into viability assessments as it should be because there is a reluctance from Council's and their advisors to accept this position. For this assessment, we have therefore adopted a reduced blended developers profit of just over 18% on GDV across the whole development. This reflects a profit of 18.5% on GDV for the new build dwellings and a lower profit of 15% on GDV for the dwellings proposed on the Silverhill Farm site to reflect a scheme of 4 dwellings in isolation. We reserve the right to review our profit assumptions at a later date to be more reflective of current market conditions if our conclusions are not agreed.
Timescales	We have assumed the following timing assumptions • Site Purchase – 1 month • Pre-construction –2 months to allow for the discharge of planning conditions and commencement on site. • Construction – 26 months • Sales – 19 months phased at 3 units per month (first sale 10-month into construction) • Total – 31 months

8. Benchmark Land Value

8.1 Method

In any typical viability assessment, a benchmark land value is used to assess whether or not a scheme is viable. Paragraph 013 of the PPG states that:

“A benchmark land value should be established on the basis of the Existing Use Value (EUV), plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell the land for development while allowing a sufficient contribution to fully comply with policy requirement.”

This is often referred to as the EUV+ approach, which we have adopted in this case.

The EUV is defined in Paragraph 015 of the PPG as:

“the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types.”

It is clear that the EUV is the value of the land in its current use and we had reference to comparable market evidence as appropriate.

In respect of the minimum premium, paragraph 016 of the PPG states that:

“the premium (or the ‘plus’ in EUV+) is the second component of benchmark land value. It is the amount above the existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a landowner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements.”

The PPG goes on to state that:

“Benchmark land value should:

- *Be based upon existing use value*
- *Allow for a premium to landowners (including equity release from those building their own homes)*
- *Reflect the implications of abnormal costs, site-specific infrastructure costs; and professional site fees” (Paragraph 014)*

“To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements.” (Paragraph 013)

There are therefore a number of factors that need to be considered when assessing the BLV. There is a need to reflect abnormal costs and planning policy, but there is also a need to consider a reasonable minimum level of return in order to incentivise landowners to release their land for development. These factors can be at odds with each other and the PPG is clear that there is a need to “strike a balance” between the interests of Local Councils, developers and landowners in order to ensure that land is released for development.

It should also be noted that the PPG is clear that the actual price paid is not relevant for the purpose of viability assessment.

The latest RICS Guidance Note relating to viability in planning, dated 2021, provides additional guidance on the approach to Benchmark Land Value (BLV), which should be assessed through a five-stage process:

1. Assess the EUV – the Market Value of the property in its existing use, excluding hope value
2. Assess the Alternative Use Value (AUV) where appropriate

3. Assess the premium above EUV
4. Determine the residual value of the site, assuming policy compliance, to cross check against the EUV and assessment of the premium
5. Reference land transaction evidence to sense check the EUV and assessment of the premium

We have considered all of the relevant guidance in our assessment of BLV.

8.2 Existing Use Value

The site extends to approximately 5.43 acres and comprises two elements, namely Silverhill Farm and Plot W of Kingsway Business Park. Silverhill Farm comprises Grade II Listed farmhouse and barn buildings set on a rectangular plot that extends to 0.62 acres. The buildings are vacant. Plot W comprises an irregular shaped parcel of agricultural land that extends to 4.81 acres.

Plot W also benefits from an outline planning consent, with all matters reserved, for a mixed-use business park for General and Light Industrial Uses (Classes B1 and B2), Offices in the Use Class B1, Distribution and Storage Uses (Class B8), Research and Development Uses in Use Class B1, Car Showrooms (Sui Generis Use), Hotels in Use Class C1, Ancillary Retail and Leisure in Use Classes A1 - A5 and D2, and Residential in Use Class C3. (Ref: 14/00542/OUT).

To establish the Existing Use of the site, we have firstly assessed comparable industrial/ commercial land transactions in the surrounding area. These are presented in the table below.

Site	Acres	Price paid	Date	Price per acre
Land on Michael Faraday Way, Rochdale, Manchester, OL16 4GR	8.43	£2,607,800	23-Aug-21	£309,348
1 Gilbrook Way, Rochdale, OL16 4RT	0.16	£77,000	19-Aug-21	£472,411
M7, Mulberry, Heywood Distribution Park, Heywood (OL10 2TR).	21.24	£13,838,166	05-Mar-21	£651,514

The above are all relatively recent transactions that range from circa. £309,000 to £652,000 per acre. Given the technical challenges associated with brownfield land and abnormal costs required to bring forward the development, we consider an existing use value of £250,000 per acre to represent a baseline land value in this case despite higher land values being achieved for industrial/commercial land in the local area as evidenced above. This rate per acre equates to an existing use land value of £1,202,500 for Plot W (4.81 acres).

For the Silverhill Farm element of the site, we have adopted an existing use value of £100,000 per acre. This equates to an existing use land value of £62,000 for 0.62 acres which we consider reasonable.

8.3 Minimum Premium

The value of a site is a key consideration within a viability assessment. Fundamentally, a landowner will sell an asset which has development potential when they consider that the development potential of the site is being fairly reflected within the price being paid. Otherwise, the site will essentially remain in its existing use with no incentive for the landowner to bring the site forward for development. Should landowners view current planning requirements as too onerous, they have the ability to wait for a change in planning policy and to release land at the point at which a minimum level of acceptable return is reached in the future.

Based on our experience, we believe a minimum premium of 20% to be appropriate. This is in line with the PFE which applies a 20% uplift for commercial land. At this stage however, we have not allowed for any premium above the EUV, but we would reserve the right to re-assess this at a later date.

8.4 Alternative Use Value

We have not considered any alternative uses of the site but reserve further commentary in this regard.

8.5 Policy Compliant Land Value

The appraisal attached at Appendix 3 is provided on the basis of policy compliant development. This generates a negative land value of **-£1,017,226**, which is insufficient to provide the landowner with an incentive to dispose of the site in comparison to the benchmark land value of the site.

8.6 Benchmark Land Value

Considering the above, we have adopted an overall Benchmark Land Value of £1,264,500 for the site which we consider is conservative.

9. Results & Sensitivity Analysis

Appraisal 1 – Policy Compliant	The viability test that has been used compares the residual land value generated by the development, against the benchmark land value of the site. It clearly demonstrates that with a policy compliant level of affordable housing at 7.5% on value and S106 contributions, viability is an issue as the residual land value of -£1,017,226 is significantly below the benchmark land value of £1,264,500.
Appraisal 2 – Applicant’s Proposal	The financial assessment undertaken shows that with 100% market sale and no affordable housing and S106 contributions, the scheme generates an improved residual land value of £678,930 however, this remains below the assessed benchmark land value of £1,264,500. The scheme is therefore considered marginal on this basis. Whilst viability remains an issue, we understand the applicant is taking a commercial view and is willing to progress with the scheme on this basis.
Appraisal 3 – Silverhill Farm Site	The financial assessment undertaken shows that by developing the Silverhill Farm site in isolation, the appraisal produces a negative land value of -£281,507. The development is therefore unviable on this basis, justifying the new build element required to enable a deliverable scheme.
Sensitivity Analysis	The RICS Practice Statement requires that all FVAs and subsequent reviews must provide a sensitivity analysis of the results and an accompanying explanation and interpretation in respective calculations on viability, having regard to risks and an appropriate return(s). This is to: • allow both the Applicant and decision maker to consider how changes in inputs to a financial appraisal affect viability, and • understand the extent of these results, to arrive at an appropriate conclusion on viability of the application scheme. In this respect we have carried out a sensitivity analysis (see Appendix 3) to show the impact of fluctuations to build costs and sales values on the scheme’s viability. We consider the most likely scenario based on forecast data is that sales values are likely to stagnate / decline whilst build cost inflation is set to increase. This results in a worse viability position.

10. Conclusions

We have summarised the appraisal results in comparison to the BLV in the table below:

	Appraisal 1 – Policy Compliant	Appraisal 2 – Applicant's Proposal	Appraisal 3 – Silverhill Farm
Benchmark Land Value	£1,264,500	£1,264,500	£1,264,500
Residual Land Value	-£1,017,226	£678,930	-£281,507
Viability Concern	Yes	Marginal	Yes

The appraisals contained within this report represent a robust assessment of the viability of a residential development on the subject site (see Appendix 3)

This report has been produced utilising a recognised appraisal software package. Due regard has been given to guidance published by the RICS, and the NPPF/NPPG.

The viability test that has been used compares the residual land value generated by the development, against the benchmark land value of the site. It clearly demonstrates that with a policy compliant level of affordable housing at 7.5% on value and S106 contributions, viability is an issue as the residual land value of **-£1,017,226** is significantly below the benchmark land value of £1,264,500.

The financial assessment undertaken shows that with 100% market sale and no affordable housing and S106 contributions, the scheme generates an improved residual land value of £678,930 however, this remains below the assessed benchmark land value of £1,264,500. The scheme is therefore considered marginal on this basis. Whilst viability remains an issue, we understand the applicant is taking a commercial view and is willing to progress with the scheme on this basis.

The financial assessment undertaken shows that by developing the Silverhill Farm site in isolation, the appraisal produces a negative land value of **-£281,507**. The development is therefore unviable on this basis, justifying the new build element required to enable a deliverable scheme.

We are therefore of the opinion that policy requirements on site in relation to affordable housing and Section 106 contributions should be reduced subject to viability.

11. Compliance

This report is provided for general informative purposes only and only for the use of the party to whom it is addressed. It is confidential to the client and may not be disclosed to any other third party without our prior written consent. In breach of this condition, no responsibility can be accepted to third parties for the comments or advice contained in this report. Neither the whole nor any part of this report nor any reference thereto may be included in any document, circular or statement without our prior approval of the form and context in which it will appear.

This report does not constitute a formal valuation and should not be relied upon as such. Values can change over a short period of time and our findings should be considered valid for a limited time period. Our conclusions are based on the assumptions provided and information available at the time of the report. We have verified the information relied upon to the best of our ability and relied upon our experience of the property markets. Some information may be unavailable at the time of writing or is provided to us on a verbal or informal basis and the accuracy therefore cannot be guaranteed.

APPENDICES

Appendix I – Market Research

Market Research

Average Price & Volume of Sales

Source: Land Registry

2023	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
OLII 2	£296,667	9	£193,625	34	£123,500	22	£103,833	3	£180,614	68
Total	£296,667	9	£193,625	34	£123,500	22	£103,833	3	£180,614	68

2022	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
OLII 2	£249,417	34	£172,182	95	£127,291	41	£90,833	6	£173,872	176
Total	£249,417	34	£172,182	95	£127,291	41	£90,833	6	£173,872	176

2021	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
OLII 2	£205,982	71	£148,342	115	£116,641	37	£75,625	4	£159,922	227
Total	£205,982	71	£148,342	115	£116,641	37	£75,625	4	£159,922	227

2020	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
OLII 2	£185,652	32	£126,574	77	£101,862	27	£71,000	2	£134,633	138
Total	£185,652	32	£126,574	77	£101,862	27	£71,000	2	£134,633	138

2019	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
OLII 2	£158,995	28	£122,121	100	£93,242	31	£71,000	4	£121,709	163
Total	£158,995	28	£122,121	100	£93,242	31	£71,000	4	£121,709	163

2018	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
OLII 2	£148,767	24	£112,327	70	£91,023	36	£63,900	5	£111,331	135
Total	£148,767	24	£112,327	70	£91,023	36	£63,900	5	£111,331	135

New Build Availability

Gleeson Homes - Hill Top Park, Hill Top Drive, Rochdale OL11 2SB

House Name	Type	Bedrooms	Size (ft ²)	Storeys	Asking Price	Gross Asking Price (ft ²)	Net Asking Price	Net Asking Price (ft ²)
Fergus	Semi	3	788	2	£249,995	£317	£237,495	£301
Kilkenny	Detached	3	772	2	£249,995	£324	£237,495	£308
Kilkenny	Detached	3	772	2	£259,995	£337	£246,995	£320
Wicklow	Semi	3	772	2	£232,995	£302	£221,345	£287
Galway	Semi	3	759	2	£232,995	£307	£221,345	£292
Tyrone	Semi	3	759	2	£232,995	£307	£221,345	£292
Tyrone	Semi	3	759	2	£233,995	£308	£222,295	£293
						£315		£299

Hive Homes - Weavers Fold, Nixon Street Rochdale OL11 3JB

House Name	Type	Bedrooms	Size (ft ²)	Storeys	Asking Price	Gross Asking Price (ft ²)	Net Asking Price	Net Asking Price (ft ²)
Hollinwood	Detached	3	890	2	£259,950	£292	£246,953	£277
Hollinwood	Detached	3	890	2	£259,950	£292	£246,953	£277
Bowker	Semi	3	837	2	£234,950	£281	£223,203	£267
Bowker	Semi	3	837	2	£234,950	£281	£223,203	£267
Bowker	Semi	3	837	2	£234,950	£281	£223,203	£267
Cornbrook	Semi	3	762	2	£224,950	£295	£213,703	£280
Cornbrook	Semi	3	762	2	£224,950	£295	£213,703	£280
Cornbrook	Semi	3	762	2	£224,950	£295	£213,703	£280
Cornbrook	Semi	3	762	2	£224,950	£295	£213,703	£280
						£289		£275

The Cottons, Dobfield Road, Milnrow OL16 3AQ

House Name	Type	Bedrooms	Size (ft ²)	Storeys	Asking Price	Gross Asking Price (ft ²)	Net Asking Price	Net Asking Price (ft ²)
Type A	Detached	5	2260	2	£650,000	£288	£617,500	£273
Type B	Detached	5	1885	2	£550,000	£292	£522,500	£277
Type B	Detached	5	1885	2	£550,000	£292	£522,500	£277
Type B	Detached	5	1885	2	£550,000	£292	£522,500	£277
Type C	Detached	4	1575	2	£450,000	£286	£427,500	£271
Type C	Detached	4	1575	2	£450,000	£286	£427,500	£271
Type C	Detached	4	1575	2	£450,000	£286	£427,500	£271
Type C	Detached	4	1575	2	£450,000	£286	£427,500	£271
						£288		£274

New Build Sold

Paddle - Boarshaw Clough M24 2NG

Address	House Name	Type	Bedrooms	Size (ft ²)	Storeys	Sale Price	Gross Sale Price (ft ²)	Sale Date
55, Boarshaw Clough M24 2NG	Type A	Semi Detached	3	1033	2	£250,000	£242	Oct-22
86, Boarshaw Clough M24 2NG	Type A	Semi Detached	3	1033	2	£300,000	£290	Sep-22
53, Boarshaw Clough M24 2NG	Type A	Semi Detached	3	1033	2	£224,400	£217	Aug-22
80, Boarshaw Clough M24 2NG	Type A	Semi Detached	3	1033	2	£250,000	£242	Jul-22
49, Boarshaw Clough M24 2NG	Type A	Semi Detached	3	1033	2	£250,000	£242	Jul-22
51, Boarshaw Clough M24 2NG	Type A	Semi Detached	3	1033	2	£224,400	£217	Jun-22
100, Boarshaw Clough M24 2NG	TypeA	Semi Detached	3	1033	2	£250,000	£242	Jun-22
29, Boarshaw Clough M24 2NG	Type B	Semi Detached	3	936	2	£275,000	£294	Jun-22
£248								

Taylor Wimpey - West Hollinsfield M24 5AX

Address	House Name	Type	Bedrooms	Size (ft ²)	Storeys	Sale Price	Gross Sale Price (ft ²)	Sale Date
27, Thyme Drive M24 5AX	Kentdale	Detached	4	1246	3	£346,995	£278	Jun-22
31, Thyme Drive M24 5AX	Aldenham	Detached	3	967	2	£330,995	£342	Jul-22
29, Thyme Drive M24 5AX	Aldenham	Detached	3	967	2	£294,995	£305	Jun-22
9, Dunnderdale Hill M24 5AN	Gosford	Semi Detached	3	866	2	£258,995	£299	Aug-22
32, Dunnderdale Hill M24 5AN	Gosford	Semi Detached	3	866	2	£262,995	£304	Jul-22
7, Dunnderdale Hill M24 5AN	Gosford	Semi Detached	3	866	2	£255,995	£296	Jun-22
3, Dunnderdale Hill M24 5AN	Gosford	Semi Detached	3	866	2	£255,995	£296	Jun-22
38, Dunnderdale Hill M24 5AN	Gosford	Semi Detached	3	866	2	£225,995	£261	Jun-22
£297								

Keepmoat - Willow Park M24 5BH

Address	House Name	Type	Bedrooms	Size (ft ²)	Storeys	Sale Price	Gross Sale Price (ft ²)	Sale Date
40, Fusilier Close M24 5BJ	Rathmell	Semi Detached	3	1062	2.5	£285,995	£269	Oct-22
23, Fusilier Close M24 5BJ	Rathmell	Semi Detached	3	1062	2.5	£254,995	£240	Oct-22
42, Fusilier Close M24 5BJ	Rathmell	Semi Detached	3	1062	2.5	£279,995	£264	Oct-22
21, Fusilier Close M24 5BJ	Rathmell	Semi Detached	3	1062	2.5	£254,995	£240	Oct-22
38, Fusilier Close M24 5BJ	Rathmell	Semi Detached	3	1062	2.5	£242,995	£229	Jul-22
34, Fusilier Close M24 5BJ	Rathmell	Semi Detached	3	1062	2.5	£229,995	£217	Jul-22
30, Fusilier Close M24 5BJ	Rathmell	Semi Detached	3	1062	2.5	£233,995	£220	Jun-22
44, Fusilier Close M24 5BJ	Sinderby	Detached	3	861	2	£270,995	£315	Sep-22
84, Borrowdale Road M24 5GG	Sinderby	Detached	3	861	2	£262,995	£305	Oct-22
14, Drummer Way M24 5BH	Kellington	Semi Detached	3	836	2	£234,995	£281	Oct-22
19, Fusilier Close M24 5BJ	Kellington	Semi Detached	3	836	2	£232,995	£279	Jul-22
17, Fusilier Close M24 5BJ	Kellington	Semi Detached	3	836	2	£229,995	£275	Jul-22
32, Fusilier Close M24 5BJ	Kellington	Semi Detached	3	836	2	£229,995	£275	Jun-22
46, Fusilier Close M24 5BJ	Haxby	Terraced	2	651	2	£199,995	£307	Sep-22
22, Fusilier Close M24 5BJ	Haxby	Terraced	2	651	2	£191,995	£295	Jun-22
20, Fusilier Close M24 5BJ	Haxby	Terraced	2	651	2	£219,995	£338	Jun-22
£267								

Hive Homes - Osprey Place M24 SPD

Address	House Name	Type	Bedrooms	Size (ft ²)	Storeys	Sale Price	Gross Sale Price (ft ²)	Sale Date
54, Stainton Drive M24 SPD	Firswood	Detached	4	1087		£245,950	£226	Sep-22
50, Stainton Drive M24 SPD	Newhey	Detached	3	926		£238,950	£258	Sep-22
52, Stainton Drive M24 SPD	Newhey	Detached	3	926		£238,950	£258	Sep-22
8a, Newton Crescent M24 SPB	Bowker	Semi Detached	3	829		£200,950	£242	Aug-22
48, Stainton Drive M24 SPD	Bowker	Semi Detached	3	829		£202,950	£245	Sep-22
43, Stainton Drive M24 SPD	Bowker	Semi Detached	3	829		£203,950	£246	Sep-22
46, Stainton Drive M24 SPD	Bowker	Semi Detached	3	829		£202,950	£245	Sep-22
39, Stainton Drive M24 SPD	Bowker	Semi Detached	3	829		£203,950	£246	Sep-22
56, Stainton Drive M24 SPD	Bowker	Semi Detached	3	829		£203,950	£246	Sep-22
41, Stainton Drive M24 SPD	Bowker	Semi Detached	3	829		£203,950	£246	Aug-22
4, Stainton Drive M24 SPD	Bowker	Semi Detached	3	829		£228,950	£276	Aug-22
2, Stainton Drive M24 SPD	Bowker	Semi Detached	3	829		£200,950	£242	Aug-22
34, Stainton Drive M24 SPD	Bowker	Semi Detached	3	829		£200,950	£242	Jul-22
32, Stainton Drive M24 SPD	Bowker	Semi Detached	3	829		£200,950	£242	Jul-22
20, Stainton Drive M24 SPD	Bowker	Semi Detached	3	829		£200,950	£242	Jun-22
18, Stainton Drive M24 SPD	Bowker	Semi Detached	3	829		£200,950	£242	Jun-22
22, Stainton Drive M24 SPD	Bowker	Semi Detached	3	829		£200,950	£242	Jun-22
24, Stainton Drive M24 SPD	Bowker	Semi Detached	3	829		£200,950	£242	Jun-22
23, Stainton Drive M24 SPD	Cornbrook	Semi Detached	3	764		£194,950	£255	Oct-22
25, Stainton Drive M24 SPD	Cornbrook	Semi Detached	3	764		£194,950	£255	Oct-22
19, Stainton Drive M24 SPD	Cornbrook	Semi Detached	3	764		£194,950	£255	Oct-22
21, Stainton Drive M24 SPD	Cornbrook	Semi Detached	3	764		£194,950	£255	Oct-22
30, Stainton Drive M24 SPD	Cornbrook	Terraced	3	764		£189,950	£249	Jul-22
28, Stainton Drive M24 SPD	Cornbrook	Terraced	3	764		£188,950	£247	Jul-22
14, Stainton Drive M24 SPD	Pomona	Terraced	2	700		£178,950	£256	Aug-22
10, Stainton Drive M24 SPD	Pomona	Terraced	2	700		£179,950	£257	Aug-22
16, Stainton Drive M24 SPD	Pomona	Terraced	2	700		£181,950	£260	Aug-22
12, Stainton Drive M24 SPD	Pomona	Terraced	2	700		£178,950	£256	Aug-22
							£249	

Gleeson - Hill Top Park OLII 2AY

Address	House Name	Type	Bedrooms	Size (ft ²)	Storeys	Sale Price	Gross Sale Price (ft ²)	Sale Date
14, Constable Drive OLII 2AY	Fergus	Semi Detached	3	818	2	£199,995	£244	Sep-22
20, Constable Drive OLII 2AY	Fergus	Semi Detached	3	818	2	£204,995	£251	Jun-22
35, Lowry Way OLII 2BD	Fergus	Semi Detached	3	818	2	£217,995	£266	Sep-22
81, Lowry Way OLII 2BD	Fergus	Semi Detached	3	818	2	£204,995	£251	Jun-22
71, Lowry Way OLII 2BD	Fergus	Semi Detached	3	818	2	£204,995	£251	Jun-22
64, Lowry Way OLII 2BE	Fergus	Semi Detached	3	818	2	£201,995	£247	Sep-22
76, Lowry Way OLII 2BE	Fergus	Semi Detached	3	818	2	£199,995	£244	Jun-22
84, Lowry Way OLII 2BE	Fergus	Semi Detached	3	818	2	£204,995	£251	Jun-22
19, Conrad Cole Road OLII 2BG	Fergus	Semi Detached	3	818	2	£204,995	£251	Jun-22
18, Constable Drive OLII 2AY	Wicklow	Detached	3	775	2	£199,995	£258	Aug-22
66, Lowry Way OLII 2BE	Wicklow	Detached	3	775	2	£189,995	£245	Aug-22
16, Constable Drive OLII 2AY	Tyrone	Semi Detached	3	764	2	£184,995	£242	Sep-22
79, Lowry Way OLII 2BD	Tyrone	Semi Detached	3	764	2	£209,995	£275	Jun-22
77, Lowry Way OLII 2BD	Tyrone	Semi Detached	3	764	2	£204,995	£268	Jun-22
62, Lowry Way OLII 2BE	Tyrone	Semi Detached	3	764	2	£204,995	£268	Sep-22
68, Lowry Way OLII 2BE	Tyrone	Semi Detached	3	764	2	£186,995	£245	Aug-22
82, Lowry Way OLII 2BE	Tyrone	Semi Detached	3	764	2	£179,995	£236	Jun-22
74, Lowry Way OLII 2BE	Tyrone	Semi Detached	3	764	2	£199,995	£262	Jun-22
67, Lowry Way OLII 2BD	Cork	Semi Detached	2	646	2	£151,995	£235	Jun-22
23, Conrad Cole Road OLII 2BG	Cork	Semi Detached	2	646	2	£144,995	£224	Jun-22
29, Conrad Cole Road OLII 2BG	Cork	Semi Detached	2	646	2	£134,995	£209	Jun-22
145, Balderstone Road OLII 2JF	Cork	Semi Detached	2	646	2	£145,995	£226	Jun-22
50, Kildare Crescent OLII 2SE	Cork	Semi Detached	2	646	2	£144,995	£224	Jun-22
							£248	

Modern Resales

Taylor Wimpey - Ginnell Farm, Rochdale

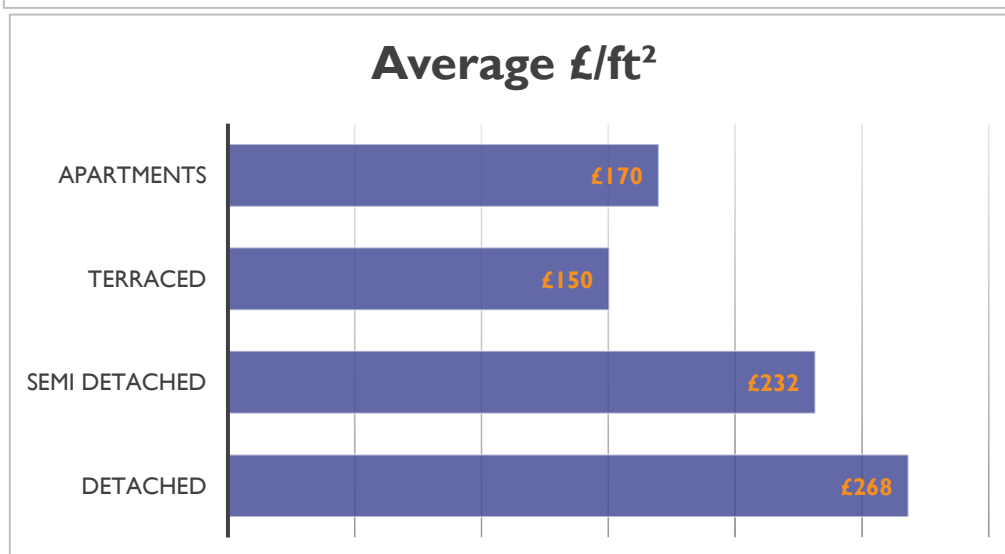
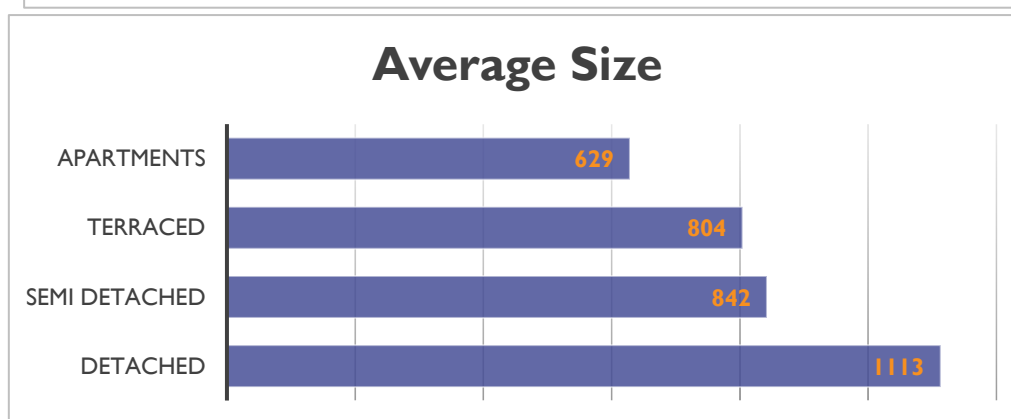
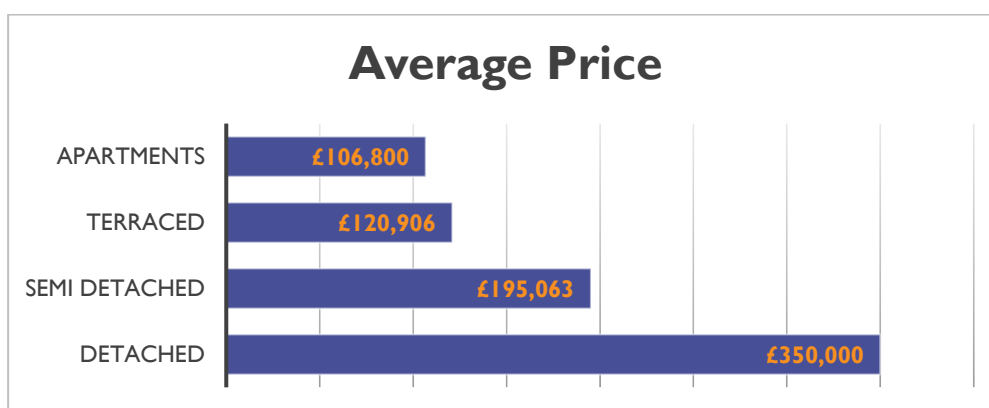
Address	House Name	Type	Bedrooms	Size (ft ²)	Storeys	Sale Price	Gross Sale Price (ft ²)	Sale Date
67, Ginnell Farm Avenue OL16 4GF	Aldenham	Detached	3	967	2	£350,000	£362	Aug-23
22, Ginnell Farm Avenue OL16 4GG	Gosford	Semi Detached	3	866	2	£235,000	£271	Nov-23
12, Ginnell Farm Avenue OL16 4GG	Gosford	Semi Detached	3	866	2	£232,000	£268	Sep-22
39, Ginnell Farm Avenue OL16 4GF	Gosford	Semi Detached	3	866	2	£248,495	£287	Aug-22
9, Strawberry Close OL16 4GE	Gosford	Semi Detached	3	866	2	£225,000	£260	Mar-22
1, Strawberry Close OL16 4GE	Patterdale	Semi Detached	3	818	2	£252,000	£308	Jun-23
16, Will Hill Close OL16 4FU	Dadford	Terraced	3	753	2	£225,000	£299	May-23
8, Dairy House Close OL16 4GB	Dadford	Semi Detached	3	753	2	£217,000	£288	Feb-23
18, Will Hill Close OL16 4FU	Dadford	Terraced	3	753	2	£205,000	£272	Nov-22
15, Dairy House Close OL16 4GB	Dadford	Terraced	3	753	2	£220,000	£292	Oct-22
20, Dairy House Close OL16 4GB	Dadford	Terraced	3	753	2	£218,000	£289	Aug-22
32, Ginnell Farm Avenue OL16 4GG	Dadford	Semi Detached	3	753	2	£221,000	£293	May-22
							£292	

Second Hand Sales

Search criteria: within 1 miles of postcode OL11 2UE. Sales Completed within past 12 months.

Source: HM Land Registry

Type	Average Price	Average Size	Average £/ft ²
Detached	£350,000	1113	£268
Semi Detached	£195,063	842	£232
Terraced	£120,906	804	£150
Apartments	£106,800	629	£170
Average	£193,192	847	£205



Detached

Address	Date Sold	Sold Price	Beds	Size ft²	£/ft²
75, Marland Fold, Rochdale OL11 4RF	Nov-23	£350,000	3	1378	£254
25, Vicarage Road North, Rochdale OL11 2TE	Oct-23	£240,000	4	947	£253
83, Marland Fold, Rochdale OL11 4RF	Sep-23	£412,500	3	1539	£268
3, Salisbury Drive, Rochdale OL11 2WF	Sep-23	£210,000		775	£271
6, Kemp Avenue, Rochdale OL11 4LR	Aug-23	£295,000	3	1227	£240
1, Buttercup Drive, Rochdale OL11 3PA	Aug-23	£375,000		1281	£293
3, Loisine Close, Rochdale OL11 3PF	Aug-23	£265,000	4	915	£290
38, Leander Drive, Rochdale OL11 2XA	Jul-23	£230,000	3	732	£314
39, Birchfield Drive, Rochdale OL11 4NY	May-23	£235,000	4	1001	£235
6, Cover Drive, Rochdale OL11 3DB	Apr-23	£277,500	4	1216	£228
61, Leander Drive, Rochdale OL11 2XD	Mar-23	£225,000		1216	£185
11, Charlton Street, Rochdale OL11 2SW	Mar-23	£300,000		1216	£247
23, The Green, Rochdale OL11 3NU	Feb-23	£320,000	4	1281	£250
1, Cover Drive, Rochdale OL11 3DB	Feb-23	£280,000	4	1141	£245
116, Leander Drive, Rochdale OL11 2XE	Jan-23	£275,000		947	£290
16, Marland Old Road, Rochdale OL11 4QY	Jan-23	£550,000		1292	£426
40, Marigold Street, Rochdale OL11 1RJ	Jan-23	£246,000	3	753	£326
5, The Woods, Rochdale OL11 3NT	Jan-23	£330,000	4	1345	£245
23, Vicarage View, Rochdale OL11 2UA	Jan-23	£260,000	4	947	£274
Average		£350,000		1113	£268

Semi Detached

Address	Date Sold	Sold Price	Beds	Size ft²	£/ft²
9, Dunlop Avenue, Rochdale OL11 2NG	Oct-23	£215,000	3	797	£270
44, Bolton Road, Rochdale OL11 4PB	Oct-23	£150,000	3	764	£196
10, Dunlop Avenue, Rochdale OL11 2NG	Aug-23	£200,000	4	753	£265
43, Dobbin Drive, Rochdale OL11 2JH	Aug-23	£165,000	3	753	£219
3, Ashley Close, Rochdale OL11 3EP	Jul-23	£215,000	3	807	£266
89, Bolton Road, Rochdale OL11 3NG	Jul-23	£253,000	3	1130	£224
1, Dunlop Avenue, Rochdale OL11 2NG	Jun-23	£220,000	4	753	£292
13, Bruce Street, Rochdale OL11 3NH	Jun-23	£205,000	4	1141	£180
63, Rouse Street, Rochdale OL11 4PG	May-23	£165,000	3	678	£243
5, Dunlop Avenue, Rochdale OL11 2NG	May-23	£215,000	3	936	£230
74, Hillcrest Road, Rochdale OL11 2QB	Mar-23	£255,000	4	969	£263
22, Disley Street, Rochdale OL11 4PU	Mar-23	£125,000	3	721	£173
26, Ashley Close, Rochdale OL11 3EP	Mar-23	£193,000	3	667	£289
19, Marland Hill Road, Rochdale OL11 4PQ	Feb-23	£175,000	3	840	£208
260, Manchester Road, Rochdale OL11 4LX	Feb-23	£180,000	3	1044	£172
11, St Gabriels Close, Rochdale OL11 2TG	Jan-23	£190,000	3	721	£263
Average		£195,063		842	£232

Terraced

Address	Date Sold	Sold Price	Beds	Size ft ²	£/ft ²
4, Sudden Street, Rochdale OL11 4PD	Sep-23	£95,000	3	667	£142
7, Ogden Street, Rochdale OL11 3DY	Aug-23	£85,000	3	657	£129
47, Cheltenham Street, Rochdale OL11 3QJ	Aug-23	£150,000	3	1012	£148
6, Milne Street, Rochdale OL11 3AN	Aug-23	£110,000	3	689	£160
27, Elizabeth Street, Rochdale OL11 3HY	Jul-23	£124,000	3	678	£183
564, Manchester Road, Rochdale OL11 3AE	Jun-23	£110,000	3	818	£134
45, Alder Road, Rochdale OL11 2PP	May-23	£180,000	3	926	£194
27, Samuel Street, Rochdale OL11 3EA	May-23	£118,000	3	872	£135
578, Manchester Road, Rochdale OL11 3AE	Apr-23	£122,500	2	678	£181
61, Smalley Street, Castleton, Rochdale OL11 3EB	Mar-23	£180,000	3	1432	£126
86, Hillcrest Road, Rochdale OL11 2QB	Mar-23	£156,000	3	872	£179
545, Queensway, Rochdale OL11 2NY	Mar-23	£100,000	3	850	£118
799, Manchester Road, Rochdale OL11 3AH	Mar-23	£87,000	3	689	£126
28, Ogden Street, Rochdale OL11 3DY	Feb-23	£105,000	3	667	£157
576, Manchester Road, Rochdale OL11 3AE	Jan-23	£120,000	3	689	£174
716, Manchester Road, Rochdale OL11 3AF	Jan-23	£92,000	3	667	£138
Average		£120,906		804	£150

Apartments

Address	Date Sold	Sold Price	Beds	Size ft ²	£/ft ²
The Oaklands, 206, Fairway, Rochdale OL11 3BZ	Oct-23	£102,500	2	700	£147
The Westcombe Building, 25, Sydney Barnes Close, Rochdale OL11 3DA	Aug-23	£120,000	2	635	£189
The Westcombe Building, 5, Sydney Barnes Close, Rochdale OL11 3DA	Jul-23	£95,000	2	560	£170
44, Hill Top Drive, Rochdale OL11 2RD	Feb-23	£114,500	2	689	£166
8, Maden View, Rochdale OL11 2XB	Jan-23	£102,000	2	560	£182
Average		£106,800		629	£170

Second Hand Available

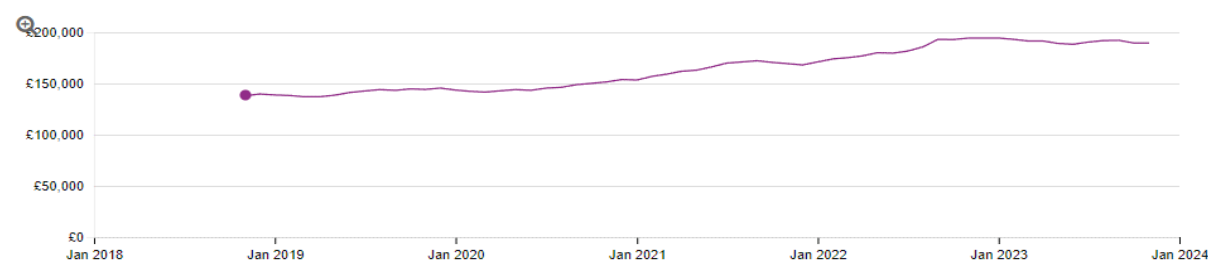
Search criteria: Houses for sale within 0.5 mile of postcode OL11 2UE

Source: www.rightmove.co.uk

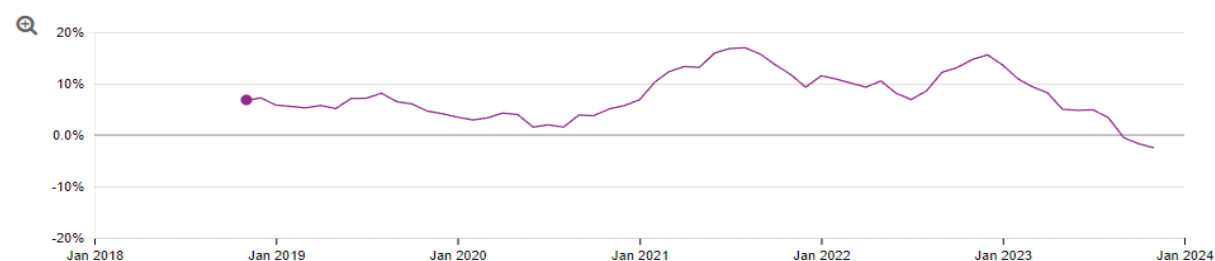
Address	Type	Bedrooms	Price
Sydney Barnes Close, Rochdale	Detached	4	£309,950
Thornham Lane, Slatts, Middleton, Manchester, M24	Semi	4	£300,000
Manchester Road, Castleton, Rochdale, OL11	Semi	3	£300,000
The Green, Rochdale, OL11	Detached	3	£260,000
87 Leander Drive, Castleton, OL11 2XD	Detached	4	£250,000
Sherwin Way, Castleton, Rochdale, OL11	Detached	3	£250,000
Pleasant Street, Castleton OL11 3BE	Detached	3	£239,950
Ashley Close, Sudden, Rochdale OL11 3EP	Semi	3	£235,000
Summerset Avenue, Rochdale	Detached	3	£230,000
Albion Street, Castleton, Rochdale	Semi	3	£220,000
Rochdale Road, Slatts, Middleton, Manchester, M24	Terraced	3	£215,000
Conrad Cole Road, Rochdale, OL11	Semi	3	£215,000
Dunlop Avenue, Rochdale	Semi	3	£210,000
Pleasant Street, Castleton, Rochdale, OL11	Semi	3	£210,000
St. Gabriels Close, Castleton, Rochdale, OL11	Semi	3	£200,000
Pleasant Street, Rochdale	Semi	3	£200,000
48 Cherrington Drive, Castleton OL11 2XS	Semi	3	£199,950
Manchester Road, Castleton, Rochdale, OL11	Terraced	3	£195,000
Darlington Road, Queensway, Rochdale OL11 2LL	Semi	3	£190,000
Avoncliffe Close, Sandbrook, Rochdale, OL11	Terraced	3	£185,000
Lowry Way, Rochdale	Semi	2	£175,000
St. Gabriels Close, Castleton, Rochdale, OL11	Semi	2	£175,000
Constable Drive, Rochdale	Semi	2	£170,000
Croydon Avenue, Castleton, Rochdale, OL11	Semi	3	£160,000
Darlington Road, Queensway, Rochdale, OL11	Semi	3	£160,000
Kirklee Road, Rochdale, OL11	Terraced	2	£160,000
Kildare Crescent, Rochdale, OL11	Semi	2	£155,000
Hill Top Drive, Kirkholt, Rochdale OL11 2RL	Semi	2	£150,000
Moor Park Avenue, Rochdale, OL11	Terraced	3	£150,000
Snowdon Street, Kirkholt, Rochdale, OL11	Terraced	2	£150,000
Kirkway, Rochdale, OL11	Terraced	2	£149,950
Darlington Road, Rochdale, OL11	Semi	3	£145,000
Alder Road, Castleton, Rochdale OL11 2PP	Terraced	2	£145,000
Romney Avenue, Kirkholt, Rochdale, OL11	Terraced	2	£140,000
Partington Street, Castleton, Rochdale, OL11	Terraced	4	£125,000
Hill Top Drive, Rochdale OL11	Semi	2	£125,000
Queensway, Castleton, Rochdale OL11 2NY	Terraced	2	£125,000
Queensway, Rochdale, OL11	Terraced	2	£110,000
Great Gates Road, Rochdale	Flat	2	£80,000

Average price by type of property in Rochdale

Source: HM Land Registry



Percentage change (yearly) in Rochdale



Price Trends – OLI 12UE

Market Characteristics	Rochdale	National
Market Size Indicator: no. of transactions	13,445	4,771,237
Market Size Indicator: total no. of properties	96,270	26,576,810
Market liquidity Indicator: transactions / properties	13.97%	17.95%
Market Growth Indicator: new homes built	965	430,860
Market Growth Indicator: new builds / transactions	7.18%	9.03%

Growth Rate	Rochdale	National
5 year house price growth	6.70%	4.50%
Last 12 months house price growth	-2.50%	16.00%

Average House Prices

Source: HM Land Registry

Postcode Area – OLI 1 2UE

Property Type	Nov-18	Nov-23	Change
Detached	£259,082	£350,000	35%
Semi	£139,918	£189,167	35%
Terraced	£100,313	£110,563	10%
Flat	£88,333	£86,625	-2%
All	£149,460	£150,167	0%

Appendix 3 – Financial Appraisals

APPRAISAL SUMMARY**ARGUS SOFTWARE****2402 Plot W & Silverhill Farm v2_PC****Appraisal Summary for Phase 1****Currency in £****REVENUE**

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
New Build	53	60,715	269.79	309,057	16,380,000
Silverhill Farm	<u>4</u>	<u>7,641</u>	247.35	472,500	<u>1,890,000</u>
Totals	57	68,356			18,270,000

NET REALISATION **18,270,000****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)	(1,017,226)	(1,017,226)
Legal Fee	10,000	10,000

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
New Build	60,715	130.00	7,892,950
Silverhill Farm	<u>7,641</u>	186.68	<u>1,426,422</u>
Totals	68,356 ft²		9,319,372

Contingency	3.00%	364,567	364,567
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Other Construction Costs

Abnormal Development Works	2,509,916
Part L Building Regs	322,940
7.5% AH Contribution	1,370,250
S106 Contributions	231,745
	4,434,851

PROFESSIONAL FEES

Professional Fees	7.00%	850,656	850,656
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MARKETING & LETTING

Marketing	3.00%	548,100	548,100
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DISPOSAL FEES

Sales Legal Fee	57 un	750.00 /un	42,750	42,750
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TOTAL COSTS BEFORE FINANCE **14,553,069****FINANCE**

Debit Rate 8.500%, Credit Rate 0.000% (Nominal)	
Land	1,188
Construction	290,724
Other	111,219
Total Finance Cost	403,131

TOTAL COSTS **14,956,200****PROFIT****3,313,800****Performance Measures**

Profit on Cost%	22.16%
Profit on GDV%	18.14%

2402 Plot W & Silverhill Farm v2_PC

Profit on NDV%	18.14%
IRR% (without Interest)	78.81%
Profit Erosion (finance rate 8.500)	2 yrs 5 mths

2402 Plot W & Silverhill Farm v2_PC

Table of Land Cost and Gross Development Value

Construction: Rate /ft²					
Sales: Rate /ft²	-5.000%	-2.500%	0.000%	+2.500%	+5.000%
-5.000%	£1,391,810	£1,665,886	£1,939,963	£2,215,057	£2,490,704
	£17,356,500	£17,356,500	£17,356,500	£17,356,500	£17,356,500
-2.500%	£930,896	£1,204,518	£1,478,595	£1,752,672	£2,026,748
	£17,813,250	£17,813,250	£17,813,250	£17,813,250	£17,813,250
0.000%	£471,883	£744,432	£1,017,226	£1,291,303	£1,565,380
	£18,270,000	£18,270,000	£18,270,000	£18,270,000	£18,270,000
+2.500%	£14,986	£286,155	£557,967	£830,562	£1,104,012
	£18,726,750	£18,726,750	£18,726,750	£18,726,750	£18,726,750
+5.000%	(£435,405)	(£168,735)	£100,428	£371,597	£644,097
	£19,183,500	£19,183,500	£19,183,500	£19,183,500	£19,183,500

Sensitivity Analysis : Assumptions for Calculation**Construction: Rate /ft²**

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
New Build	1	£130.00	2.00 Up & Down
Silverhill Farm	1	£186.68	2.00 Up & Down

Sales: Rate /ft²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
New Build	1	£269.79	2.00 Up & Down
Silverhill Farm	1	£247.35	2.00 Up & Down

2402 Plot W & Silverhill Farm v2_No AFF&S106

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
New Build	53	60,715	269.79	309,057	16,380,000
Conversion & NB	<u>4</u>	<u>7,641</u>	247.35	472,500	<u>1,890,000</u>
Totals	57	68,356			18,270,000

NET REALISATION **18,270,000**

OUTLAY

ACQUISITION COSTS

Residualised Price			678,930		
				678,930	
Agent Fee		1.00%	6,789		
Legal Fee			10,000		
				16,789	

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost		
New Build	60,715	130.00	7,892,950		
Conversion & NB	<u>7,641</u>	186.68	<u>1,426,422</u>		
Totals	68,356 ft²		9,319,372		
Contingency		3.00%	364,567		
				9,683,939	

Other Construction Costs

Abnormal Development Works			2,509,916		
Part L Building Regs			322,940		
				2,832,856	

PROFESSIONAL FEES

Professional Fees		7.00%	850,656		
				850,656	

MARKETING & LETTING

Marketing		3.00%	548,100		
				548,100	

DISPOSAL FEES

Sales Legal Fee	57 un	750.00 /un	42,750		
				42,750	

TOTAL COSTS BEFORE FINANCE **14,654,020**

FINANCE

Debit Rate 8.500%, Credit Rate 0.000% (Nominal)					
Land			1,994		
Construction			250,088		
Other			50,098		
Total Finance Cost				302,180	

TOTAL COSTS **14,956,200**

PROFIT

3,313,800

Performance Measures

Profit on Cost%	22.16%
Profit on GDV%	18.14%
Profit on NDV%	18.14%
IRR% (without Interest)	47.34%

2402 Plot W & Silverhill Farm v2_No AFF&S106

Profit Erosion (finance rate 8.500)

2 yrs 5 mths

2402 Plot W & Silverhill Farm v2_No AFF&S106

Table of Land Cost and Gross Development Value

Construction: Rate /ft²					
Sales: Rate /ft²	-5.000%	-2.500%	0.000%	+2.500%	+5.000%
-5.000%	(£314,119) £17,356,500	(£47,859) £17,356,500	£221,382 £17,356,500	£492,108 £17,356,500	£763,278 £17,356,500
-2.500%	(£761,947) £17,813,250	(£496,524) £17,813,250	(£230,790) £17,813,250	£36,300 £17,813,250	£306,381 £17,813,250
0.000%	(£1,208,830) £18,270,000	(£944,353) £18,270,000	(£678,930) £18,270,000	(£413,507) £18,270,000	(£147,053) £18,270,000
+2.500%	(£1,655,033) £18,726,750	(£1,390,799) £18,726,750	(£1,126,565) £18,726,750	(£861,336) £18,726,750	(£595,913) £18,726,750
+5.000%	(£2,100,303) £19,183,500	(£1,837,001) £19,183,500	(£1,572,767) £19,183,500	(£1,308,534) £19,183,500	(£1,043,742) £19,183,500

Sensitivity Analysis : Assumptions for Calculation**Construction: Rate /ft²**

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
New Build	1	£130.00	2.00 Up & Down
Conversion & NB	1	£186.68	2.00 Up & Down

Sales: Rate /ft²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
New Build	1	£269.79	2.00 Up & Down
Conversion & NB	1	£247.35	2.00 Up & Down

2402 Silverhill Farm v2

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Detached NB & Conversion	4	7,641	247.35	472,500	1,890,000

NET REALISATION **1,890,000**

OUTLAY

ACQUISITION COSTS

Residualised Price (Negative land)	(281,507)
	(281,507)

CONSTRUCTION COSTS

Construction

	ft²	Build Rate ft²	Cost	
Detached NB & Conversion	7,641	186.68	1,426,422	1,426,422
Contingency		3.00%	48,757	48,757

Other Construction Costs

Abnormal Development Works	176,134
Part L Building Regs	22,662
	198,796

PROFESSIONAL FEES

Professional Fees	7.00%	113,765	113,765
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MARKETING & LETTING

Marketing	3.00%	56,700	56,700
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DISPOSAL FEES

Sales Legal Fee	4 un	750.00 /un	3,000	3,000
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TOTAL COSTS BEFORE FINANCE **1,565,933**

FINANCE

Debit Rate 8.500%, Credit Rate 0.000% (Nominal)	
Construction	21,907
Other	18,660
Total Finance Cost	40,567

TOTAL COSTS **1,606,500**

PROFIT

283,500

Performance Measures

Profit on Cost%	17.65%
Profit on GDV%	15.00%
Profit on NDV%	15.00%
IRR% (without Interest)	102.53%
Profit Erosion (finance rate 8.500)	1 yr 11 mths



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