

Land South of Cown Top Lane, Rochdale
Viability Assessment - Executive Summary
January 2025



RogerHannah

I. Executive Summary

Site	The site is located in Castleton, a suburb of Rochdale, Greater Manchester. It is situated c.1.8 miles to the south west of Rochdale town centre and approximately 10 miles to the north east of Manchester city centre. The site comprises an irregularly shaped greenfield site extending to approximately 47 acres (19.02 ha). It is accessed via Cowm Top Lane to the north and Trows Lane to the south.																												
Scheme	The proposed development comprises 445 no. residential dwellings. The proposed development totals 481,118 sq ft. An updated appraisal has been provided on the basis of a 100% market sale housing scheme.																												
Applicant	Barratt Homes																												
GDV	100% market housing: £135,174,953 (£280 per sq ft) with reference to comparable sales evidence and the proposed house types.																												
Standard Build Costs	£68,411,392 inclusive of 3% contingency.																												
Abnormal Costs	A total abnormal cost of £20,608,840 has been adopted. This comprises of the following breakdown: <table> <tr> <th>Abnormal Cost Item</th><th>£</th></tr> <tr> <td>Off site works</td><td>£1,917,341</td></tr> <tr> <td>Cut & Fill</td><td>£3,723,198</td></tr> <tr> <td>Additional Road costs</td><td>£1,008,284</td></tr> <tr> <td>Open Space & Play Equipment</td><td>£1,100,189</td></tr> <tr> <td>Foul Sewers</td><td>£545,574</td></tr> <tr> <td>Surface Water Attenuation</td><td>£650,989</td></tr> <tr> <td>Abnormal Foundations</td><td>£3,132,730</td></tr> <tr> <td>Retaining Walls</td><td>£2,479,468</td></tr> <tr> <td>Service Diversion & Substation</td><td>£967,750</td></tr> <tr> <td>External Abnormals & Future Homes</td><td>£3,895,804</td></tr> <tr> <td>Garages</td><td>£913,000</td></tr> <tr> <td>Abnormal Cost Inflation</td><td>£274,513</td></tr> <tr> <td>Total</td><td>£20,608,840</td></tr> </table>	Abnormal Cost Item	£	Off site works	£1,917,341	Cut & Fill	£3,723,198	Additional Road costs	£1,008,284	Open Space & Play Equipment	£1,100,189	Foul Sewers	£545,574	Surface Water Attenuation	£650,989	Abnormal Foundations	£3,132,730	Retaining Walls	£2,479,468	Service Diversion & Substation	£967,750	External Abnormals & Future Homes	£3,895,804	Garages	£913,000	Abnormal Cost Inflation	£274,513	Total	£20,608,840
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Profit	18.5% on GDV																												

Other Costs	Other standard costs have been applied in respect of professional fees, finance, and sales and agent’s fees.									
Benchmark Land Value	A benchmark land value of £4,409,000 has been adopted. This reflects an existing use value of £470,000, and a minimum premium of £3,939,000.									
Appraisal Results	<table><tr><td></td><td>Appraisal 1– Nil Affordable and S106 Contributions</td></tr><tr><td>Benchmark Land Value</td><td>£4,409,000</td></tr><tr><td>Residual Land Value</td><td>£7,620,000</td></tr><tr><td>Surplus / Deficit</td><td>£3,211,000</td></tr></table>			Appraisal 1– Nil Affordable and S106 Contributions	Benchmark Land Value	£4,409,000	Residual Land Value	£7,620,000	Surplus / Deficit	£3,211,000
	Appraisal 1– Nil Affordable and S106 Contributions									
Benchmark Land Value	£4,409,000									
Residual Land Value	£7,620,000									
Surplus / Deficit	£3,211,000									
Conclusion	The appraisal produces a residual land value of £7,620,000 which is above the assessed benchmark land value of £4,409,000 for the site. The scheme therefore produces a surplus of £3,211,000 that is available for S.106 contributions.									
Important Note	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. The contents of this report may be subject to change should additional or more detailed information about the scheme, costs and values be made available to us.									

Appendix I – Financial Appraisal



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APPRAISAL SUMMARY**ARGUS SOFTWARE**

Trows Farm, Rochdale
100% Market Sale

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
	445	481,118	280.96	303,764	135,174,953

NET REALISATION **135,174,953**

OUTLAY**ACQUISITION COSTS**

Residualised Price			7,620,703		
				7,620,703	
Stamp Duty			370,535		
Effective Stamp Duty Rate		4.86%			
Agent Fee			75,000		
Legal Fee			50,000		
				495,535	

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost		
	481,118	136.82	65,826,565		
Contingency		3.00%	2,584,827		
				68,411,392	

Other Construction Costs

Off Site Works			1,917,341		
Cut & Fill			3,723,198		
Additional Road Costs			1,008,284		
Open Space & Play Equipment			1,100,189		
Foul Sewers			545,574		
Surface Water Attenuation			650,989		
Abnormal Foundations			3,132,730		
Retaining Walls			2,479,468		
Service Diversion & Substation			967,750		
External Abnormals & Future Homes			3,895,804		
Garages			913,000		
Abnormal cost inflation			274,513		
				20,608,840	

PROFESSIONAL FEES

Professional Fees		7.00%	5,986,568		
				5,986,568	

MARKETING & LETTING

Marketing		1.50%	2,027,624		
				2,027,624	

DISPOSAL FEES

Sales Agent Fee		1.50%	2,027,624		
Sales Legal Fee	445 un	650.00 /un	289,250		
				2,316,874	

TOTAL COSTS BEFORE FINANCE **107,467,537**

FINANCE

Debit Rate 8.000%, Credit Rate 0.000% (Nominal)					
Land			185,658		
Construction			2,514,392		
Total Finance Cost				2,700,050	

TOTAL COSTS **110,167,587**

Trows Farm, Rochdale

100% Market Sale

PROFIT

25,007,366

Performance Measures

Profit on Cost% 22.70%

Profit on GDV% 18.50%

Profit on NDV% 18.50%

IRR% (without Interest) 20.28%

Profit Erosion (finance rate 8.000) 2 yrs 7 mths