

# LAND NORTH OF THE HOLLIES, HILL STREET, TOTTEN, SO40 2RX

Financial Viability Assessment for  
Osman Homes Ltd  
14<sup>th</sup> August 2023  
Our Ref: SWRC/23-01353

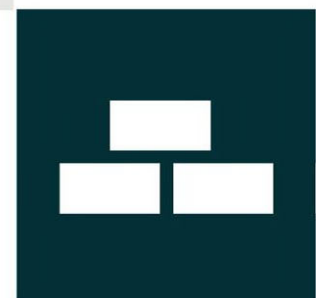


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## Quality Assurance

This report has been prepared within the quality system operated at Rapleys LLP according to British Standard ISO 9001:2015.

We confirm that the undersigned is an appropriately qualified and experienced Chartered Surveyor experienced in the commercial property sector.

Created by: Simon Corp BSc(Hons) MCIOB

Signature:

Checked by: Nick Fell LLB(Hons) PGDip MRICS

Signature:

Nick Fell (Aug 14, 2023 15:33 GMT+1)



## 1 INTRODUCTION

- 1.1 We have been instructed by Osman Homes Ltd (the applicant) to provide a financial viability assessment of the proposed development of land to the north of The Hollies, Hill Street, Totton, Hampshire comprising 9no detached houses.
- 1.2 The purpose of this report is to consider, in an open book format, the financial viability of the proposed scheme and the level of affordable housing and financial Section 106 contributions that can be supported. In preparing this viability report we have considered the New Forest District Council Local Plan 2016-2036 Part 1 adopted in July 2020. Local Plan policy HOU 2 states that 35% affordable housing is required on sites providing 11 or more dwellings or with a gross area in excess of 1,000m<sup>2</sup> in the Totton and Waterside part of the district. This equates to a requirement to provide 3.15 dwellings which we have rounded down to 3no dwellings. We have assumed the tenure mix that will be delivered would be 2no affordable rent and 1no shared ownership dwellings.
- 1.3 The financial viability assessment (FVA) considers the total value of the completed scheme and the total cost of its delivery, using recognised residual appraisal software)- Argus Developer. In accordance with standard viability methodology, the resulting residual land value is then compared with an appropriate benchmark value to determine the scheme's viability.
- 1.4 The advice set out in this report is provided in the context of negotiating planning obligations and therefore in accordance with PS 1 of the RICS Valuation – Global Standards (January 2022) incorporating the IVSC International Valuation Standards (Red Book), the provisions of VPS 1 – 5 are not of mandatory application and accordingly this report should not be relied upon as a Red Book Valuation.
- 1.5 Specifically we would state:
- Our advice and opinions contained herein are given without liability, therefore falling outside the scope of the requirement of the RICS Valuation – Global Standards January 2022 Edition.
  - We have not conducted a full survey, inspection and measurement nor undertaken all the necessary enquiries required in providing a Red Book Valuation.
- 1.6 In accordance with the RICS Financial Viability in planning: conduct and reporting (May 2019) (FVIP), in preparing this report we have acted with objectivity and impartially, without interference and with reference to all appropriate available sources of information. This report fully complies with the requirements set out in FVIP.
- 1.7 Our terms of engagement are attached in Appendix 1, which confirm that no performance-related or contingent fees have been agreed in this instruction. We confirm that no conflict of interest exists.
- 1.8 We have been provided with, and relied upon, the following key information:
- Planning drawings and schedule of areas provided by Atlas Planning Ltd.
  - Construction cost plan provided by TJB Quantity Surveying Ltd.



## 2 ASSUMPTIONS

2.1 In undertaking this report, unless otherwise specifically stated, we have made the following assumptions:

- We assume that the site is held freehold with vacant possession and free from all encumbrances such as onerous covenants, easements and rights of way.
- We assume that there are no items that could lead to adverse development costs such as contamination, adverse ground conditions, right of light issues or the designation of an area of archaeological significance.
- We assume that the site does not fall within a flood zone and therefore no overly onerous costs are required to deal with flood prevention measures.
- We have not arranged nor undertaken any investigations to determine whether or not any deleterious sub-standard or hazardous materials have been used in the construction, services or finishes of any existing structures or have been since incorporated.
- We have assumed that planning permission will be granted for the development as described in Section 5 below.

2.2 If any of these assumptions prove to be incorrect, they could have a significant impact on our conclusions.

### 3 NON-TECHNICAL SUMMARY

3.1 This non-technical summary presents an overview of the FVA and a summary of the viability position. We have assessed the viability of the scheme on all open market basis to determine the total surplus which is generated to support affordable housing and other s106 costs and a second policy compliant iteration of the appraisal including 3no affordable housing units.

3.2 We have established that the scheme delivering 0% affordable housing generates a Gross Development Value (GDV) of £[REDACTED]. The total costs for delivering the scheme are £[REDACTED]. We have assumed a developer return at 17.5% return on GDV. Based on a 100% open market development with no affordable housing the scheme generates a surplus of £[REDACTED].

3.3 The Planning Practice Guidance states that we should base the benchmark land value on an existing use plus premium valuation of the site or reasonable alternative use value. The application site is currently made up of 3no grazing paddocks with a total site area at 1.05ha, we have recently acted for the applicants on the pre-application viability negotiation on land at Gore Road, New Milton. On this site a base existing use value for grazing land at £25,000/acre with a ten times landowner's premium was agreed as a principle but Dixon Searle Partnership capped the value at £500,000/ha. Although we don't agree with the rationale for a lower value cap we have adopted the £500,000/ha benchmark land value proposed by Dixon Searle. Grazing land existing use values are likely to be fairly consistent across the district and so we have adopted the same benchmark land value resulting in a site benchmark for viability testing purposes at £525,000. The results of the assessment has been summarised below:

ASSUMPTION	100% OPEN MARKET	POLICY COMPLIANT WITH 3NO AH UNITS
Gross Development Value	[REDACTED]	[REDACTED]
Less		
Development Costs	[REDACTED]	[REDACTED]
Less		
Profit	[REDACTED]	[REDACTED]
Equals		
Residual Land Value	[REDACTED]	[REDACTED]
Compared To		
Benchmark Land Value	[REDACTED]	[REDACTED]
Equals		
Deficit	[REDACTED]	[REDACTED]

3.4 The assessment clearly shows no surplus is viably generated by the development to support any affordable housing provision or other s106 costs.

#### 4 BACKGROUND

- 4.1 The application site extends 1.05ha and is made up of 3no parcels of grazing land to the north of The Hollies, Hill Street, Totton on the edge of the Calmore area of the town. It is proposed the site is developed with a scheme providing 9no two, three and four bedroom detached houses.

##### SITE DESCRIPTION & LOCATION

- 4.2 The site is located on the edge of the Calmore existing settlement close to the border with Test Valley Borough Council and M27 junction 2 and the A36/A326 connecting Romsey with the waterside. The site is some 5 miles from Totton town centre and the Calmore local area is some 2 miles from the site providing a community centre, junior and infant schools and a community centre. Hill Street is rural in character with open countryside interspersed with various residential properties and agricultural buildings.



## 5 PROPOSED DEVELOPMENT

5.1 The proposed scheme will provide 9no houses in the following mix of accommodation:

Plot No	Type	Floor Area (m <sup>2</sup> )
1	2b4p	93.5
2	2b3p	70.68
3	3b5p	89.82
4	3b5p	90.16
5	3b5p	90.16
6	4b6p	134.7
7	4b6p	144.4
8	4b6p	152.9
9	4b6p	156.1
		1022.42

## 6 INTRODUCTION TO VIABILITY

6.1 In preparing our advice we have paid regard to Paragraph 57 of the National Planning Policy Framework (NPPF) February 2019 the Viability Guidance prepared by the Ministry of Housing, Communities & Local Government that sits alongside the NPPF, RICS Professional Statement "Financial Viability in Planning: conduct and reporting (First Edition) May 2019" (FVIP).

6.2 The Viability Guidance prepared alongside the 2019 NPPF at Paragraph: 010 Reference ID: 10-010-20180724 states:

*"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. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return."*

6.3 The NPPF and updated Viability guidance note advocates the use of viability assessments at the plan-making, rather than the decision-taking, stage. Specifically, paragraph 57 of the recently published NPPF details:

*"Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force."*

6.4 The NPPF therefore puts the responsibility on the applicant to demonstrate whether particular circumstances justify the need for a viability assessment. In terms of the weight given to an assessment this is now a matter for the decision maker having regard to all of the circumstances in the case. The decision maker needs to pay regard to whether the plan and the viability evidence underpinning it are up to date.

6.5 The NPPF seeks to move the focus of viability studies to the plan making stage. 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, without the need for further viability assessment at the decision making stage.

6.6 The NPPF was published in July 2018 and subsequently updated in February 2019. In undertaking this assessment we have referred to the New Forest Local Plan 2016-2036 Part 1 adopted in July 2020, the plan policies were viability tested in a whole plan viability assessment undertaken by Three Dragons in June 2018. This is now some 5 years ago and in the intervening period there have been significant increases in construction costs and finance rates and so the viability needs to be tested by a site specific viability assessment using current market evidence on development costs and residential values. Given the time lag and changes in market conditions weight needs to be applied to a current scheme specific viability assessment but where possible we have adopted assumptions in line with those adopted in the plan viability assessment which are fixed percentages such as developers profit, professional fees and sales costs.

6.7 Paragraph 57 goes on to say:

*"All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available."*

6.8 This viability assessment, with respect to the assessment of the proposed residential scheme, follows the recommended approach detailed in the Viability Guidance Note including the adoption of the standardised inputs. It is therefore reasonable and accords with policy requirements. With regard to our approach to the assessment of the benchmark land value, this is set out further down in the report.

- 6.9 A scheme is considered viable, in planning terms, if the value generated by the development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, planning obligations, land value, landowner premium, and developer return. In practical terms we assess viability by undertaking the following process:

GROSS DEVELOPMENT VALUE  
less  
COSTS  
less  
PLANNING CONTRIBUTIONS  
less  
PROFIT  
equals  
RESIDUAL LAND VALUE  
compared to  
APPROPRIATE BENCHMARK VALUE



## 7 VIABILITY APPROACH

- 7.1 We have considered the acceptable level of profit required by a developer and tested whether once the anticipated revenue and all the costs, including planning obligations, likely to be incurred in bringing the development forward are taken into account, a residual land value can be generated that is in excess of an appropriate benchmark land value.
- 7.2 The PPG for Viability advocates at paragraph 018 that for the purpose of plan making (which we also consider relevant to decision taking by LPAs) an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. 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.
- 7.3 In this context we have had regard to the current residential development market, current economic circumstances and the scale and nature of the proposed scheme and are of the opinion that a willing developer would require a minimum return of 17.5% of the GDV in respect of the private tenure units. We assess profit on any affordable tenure units at 6% on GDV, these are assumptions the author has agreed with Dixon Searle Partnership acting for the council on other sites in the district.
- 7.4 To prepare the appraisals we have used the industry recognised Argus Developer residual valuation tool designed for viability assessment purposes.

## 8 APPRAISAL INPUTS

- 8.1 We have adopted inputs that reflect cost and values as at the date of this report. There is a possibility that our assumptions may change in accordance with the market as the scheme evolves and further information comes to light. We set out below our assumptions in respect of these inputs.

## 9 PRIVATE UNIT SALES VALUES

- 9.1 To assess the achievable residential sale values, we have looked at comparable properties available on the market and recently sold within 0.5 miles of the site. The best comparable evidence from properties on the market is provided by a newbuild 4 bedroom detached house on Pauletts Lane on the market at £725,000 with a floor area at 199.9m<sup>2</sup> which equates to £3,626/m<sup>2</sup>. Second hand comparables on the market include a two bedroom period cottage on Hill Street with a floor area at 126.3m<sup>2</sup> on the market at £425,000 which equates to £3,365/m<sup>2</sup>, a 3 bedroom detached house on Amberwood Close which is further into the established area of Calmore this has a floor area at 93m<sup>2</sup> and is on the market at £360,000 which equates to £3,870/m<sup>2</sup>. We also identified a 4 bedroom detached house also on Cooks Close, Calmore with a floor area at 124.5m<sup>2</sup> on the market at £685,000.
- 9.2 We need to be cautious relying on properties on the market as the listed values will be asking prices which can be subject to offers and asking price reductions. A more reliable evidence base will be sold values taken from Land Registry records from which we have identified the following transactions:

PROPERTY ADDRESS	FLOOR AREA (M <sup>2</sup> )	SALE PRICE (£)	SALE DATE	£/M <sup>2</sup> VALUE
300 Salisbury Road, Calmore	109	£425,000	10/2022	£3,899
23 Warren Place, Calmore	130	£415,000	3/2023	£3,192
Fairfield, Cooks Lane, Calmore	126	£775,000	9/2022	£6,150
Cooden, Cooks Lane, Calmore	82	£550,000	2/2023	£6,219
31 Buckland Gardens, Calmore	92	£360,000	7/2022	£3,913
8 Buckland Gardens, Calmore	92	£321,000	9/2022	£3,489
284 Calmore Road, Calmore	157	£630,000	8/2022	£4,012
283 Calmore Road, Calmore	148	£555,000	12/2022	£3,750

- 9.3 An average comparable value appears to be in the range of £3,500-4,000/m<sup>2</sup> but the evidence is taken from second hand transactions, so we do need to reflect a newbuild premium. Taking account of the need for a new premium and the setting and position of the development we have adopted the following sales values:

No	Type	Floor Area (m <sup>2</sup> )	Sales Value (£)
2	2b4p		
3	3b5p		
4	4b6p		
9			

- 9.4 The overall gross development value on all open market basis is £4,775,000 which equates to an average sales value at £4,670/m<sup>2</sup>.



## 10 AFFORDABLE HOUSING VALUES

- 10.1 To model the policy compliant appraisal, we have assumed the affordable housing requirement for 3no dwellings would comprise 2no affordable rent made up of 1no 2b3p and 1no 3b5p houses and 1no shared ownership provided as a 2b4p house.
- 10.2 We have used the Pro-val model to assess the value of the affordable housing which assumes the affordable rents are capped at the Local Housing Allowance rate and the shared ownership is based on a 40% initial sale and a rent on the unsold equity at 2.75%pa. This shows a land and build package price at £774,795 which equates to 65.94% of open market value, this is at the upper end of the usual range at 60-70% so the potential affordable housing value has been maximised.

## 11 CONSTRUCTION COSTS

11.1 We have been provided with a construction cost budget estimate provided by TJ Quantity Surveying Ltd on behalf of the applicants, they have estimated the total construction costs at [REDACTED]. This includes a contingency allowance and a construction cost in a viability assessment is usually expressed net of contingency, stripping this out the net cost is [REDACTED] which equates to [REDACTED].

11.2 This is a relatively high level of cost for comparison the BCIS Upper Quartile detached rate is £2,211/m<sup>2</sup> but the costing does allow for a number of items which could be defined as abnormal costs including the construction oak frame car barns and a permeable block pavia road construction. A site specific cost estimate provided by an independent Quantity Surveyor is a higher level of evidence than relying on the BCIS rates and so we have adopted their estimated cost in the appraisal.

11.3 The estimate includes a contingency allowance at [REDACTED] which equates to 2.5% of the net construction cost which is below the normal default level a 5% of construction costs.

### PROFESSIONAL FEES

11.4 We have adopted professional fees at 8% of construction cost which is considered reasonable for a scheme of this size and is in line with current industry practice for schemes of this scale and nature.

### SECTION 106 COSTS

11.5 We have allowed for the following s106 costs:

New Forest habitat mitigation	£8,358
New Forest habitat air quality mitigation	£927
Solent bird aware contribution	£7,700
Commitment fee	£808
Monitoring fee	£6,542
Highways contribution	£17,552
Public open space contribution	£3,582
Education contribution	£56,171
Total	£101,640

### COMMUNITY INFRASTRUCTURE LEVY (CIL)

11.6 We have calculated CIL on the net increase in floor area using the 2023 index linked CIL rate at £109.23/m<sup>2</sup> generating an overall CIL cost for the all open market appraisal at £111,678.

### ACQUISITION AND PREPARATION COSTS

11.7 We have assumed standard Stamp Duty Land Tax charges, 1% agents fees and a legal fee of 0.5% for site purchase.

### DISPOSAL COSTS

11.8 We have assumed the following sales and legal fees for the private units:

- 2.5% fee agency fee inclusive of marketing, which is an assumption we have previously agreed in the New Forest area.
- Legal Fee of £1,000 per unit.

### FINANCE

11.9 Over the last few years, the author has agreed a finance assumption at 6.5% on similar developments across the region. This was however agreed when the base rate were in the range of 0.75-1% so the effective lending margin was 5.5-5.75 points, over the last few months in response to inflationary pressure in the economy the base lending rate has significantly increased to 5%. To maintain the same lending margin the finance rate would need to increase to 9% but it is possible lenders may take a commercial view on the required margins and we have adopted a slightly lower rate at 7.5%.

## TIMESCALES AND PHASING

11.10 The table below details the timescale and phasing assumptions within our appraisals.

Timescale	Period
Purchase	1 month
Pre-Construction / Procurement	6 months
Construction	12 months
Private Sales Period	3 months
Project Period	22 months



## 12 VIABILITY APPRAISALS

12.1 Taking all of the above factors into account we have carried out development appraisals of the site. The full viability appraisals can be found at Appendix 4. In summary the results are as follows:

APPRAISAL SCENARIO	RESIDUAL LAND VALUE (£)	BENCHMARK LAND VALUE (£)	DEFICIT (£)
9-unit open market			
9-unit policy compliant			

### 13 SENSITIVITY ANALYSIS

13.1 We have set out a sensitivity analysis below applying a change to the sales values and build cost rate at 5% the summary report is attached in the appendices to this report.

Sales: Gross Sales					
Construction: Gross Cost	-10.000%	-5.000%	0.000%	5.000%	10.000%
-10.000%					
3,291,939					
-5.000%					
3,474,824					
0.000%					
3,657,710					
5.000%					
3,840,595					
10.000%					
4,023,481					

## 14 BENCHMARK LAND VALUE

- 14.1 The Viability Guidance Note attached to the 2019 NPPF confirms that a benchmark land value should be established on the basis of the existing use value (EUV) of the land. It defines EUV as the value of the land in its existing use together with the right to implement any development for which there are policy compliant extant planning consents, including realistic deemed consents, but without regard to alternative uses.
- 14.2 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 comply with policy requirements (PPG para 16).
- 14.3 The Financial Viability in Planning (FVIP) details that when providing benchmark land value we must report the current use value (CUV) referred to as EUV or first component in the PPG referred to above. For the Benchmark Land Value, we have relied upon the Existing Use Value plus premium approach as advocated by national planning guidance and FVIP.
- 14.4 The application site is currently made up of 3 no grazing paddocks with a total site area at 1.05ha, we have recently acted for the applicants on the pre-application viability negotiation on land at Gore Road, New Milton. This is also a greenfield site and it was agreed with Dixon Searle Partnership a reasonable valuation methodology for the benchmark land value would be a base existing use value for grazing land at £25,000/acre which was evidenced with market comparables with a ten times landowner's premium resulting in an overall benchmark land value at £617,750/ha. Dixon Searle Partnership however proposed a cap at £500,000/ha whilst we don't agree in capping the value at a lower level we have adopted a benchmark land value as proposed by Dixon Searle at £500,000/ha. Grazing land existing use values are likely to be fairly consistent across the district and so we have adopted the same benchmark land value per hectare resulting in a site benchmark for viability testing purposes at £525,000.

15 CONCLUSION

15.1 We therefore set out below our assessment of the scheme based on varying levels of affordable housing and compare the residual land values against a Benchmark Land.

Scheme	Residual Land Value	BLV	Viable / Not Viable
9-unit open market			
9-unit policy compliant			

15.2

# Terms of Engagement





## RAPLEYS LLP TERMS OF ENGAGEMENT FOR PROVIDING GENERAL PROPERTY ADVICE

### 1 INSTRUCTION

- 1.1 We are instructed by Osman Homes Ltd to provide a viability assessment for the proposed development to advise if the development can viably support any affordable housing provision and provide a viability assessment report.

### 2 THE PROPERTY

- 2.1 The Property to which the instruction relates to is known as land north of The Hollies, Hill Street, Calmore, Totton, SO40 2RX.

### 3 FEE BASIS

- 3.1 Our fee basis for acting in this matter will be:
1. A Fixed Fee of-                      exclusive of VAT and disbursements.
  2. For any negotiations required with the LPA post submission in connection with the early stage review we will charge on an hourly fee basis. Negotiations on this case will be dealt with by Simon Corp at an hourly rate of **£1111** plus VAT. We will keep a detailed timesheet which will be attached to any hourly rate invoice. [
- 3.2 Disbursements will include, for example, the cost of obtaining documents, photocopying, photography, binding, maps, plans, postage, travel, flights, overnight accommodation and subsistence away from the office. The use of Rapleys LLP's cars are charged at 90 pence per mile.
- 3.3 If for any reason our instructions are prematurely terminated we will make an abortive fee charge based on our current hourly charging rates for professional staff for the time actually expended as at the date of termination plus any disbursements incurred.

### 4 FEE INVOICE

- 4.1 The Fixed Fee will be submitted when our report on the updated viability position is provided to you.
- 4.2 In the case of hourly fee rates, interim fee invoices are submitted at monthly intervals, provided that outstanding fees (excluding VAT and disbursements) exceed £500 or chargeable time has not been recorded for over three months.
- 4.3 Interim invoices for disbursements are submitted at monthly intervals provided that the balance outstanding exceeds £100 exclusive of VAT.
- 4.4 A final fee invoice will be submitted when the instruction has been completed.
- 4.5 Invoices are payable upon receipt. We reserve the right to charge interest from the 31<sup>st</sup> day following the date of the invoice at a rate of 2% per month calculated on a daily basis.

### 5 VARIATION

- 5.1 These Terms of Engagement may only be varied if accepted in writing by a Partner in Rapleys LLP.

### 6 EXCLUSIONS

- 6.1 We will not undertake or arrange for any investigation to be carried out to determine whether or not any deleterious, substandard or hazardous materials have been used in the construction, services or

finishes of the property or have since been incorporated. These materials include, but are not limited to, asbestos, high alumina cement, calcium chloride, woodwool slabs, galvanised steel wall ties and composite cladding panels. We therefore will not be able to report that the property is free from such material nor to make any comment with regard to them. We recommend that if the Client has any concerns at all about any of these materials, the Client should commission a specialist report. We shall have no liability in respect of any matter relating to such materials.

- 6.2 We will not carry out an inspection to establish if asbestos is present in the property in order to comply with any of the provisions of The Control of Asbestos Regulations 2012 or for any other purpose. We shall have no liability in respect of any matter relating to asbestos including, but not limited to, its presence at the property.
- 6.3 We will neither investigate nor request any information relating to any pollution or contamination at the property or on any other adjoining land. Accordingly, our advice will be prepared on the basis that no such pollution or contamination exists. Should the Client have any doubts as to the suitability of this assumption, we would recommend that appropriate investigations are made and the results referred to us in order that we may review our advice. We shall have no liability in respect of any matter relating to pollution or contamination.
- 6.4 We will not carry out an inspection nor arrange for any investigation to establish the presence or absence at the property of any invasive or obnoxious weeds or plants. We shall have no liability in respect of any matter relating to any such weeds or plants including, but not limited to, their presence at the property.
- 6.5 We will not carry out any research nor give any information or advice on the risk of flooding at the property and we will not carry out any searches, at the Environment Agency or elsewhere, nor make any enquiries about the risk of flooding at the property.
- 6.6 We will not carry out an inspection or arrange for any investigation to be carried out to determine whether there is actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, moulds, spores or mica toxins of any kind at the property. We shall have no liability in respect of any matter relating to any such fungi, moulds, spores or mica toxins of any kind including, but not limited to, their presence at the property.

## 7 LIABILITY

- 7.1 Our liability is solely to the named client below. Nothing in these terms shall exclude or restrict our liability in respect of personal injury or death resulting from our negligence or for fraudulent misrepresentation or in any other circumstances where liability may not be so limited under any applicable law or regulation.
- 7.2 Subject thereto and as agreed with the client, as evidenced by the acceptance of these Terms:
  - We shall not be liable for any indirect, special or consequential loss or damage, or any loss of profit, opportunity, production or accruals arising in any circumstances whatsoever, whether in contract, tort, negligence, for breach of statutory duty or otherwise and howsoever caused.
  - Our entire aggregate liability for any claim or claims in contract, tort, negligence, for breach of statutory duty or otherwise, for any loss, costs or expenses howsoever caused arising out of or in connection with the services to be provided under these Terms shall be limited to £5 million.

## 8 CONFIDENTIALITY AND DATA PROTECTION (IN LINE WITH GDPR)

- 8.1 Each Party undertakes that, except as provided by clause 8.2 or as authorised in writing by the other Party, it shall at all times during and after the Term:



- Keep confidential all Confidential Information and take reasonable steps to protect Confidential Information against theft, damage, loss or unauthorised access;
- nor disclose any Confidential Information to any other party without prior written consent;
- not use or deal with any Confidential Information for any purpose other than as contemplated by this Agreement;
- not make any copies of, record in any way or part with possession of any Confidential Information; and
- store and use personal information in compliance with the GDPR and as described in the our Data Protection Policy.

8.2 Either Party may disclose Confidential Information:

- As required by law, court order or any governmental or regulatory authority;
- to its employees, officers, representatives, agents, contractors and advisers but only to the extent they need to know to enable the Party perform its obligations under this Agreement and/or exercise its rights under this Agreement and that Party shall procure that the recipient only uses the information for the purposes contemplated, knows the information is confidential and does not disclose the information; and
- to the extent that such information becomes public knowledge through no breach of this Agreement by that Party.

## 9 COMPLAINTS PROCEDURE

9.1 As part of our internal Code of Conduct, Rapleys LLP has an established complaints procedure and a copy of this document is available upon request.

## 10 GENERAL

10.1 All amounts stated in these Terms are exclusive of VAT, which, if appropriate, shall be added and paid at the appropriate rate.

10.2 Either party may terminate these arrangements at any time on 7 days' notice or immediately on notice if the other party ceases to trade, becomes insolvent or has an Administrator, Receiver or Liquidator appointed or is in breach of any provision of these terms and fails, where the breach is capable of being remedied, to remedy the breach within 7 days of service of a notice specifying the breach and requiring it to be remedied.

10.3 We will do our best to perform our obligations in accordance with any time frame that is agreed or set, but this is an estimate only and time shall not be of the essence.

10.4 Neither party shall be in breach of their obligations for any delay or failure to perform their respective obligations which is caused by reasons outside that party's reasonable control.

10.5 These Terms shall be governed by English Law. The Court of England shall have exclusive jurisdiction in respect of any disputes and both parties submit to that jurisdiction.

10.6 Both parties do not intend that any person other than the Client and Rapleys LLP shall have any rights under these Terms and under the contract between us by virtue of the Contracts (Rights of Third Parties) Act 1999 or otherwise.

10.7 We take conflict issues seriously. We have procedures in place to ensure that conflict checks are carried out on every matter as soon as practical so that, if an issue arises, it can be discussed with the Client and dealt with as soon as possible. Our conflict procedures help us to fulfil our professional obligation not to act for one client in a matter where there is an actual (or significant risk of a) conflict with the interests of another client for whom we are already acting



- 10.8 If at any time the Client becomes aware of an actual or potential conflict of interest, the Client should raise it with us immediately.
- 10.9 Subject to our professional duties, we will always seek to resolve any conflict issues in the most advantageous way to the clients concerned. Where our professional rules allow, the Client agrees that after termination of our retainer, we may act or continue to act for another client in circumstances where we hold information which is confidential to the Client and material to the engagement with that other client. We will not, however, disclose the Client's confidential information to that other client.
- 10.10 We will keep confidential any information which we acquire about the Client's business and affairs, unless we are required to disclose any such information:
- to our auditors, external assessors or other advisers or for the purposes of our professional indemnity insurance; or
  - by law or other regulatory authority to which we are subject.
- 10.11 If we or the Client engage other professional advisers to assist with a matter we will assume, unless the Client notifies us otherwise, that we may disclose any such information to such other advisers as necessary.
- 10.12 On occasion we may use external agencies to undertake typing, printing, photocopying, mailings and other business support services. Before doing so we ensure that appropriate safeguards are in place to protect confidentiality. If the Client has any concerns about this or would like to know more, the Client should let us know
- 10.13 In certain circumstances, it may be necessary to erect an information barrier (or Chinese Wall) to protect the confidentiality of client information; if this is needed we will discuss it with the Client.
- 10.14 Where possible, we will disclose to the Client all information which is material to the Client's affairs and business regardless of the source of that information. However, we will not disclose to the Client any confidential information about the business and affairs of any other existing or former client, or any information in respect of which we owe a duty of confidentiality to a third party.
- 10.15 If at any time a third party requests access to documents held by us or asks to interview any of our partners or employees in connection with the services we have provided, we may be required as a matter of law to comply with this request. The client will be responsible for our fees, disbursements and expenses in dealing with any such request, including the fees, disbursements and expenses involved in identifying relevant documents, attending interviews or making or defending any application in connection with the validity of the request. Disbursements and expenses may include the fees of third parties instructed by us in order to advise on issues connected with the request.
- 10.16 We will use the personal information we receive about the Client for the administration of our relationship with the Client, billing (and, where necessary, debt collection) and marketing. To help us to make credit decisions about the Client, to prevent fraud, to check the Client's identity and to prevent money laundering, we may also use the information to search the files of credit reference agencies who will record any credit searches on the Client's file. The information may be used by other credit grantors for making credit decisions about the Client and the people with whom the Client is financially associated, for fraud prevention, money laundering prevention and occasionally for tracing debtors. We may disclose the Client's details to our agents and service providers for any of the purposes set out in this paragraph
- 10.17 We may from time to time contact the Client by mail, telephone, or email to provide information that may be of interest to the Client, including details of the services we offer, newsletters and invitations to events. The Client should let us know if they do not want to receive such information.
- 10.18 We store documents and papers for clients, normally without charge. We also do not normally make a charge for retrieving stored documents and papers in response to continuing or new instructions to



act for the Client. However, we reserve the right to make a charge based on the time we spend on reading papers, writing letters or providing other services necessary to comply with the instructions.

- 10.19 On completion of a matter and payment of any outstanding bills we shall return to the Client, on request, any documents lent to us by the Client for the purposes of the matter. Where we are acting for joint clients and one joint client asks us to transfer documents lent to us for the purposes of the matter, we will deliver them to, or to the order of, the joint client who delivered them to us.
- 10.20 We do not agree to retain files for any particular period of time but generally keep all files for a minimum period of 16 years. We reserve the right to destroy files without further reference to the Client 16 years after completion of a matter.
- 10.21 The services provided by us are for the Client's benefit alone and solely for the purpose of the matter to which they relate. They may not be used or relied upon for any other purpose or by third parties. Our duty of care is to the Client and does not extend to any third party. No third party shall have any right under the Contract (Rights of Third Parties) Act 1999 to enforce any of the terms in this document, provided that no right or remedy of any such person which exists or is available otherwise than by virtue of that Act shall be adversely affected by the terms of this document.
- 10.22 We will, on the Client's behalf, instruct, liaise with or coordinate advice from other professional advisers. We will not be responsible for the accuracy or appropriateness of the advice given or work undertaken by those other advisers or for payment of their fees and expenses.
- 10.23 We are committed to promoting equality and diversity in all of our dealing with clients, third parties and employees. We will not discriminate in the way we provide our services on the grounds of sex (including gender reassignment), marital status, sexual orientation, disability, race, colour, religion, age, nationality or ethnic or national origins.

## 11 ACCEPTANCE

- 11.1 A copy of our Terms of Engagement is to be signed and returned by the instructing Client prior to commencement of the instruction as detailed above.
- 11.2 It is hereby agreed that the above terms are acceptable and I/we instruct Rapleys LLP to proceed. The Client instructing and/or continuing to instruct Rapleys LLP shall constitute acceptance of these Terms of Engagement irrespective of whether such copy is signed and returned.

**CLIENTS SIGNATURE**

**PRINT NAME**

POSITION IN COMPANY

DATE

NAME OF INSTRUCTING COMPANY

REGISTERED OFFICE



# Schedule of Accommodation



**LAND NORTH OF THE HOLLIES, CALMORE, TOTTON  
SCHEDULE OF ACCOMMODATION**

<u>Plot</u>	<u>Type</u>	<u>Area (sqm)</u>	<u>Sale</u>	
1	2b4p	93.5		
2	2b3p	70.68		
3	3b5p	89.82		
4	3b5p	90.16		
5	3b5p	90.16		
6	4b6p	134.7		
7	4b6p	144.4		
8	4b6p	152.9		
9	4b6p	156.1		
		1022.42		

# BCIS Cost Construction Rates



OSMAN HOMES

THE HOLLIES, HILL STREET, CALMORE

BUDGET BUILD COST

VALUE

1.00 - GROUNDWORKS -	
1.1 - SITE CLEARANCE	
1.2 - FOUNDATIONS TO HOUSES AND CAR BARNs	
1.3 - PRIVATE FOUL DRAINAGE	
1.4 - ADOPTABLE FOUL DRAINAGE	
1.5 - PRIVATE STORM DRAINAGE	
1.6 - SERVICES ( TRENCHING AND PITS )	
1.7 - STATUTORY AUTHORITY CONNECTIONS	
1.8 - ADOPTABLE BITUMINOUS CARRIAGEWAY ( PERMEABLE )	
1.9 - ADOPTABLE BITUMINOUS FOOTWAY	
1.10 - ADOPTABLE HOGGIN FOOTPATHS	
1.11 - DECORATIVE GRAVEL	
1.12 - BLOCK PAVING TO SHARED PRIVATE DRIVES ( PERMEABLE )	
1.13 - PATIOS AND PATHS	
1.14 - KERBS AND EDGINGS	
1.15 - SHED / CYCLE BASES	
1.16 - CLEAR AROUND PLOTS	
1.17 - TOPSOIL	
1.18 - SCAFFOLD BASE	
1.19 - MASONRY GARDEN WALL FOUNDATIONS	
1.20 - 278 WORKS TO SITE ENTRANCE	
1.21 - COMPOUND WORKS AND TEMP SITE WORKS	
1.22 - ENGINEERING	
1.23 - PRELIMINARIES including CBR testing	
1.24 - ROAD SWEEPING	
1.25 - WHEEL WASHING FACILITIES	
1.26 - SOFT LANDSCAPING	
2.0 - BOUNDARY TREATMENTS	
3.1 - BRICKWORK & BLOCKWORK	
3.2 - BOUNDARY WALLS	
4.0 - STRUCTURAL STEELWORK	
5.0 - OAK FRAMES	
6.0 - CARPENTRY	
7.0 - PLASTERING & INSULATION	
8.0 - ROOFING	
9.0 - WINDOWS & DOORS	
10.0 - PLUMBING & HEATING	
11.0 - ELECTRICAL INSTALLATION	
12.0 - SCAFFOLDING	
13.0 - FLOOR FINISHES	
14.0 - WALL TILING	
15.0 - DECORATIONS	
16.0 - KITCHENS	
17.0 - UTILITY	
18.0 - GLAZED BALUSTRADES / BALCONY	
19.0 - BUILT IN WARDROBES	
20.0 - WOOD BURNER	
NET BUILD COST	
21.0 - CONTINGENCY	
22.0 - CONTRACTOR PRELIMINARIES	
TOTAL BUILD COST	

# Financial Appraisals



# Land North of the Hollies, Calmore, Totton Policy Compliant Appraisal

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Land North of The Hollies  
Hill Street  
Calmore  
Totton  
SO40 2RX

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Development Appraisal  
Prepared by Simon Corp  
Rapleys  
14 August 2023



**APPRAISAL SUMMARY****RAPLEYS**

Land North of the Hollies, Calmore, Totton  
Policy Compliant Appraisal

Appraisal Summary for Phase 1

Currency in £

**REVENUE**

Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales
Open Market Residential	6	768.42			
Affordable Housing	<u>3</u>	<u>254.00</u>			
<b>Totals</b>	<b>9</b>	<b>1,022.42</b>			

**NET REALISATION****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)

**CONSTRUCTION COSTS****Construction**

	m²	Build Rate m²	Cost
Open Market Residential	768.42		
Affordable Housing	<u>254.00</u>		
<b>Totals</b>	<b>1,022.42 m²</b>		

CIL and s106

174,240  
174,240

**PROFESSIONAL FEES**

Other Professionals 8.00%

**MARKETING & LETTING**

AH sale costs 1.50%

**DISPOSAL FEES**

Sales Agent Fee 2.50%  
Sales Legal Fee 6.00 un 1,000.00 /un

**FINANCE**

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)  
Other  
Total Finance Cost

**TOTAL COSTS****PROFIT****Performance Measures**

Profit on Cost% 18.29%  
Profit on GDV% 15.46%  
Profit on NDV% 15.46%  
  
IRR% (without Interest) 73.85%  
  
Profit Erosion (finance rate 7.500) 2 yrs 3 mths

## APPRAISAL SUMMARY

RAPLEYS

Land North of the Hollies, Calmore, Totton  
Policy Compliant Appraisal

Land North of the Hollies, Calmore, Totton  
Open market appraisal

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Land North of The Hollies  
Hill Street  
Calmore  
Totton  
SO40 2RX

---

Development Appraisal  
Prepared by Simon Corp  
Rapleys  
14 August 2023

**APPRAISAL SUMMARY****RAPLEYS**

Land North of the Hollies, Calmore, Totton  
Open market appraisal

**Appraisal Summary for Phase 1****Currency in £****REVENUE**

Sales Valuation	Units	m <sup>2</sup>	Sales Rate m <sup>2</sup>	Unit Price	Gross Sales
Open Market Residential	9	1,022.40			

**NET REALISATION****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)

**CONSTRUCTION COSTS****Construction**

	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost
Open Market Residential	1,022.40	3,577.57	

CIL and S106

**PROFESSIONAL FEES**

Other Professionals 8.00%

**DISPOSAL FEES**

Sales Agent Fee		2.50%
Sales Legal Fee	9.00 un	1,000.00 /un

**FINANCE**

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)

Other

Total Finance Cost

**TOTAL COSTS****PROFIT****Performance Measures**

Profit on Cost%	21.21%
Profit on GDV%	17.50%
Profit on NDV%	17.50%

IRR% (without Interest) 63.06%

Profit Erosion (finance rate 7.500) 2 yrs 7 mths



For further details contact:

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**RAPLEYS**