

Financial Viability Assessment Review



Hinckley & Bosworth
Borough Council

Cadent, Brick Kiln Street,
Hinckley,
Leicestershire,
LE10 0NA

Hinckley and Bosworth Borough Council

REF: 24/00610/OUT

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October 2025

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Contents

Non-technical Summary

Report

1	Introduction	4
	RICS Practice Statement	5
	Objectivity, Impartiality and Reasonableness	5
	Confirmation of Instructions	5
	Conflicts of Interest	5
	Transparency of Information	6
	Information Relied Upon	6
	Engagement	6
2	Scheme Details	7
	Location	7
	Proposed Scheme	7
	Proposed Accommodation Schedule	8
3	Planning Policy Requirements	10
	NPPF (2025)	10
	PPG Viability (2024)	10
	Local Planning Policy Review	13
	Planning History	14
4	Residential Market Review	16
	Applicant's Approach to Residential GDV	16
	AspinallVerdi Residential Market Review	17
	New-Build Achieved Values	19
	New-build Asking Prices	22
	Private Housing Considerations	24
	Affordable Housing Considerations	24
	Residential Conclusion	26
5	Cost and Value Analysis	28
	Costs	28
	Profit	35
	Cost and Value Summary	36
6	Benchmark Land Value	37
	Applicant's Assessment of Benchmark Land Value	38
	AVL Assessment of BLV	38
7	Conclusions	43
	Applicant's Results	43
	AspinallVerdi's Assessment	43
	Sensitivity Analysis	44

Tables & Figures

Table 1.1 - Summary of Appraisal Inputs	2
Table 1.1 - AVL Appraisal - 20% AH and Full S106	3

Figure 2.1 - Location Map	7
Figure 2.2 - Illustrative Site Plan	8
Table 2.1 – Proposed Accommodation Schedule	9
Figure 3.1 – HBBC Affordable Housing Policy	14
Table 3.1 - Planning History	14
Table 4.1 – Applicant's Adopted GDV	16
Table 4.2 - Land Registry Average House Prices	18
Table 4.3 – New-Build Achieved Transactions: Hollycroft Grange, Bloor Homes	19
Table 4.4 - New build Achieved Transactions: Daisy's View, Persimmon Homes	20
Table 4.5 - New Build Achieved Transactions: Blackcap Close, Vistry	21
Table 4.6 - New-Build Living Listing Prices	23
Table 4.7 - AspinallVerdi Private Housing GDV Assumptions Summary	24
Table 4.8 - Applicant's Adopted Affordable GDV	24
Table 4.9 - AH Transfer Value Assumptions	25
Table 4.10 - AspinallVerdi Affordable Housing GDV Assumptions Summary	26
Table 4.11 - AVL Adopted GDV Breakdown	27
Table 4.12 - AspinallVerdi GDV Assumptions Summary	27
Figure 5.1 - Applicant's Abnormal Cost Schedule	29
Table 5.1 - SDLT Banding	30
Table 5.2 - The Applicant's adopted S106	32
Table 5.3 - Adopted S106 Contributions	33
Table 5.4 - Appraisal Input Summary	36
Table 7.1 - AVL Appraisal - 20% AH and Full S106	43
Table 7.2 - Sensitivity Analysis: Land Cost based on 20% AH and full S106	44

Appendices

Appendix 1 – AVL Terms of Business

Appendix 2 – AVL Development Appraisals

Non-technical Summary

- ES 1 This non-technical summary is to be read in conjunction with the main report, general assumptions and definitions attached hereto.
- ES 2 AspinallVerdi have been instructed by Hinckley and Bosworth Borough Council (hereafter referred to as “the Council” or ‘HBBC’) to undertake a Financial Viability Assessment (FVA) Review of the proposed development at Cadent, Brick Kiln Street, Hinckley, Leicestershire, LE10 0NA (hereafter referred to as “the site”).
- ES 3 In June 2024, Lagan Homes (hereafter referred to as ‘the Applicant’), submitted an outline planning application in respect of the subject site Cadent Brick Kiln Street, Hinckley, Leicestershire, LE10 0NA (hereafter referred to as ‘the site’), in respect of the application (REF: 24/00610/OUT) which seeks outline planning permission for the following:
- ‘Outline planning application for the provision of up to 195 dwellings including affordable housing, landscaping, drainage, and associated infrastructure (all matters reserved except for access).’*
- ES 4 The site currently comprises 14.95 acres / 6.05 hectares of brownfield land.
- ES 5 Certain S106/S278 obligations will be expected based on planning policy, including the delivery of on-site affordable housing. The purpose of this report is to provide an independent and objective assessment of the level of policy contributions that the development can viably support. Paragraph: 002 Reference ID: 10-002-20190509 of the PPG (2019, updated 2024) states that:
- ‘Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable...’*
- ES 6 The Applicant has submitted a Financial Viability Assessment undertaken by Fisher German (hereafter referred to as ‘the Applicant’) in August 2025. The Applicant has undertaken several appraisals, testing different scenarios including differing levels of S106 and affordable housing.
- ES 7 Whilst the Applicant has included a target Benchmark Land Value (BLV) within their assessment of £7,475,000 this is not a fixed land value within our appraisal and therefore the appraisal has been undertaken on a residual basis. This is where the BLV is deducted from the residual and the outcome will either be a viability deficit or surplus.

ES 8 The Applicant concludes that when testing a scenario which includes the full S106 and 20% affordable housing, generates a residual land value of £6,409,644 which then produces a viability deficit of -£1,065,336 once the BLV of £7,475,000 is deducted.

ES 9 For the purposes of this FVA, we have reviewed the report provided by the Applicant and undertaken our own appraisals. Where we agree with the Applicant's position, we have assumed their cost and value inputs. Where we disagree, we have adopted our own assumptions and set out in detail the reasons for these variations in our report. Table 1.1 summarises the inputs adopted in comparison to the Applicant's assumptions.

Table 1.1 - Summary of Appraisal Inputs

Item	Applicant	AspinalVerdi	Difference
Values			
Total Adopted GDV	£51,176,500	£55,626,611	+£4,450,111
Private Sales GDV / psf	£297.53 psf	£ 333.37 psf	+£35.84 psf
Affordable GDV / psf	£179 psf	£185.99 psf	+£6.99 psf
Costs			
Base Construction Cost	£24,522,750	£24,414,750	-£108,000
Construction Cost £ / psf	£135 psf	£135 psf	-
Externals	0%	10%	+10%
Contingency	5%	5%	-
Abnormals	£3,737,500	£3,488,000	-£249,500
S106	£3,068,838	£2,653,992	-£414,846
Professional Fees	8.0% of base build	8.0% of base build	-
Acquisition Fees	0.50% Legal	0.50% Legal 1.00% Sales	+1.00%
Disposal Fees	£767,648	£1,010,124	+£242,476
Finance Debit Rate	7.5%	7.5%	-
Developer's Profit	20% on private GDV 10% on affordable GDV	20% on private GDV 6% on affordable GDV Blended Profit allowance of 18.39%	-
Benchmark Land Value	£7,475,000	£3,588,000	-£3,887,000

Source: Fisher German and AspinalVerdi, 2025.

ES 10 We have calculated the financial viability using ARGUS Developer model. We have taken into account our views / analysis on residential values, BLV, construction and other costs and the values on completion.

Conclusions & Recommendations

Scenario A: 20% Affordable Housing and Full S106

- ES 11 We have tested the scheme's viability using ARGUS Developer. Please refer to Appendix 2 for a copy of our development appraisals.
- ES 12 We have tested a 20% affordable housing scheme which includes a S106 contribution of £2,653,992. The outcome of this appraisal is outlined below:

Table 1.1 - AVL Appraisal - 20% AH and Full S106

Description	Value
Residual	£7,352,805
Deficit / Surplus	£3,764,805

Source, AVL, 2025.

- ES 13 This appraisal demonstrates that the scheme generates, with some favourable adjustments to costs and values, a surplus of £3,764,805 against the target BLV of £3,588,000 and can therefore viably support S106 contribution of £2,653,992 and the 20% affordable housing sought on site.
- ES 14 We trust that our report is in a format suitable for your purposes and that it provides all the relevant information. Should you have any questions or queries in respect of the scheme or the contents of this report, please do not hesitate to contact Megan Jones or Parm Dosanjh.

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For the Attention of Sullivan Archer, Senior Planning Officer

Dear Sullivan,

1 Introduction

- 1.1 We refer to your instructions enclosed in an email dated 16th July 2025, requesting a Financial Viability Assessment (FVA) Review in respect of the planning application submitted in June 2024 (REF: 24/00610/OUT) for the site which seeks outline planning permission for the following:

'Outline planning application for the provision of up to 195 dwellings including affordable housing, landscaping, drainage, and associated infrastructure (all matters reserved except for access).'

- 1.2 The site currently comprises 14.95 acres / 6.05 hectares of brownfield land. The proposed development is for 195no. units.

- 1.3 Certain S106/S278 obligations will be expected based on planning policy, including the delivery of on-site affordable housing. The purpose of this report is to provide an independent and objective assessment of the level of policy contributions that the development can viably support. Paragraph: 002 Reference ID: 10-002-20190509 of the PPG (2019, updated 2024) states that:

'Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable...'

- 1.4 The Applicant has submitted a Financial Viability Assessment undertaken by Fisher German (hereafter referred to as 'the Applicant') in August 2025. The Applicant has undertaken several appraisals, testing different scenarios including differing levels of S106 and affordable housing.
- 1.5 Whilst the Applicant has included a target Benchmark Land Value (BLV) within their assessment of £7,475,000 this is not a fixed land value within our appraisal and therefore the appraisal has been undertaken on a residual basis. This is where the BLV is deducted from the residual and the outcome will either be a viability deficit or surplus.

- 1.6 The Applicant concludes that when testing a scenario which includes the full S106 and 20% affordable housing, generates a residual land value of £6,409,644 which then produces a viability deficit of -£1,065,336 once the BLV of £7,475,000 is deducted.
- 1.7 The Applicant concludes that the scheme is therefore unable to viably deliver the full S106 contributions and the 20% affordable housing sought by the Council.
- 1.8 The Applicant has undertaken some scenario-based analysis and determines that the scheme becomes viable when appraised on the basis of 15% affordable housing and a 20% reduction in S106 contributions.

RICS Practice Statement

- 1.9 Our FVA is carried out in accordance with the following:
- National Planning Policy Framework (NPPF, updated February 2025)
 - Planning Practice Guidance (PPG, updated December 2024)
 - RICS Financial Viability in Planning: Conduct and Reporting, Professional Standard (September 2019)
 - RICS Assessing viability in planning under the National Planning Policy Framework 2019 for England (March 2021).

Objectivity, Impartiality and Reasonableness

- 1.10 We have carried out our review in collaboration with the Council (as Local Planning Authority (LPA)) and the Applicant/Landowner. At all times we have acted with objectivity, impartially and without interference when carrying out our viability assessment and review.

Confirmation of Instructions

- 1.11 We attach in Appendix 1 our terms of business. We confirm that in preparing this report, no performance-related or contingent fees have been agreed.
- 1.12 We have not been instructed to inspect the site.

Conflicts of Interest

- 1.13 We would like to note that we are currently advising Hinckley and Bosworth Borough Council on their whole plan viability study however we confirm that we have no conflict of interest in providing this advice and we have acted independently and impartially.

Transparency of Information

- 1.14 Transparency and fairness are key to the effective operation of the planning process. The presumption is that this viability assessment will be published in full, except where this may compromise the delivery of the proposed application scheme or infringe other statutory and regulatory requirements. In this instance, we have not agreed on any exceptions with the LPA.

Information Relied Upon

- 1.15 For the purposes of our appraisals, we have relied on the following information:
- Financial Viability Assessment Report (August 2025) by Fisher German
 - Documents under REF: 24/00610/OUT on HBBC Planning Portal
 - Correspondence and clarifications from HBBC and Fisher German
- 1.16 All the above information is logged electronically and can be provided should you require.

Engagement

- 1.17 At all stages of the viability process, we have advocated reasonable, transparent and appropriate engagement between the parties.

2 Scheme Details

2.1 This section sets out our understanding of the proposed scheme.

Location

2.2 The site is located in Hinckley, a market town in south-west Leicestershire. The site is circa 5.5 miles east of Nuneaton and circa 10 miles north-east of Bedworth Town Centre.

2.3 The site can be accessed from Brick Kiln Street or Trinity Vicarage Road. The surrounding area consists of predominantly commercial and residential dwellings.

2.4 The macro location and site plan are shown below:

Figure 2.1 - Location Map

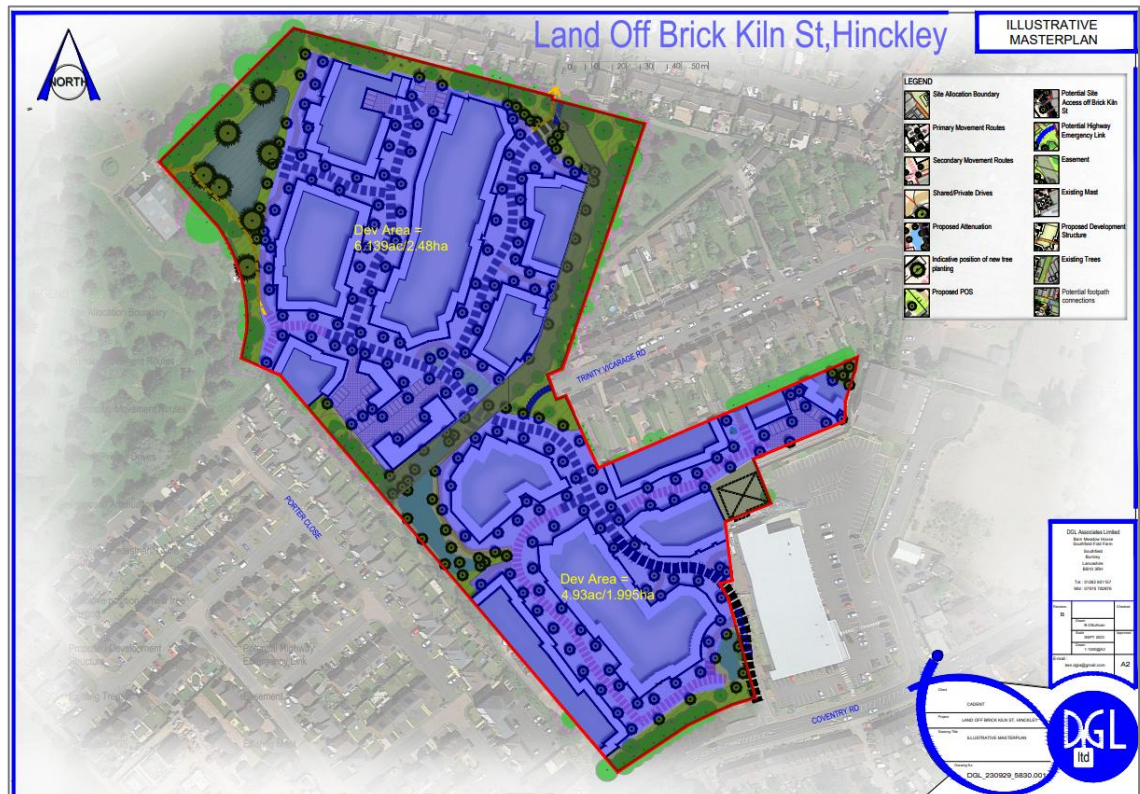


Source: Google MyMaps and Fisher German, 2025.

Proposed Scheme

2.5 The proposed scheme consists of 195no. dwellings (Use Class C3). The illustrative masterplan as per the document under REF: 24/00610/OUT is shown below:

Figure 2.2 - Illustrative Site Plan



Source: DGL Associates, 2024. (Illustrative purposes only, not to scale)

Proposed Accommodation Schedule

- 2.6 The Applicant has provided an indicative accommodation schedule for the proposed development for the purposes of testing the viability. They state that the accommodation schedule has not been confirmed and whilst based on the Leicester and Leicestershire Housing and Economic Needs Assessment, an average unit size per property type has been ascribed.
- 2.7 We have been instructed to review whether the Applicant's assumptions are appropriate, it is for the Council to determine whether the unit mix or sizes align with local policy. We reserve the right to amend our appraisals should new information be provided regarding the scheme unit mix.
- 2.8 The scheme unit mix we have appraised is based on the Applicant's assumptions of an indicative mix at 80% of private units and 20% affordable housing, as agreed with the Council.
- 2.9 As part of our Gross Development Value (GDV) research, we have undertaken a sense-check to confirm whether the following assumptions are reasonable. We summarise the proposed accommodation schedule below:

Table 2.1 – Proposed Accommodation Schedule

Type	No of Units	Sqft per unit	Total Sqft
Private 1-bed	4	450	1,800
Private 2-bed	52	800	41,600
Private 3-bed	73	950	69,350
Private 4-bed	27	1,350	36,450
Affordable Rent 1-bed	6	450	2,700
Affordable Rent 2-bed	5	800	4,000
Affordable Rent 3-bed	5	800	4,000
Affordable Rent 4-bed	6	800	4,800
First Homes 2-bed	5	950	4,750
First Homes 3-bed	4	950	3,800
Shared Ownership 2-bed	6	950	5,700
Shared Ownership 3-bed	2	1,350	2,700
TOTAL	195		181,650

Source: Fisher German, 2025

3 Planning Policy Requirements

- 3.1 We examine the planning policies and guidance relevant to our assessment in this section.

NPPF (2025)

- 3.2 The National Planning Policy Framework was updated on the 12th December 2024. The NPPF sets out the Government's planning policies for England and is a material consideration in planning decisions. Below, we set out the sections of particular importance to this assessment.
- 3.3 Paragraphs 56 – 59 deal with planning conditions and obligations under the revised National Planning Policy Framework. Paragraph 59 states that, where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the Applicant to justify the need for a viability assessment at the application stage, further strengthening the weight given to the viability testing at the plan-making stage.
- 3.4 Furthermore, 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 if there have been any changes in site circumstances since the plan was brought into force.
- 3.5 Paragraph 66 of the NPPF requires that, where major development involving the provision of housing is proposed, planning policies and decisions should expect that the mix of affordable housing required meets identified local needs, across Social Rent, other affordable housing for rent and affordable home ownership tenures

PPG Viability (2024)

- 3.6 In December 2024, the Ministry of Housing, Communities and Local Government updated the Planning Practice Guidance (PPG) on viability, setting out key principles for viability in plan making and decision taking. It is anticipated that there will be further changes to the PPG in 2025 to align with the updated NPPF.
- 3.7 Where a viability assessment is submitted to accompany a planning application, this should be based upon and refer back to the viability assessment that informed the plan, and Applicants should provide evidence of what has changed since then. ¹

¹ Paragraph: 007 Reference ID: 10-007-20190509, Revision date: 09 05 2019

- 3.8 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.² A decision-maker can also give appropriate weight to emerging policies.³

Standard Inputs to Viability

- 3.9 Paragraph 010 of the PPG describes the principles for carrying out a viability assessment, stating:

*‘viability assessment is 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’.*⁴

- 3.10 We note the principles of carrying out viability assessments, namely proportionately and transparency, are to:

*‘strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure the maximum benefits in the public interest through the granting of planning permission’.*⁵

- 3.11 It is not a balance that the landowner’s aspirational land value and the developer’s profit is protected at the expense of affordable housing.

- 3.12 Paragraphs 011 and 012 define how the gross development value and costs should be defined for the purposes of viability assessments.

Benchmark Land Value

- 3.13 The PPG defines the benchmark land value (BLV) for any viability assessment as the existing use value (EUV) of the land, plus a premium for the landowner.⁶ The BLV should reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees.⁷

- 3.14 In establishing benchmark land values, Paragraph 014 states:

*‘market evidence can also be used as a **cross-check** of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners’.*

*‘this evidence should be based on developments which are **fully compliant with emerging or up to date plan policies**, including affordable housing requirements at the*

² Paragraph: 008 Reference ID: 10-008-20190509, Revision date: 09 05 2019

³ Paragraph: 007 Reference ID: 10-007-20190509, Revision date: 09 05 2019

⁴ Paragraph: 010 Reference ID: 10-010-20180724, Revision date: 24 07 2018

⁵ Paragraph: 010 Reference ID: 10-010-20180724, Revision date: 24 07 2018

⁶ Paragraph: 013 Reference ID: 10-013-20190509, Revision date: 09 05 2019

⁷ Paragraph: 014 Reference ID: 10-014-20190509, Revision date: 09 05 2019

*relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time’.*⁸

- 3.15 Paragraph 014 also reiterates that in no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan. Local Authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement).⁹

- 3.16 Paragraph 015 defines EUV as follows:

*‘[...] 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’.*¹⁰

- 3.17 Paragraph 016 defines the premium to the landowner:

*‘The premium (or the ‘plus’ in EUV+) [...] is the amount above existing use value (EUV) that goes to the landowner. The premium should provide a **reasonable incentive** for a land owner to bring forward land for development while allowing a **sufficient contribution to fully comply with policy requirements**’.*¹¹

Developers Return / Profit

- 3.18 The PPG also defines developer's return / profit for the purposes of viability assessment at the plan-making stage. The key points are:

- The cost of fully complying with policy requirements should be accounted for in the benchmark land value.
- For the purpose of plan making, an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers for private units and 6% of GDV may be considered a suitable return to developers for affordable units.
- Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development.
- A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk.
- Alternative figures may also be appropriate for different development types.¹²

⁸ Paragraph: 014 Reference ID: 10-014-20190509, Revision date: 09 05 2019

⁹ Paragraph: 014 Reference ID: 10-014-20190509, Revision date: 09 05 2019

¹⁰ Paragraph: 015 Reference ID: 10-015-20190509, Revision date: 09 05 2019

¹¹ Paragraph: 016 Reference ID: 10-016-20190509, Revision date: 09 05 2019

¹² Paragraph: 018 Reference ID: 10-018-20190509, Revision date: 09 05 2019

- 3.19 There is no specific profit guidance at the decision-taking stage but we have considered the principles above in our assessment.

Local Planning Policy Review

- 3.20 We note that Hinckley and Bosworth Borough Council are currently working on a new Local Plan which will set out land allocations and planning policies for the period 2024 to 2045.
- 3.21 We have considered the following when undertaking our planning review:
- Hinckley and Bosworth Borough Council's Core Strategy, adopted December 2009
 - Hinckley and Bosworth Borough Council's Affordable Housing SPD, adopted February 2011
 - Site Allocations and Development Management Policies DPD, adopted July 2016
 - Hinckley and Bosworth Draft Local Plan 2020 – 2039, June 2021 (Consultation draft plan Regulation 18)
- 3.22 Hinckley and Bosworth Borough Council do not currently have a CIL Charging Schedule. Should CIL be introduced, we advise that all appraisals are amended accordingly to reflect CIL costs.
- 3.23 We note that some of the above documents relate to the borough's Local Plan 2006-2026, and therefore may be considered out of date. Ultimately, the weight of draft policies versus adopted policies is up to the decision-maker. Below, we summarise the local planning policies which are relevant to the viability of the proposed scheme.

Hinckley and Bosworth Core Strategy, adopted December 2009

- 3.24 The Core Strategy sets out the site threshold for affordable housing across rural areas in the Hinckley and Bosworth borough. For this particular location 'urban', the threshold is sites of either 15 dwellings or more, or sites larger than 0.5 ha.
- 3.25 Additionally, the affordable housing requirement for urban areas (Hinckley) is an on-site target of 20%.

Site Allocations and Development Management Policies DPD, adopted July 2016

- 3.26 The housing requirement for each settlement set out in the Core Strategy lists Hinckley with 1,120 no. dwellings (minimum) for a housing requirement.
- 3.27 This document also sets out, under policy DM19, (REF: HIN124), that the National Grid, Brick Kiln Street, is designated as an employment site.

Hinckley and Bosworth Local Plan 2020-2039, Consultation Draft Plan Regulation 18, June 2021

- 3.28 Draft policy HO06 Self-build and Custom Housing states that 'sites providing 50 or more dwellings must include the provision of 5% of plots for self-build and custom housing as part of an appropriate mix of dwellings. All plots for self-build and custom housing must be fully serviced. We have not made any allowances for the provision of self-build plots, as it is for the Council to decide whether the proposed development meets their identified housing need.

Figure 3.1 – HBBC Affordable Housing Policy

- 3.29 Draft policy HO09 Affordable Housing outlines the following affordable housing on site target.

Location	Size	Affordable Housing on Site Target
Urban (Hinckley, Barwell, Earl Shilton and Burbage excluding Sustainable Urban Extensions)	10 dwellings or more, or 0.5 ha or more	20% (to be confirmed)
Sustainable Urban extensions - Barwell - Earl Shilton	10 dwellings or more, or 0.5 ha or more	20% (to be confirmed)
Rural areas (all sites not in the above categories)	10 dwellings or more, or 0.5 ha or more	40% (to be confirmed)

Source: HBBC Local Plan 2020-2039, Consultation Draft Plan Reg 18, 2021.

- 3.30 Based on the thresholds set out, the proposed scheme would be subject to an on-site affordable provision is at 20% which amounts to 39no. dwellings.

Planning History

Table 3.1 - Planning History

- 3.31 We have reviewed the planning history for the proposal site on Hinckley and Bosworth Borough Council's website. Below we summarise the planning history of the site.

Planning REF:	Description	Date Received	Decision
24/00610/OUT	Outline planning application for the provision of up to 195 dwellings including affordable housing, landscaping, drainage, and associated infrastructure (All matters reserved except for access).	19/6/2024	Current application – awaiting decision.

24/00310/CONDIT	Variation of condition 1 of permission 14/00312/CONDIT to allow another 3 years operation.	2/4/2024	Permitted
21/01284/DGDO	Prior notification for the demolition of blocks 2-4.	19/10/2021	Prior approval not required
19/00349/CONDIT	Variation of condition 1 of permission 14/00312/CONDIT to allow another 5 years operation to continue with the current programme of works.	25/3/2019	Permitted

Source: Hinckley and Bosworth Borough Council, 2025

4 Residential Market Review

- 4.1 We set out below our analysis of the residential property market in the areas surrounding the proposal site.

Applicant's Approach to Residential GDV

- 4.2 The Applicant has assessed the residential GDV for the proposed 195no. unit scheme based on achieved net sales for the 1,2,3, and 4-bed homes in the surrounding area to establish an average £ per sqft. The Applicant's total GDV equates to £51,176,500 (Avg. £281 psf) when looking at the appraisal which includes both private GDV and 20% affordable housing GDV.
- 4.3 A breakdown of the Applicant's adopted GDV is summarised below, we note the Applicant has not specified the type of property i.e., detached, semi-detached or terraced, though we have made assumptions based on their report that the properties will be houses and not apartments.

Table 4.1 – Applicant's Adopted GDV

Type	Sales Value £	Sales Value £psf	Avg. Size sqft	No. of Units	% of overall Units
Private 1-bed	£130,000	£288.88	450	4	2.05%
Private 2-bed	£265,000	£331.25	800	52	26.6%
Private 3-bed	£295,000	£310	950	73	37.4%
Private 4-bed	£350,000	£260	1,350	27	13.8%
Affordable Rent 1-bed	£58,000	£128	450	6	3.07%
Affordable Rent 2-bed	£185,500	£231.87	800	6	3.07%
Affordable Rent 3-bed	£206,500	£217.36	950	6	3.07%
Affordable Rent 4-bed	£157,500	£116.66	1,350	2	1.02%
First Homes 2-bed	£185,500	£231.87	800	5	2.56%
First Homes 3-bed	£206,500	£217.36	950	5	2.56%

Shared Ownership 2-bed	£119,250	£149.06	800	5	2.56%
Shared Ownership 3-bed	£132,750	£139.73	950	4	2.05%

Source: Fisher German, 2025

- 4.4 In terms of affordable housing breakdown, the Applicant has applied values at 55% of open market value (OMV) for affordable rent units and 30% OMV for shared ownership / first home units.

AspinallVerdi Residential Market Review

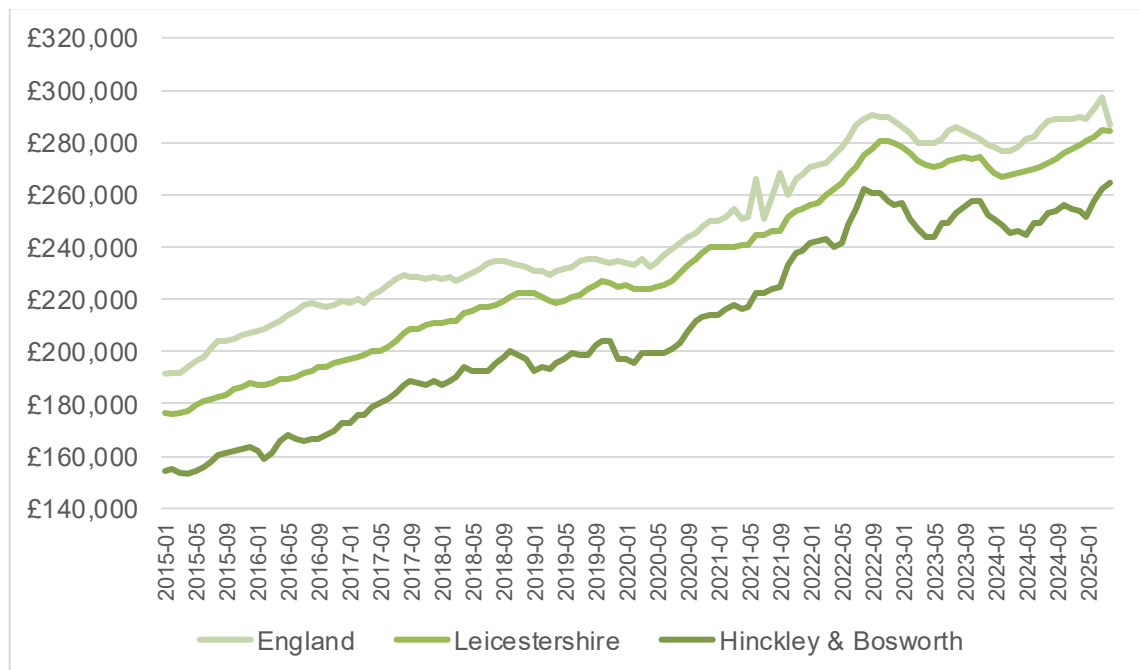
- 4.5 We have undertaken our own analysis of comparable evidence from completed transactions and supplemented this by reviewing the listing prices for new-build units currently advertised for sale. This ensures our value assumptions are informed by recent market activity and are reasonable within the context of the proposed development; the site and location and general market sentiment.

National & Regional Context

- 4.6 RICS regularly publish a UK Residential Market Survey, providing an overall opinion of the direction that the residential market is taking, along with commentary from surveyors across the regions. The survey is a good early indicator of any house price movement, which is later reflected through other indices.
- 4.7 The July 2025 publication was the latest available at the time of writing this report and included the following summary:
- Buyer demand and agreed sales measures fall back into negative territory
 - House prices edge lower at the national level
 - Sales activity now expected to remain flat in the near-term
- 4.8 Overall, the housing market shows signs of softening. Both buyer demand and agreed sales have returned to negative territory, while short-term expectations suggest a flat outlook. New buyer enquiries registered a net balance of -6%, down from +4% in June. In terms of agreed sales, this declined to -16% from -4% the previous month.
- 4.9 New listings are marginally higher at +9%, and market appraisals remain subdued at +4%, the least positive reading since December 2024, indicating a flat pipeline ahead.

- 4.10 House prices fell to -13%, worsening from -7% in June. A slight further decline is expected over the next three months. In terms of the lettings market, tenant demand eased to +4%, down from +14% in the prior quarter. Landlord instructions declined to -31%, the weakest level since April 2020. As a result of supply constraints, rents are expected to rise.
- 4.11 The July 2025 Halifax House Price Index summarises that house prices increased by +0.4% in July, the highest since the start of the year; the average property price is now £298,237 compared to £297,157 in June. The annual rate of growth has declined from +2.7% in June to +2.4% in July.
- 4.12 The figure below shows the average housing prices (all property types) in England, Leicestershire and Hinckley & Bosworth over the past 10 years. Between January 2015 and April 2025, average prices in Hinckley & Bosworth have increased by 71%, compared to 61% in Leicestershire and 50% in England. Prices across all three geographies followed a broadly upward trajectory from 2015 to late 2022, with growth accelerating sharply from mid-2020 onwards due to factors such as the post-pandemic housing market boom and the stamp duty holiday. However, since late 2022, growth has stabilised, with some modest declines in 2023 due to interest rate rises and dampened buyer demand. Despite this, values have remained well above pre-pandemic levels.
- 4.13 As of April 2025, the average property price in Hinckley & Bosworth was £264,550, which is approximately 7% lower than the Leicestershire average (£284,235) and around 8% lower than the national average for England (£286,327).

Table 4.2 - Land Registry Average House Prices



Source: Land Registry, 2025.

New-Build Achieved Values

- 4.14 We have focussed our analysis on new-build transactions that have completed in Hinckley within the past 2 years from the Land Registry. Our search has identified three developments; details of comparable transactions are summarised below, note that where unit type and size has not been disclosed, the address has been cross-checked via the EPC database to ascertain floor areas and we have used these to make assumptions based on the Nationally Described space Standards (NDSS) to determine number of beds.

Table 4.3 – New-Build Achieved Transactions: Hollycroft Grange, Bloor Homes

Address	Unit Type	Date Sold	Size (sqft)	Price £	£ / psf
2 Rook Close	4-bed detached	8/9/23	1259	£400,000	£318
4 Rook Close	2-bed terrace	25/8/23	850	£275,000	£323
5 Rook Close	5-bed detached	29/9/23	1313	£400,000	£305
6 Rook Close	2-bed terrace	31/8/23	667	£230,000	£345
7 Rook Close	3-bed detached	25/8/23	1109	£360,000	£325
8 Rook Close	2-bed terrace	29/9/23	667	£225,000	£337
9 Rook Close	3-bed detached	2/2/24	1109	£360,000	£325
11 Rook Close	4-bed detached	23/11/23	1313	£392,000	£299
12 Rook Close	2-bed semi	27/6/24	850	£268,000	£315
15 Rook Close	5-bed detached	31/1/24	1410	£385,000	£273
16 Rook Close	3-bed semi	28/3/24	1109	£313,000	£282
17 Rook Close	3-bed terrace	30/4/24	1109	£315,000	£284
18 Rook Close	3-bed semi	23/8/24	1109	£330,000	£298
21 Rook Close	3-bed terrace	12/4/24	1109	£317,405	£286
35 Partridge Close	4-bed detached	19/2/24	1410	£400,000	£284
10 Partridge Close	4-bed detached	28/6/24	1410	£380,000	£269
24 Partridge Close	4-bed detached	26/4/24	1313	£400,000	£305
26 Partridge Close	3-bed detached	15/12/23	904	£315,000	£348
5 Jackdaw Close	2-bed terrace	28/3/24	667	£230,000	£345
7 Jackdaw Close	2-bed terrace	28/3/24	667	£225,000	£337
9 Jackdaw Close	2-bed terrace	28/6/24	850	£268,850	£316
11 Jackdaw Close	2-bed semi	31/7/24	850	£268,850	£316
15 Jackdaw Close	2-bed semi	31/5/24	850	£283,000	£333
17 Jackdaw Close	3-bed detached	26/6/24	1109	£365,000	£329
2 Skylark Road	3-bed detached	7/5/24	926	£315,000	£340
3 Skylark Road	2-bed semi	28/6/24	850	£269,425	£317
4 Skylark Road	3-bed semi	28/6/24	1066	£275,500	£259
5 Skylark Road	2-bed semi	29/2/24	850	£278,000	£327

6 Skylark Road	3-bed semi	26/7/24	1066	£282,000	£265
8 Skylark Road	3-bed semi	24/11/23	1259	£300,000	£282
1 Fieldfare Road	3-bed semi	19/12/23	1055	£290,000	£275
2 Fieldfare Road	3-bed detached	29/9/23	926	£305,000	£329
3 Fieldfare Road	3-bed semi	19/3/24	1055	£290,000	£275
5 Fieldfare Road	3-bed detached	31/8/23	1044	£335,000	£321
7 Fieldfare Road	1-bed semi	31/8/23	624	£230,000	£368
9 Fieldfare Road	1-bed semi	28/7/23	624	£230,000	£368
12 Fieldfare Road	3-bed detached	17/11/23	1044	£335,000	£321
16 Fieldfare Road	3-bed semi	1/9/23	1055	£287,500	£273
18 Fieldfare Road	2-bed detached	20/12/23	926	£301,250	£325
20 Fieldfare Road	3-bed detached	23/2/24	1044	£330,800	£317
1 Waxwing Close	2-bed detached	7/10/24	926	£297,700	£322
3 Waxwing Close	2-bed semi	27/9/24	743	£198,750	£268
6 Waxwing Close	2-bed semi	28/3/24	743	£198,750	£268
7 Waxwing Close	3-bed semi	30/8/24	1055	£292,000	£277
9 Waxwing Close	3-bed semi	8/11/24	1055	£300,000	£284
10 Waxwing Close	2-bed semi	21/8/24	743	£198,750	£268
11 Waxwing Close	2-bed semi	21/8/24	743	£256,500	£345
15 Waxwing Close	2-bed semi	28/6/24	743	£266,300	£359
Average			979	£299,361	£309

Source: Land Registry, 2025.

- 4.15 Recent sales data for the Hollycroft Grange development shows an average of £309 psf across all the unit types, which is higher than the average adopted for private GDV by the Applicant at £297.78 psf.
- 4.16 We detail below recent sales transactions from Daisy's View, Burbage, a development by Persimmon Homes:

Table 4.4 - New build Achieved Transactions: Daisy's View, Persimmon Homes

Address	Unit Type	Date Sold	Size (sqft)	Price £	£ / psf
1 Burgess Close	4-bed semi	27/9/24	1184	£342,995	£290
2 Burgess Close	4-bed semi	30/8/24	1184	£299,995	£253
5 Burgess Close	3-bed detached	27/9/24	947	£334,995	£354
6 Burgess Close	4-bed semi	28/6/24	1184	£324,995	£274
7 Burgess Close	2-bed semi	24/6/24	743	£274,995	£370

8 Burgess Close	4-bed semi	28/6/24	1184	£334,995	£283
9 Burgess Close	2-bed semi	31/5/24	743	£274,995	£348
12 Burgess Close	3-bed detached	27/9/24	947	£329,995	£372
14 Burgess Close	1-bed semi	31/5/24	624	£232,495	£346
17 Burgess Close	4-bed detached	31/7/24	1195	£412,995	£339
18 Burgess Close	3-bed detached	28/6/24	980	£332,495	£257
23 Burgess Close	3-bed semi	27/9/24	904	£231,996	£257
25 Burgess Close	3-bed semi	27/9/24	904	£231,996	£399
31 Burgess Close	1-bed semi	25/10/24	624	£248,995	£348
Average			953	£300,585	£322

Source: Land Registry, 2025

- 4.17 The transactions at Burgess Close achieved an average of £322 psf, again slightly higher than those proposed by the Applicant.
- 4.18 We detail below recent sales transactions from Blackcap Close, Hinckley a development by Vistry:

Table 4.5 - New Build Achieved Transactions: Blackcap Close, Vistry

Address	Unit Type	Date Sold	Size (sqft)	Price £	£ / psf
1 Blackcap Close	3-bed detached	27/10/23	926	£305,000	£329
7 Blackcap Close	2-bed semi	26/6/24	743	£260,000	£350
9 Blackcap Close	2-bed semi	26/1/24	743	£259,700	£350
11 Blackcap Close	3-bed semi	15/12/23	1055	£287,000	£272
15 Blackcap Close	3-bed semi	15/12/23	1055	£290,000	£275
Average			904	£280,340	£315

Source: Land Registry, 2025

- 4.19 We note that this development may not be truly reflective or comparable to the proposed development as mostly 2-bed and 3-bed semi-detached units have recently transacted. We would assume a wider market mix of units are available on site which incorporate different types of units.
- 4.20 We consider the details of the scheme below:

Hollycroft Grange is a large scale, multi-phased new-build scheme by Bloor Homes, which is projected to deliver c. 850no. 2, 3 and 4-bed homes. The scheme will also deliver a convenience store and a primary school. The scheme is situated c. 9-miles south of the proposal site in Hinckley and residents benefit from various open green spaces and, as well as a number of on-site children's play areas.



This scheme is of a similar large scale to the proposed scheme. Whilst we do note that this scheme is located further away from the proposal site than both Martinshaw Meadow and Harwood Close, Hollycroft Grange remains within the local authority boundary of Hinckley & Bosworth.

Daisy's View is a **Persimmon Homes** development between Burbage and Hinckley circa 0.9 miles south of the proposed development site. The development comprises 2,3 and 4-bedroom homes.



Blackcap Close Development by Vistry Group offers 475no. homes and includes both private and affordable housing (AH comprising 30% of the unit mix) delivered by Vistry's group including Bovis Homes, Linden Homes and Countryside Homes. The development is located c. 1.9 miles north of the proposed development site.



- 4.21 We are of the opinion that of the achieved transactions analysed, the values are generally higher than those adopted by the Applicant for their private sales GDV assumptions. We note that unit sizes for the proposed scheme are also slightly larger than those recently sold within the area.
- 4.22 We are of the opinion that the scheme at Hollycroft Grange by Bloor Homes is the most comparable to the proposed development on the basis of locality and type. Though we note the lack of 1-bed homes on this site, we deem it comparable on the basis that the private 1-beds proposed by the Applicant only account for 2.05% of the overall units proposed on site.

New-build Asking Prices

- 4.23 To gain an understanding of what else is being delivered in the market, we have also reviewed available new-build listing data. Whilst we acknowledge that asking prices are often aspirational

and may not reflect the value of the property achieved, we consider it useful to consider what is being delivered in the nearby area and whether those marketed are comparable with those proposed.

- 4.24 We have reviewed the asking prices for new-build homes currently listed for sale within the immediate surrounding area. This provides an insight into the type and volume of units that are expected to be delivered in the coming months. Our search identified 18no. listings from 2no. schemes in Hinckley. Below we provide a summary of those properties listed for sale:

Table 4.6 - New-Build Living Listing Prices

Scheme	Type	Size sqft	Asking Price (£)	£ psf
Daisy View	2-bed semi-detached	502	£244,995	£488
	3-bed detached	728	£324,995	£446
	4-bed detached	817	£389,000	£476
	4-bed detached	817	£389,995	£477
	3-bed detached	728	£324,995	£446
Hollycroft Grange	3-bed semi-detached	583	£272,995	£468
	3-bed semi-detached	583	£274,995	£472
	3-bed semi-detached	561	£284,995	£508
	3-bed semi-detached	610	£285,000	£467
	3-bed semi-detached	561	£289,995	£517
	4-bed detached	798	£374,995	£470
	4-bed detached	798	£374,995	£470
	4-bed detached	844	£395,000	£468
	4-bed detached	823	£399,995	£486
	4-bed detached	959	£400,000	£417
	4-bed detached	914	£410,000	£449
	4-bed detached	914	£413,000	£452
	4-bed detached	1041	£430,000	£413

Source: Rightmove, accessed August 2025.

- 4.25 The properties listed above show a range of unit types and values listed. Whilst we note that the units shown to be listed at Hollycroft Grange are the larger unit types and not representative of the unit mix over the entire scheme, we consider the development to be the most comparable to the proposed development. In terms of location, the site is situated 1.4 miles north of the site. The development offers a range of 2, 3, 4-bed homes which we believe is similar to that proposed

by the Applicant, in keeping with the scale and type of development in the surrounding area. We also note that these larger unit sizes are more reflective of those proposed at the subject site.

- 4.26 We would like to reiterate that often, asking prices are more aspirational and, on that basis, we place more weight on achieved transactions rather than those currently advertised for sale.

Private Housing Considerations

- 4.27 Below we summarise our assumptions relating to the private sale GDV.

Table 4.7 - AspinallVerdi Private Housing GDV Assumptions Summary

Type	Total Units	Total sqft	£ / psf	Unit £	Total GDV
Private 1-bed	4	1,800	£370	£166,500	£666,000
Private 2-bed	52	41,600	£350	£280,000	£14,560,000
Private 3-bed	73	69,350	£340	£323,000	£23,579,000
Private 4-bed	27	36,450	£300	£405,000	£10,935,000
Total	156	149,200			£49,740,000

Source: AspinallVerdi, 2025

Affordable Housing Considerations

- 4.28 The Applicant has included affordable values at 55% of market value (OMV), for affordable rent units and 30% OMV for shared ownership / first home units. The Applicant has not provided any evidence as to why they have adopted these transfer values. Across all affordable housing values, the average sales value adopted was £156,438 (£179 psf) and the average unit size is 881 sqft.
- 4.29 The Applicant's total GDV for affordable housing totals £5,891,500. A breakdown of the Applicant's adopted Affordable Housing GDV is summarised below:

Table 4.8 - Applicant's Adopted Affordable GDV

Type	No of Units	Total Sqft	Sqft / unit	Unit £	£ psf	Gross Sales
Affordable Rent 1-bed	6	2700	450	£58,500	130.00	£351,000
Affordable Rent 2-bed	5	4000	800	£185,500	231.88	£927,500

Affordable Rent 3-bed	5	4000	800	£185,500	231.88	£927,500
Affordable Rent 4-bed	6	4800	800	£119,250	149.06	£715,500
First Homes 2-bed	5	4750	950	£206,500	217.37	£1,032,500
First Homes 3-bed	4	3800	950	£206,500	217.37	£826,000
Shared Ownership 2-bed	6	5700	950	£132,750	139.74	£796,500
Shared Ownership 3-bed	2	2700	1350	£157,500	116.67	£315,000
TOTAL	195	181,650				£5,891,500

Source: Fisher German, 2025

- 4.30 It is the role of the decision-maker to determine whether the proposed unit sizes are acceptable. However, we would note that the Applicant has adopted the same unit size at 800 sqft for the affordable rented units for all 2,3 and 4-bed dwellings. We would typically expect smaller unit sizes for 2-bed homes. For the purposes of our viability testing, we have adopted the same unit sizes as the Applicant.
- 4.31 We have then looked to establish whether the transfer value of 55% OMV for affordable rent units and the 30% OMV for shared ownership units adopted by the Applicant is appropriate.
- 4.32 In our review, we have relied upon the affordable housing transfer values identified in the Hinckley and Bosworth Borough Local Plan Viability Assessment (2024) which determined the following affordable housing transfer values for the purposes of the viability assessment (note this is a high-level assumption on the bases we do not have unit numbers, we reserve the right to amend or update our assessment should further information become available):

Table 4.9 - AH Transfer Value Assumptions

Tenure	Tenure Mix	AH Value (% of MV)
First Homes	25%	70%
Social Rent	56%	65%
Affordable Ownership	19%	65%

Source: HBBC, January 2024

- 4.33 We have liaised with HBBC and understand their requested mix of affordable housing differs from the mix tested by the Applicant. On this basis, we have excluded the provision of First Homes from our appraisal and review. We have tested the following housing mix as requested by HBBC:
- Social (Affordable) Rent (77%) – 30no. dwellings
- Shared Ownership (23%) – 9no. dwellings
- 4.34 We have also undertaken an exercise using our bespoke affordable housing calculator to determine where the whole plan viability assessment assumptions are appropriate.
- 4.35 Our calculations have shown the following transfer values:
- Social (Affordable) Rent @ 53% OMV
 - Shared Ownership @ 59% OMV
- 4.36 We note that the transfer values for affordable rented units are lower than that adopted by the Applicant at 55% OMV. However, we have found that the transfer values for shared ownership units to be significantly higher than those adopted by the Applicant, who adopted 30% OMV for both shared ownership and first homes units. On this basis, we have adopted the transfer values for the properties identified above.
- 4.37 Below we summarise our affordable housing GDV assumptions, across the two tenures (Social / Affordable Rent and Shared Ownership).

Table 4.10 - AspinallVerdi Affordable Housing GDV Assumptions Summary

Type	% OMV	Total Units	Total sqft	Avg. £ / psf	Total GDV
Social (Affordable) Rent	53%	30	21,900	£202.55	£4,435,814
Shared Ownership	59%	9	9,750	£148.80	£1,450,797
Total		39	31,650		£5,886,611

Source: AspinallVerdi, 2025

- 4.38 Our total adopted affordable housing GDV amounts to £5,886,611 which is a decrease in total value by £4,889. We are of the opinion that the difference in values is largely due to discrepancies in mix tested, in that the Applicant's assessment includes First Homes and our appraisal excludes this provision as agreed with HBBC.

Residential Conclusion

- 4.39 Having reviewed both recent sales transactions and asking prices, we are of the opinion that the scheme could produce a higher value in terms of a price per sqft basis. In terms of private sales,

we have adopted an average of £333.38 psf, which is higher than the Applicant's adopted values by £29.86 psf. This has been based on the most recent sales data available and consideration to other schemes within the area. See our adopted breakdown below:

Table 4.11 - AVL Adopted GDV Breakdown

Type	No. Units	Sqft / unit	Total sqft	£ / unit	£ psf	Gross Sales
Priv 1-bed	4	450	1,800	£166,500	£370.00	£666,000
Priv 2-bed	52	800	41,600	£280,000	£350.00	£14,560,000
Priv 3-bed	73	950	69,350	£323,000	£340.00	£23,579,000
Priv 4-bed	27	1,350	36,450	£405,000	£300.00	£10,935,000
AR 1-bed	6	450	2,700	£107,701	£239.34	£646,206
AR 2-bed	10	800	8,000	£129,645	£162.04	£1,296,450
AR 3-bed	8	800	6,400	£154,579	£193.22	£1,236,632
AR 4-bed	6	800	4,800	£209,421	£261.78	£1,256,526
SO 2-bed	6	950	5,700	£146,999	£154.74	£881,994
SO 3-bed	3	1,350	4,050	£189,601	£140.45	£568,803
TOTAL	195					£55,626,611

Source: AspinallVerdi, 2025

- 4.40 Overall, this results in a total GDV (both private and affordable) that is higher than that adopted by the Applicant by +£4,450,111 (£24.61 psf). We consider the sales values below to be appropriate based on our analysis of the evidence.

Table 4.12 - AspinallVerdi GDV Assumptions Summary

Type	Total Units	Avg. unit size (sqft)	Total sqft	Avg. £/psf	Total GDV
Private Sales	156	887.5	149,200	£333.28	£49,740,000
Affordable Units	39	811	31,650	£185.99	£5,886,611
Total	195		180,850		£55,626,611

Source: AspinallVerdi, 2025.

5 Cost and Value Analysis

- 5.1 This section provides an assessment of the costs and values adopted by the Applicant for the proposed scheme. As advocated in the PPG, we have also considered the Hinckley and Bosworth Local Plan Viability Assessment which supports the evidence base for the emerging Local Plan, prepared by AspinallVerdi in August 2024. Whilst we note this is not currently in the public domain, we have used this as a benchmark for our assumptions as well as drawn on industry-standard benchmarks, published guidance, and our experience from similar schemes to evaluate the assumptions made by the Applicant. Where our assessment has identified differences in approach or opinion, we have provided supporting evidence to justify any revised inputs.

Costs

Construction Costs

- 5.2 The Applicant has not provided a cost review, and has relied upon BCIS (Build Cost Information Service) to inform the base build costs. They have adopted a mid-point BCIS rate between the Lower Quartile and the Median for Estate Housing Generally rebased to Hinckley and Bosworth. The Applicant has adopted a rate of £135 psf to align with the median BCIS figure.
- 5.3 As part of our independent review of the Applicant's costs, we have also used BCIS. We have used the estate housing 'generally' across the Hinckley and Bosworth borough. We are therefore of the opinion that the rate adopted by the Applicant is appropriate and have therefore adopted the same within our appraisals.
- 5.4 We recommend the Council asks the Applicant to seek more accurate costs provided by a Quantity Surveyor.

Contingency

- 5.5 The Applicant has included a contingency assumption of 5% and states that this is due to a lower externals allowance adopted. We agree that this is reasonable and is the same as the contingency levels adopted in the borough's whole plan viability assessment, and have therefore included the same within our appraisals.

Externals

- 5.6 The Applicant's appraisal does not include an allowance for externals.
- 5.7 We have included an allowance of 10% of the base build costs which we consider to be a reasonable allowance for externals.

Abnormals

- 5.8 We sought clarification from the Applicant over the abnormal costs adopted as it was unclear what had been adopted. The Applicant has since provided an abnormal cost schedule which they have stated is based on the outline remediation strategy and indicative prices. We note that there are two options outlined and associated costs:

Option 1 – lower end estimate based on 4,500 m³, with combination of on-site treatment with S/S, off-site treatment at soil treatment facility and off-site disposal of hazardous soils. Assumes non-hazardous soils not sent to landfill.

Option 2 – higher end ~ 5,000m³ – combination of off-site treatment and disposal.

- 5.9 See below the Applicant's abnormal cost schedule:

Figure 5.1 - Applicant's Abnormal Cost Schedule

High level remediation cost range based on the Outline Remediation Strategy and indicative prices						
Option 1 - Combination of insitu treatment and offsite treatment/disposal						
Option 2 - Offsite treatment/disposal						
	Units	Unit cost (£)	Option 1		Option 2	
			Number	Cost (£)	Number	Cost (£)
Total soil excavation volume	m ³		4500		5000	
Breakout and processing of hard material	m ³	19	500	9,500	500	9,500
Excavation and handling of soft materials	m ³	9	4000	36,000	4500	40,500
Dewatering/Tankering offsite of groundwater to enable excavation	m ³	150	750	112,500	750	112,500
Pre-treatment of presumed/known NAPL contaminated soils	m ³	30	750	22,500	750	22,500
On-site treatment - S&S (inc. mobilisation)	m ³	150	2000	310,000	0	10,000
Off-site disposal of waste materials:						
Volume of Non-hazardous	m ³	60	0	0	1000	60,000
Volume of Hazardous	m ³	120	1500	180,000	2000	240,000
Transport (Haz & Non-haz)	Loads	400	170	68000	332	132,800
Landfill tax	tonnes	103	3000	309,000	6000	622,200
Off-site treatment of materials						
Volume to offsite treatment	m ³	90	1000	90,000	2000	180,000
Transport (offsite treatment centre)	Loads	800	110	88,000	225	180000
Import of fill material	m ³	35	2500	87,500	5000	175,000
Backfill and reinstatement	m ³	10	4500	45,000	5000	50,000
Groundwater - In-situ treatment (Provisional sum)				1,000,000		1,000,000
Design, tender, management and supervision				130,000		130,000
Further assessment, preliminaries, verification and post works monitoring				1,000,000		1,000,000
				£ 3,488,000		£ 3,965,000

Source: Fisher German, 2025

- 5.10 In the Applicant's policy compliant appraisal, they have included an abnormal cost of £3,737,000 which is not reflective of either of the total costs outlined above. They have not provided any further information as to why they have adopted this.
- 5.11 On this basis, we have adopted the lower end Option 1 of the two costs adopted, which totals an abnormal cost of £3,488,000.

- 5.12 We would like to note that we would typically expect to see a detailed cost plan for abnormal costs, which can then be independently assessed by a Quantity Surveyor. We have raised this with the Council who are aware of the indicative nature of these costs at this stage.

Professional Fees

- 5.13 The Applicant's appraisal includes professional fees at 8%. We agree that this is reasonable and have therefore included the same within our appraisal.

Acquisition Costs

- 5.14 The Applicant has adopted the following acquisition costs:
- Legal: 0.50%
- 5.15 We agree with the Applicant's allowance for legal fees and have therefore adopted the same within our appraisal.
- 5.16 We note that the Applicant has not included any sales acquisition costs, we consider 1.0% to be appropriate and have adopted the allowance within our appraisal.

Land Acquisition

- 5.17 The Applicant has included an allowance for stamp duty within their appraisals and we have also applied an allowance for SDLT in our appraisals. We have based our SDLT on the bandings shown below:

Table 5.1 - SDLT Banding

Property or lease premium or transfer value	SDLT rate
Up to £150,000	Zero
The next £100,000 (the portion from £150,001 to £250,000)	2%
The remaining amount (the portion above £250,000)	5%

Source: HMRC, 2025.

- 5.18 Given the nature of the residual appraisal, where the residual land value is shown to be a negative, SDLT is not shown in our appraisals.

Disposal Costs

- 5.19 The Applicant has assumed disposal costs of the following:
- Sales Agent: 1.0%
 - Sales Legal: 0.50%

- 5.20 This totals £767,648 in the Applicant's appraisal. The Applicant has not made any allowance for marketing costs.
- 5.21 We agree that the assumed disposal costs are appropriate for the private sales units and have therefore adopted the same within our appraisal.
- 5.22 For the affordable element of the scheme, we consider that due to the scale of the scheme, we would assume that a Registered Provider would take the units and therefore there will be no need for a sales agency fee for the affordable units which would be sold for affordable rent, on the basis we would expect them to be transferred to the RP upon completion of construction. We have therefore removed this cost.
- 5.23 In terms of legal fees for the affordable units, we have included an allowance for 0.50%.
- 5.24 We have included a marketing / agent fee of 1.5% for the shared ownership units only in this respect.
- 5.25 We have therefore adopted a total of £1,010,124 for disposal costs, an uplift from the Applicant's position as we do not feel that the allowance adopted would have previously covered all marketing, agent and disposal costs necessary for a scheme of this scale.

Finance Costs

- 5.26 The Applicant has assumed a finance rate of 7.5%. We agree that this is reasonable and have therefore adopted the same within our appraisals.

Phasing

- 5.27 The Applicant's viability report does not state whether the scheme will be delivered over several phases or not. They have outlined the following timescales applied within their appraisals:
- Pre-construction: 3-Months
 - Construction: 65-Months
 - Sales: 65-Months (starts 12-Months after construction starts)
- 5.28 The Applicant has not provided any further commentary on how the project will be delivered within either the narrative within the report or the financial appraisal. We note that in the Applicant's appraisals there is reference to merged phases 1 and 2.
- 5.29 We have therefore made assumptions on the project timescales and have brought forward the sales period to 6-months after construction starts, rather than 12-months. We have also made the assumption that the affordable housing will be delivered on a Golden Brick basis as this is consistent with our experience of other schemes.

S106 Contributions

- 5.30 The Applicant has included differing S106 contributions in different appraisals. The Applicant has provided the following breakdown of costs:

Table 5.2 - The Applicant's adopted S106

Item	£
Early Years Education (Sketchley Hill Primary School)	£65,604
Healthcare (NHS England)	£151,008
Libraries (Hinckley Library)	£5,889
On-site Public Open Space Contributions	£127,715
On-site Public Open Space Maintenance	£269,412
Off-site Outdoor Sports Contributions	£67,766
Off-site Outdoor Sports Maintenance	£32,198
Primary Education (Sketchley Hill Primary School)	£1,703,826
Public Realm Improvements	£31,000
Post-16 Education (The Hinckley School)	£124,369
Secondary Education (The Hinckley School)	£582,132
SEND Education	£110,074
Waste (Barwell Household Waste and Recycling Centre)	£9,658
Off-site Public Open Space Maintenance	£166,904
Off-Site Public Open Space Provision	£241,929
Monitoring Fee	£8,370
Site Inspection Fee	£657
Approval of Documents	£327
Total	£3,068,838

Source: Fisher German, 2025

- 5.31 The Applicant also states that they have assumed 3x site inspections and 1x approval of documents.
- 5.32 We have liaised with the Council to confirm S106 contributions sought, see the breakdown below:

Table 5.3 - Adopted S106 Contributions

Item	Description / Comments	Cost
Bus Passes	Cost provided by HBBC. 2x per dwelling for 6 months at £510 each.	£198,900
Early Years Education	Cost provided by HBBC.	£65,604.34
Libraries	Cost provided by HBBC.	£5,888.55
On-site POS Provision	Cost provided by HBBC.	£330,741.45
Off-site POS Provision	Cost provided by HBBC.	£55,622.19
Off-site POS Maintenance	Cost provided by HBBC – Maintenance for 10 years. S106 officer has advised that this is required prior to development being 50% occupied.	£28,399.80
Primary Education	Cost provided by HBBC.	£1,073,826
Post-16 Education	Cost provided by HBBC.	£124,369.25
Public Realm Improvements	Cost provided by HBBC.	£31,000
Secondary Education	Cost provided by HBBC.	£582,131.94
SEND Education	Cost provided by HBBC.	£110,074.44
Travel Packs	£52.85 per pack. Assumed 1x pack per dwelling. Cost provided by HBBC.	£10,305.75
Waste	Cost provided by HBBC.	£9,658.35
Sub-total		£2,626,522.06
Monitoring Fees	For developments of 151 to 250 dwellings, a cost of £558 per obligation. We make this to be 12x (excluding affordable housing as an obligation).	£6,696

Site Inspection Fee	£219 per visit. We have liaised with HBBC who have clarified that 1x site visit should be sufficient.	£219
Approval of Documents	£327 per document. We, alike the Applicant, are assuming 1x document.	£327
County Council's Monitoring Fees	£300.00 or 0.5% depending upon which is the greatest for each planning obligation. Again, we have assumed this for the obligations only (12x excluding Affordable Housing) and not double counted the Borough Council's monitoring fees. Below we provide a breakdown of the monitoring fee costs associated: Bus passes - £994.50 Early Years Education - £328.02 Libraries - £300 On-site POS provision - £1,653.70 Off-site POS provision - £300 Off-site POS Maintenance - £300 Primary Education - £5,369.13 Post-16 Education - £621.84 Public Realm Improvements - £300 Secondary Education - £2,905.65 SEND Education - £550.37 Travel Packs - £300 Waste - £300	£14,223.21
STARS (Sustainable Travel Accreditation and Recognition Scheme)	Additional monitoring fee for Leicestershire County Council. As stated in Local Highways Authority response provided by HBBC.	£6,000
Monitoring Fees Sub-Total		£27,465.21

Grand Total £2,653,987.27

Source: HBBC Costs, 2025

- 5.33 We have included £2,653,987.27 within our appraisals. (Note due to rounding discrepancies within Argus Developer, this is shown to be £2,653,992).

Profit

Private

- 5.34 The Applicant has made an allowance for private developer profit at 20% on GDV. This falls within, albeit the upper range, the profit allowance as per the viability PPG which states 15-20% as well as the consistency with the WPV. Given the brownfield nature of the site we have therefore agreed this is reasonable and have adopted the same within our appraisal.

Affordable

- 5.35 The Applicant has made an allowance for affordable profit at 10% of the affordable housing GDV. This is higher than what we would typically expect, we have therefore adopted a reduced amount of 6% which is the typical allowance made for affordable elements in viability testing.

Blended Profit Rate

- 5.36 For the purposes of our appraisal, we have adopted a blended profit rate of the above which is 18.39% (on GDV), within the profit allowance range as per the PPG viability.

Cost and Value Summary

5.37 Table 5.4 sets out the key areas of difference between the Applicant's assumptions and our own.

Table 5.4 - Appraisal Input Summary

Item	Applicant	AspinallVerdi	Difference
Values			
Total Adopted GDV	£51,176,500	£55,626,611	+£4,450,111
Private Sales GDV / psf	£297.53 psf	£ 333.37 psf	+£35.84 psf
Affordable GDV /psf	£179 psf	£185.99 psf	+£6.99 psf
Costs			
Base Construction Cost*	£24,522,750	£24,414,750	-£108,000
Construction Cost £ / psf	£135 psf	£135 psf	-
Externals	0%	10%	+10%
Contingency	5%	5%	-
Abnormals	£3,737,500	£3,488,000	-£249,500
S106	£3,068,838	£2,653,992	-£414,846
Professional Fees	8.0% of base build	8.0% of base build	-
Acquisition Fees	0.50% Legal	0.50% Legal 1.00% Sales	+1.00%
Disposal Fees	£767,648	£1,010,124	+£242,476
Finance Debit Rate	7.5%	7.5%	-
Developer's Profit	20% on private GDV 10% on affordable GDV	20% on private GDV 6% on affordable GDV Blended Profit allowance of 18.39%	-
Benchmark Land Value	£7,475,000	£3,588,000	-£3,887,000

Source: Fisher German & AVL, 2025.

*Differs due to difference in unit mix adopted for affordable housing where there are discrepancies in unit sizes.

6 Benchmark Land Value

6.1 We set out below our comments in respect of land value.

6.2 Paragraph 59 of the NPPF states that:

‘All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance.’¹³

6.3 The Benchmark Land Value (BLV, also referred to as the threshold land value) is promoted in the Planning Practice Guidance as the preferred method of defining land value. The PPG does not provide an explicit definition of land value but states in Paragraph 013, Reference ID: 10-013-20190509 that:

‘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. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called ‘existing use value plus’ (EUV+).’

6.4 In regards to the factors which should be considered in establishing a BLV, Paragraph 014, Reference ID: 10-014-20190509 states:

‘Benchmark land value should:

- *‘Be based upon **existing use value**.’*
- *‘Allow for a **premium to landowners** (including equity resulting from those building their own homes).’*
- *‘Reflect the **implications of abnormal costs**; site-specific infrastructure costs; and professional site fees.’ (our emphasis).’*

6.5 The PPG also states that Alternative Use Values (AUVs) may be informative in establishing Benchmark Land Values for viability assessments. Paragraph 017 sets out the suggested criteria which can be used in support of AUVs:

‘Plan makers can set out in which circumstances alternative uses can be used. This might include if there is evidence that the alternative use would fully comply with up-to-

¹³ MHCLG, 2019. *National Planning Policy Framework*. (p. 16)

date development plan policies, if it can be demonstrated that the alternative use could be implemented on the site in question, if it can be demonstrated there is market demand for that use, and if there is an explanation as to why the alternative use has not been pursued.'

- 6.6 We note that the recent RICS 2021 Guidance Note¹⁴ states that viability assessments should report an AUV where it exists. However, in the case of the proposed scheme, there is no extant permission that could constitute an AUV. As such we have adopted an EUV + approach as previously stated.

Applicant's Assessment of Benchmark Land Value

- 6.7 The Applicant has calculated their BLV using the EUV+ methodology, in line with Planning Practice Guidance. Their report identifies the site as a designated employment site.
- 6.8 The Applicant has provided evidence of commercial land values with planning consent for use Classes B1/B2/B8 and commercial land values without planning consent. The Applicant has identified commercial land values for sites with planning consent as between £800,000 to £1,200,000 per acre and those without planning consent ranging from £200,000 to £665,000 per acre. They have based their assessment upon employment land existing use value.
- 6.9 The Applicant has assumed a rate of £500,000 per gross acre. The Applicant states that it is their view that applying a premium to the EUV is not justified on this occasion given that the EUV reflects the site's value as a commercial site.
- 6.10 On this basis, the Applicant has arrived at a BLV of £7,475,000.

AVL Assessment of BLV

- 6.11 We have undertaken our own search to consider whether the Applicant's assessment of the BLV is appropriate.
- 6.12 The Applicant has undertaken their assessment on the basis of employment land sites to establish their BLV. Whilst the site is currently designated as a commercial employment site under Policy DM19: Existing Employment sites, we do not consider that this is an appropriate assessment given the evidence put forward by the Applicant in support of their application for residential development.
- 6.13 The Applicant has included in their Planning Statement statements what we consider discounts any merit that the Applicant has placed on the site being an attractive Employment Land site, including:

¹⁴ Assessing Viability in Planning Under the NPPF 2019 for England (March 2021)

'The regulation 19 version of the Local Plan recognises that evidence from the Employment Land and Premises Study 2020 indicates the borough has a sufficient supply of employment land to meet needs up to 2036.'

'The latest Employment Land Availability Monitoring Statement (April 2021) also shows that the strategic need within the borough has already been met.'

*'...the **site is considered to be generally unsuitable for new commercial development...there is a weak demand for new office space in Hinckley generally**, with new office development now primarily viable in larger population centres or in regional transport hubs. Given the impacts of the pandemic on future office requirement trends, it is considered unlikely that there will be an increase in office demand. If anything, the weak demand as seen historically in Hinckley is likely to decline, rather than increase, as office employees work in greater numbers from home.'*

*'...there is **unlikely to be any demand to develop retail uses on the site**, due to the proximity of competing stores in the vicinity, not least Lidl which neighbours the site.'*

*'Hinckley, like much of the Midlands, does **have high demand for storage and distribution uses**, however as concluded in the Commercial Property Demand Report, **the site would not be suitable due to the nature of the access, and the incompatibility of such uses adjacent to an established residential area**, both in terms of amenity and also impacts on character.'*
(our emphasis)

- 6.14 Additionally, the Planning Statement makes reference to two other criterion that apply to proposals on Category B sites including:

'II. The site/premise has been proactively marketed for employment purposes for a reasonable period of time at a reasonable market rate as supported and demonstrated through a documented formal marketing strategy and campaign, in line with the most up to date Employment Land and Premises Review'

And,

'III. There will be a significant community benefit which outweighs the impact of losing the employment site/premises'

- 6.15 On the basis of the above, we therefore consider that it is no longer appropriate to consider the site's existing use as an attractive employment land as the Applicant's Planning Statement clearly states its unsuitability and lack of market/interest. We are therefore of the opinion to disregard the comparable evidence presented by the Applicant given it relates to employment sites with planning permission. We have therefore looked to establish the existing use value on the basis of brownfield land without planning permission.

EUV

- 6.16 As mentioned above, the site currently comprises a brownfield employment site, since the demolition of the Cadent offices.
- 6.17 To determine the land value, we have had regard to the high-level assumptions adopted as part of the commission we undertook for the Hinckley and Bosworth Borough Local Plan Viability Assessment. Whilst we acknowledge this document is not yet in the public domain, we believe it is a useful benchmark to note that this assessment identifies a range of evidence for brownfield commercial / residential land where assumptions for EUV were between £240,000 to £480,000 per gross acre; the lowest being in the low value area and the highest in the higher value area. Comparable land transactions are not widely available, so we consider this useful as a benchmark for existing use values.
- 6.18 We have also reviewed the comparable land transactions provided by the Applicant and undertaken our own research to determine whether the EUV adopted by the Applicant is appropriate.
- 6.19 The Applicant has placed the most weight on the site known as Land off Wolsey Street, Coalville, Leicestershire LE67 3TU. This site sold in August 2022 and achieved £579,711 per acre. Agent discussions revealed that the site is likely to be used for employment, retail and leisure uses and notes there is no specific employment designation attached. However, we understand that the site has lapsed planning permission for a supermarket and on this basis, we are of the opinion that the site is much more appropriate for employment uses than the subject site, even with lapsed planning there may be an element of Hope Value to increase the £ per acre should the purchaser submit a new planning application. We are of the opinion that this site would achieve a higher value on a £ per acre basis than the subject property.
- 6.20 The Applicant has also included severable transactions for land with planning permission; we do not consider these to be comparable with the subject site on the basis that there is no planning permission at the site. The values achieved for sites with planning permission are likely to be inflated over a site without planning permission and incorporate an element of Hope Value.

Adopted EUV

- 6.21 In line with the above, we have applied an EUV of £240,000 per acre to the gross site area of 14.95 acres resulting in a total EUV of £3,588,000.

Premium / Multiplier

- 6.22 The Applicant has not applied a premium to their EUV, stating that *'it is not justified on this occasion given that the EUV reflects the Properties value as a commercial site'*.

- 6.23 The Hinckley and Bosworth Borough Local Plan Viability Assessment suggests a premium of 5% for brownfield land in lower value areas (e.g., Hinckley). As such, we have applied this multiplier to our adopted EUV for the land to give a BLV of £3,767,400.
- 6.24 This would be a decrease on the BLV of £7,475,000 adopted by the Applicant by £3,707,600.

Abnormal Costs

- 6.25 As discussed in Section 5, the Applicant sets out a number of abnormal costs associated with the scheme. Whilst they have not specified which of the options they have used within their appraisal, these costs are summarised as follows:

Option 1 – lower end estimate based on 4,500 m³, with combination of on-site treatment with S/S, off-site treatment at soil treatment facility and off-site disposal of hazardous soils. Assumes non-hazardous soils not sent to landfill.

Option 2 – higher end ~ 5,000m³ – combination of off-site treatment and disposal.

High level remediation cost range based on the Outline Remediation Strategy and indicative prices						
Option 1 - Combination of insitu treatment and offsite treatment/disposal						
Option 2 - Offsite treatment/disposal						
	Units	Unit cost (£)	Option 1		Option 2	
			Number	Cost (£)	Number	Cost (£)
Total soil excavation volume	m ³		4500		5000	
Breakout and processing of hard material	m ³	19	500	9,500	500	9,500
Excavation and handling of soft materials	m ³	9	4000	36,000	4500	40,500
Dewatering/Tankering offsite of groundwater to enable excavation	m ³	150	750	112,500	750	112,500
Pre-treatment of presumed/known NAPL contaminated soils	m ³	30	750	22,500	750	22,500
On-site treatment - S&S (inc. mobilisation)	m ³	150	2000	310,000	0	10,000
Off-site disposal of waste materials:						
Volume of Non-hazardous	m ³	60	0	0	1000	60,000
Volume of Hazardous	m ³	120	1500	180,000	2000	240,000
Transport (Haz & Non-haz)	Loads	400	170	68000	332	132,800
Landfill tax	tonnes	103	3000	309,000	6000	622,200
Off-site treatment of materials						
Volume to offsite treatment	m ³	90	1000	90,000	2000	180,000
Transport (offsite treatment centre)	Loads	800	110	88,000	225	180000
Import of fill material	m ³	35	2500	87,500	5000	175,000
Backfill and reinstatement	m ³	10	4500	45,000	5000	50,000
Groundwater - In-situ treatment (Provisional sum)				1,000,000		1,000,000
Design, tender, management and supervision				130,000		130,000
Further assessment, preliminaries, verification and post works monitoring				1,000,000		1,000,000
				£ 3,488,000		£ 3,965,000

Source: Fisher German, 2025

- 6.26 As mentioned in Section 5, the Applicant's policy compliant appraisal, they have included an abnormal cost of £3,737,000 which is not reflective of either of the total costs outlined above. They have not provided any further information as to why they have adopted this.

- 6.27 On this basis, we have adopted the lower end Option 1 of the two costs adopted, which totals an abnormal cost of £3,488,000.
- 6.28 In respect of abnormal costs, we refer to the Viability PPG, Paragraph 014, which sets out that:
*“Benchmark land value should: be based upon existing use value, allow for a premium to landowners (including equity resulting from those building their own homes), **reflect the implications of abnormal costs**; site-specific infrastructure costs; and professional site fees”*
- 6.29 The above is also considered within the RICS ‘Assessing Viability In Planning (AVIP)’ Professional Standard (updated March 2023) within paragraphs 4.4.6 to 4.4.8. Here it is set out that the Abnormal costs related to the development and enabling infrastructure normally impact on the development land value and not the EUV.
- 6.30 The cost allowances for abnormal earthwork costs are considered to be abnormal costs in the context of the PPG, as they are entirely specific to the site and its circumstances. Another equivalent site of a similar nature, unencumbered by abnormal ground conditions and the need to rely on third party land for earthwork costs, would not give rise to the need for these costs to be incurred. These costs total £3,488,000 (assuming Option 1 is undertaken)
- 6.31 Abnormal costs which relate to the development of a site should be deducted from the premium, as abnormal costs would affect the development potential of the land, instead of the existing use value itself, in line with Paragraph 4.4.7 of the RICS AVIP.
- 6.32 We refer back to the BLV set out previously, which comprised a total EUV of £3,588,000 and a total premium of 5% to give a total BLV of £3,707,600.
- 6.33 Deducting the abnormal costs from the premium / multiplier element of our initial BLV results in a negative value, i.e., negating the premium.
- 6.34 Therein, whilst the purpose of the premium is to incentivise a reasonable landowner to release their site for development. In this case, the abnormal works which any prospective developer would need to incur in delivering a scheme on the site deny the reasonable potential for a premium / multiplier to be added to the Existing Use Value, whilst according to the guidelines set out within the Viability PPG and associated RICS Guidance.

AVL Adopted BLV

- 6.35 Our assessment identified an initial BLV of c. £3,707,600. However, when considering the £3,488,000 of abnormal costs specific to the development of the proposal site, the premium / multiplier element of the BLV of the site is reduced to nil.
- 6.36 As such, our adopted BLV amounts to £3,588,000.

7 Conclusions

7.1 This chapter sets out both the results of the Applicant's and AspinallVerdi's viability assessments.

Applicant's Results

7.2 The Applicant's appraisal has been undertaken on a residual land value (RLV) basis. Based on the latest appraisal provided to us by the Applicant (dated 5th August 2025), where the scheme has been tested on the basis of delivering 20% affordable housing and S106 at £3,068,838. The residual outcome is £6,166,074, against the target Benchmark Land Value (BLV) of £7,475,000. This results in an overall deficit of -£1,308,926.

7.3 The Applicant concludes that the scheme is unviable with 20% affordable housing and the S106 contributions. The Applicant has undertaken further appraisals and concludes that the scheme becomes viable at 15% affordable housing and a 20% reduction on S106 costs is applied.

AspinallVerdi's Assessment

Scenario A: 20% Affordable Housing and Full S106

7.4 We have tested the scheme's viability using ARGUS Developer. Please refer to Appendix 2 for a copy of our development appraisals.

7.5 We have tested a 20% affordable housing scheme which includes a S106 contribution of £2,653,992. The outcome of this appraisal is outlined below:

Table 7.1 - AVL Appraisal - 20% AH and Full S106

Description	Value
Residual	£7,352,805
Deficit / Surplus	£3,764,805

Source, AVL, 2025.

7.6 This appraisal demonstrates that the scheme generates, with some favourable adjustments to costs and values, a surplus of £3,764,805 against the target BLV of £3,588,000 and can therefore viably support S106 contribution of £2,653,992 and the 20% affordable housing sought on site.

7.7 The outcomes of our appraisals differ from the Applicant's due to varying GDV and cost inputs as set out in Section 4 and 5 of this report.

Sensitivity Analysis

7.8 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 the level of on-site affordable housing which can be viably supported;
- understand the extent of these results, to arrive at an appropriate conclusion on the quantity of on-site affordable housing which can be provided;
- form part of an exercise to 'stand back' and apply a judgment to the outcome of a report.

7.9 This also forms part of an exercise to 'stand back' and apply a viability judgment to the outcome of a report. In this respect, we have carried out a sensitivity analysis to demonstrate the impact of variable build costs and sales values on the scheme's viability on a policy compliment scenario. The outcomes are shown in Table 7.2.

Table 7.2 - Sensitivity Analysis: Land Cost based on 20% AH and full S106

Sales Values £/psf	Construction: Rate / £ psf					
		-10.0%	-5%	0%	5%	10%
	-10%	£6,069,716	£4,718,657	£3,367,598	£2,016,538	£665,479
	-5%	£8,062,320	£6,711,260	£5,360,201	£4,009,142	£2,658,083
	0%	£10,054,923	£8,703,864	£7,352,805	£6,001,746	£4,650,686
	5%	£12,047,527	£10,696,468	£9,345,408	£7,994,349	£6,643,290
	10%	£14,040,130	£12,689,071	£11,338,012	£9,986,953	£8,635,894

Source: AVL, 2025.

7.10 The cell highlighted blue shows the base scenario (i.e., without adjustments). The profit levels have remained consistent on GDV for the scheme.

7.11 The sensitivity analysis shows that with some adjustments to the sales value and construction rate; the scheme is viable where the residual equates to or exceeds the target BLV of £3,588,000. For example, in the event that there is a 10% increase in construction costs and a decrease in sales values by the same amount, the scheme is not viable, generating a residual of £665,479 (shown red). Conversely, in the event that there is a 10.0% increase in sales values and a decrease in construction costs by the same amount, the scheme becomes more viable generating a residual land value of £14,040,130 (shown green).

Appendix 1 – AVL Terms of Business

AspinallVerdi – Property Regeneration Consultants

Standard Consultancy Terms of Appointment

Definitions

“AspinallVerdi” refers to Aspinall Verdi Limited trading as AspinallVerdi – Property Regeneration Consultants providing professional planning and surveying services for property development and regeneration.

“Client” refers to the client named in the Fee Proposal provided with these terms. In the case of sub-contract commissions, the Client is the lead contractor for these purposes.

“Fee Proposal” refers to any letter, email, proposal document, tender, Invitation To Negotiate, Invitation To Tender, bid submission etc., taken all together, containing a description of the scope of the services and professional fees.

Description of services to be provided

AspinallVerdi shall provide the services described within the Fee Proposal.

In the event of any inconsistency, the Fee Proposal will apply over these Standard Terms of Appointment.

Client’s Obligations

The Client will provide in a timely manner all necessary information reasonably required, enabling AspinallVerdi to carry out the services during the appointment.

The Client acknowledges that AspinallVerdi is entitled to rely upon the accuracy, sufficiency and consistency of any information supplied to it by the Client. AspinallVerdi accepts no liability for any inaccuracies contained in any information provided by the Client or any third party on behalf of the Client.

The Client shall ensure that they have a representative authorised to make decisions on their behalf.

Unless otherwise specifically agreed, the Client authorises AspinallVerdi to speak to or meet with any other person it may need to contact in order to provide the services during the appointment.

Changes to the scope of instructions

The Client shall notify AspinallVerdi in writing of any instruction to vary the services.

Abortive work - AspinallVerdi reserves the right to make additional charges in the event that the scope of the services is modified during the appointment, or additional information is provided by the Client requiring additional or abortive work, or any other unforeseen circumstance prevents the timely completion of the appointment.

Unforeseen delays - Where information required to carry out the services is not provided by the Client in a timely manner, or any other unforeseen circumstance prevents the timely completion of the appointment, AspinallVerdi reserves the right to issue an interim invoice based on the tasks in the Fee Proposal that have been completed and/or by reference to time incurred (in hours/days) on the Client’s behalf multiplied by the previously agreed hourly/daily rates.

Material variations - Where there are material variations to the scope of the appointment our professional fees will be based on an amended Fee Proposal or by reference to time incurred (in hours/days) on the Client’s behalf multiplied by the previously agreed hourly/daily rates.

Additional meetings / conference calls – Where the Client requires additional formal meetings or conference calls in lieu of meetings over and above those specified in the Fee Proposal, these will be charged based on the agreed hourly/daily rates.

AspinallVerdi reserves the right to amend these terms of appointment as a consequence of any variation of the services.

Conflicts of Interest

AspinallVerdi will undertake a search of other clients, properties and roles to protect its Clients against any potential conflicts of interest that may exist within the firm.

AspinallVerdi employees must not accept or carry out any instruction where there may be, or reasonably construed to be, a conflict of interest.

If such a conflict of interest arises or becomes known after the instruction has been accepted, AspinallVerdi will withdraw from any instruction unless such conflict of interest is fully disclosed in writing to all relevant parties and all such parties agree that the instruction may be accepted or continued by AspinallVerdi.

Professional Fees

All fees for work carried out by AspinallVerdi will be as agreed in the Fee Proposal.

Professional fees rates are reviewed annually on 1st October.

Disbursements

The Client will pay all incidental expenses incurred by AspinallVerdi, including without limitation: all travel expenses incurred, accommodation, subsistence, special delivery postage/carrier services, copying, Land Registry Title plans, Ordnance Survey plans, photography, advertising, professional photography, "For Sale / All Enquiries" Boards, printed brochure etc, unless otherwise agreed in the Fee Proposal.

Car mileage will be recharged at 0.55 pence per mile.

Any disbursements properly incurred but not yet processed at the time of any invoice will be invoiced separately.

Payment Terms, Interest and Recovery of Fees

The Client shall pay the agreed fees and disbursements to AspinallVerdi for the performance of the services in such instalments as are set out in the Fee Proposal.

All fees and charges including disbursements are exclusive of Value Added Tax (VAT) which if due shall be paid concurrently in addition. VAT will be charged at the prevailing rate.

Payment shall be made within 30 days of the invoice date.

AspinallVerdi reserves the right to charge interest at the rate of 5% per month or part month from the due date on any invoice which remains unpaid 30 days after the invoice date. Such interest will accrue on a daily basis.

If we find it necessary to use solicitors or other parties to recover agreed fees, costs or charges, you agree to pay any reasonable costs incurred by us in addition to internal time costs incurred in the recovery of unpaid fees.

Any disbursements incurred but not yet processed at the time of this account will be invoiced separately.

Documentation

The copyright in all documents prepared by AspinallVerdi in providing the services shall remain the property of AspinallVerdi. Subject to payment by the Client of the fees properly due to AspinallVerdi under this agreement AspinallVerdi grants to the Client an irrevocable non-exclusive royalty-free licence to copy and use the documents for any purpose related to the project. The costs of copying any documents for the Client by AspinallVerdi shall be recharged to the Client.

AspinallVerdi shall not be liable for any use of the documents for any purpose other than that for which they were prepared and provided by AspinallVerdi or for any use by a third party.

No reliance will be placed by the Client on draft reports or other work products (oral or written) provided by AspinallVerdi as these may vary significantly from any final report or work product.

Intellectual Property

The Client will keep confidential and not disclose any methodologies and/or technology utilised by AspinallVerdi in providing the services.

AspinallVerdi does not normally release digital copies of spreadsheets, valuations and/or development appraisals, although hard copies and pdf copies can be provided.

AspinallVerdi is the beneficial owner of all Intellectual Property Rights arising out of or in connection with the provision of the services to the Client.

Reporting

Unless otherwise agreed, AspinallVerdi will provide an electronic pdf version of the final report/output.

AspinallVerdi reserves the right to charge for the production of paper copies or reports. Incidental expenses for additional paper copies will be recharged together with administration time for the preparation and collation of further reports.

AspinallVerdi reserves the right to charge for the production of 'Accessible reports' where these have not been specified by the Client from the outset.

Should the Client require AspinallVerdi to present the final report, the time costs and disbursements associated with this service will be recharged, unless otherwise agreed in the Fee Proposal.

Data Protection

As a result of AspinalVerdi's relationship with the Client, AspinalVerdi will hold personal data about individuals within the Client's business. AspinalVerdi will process that information only in connection with providing the services and for the purpose of contacting them about other services AspinalVerdi may offer i.e. our mutual legitimate business interests.

Assignment

Neither the Client nor AspinalVerdi shall assign the whole or any part of this agreement without the consent of the other in writing. Such consent shall not be unreasonably withheld.

Agency Fees

Where AspinalVerdi is acting in the sale or disposal of assets, our separate Agency Terms of Appointment will apply. These will take precedence over these Consultancy Terms and Conditions.

Referral and Introductory Fees

Where AspinalVerdi refer the Client or Land and/or Property to a third party in furtherance of the Client's objectives, business plan, economic plan, Local Plan etc., AspinalVerdi reserves the right to claim a reasonable fee or commission in respect of such service, referral, introduction which will be charged to the third party.

Professional Indemnity insurance

AspinalVerdi is required to comply with the regulations of the Royal Institution of Chartered Surveyors and the Royal Town Planning Institute in respect of the maintenance of professional indemnity insurance.

The level of PI Insurance cover appropriate for the instruction being undertaken is limited to £5 million. AspinalVerdi shall on the written request of the Client provide evidence that PI insurance is in place.

AspinalVerdi's liability to the Client arising out of these terms of appointment shall be limited to the amount specified above. AspinalVerdi will not be liable for any consequential, special, indirect or exemplary damages, costs or losses or any damages, costs or losses attributable to lost profits or opportunities.

Liability of Employees

The duties and responsibilities owed to the Client are solely and exclusively those of AspinalVerdi. No employee of AspinalVerdi shall be liable to you for any loss or damage howsoever arising as a consequence of the acts or omissions of such employee (including negligent acts or omissions) save and to the extent that such loss or damage is caused by the fraud, dishonesty, wilful misconduct or unauthorised conduct on the part of such employee.

RICS Regulation

AspinalVerdi is regulated by the RICS for the provision of surveying services. This means we agree to uphold the RICS Rules of Conduct for firms and all other applicable mandatory professional practice requirements of the RICS, which can be found at www.rics.org. As an RICS regulated firm we have committed to cooperating with the RICS in ensuring compliance with its standards. The firm's nominated RICS Responsible Principal is Atam Verdi, MRICS Chairman.

Complaints

In the event that the Client has a complaint the Client shall be entitled to have access to the complaints handling procedure maintained by AspinalVerdi, copies of which are available on request from a Director.

A dispute resolution service is available should the complaint not be settled satisfactorily between the parties.

Notice

Any notice to be given under this Agreement shall be in writing and delivered by hand or sent by recorded delivery post to the party at the address showing in this Agreement or to such an address as the other party may have specified from time to time by written notice to the other.

Suspension and Termination

If the Client materially breaches its obligations under this agreement AspinalVerdi may serve on the Client a notice specifying the breach and requiring its remedy within 28 days, and if the Client thereafter fails to remedy that breach within that period AspinalVerdi may terminate this agreement by giving written notice to the Client. The Client shall pay the fees and disbursements to AspinalVerdi for work incurred prior to the termination.

The Client has the right to terminate this agreement at any time on giving reasonable notice to AspinalVerdi and AspinalVerdi has the right to terminate this agreement at any time on giving reasonable notice to the Client.

If a conflict arises during the course of AspinalVerdi's work with the Client it may not be able to continue to act for the Client. If such a conflict arises AspinalVerdi will discuss the position with the Client and agree an appropriate course of action.

Applicable Law and Jurisdiction

These Terms and any dispute or claim, including a dispute or claim of a non-contractual nature, arising under or in connection with these Terms shall be governed by and construed in accordance with the law of England and Wales.

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Appendix 2 – AVL Development Appraisals

Cadent Brick Kiln street 20% AH Full S106 Residual

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Priv 1-bed	4	1,800	370.00	166,500	666,000
Priv 2-bed	52	41,600	350.00	280,000	14,560,000
Priv 3-bed	73	69,350	340.00	323,000	23,579,000
Priv 4-bed	27	36,450	300.00	405,000	10,935,000
AR 1-bed	6	2,700	239.34	107,701	646,206
AR 2-bed	10	8,000	162.06	129,645	1,296,450
AR 3-bed	8	6,400	193.22	154,579	1,236,632
AR 4-bed	6	4,800	261.78	209,421	1,256,526
SO 2-bed	6	5,700	154.74	146,999	881,994
SO 3-bed	3	4,050	140.45	189,601	568,803
Totals	195	180,850			55,626,611

NET REALISATION

55,626,611

OUTLAY

ACQUISITION COSTS

Residualised Price		7,352,805	
			7,352,805
Stamp Duty		355,140	
Effective Stamp Duty Rate	4.83%		
Agent Fee	1%	73,528	
Legal Fee	1%	36,764	
			465,432

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Priv 1-bed	1,800	135.00	243,000
Priv 2-bed	41,600	135.00	5,616,000
Priv 3-bed	69,350	135.00	9,362,250
Priv 4-bed	36,450	135.00	4,920,750
AR 1-bed	2,700	135.00	364,500
AR 2-bed	8,000	135.00	1,080,000
AR 3-bed	6,400	135.00	864,000
AR 4-bed	4,800	135.00	648,000
SO 2-bed	5,700	135.00	769,500
SO 3-bed	4,050	135.00	546,750
Totals	180,850 ft²		24,414,750
Contingency		5%	1,220,737
Externals		10%	2,441,475
			28,076,962

Other Construction Costs

Abnormals	3,488,000
	3,488,000

Section 106 Costs

Bus Passes	198,900
Early Years Education	65,604
Libraries	5,888
Off-site POS Provision	55,622
Off-site POS Maintenance	28,399
Primary Education	1,073,836
Post16 Education	124,369
Public Realm Improvements	31,000
Secondary Education	582,131
SEND Education	110,074
Travel Packs	10,305
Waste	9,658
Monitoring Fees	6,696
Site Inspection Fees	219
Approval of Documents	327
County Council Monitoring Fees	14,223
On-site POS Provision	330,741
STARS	6,000
	2,653,992

PROFESSIONAL FEES

Professional Fees	8%	1,953,180
		1,953,180

MARKETING & LETTING

Marketing	1%	201,420
		201,420

DISPOSAL FEES

Sales Agent Fees	1%	497,400
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Cadent Brick Kiln street 20% AH Full S106 Residual

Agent/ Marketing - Shared Ownership	2%	21,762	
Sales Legal Fee	1%	278,133	
			797,295

TOTAL COSTS BEFORE FINANCE	44,989,087
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FINANCE			
Debit Rate 7.500%, Credit Rate 0.000% (Nominal)			
Land		397,360	
Construction		10,431	
Total Finance Cost			407,791

TOTAL COSTS	45,396,877
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PROFIT	10,229,734
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Performance Measures	
Gross Profit on Cost%	24%
IRR% (without Interest)	-11%

London | Leeds | Liverpool
Newcastle | Birmingham

Property | Infrastructure | Planning
Development | Regeneration

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