

Proof of Evidence

Relating to Planning Appeal ref:

APP/B1740/W/23/3324227 and Application ref 22/10813

Prepared by

Fraser Castle MSc MRICS RICS

Registered Valuer

Land at Orchard Gate

Noads Way

Dibden Purlieu

Hampshire

SO45 4PD

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Financial Viability Statement, prepared by Sturt & Company
Bruton Knowles Review of Applicants Viability Appraisal (1st November 2022)
Planning Practice Guidance (PPG) – Viability
RICS Professional Statement Financial Viability in Planning: Conduct and Reporting' (May 2019)
RICS Guidance Note 'Assessing Viability in Planning under the National Planning Policy Framework' (March 2021)
RICS Guidance Note 'Valuation of Development Property' (October 2019)
The New Forest District Council Whole Plan Viability Assessment 2018
Rapleys' FVA (14th August 2023) – Planning application 22/10747

1 Qualifications

1.1 This proof of evidence has been prepared by Fraser Castle MSc MRICS. I am a Development Partner at the practice of Bruton Knowles and specialise in the provision of development consultancy advice relating to residential led schemes and the provision of valuation advice for a range of property types and purposes. I have been a Member of the Royal Institution of Chartered Surveyors since 2002 and am a Registered Valuer under the RICS Valuer Registration Scheme.

1.2 I have significant experience in the provision of advice in respect of:

- Valuation for a wide range of properties including specialist property types, commercial, residential, Affordable Housing; residential development sites and residential led mixed use development sites; and for a wide range of purposes including acquisition, disposal, secured lending, financial reporting, insurance and a range of statutory purposes.
- The valuation of development sites
- The grant and exercise of Option Agreements, Promotion Agreements and other contingent arrangements
- Sale of mixed use and residential development sites
- Negotiation of equalisation arrangements, access rights and modification of restrictive covenants

1.3 The provision of viability advice has become a focus of my work in recent years and I have advised in relation to schemes both large and small across the South East region. Clients for whom I have provided viability advice include:

South Downs National Park Authority	Hastings Borough Council
Canterbury City Council	New Forest District Council
Cherwell District Council	South Buckinghamshire District Council
Chichester District Council	Tandridge District Council
Chiltern District Council	Tonbridge & Malling Borough Council
London Borough of Hammersmith & Fulham	Tunbridge Wells District Council
Lewes District Council	Wealden Borough Council
Eastleigh Borough Council	West Berkshire Council
Hart Borough Council	

2. Instructions & Relevant History

- 2.1 I have been instructed by New Forest District Council (the Council) to provide my expert opinion on viability issues arising in respect of an appeal following refusal of planning application 22/10813.

Planning application 22/10813 proposes: *'Demolition of the existing buildings; erection of 25 dwellings with associated access, landscaping and parking.'*

- 2.2 I was appointed by the Council on 19th October 2022 to review the financial viability appraisal (the Initial FVA) submitted by the Appellant (AJC Developments Limited) and prepared by Mr John Newman of Sturt & Company and dated 1st July 2022 in respect of planning application under reference 22/10813 for the Property. I have now been instructed to provide a proof of evidence and set out my view in respect of the following questions:

- Is the Proposed Development a viable form of development?
- Is the Policy Compliant Development a viable form of development?

(I explain the Proposed Development in section 4 below and the Policy Compliant Development in section 5 below).

- 2.3 This proof of evidence has been prepared to assist the Planning Inspector in the determination of the viability of the Proposed Development and the Policy Compliant Development to contribute towards the provision of Affordable Housing and confirms my opinions in this regard. I will explain briefly the history of my involvement. For ease of reference, a summary of the key areas of agreement and disagreement is set out in the tables following paragraph 2.17 below.

- 2.4 The Applicant, AJC Developments Limited, submitted the Initial FVA in support of the planning application under reference 22/10813. A copy of the FVA was provided to Bruton Knowles on 2nd August 2022. On 5th August Bruton Knowles advised New Forest District Council that there were information gaps within the FVA and that the Applicant should be requested to provide the following:

- ❑ Confirmation of the purchase price to be paid for the Application Property assuming the grant of planning permission in accordance with paragraph 16 of the PPG;
- ❑ Evidence of comparable development land transactions to support the Applicant's opinion of the Residual Land Value of the Proposed Development and/or the Policy Compliant Development. This is a requirement of the Stand Back exercise under the RICS Professional Statement 2019 and RICS Guidance Note 2021; and

- ❑ A detailed cost plan for the external costs and the abnormal development costs together with the supporting technical surveys that demonstrate the need for the abnormal development costs.

2.5 Further information was provided by the Applicant on 12th October 2022 (the FVA Update). However, this was limited to the preparation of a Cost Plan prepared by Ridge & Partners LLP dated 19th July 2021 relating to an earlier scheme. The purchase price payable for the property assuming the grant of planning permission was not confirmed and evidence of comparable development land transactions was not provided to support the Appellant's opinion of the Residual Land Value for the Proposed Development and/or the Policy Compliant Development.

2.6 The FVA Update advised as follows:

- ❑ BLV of £1,150,000
- ❑ RLV for the Proposed Development £736,000*
- ❑ RLV for the Policy Compliant Development £7,000*

*These sums are approximations and assumed from the FVA Update which confirmed negative values of -£414,038 and -£1,157,020 for the Proposed Development and the Policy Compliant Development based upon an assumed last acquisition at £1,150,000 and a developer's profit of 17.5% of the Market Housing GDV.

2.7 My review of the FVA Update (the BK Review 1st November 2022) confirmed the following opinion of the BLV and the RLV for the Proposed Development and the Policy Compliant Development:

- ❑ BLV of £1,150,000
- ❑ RLV for the Proposed Development of £2,475,000
- ❑ RLV for the Policy Compliant Development of £1,635,000

I was therefore of the opinion that the Policy Compliant Development was viable with policy compliant Affordable Housing provision.

2.8 Following the submission of the Appellant's Statement of Case a further update to the FVA (the FVA) dated 29th June 2023 was prepared by Sturt & Company. The FVA confirms that the Proposed Development is viable with a single Affordable Housing unit and a contribution towards the provision of Affordable Housing off-site of £50,000. The FVA further advises that *'the Appellant is prepared to offer the LPA 3 number 2 bedroom houses as the Affordable Housing provision on the basis that this is agreed as common ground ahead of the Appeal Inquiry'*.

2.9 However, the FVA does not provide a residual appraisal or confirm the Residual Land Value for the Policy Compliant Development.

- 2.10 A further e-mail was sent by Mr Newman of Sturt & Company on 3rd September 2023. A copy of this e-mail together with my response on 4th September 2023 is provided as Appendix Twelve. Mr Newman's e-mail provides information relating to the issue of the restrictive covenant affecting the property and introduces new cost items for (1) bank monitoring fees and QS of £10,000 and (2) off-site drainage infrastructure of £401,358.
- 2.11 No evidence to support these additional and new costs was provided by Mr Newman's e-mail and new residual appraisals for the Proposed Development and the Policy Compliant Development reflecting these new costs have similarly not been provided. The very late presentation of these additional and new costs together with the absence of supporting evidence has prevented the Council from being able to analyse and review these costs or to appoint a Quantity Surveyor to review these costs.
- 2.12 At this stage, in the absence of any evidence to support these new and additional costs; new residual appraisals for the Proposed Development and the Policy Compliant Development reflecting these costs; and a review of these costs by a Quantity Surveyor to assess the need and value of the works and the extent of any potential double counting for sums previously allowed I am unable to confirm the Appellant's current opinion of the BLV and RLV.
- 2.13 This proof of evidence has therefore been prepared having regard to the Initial FVA (1st July 2022), the FVA Update (12th October 2022) and the FVA (29th June 2023) all provided by the Appellant and my report on the Initial FVA and the FVA Update. This proof of evidence does not therefore reflect any change to the RLVs for the Proposed Development or the Policy Compliant Development that may result from these new and additional costs introduced by Mr Newman's e-mail, if confirmed. Although some discussion in this regard is provided in Section 11 titled Sensitivity Analysis. I do, however, provide commentary on the impact that the addition of these new and additional costs, if confirmed, could have on the assessment of the Benchmark Land Value.
- 2.14 The conclusions confirmed by the FVA are as follows:
- ☐ BLV of £1,150,000
 - ☐ RLV for the Proposed Development £1,036,195 (estimated)
- This indicates that the Appellant considers the Policy Compliant Development to be unviable.
- 2.15 My current opinion of the BLV and the RLV for the Proposed Development and the Policy Compliant Development are set out below:
- ☐ BLV of £990,000
 - ☐ RLV for the Proposed Development of £1,690,000
 - ☐ RLV for the Policy Compliant Development of £1,045,000

Comparative Positions

- 2.16 The comparative positions relating to the Proposed Development and the Policy Compliant Development are set out in the tables provided below and reflect the positions stated in the FVA and the Viability Statement of Common Ground.

Table 1 – The Proposed Development

Comparative Positions

The Proposed Development	Appellant	Review
Benchmark Land Value	£1,150,000	£990,000
Residual Land Value Element		
Gross Development Value (GDV)		
Market Housing	£8,950,000	£9,525,000
Affordable Housing	£542,506	£590,987
GDV Total	£9,492,506	£10,115,937
Base Build Costs	£3,263,887	£3,263,887
External Costs	£962,900	£962,900
Abnormal Costs	£475,513*	£475,513*
Part L	£210,068	£210,068
Contingency	£245,618 (5%)	£245,618 (5%)
Professional Fees	£392,989 (8%)	£392,989 (8%)
CIL	£188,885**	£188,885**
Agreed Section 106	£241,710	£241,710
Additional Section 106	£55,000***	£55,000***
Sales, Legal & Marketing Costs	2.5%	2.5%
Management Company	£5,000	£Nil
Void Council Tax	£14,000	£Nil
Finance Rate	8.25%	8.25%
Valuation Fee	£20,000	£Nil
Development Period	21 months	21 months
Restrictive Covenants	£25,000	£TBC
Land Acquisition Fees	1.75%	1.75%
Profit on Market Housing	17.5%	17.5%
Profit on Affordable Housing	6%	6%
Aggregate Profit £	£1,598,830	£1,804,177
Residual Land Value	£1,036,195*	£1,690,000
	Marginally Viable	Viable with surplus for additional affordable housing

*Provisional pending the receipt of further information from the Appellant

**Estimated

***Provisional pending confirmation by the Council and the Appellant

Table 2- The Policy Compliant Development

Policy Compliant Development	Appellant	Review
Benchmark Land Value	£1,150,000	£990,000
Residual Land Value Element		
<i>Gross Development Value (GDV)</i>		
Market Housing	Not provided	£7,065,000
Affordable Housing	Not provided	£1,808,385
<i>GDV Total</i>	Not provided	£8,873,385
Base Build Costs	Not provided	£3,263,887
External Costs	Not provided	£962,900
Abnormal Costs	Not provided	£475,513*
Part L	Not provided	£210,068
Contingency	Not provided	£245,618 (5%)
Professional Fees	Not provided	£392,989 (8%)
CIL	Not provided	£138,425**
Agreed Section 106	£241,710	£241,710
Additional Section 106	£55,000**	£55,000**
Sales, Legal & Marketing Costs	Not provided	2.5%
Management Company	Not provided	£Nil
Void Council Tax	Not provided	£Nil
Finance Rate	Not provided	8.25%
Valuation Fee	Not provided	£Nil
Development Period	Not provided	21 months
Restrictive Covenants	Not provided	£TBC
Land Acquisition Fees	Not provided	1.75%
<i>Developer's Profit Margin</i>		
Profit on Market Housing	Not provided	17.5%
Profit on Affordable Housing	Not provided	6%
Aggregate Profit £	Not provided	£1,345,205
Residual Land Value	Not provided	£1,045,000
Viable/Unviable	Not confirmed	Unviable

*Provisional pending the receipt of further information from the Appellant

**Provisional pending confirmation by the Council and the Appellant

Conclusion***The Proposed Development***

- 2.17 In my opinion the Proposed Development as at the agreed valuation date of 31st August 2023 is a viable form of development and generates a surplus (£700,000) above the BLV which could be used to deliver additional Affordable Housing.

The Policy Compliant Development

- 2.18 In my opinion the Policy Compliant Development as at the agreed valuation date of 31st August 2023 is a viable form of development.

Major Issues or Areas of Disagreement

- 2.19 The main areas of disagreement relate to the determination of the:

- ☐ Gross Development Value
- ☐ Management company costs
- ☐ Void Council Tax costs
- ☐ Valuation fees
- ☐ Restrictive covenant fees
- ☐ Failure of the Appellant to apply a 'Stand Back' Approach to the RLV

Further Areas of Potential Disagreement

- 2.20 Further areas of disagreement may apply as a result of the new and additional costs introduced by the Appellant via Mr Newman's email dated 3rs September 2023 relating to:

- ☐ Bank monitoring fees and Quantity Surveyors fees
- ☐ Abnormal development costs (off-site drainage infrastructure)
- ☐ The Residual Land Value

- 2.21 I confirm that my advice to the Council and my opinion set out in this proof of evidence has been prepared in accordance with the NPPF, PPG, RICS Valuation – Global Standards 2017 and RICS Professional Statement Financial viability in planning: conduct and reporting (1st edition, May 2019) and that I am acting as a Suitably Qualified Practitioner as defined therein. My evidence has also been prepared having regard to RICS Guidance Note Assessing viability in planning under the National Planning Policy Framework 2019 for England (1st edition March 2021).

- 2.22 I understand my duties as an expert witness in this inquiry and to the Inspector. I confirm that in carrying out my reviews of the Appellant's viability appraisal and in preparing this proof evidence I have acted with objectivity; impartiality; without interference; with reference to all appropriate sources of information; and that no contingent or performance-related fee has been agreed. In providing this evidence I have considered the most effective and efficient way to deliver the development and my review reflects the way the development would actually be carried out.

3. Site Location & Description

- 3.1 The site forming the subject of this appeal (the Appeal Property) lies to the west of the centre of Dibden Purlieu within the Settlement Boundary and within an established residential area characterised by detached housing. Noads Way is typical of the immediate area and a desirable location in Dibden Purlieu and comprises an attractive tree lined road.
- 3.2 The Appeal Property extends in total to approximately 0.9 hectare (2.2 acres) and is irregular in shape. We have not made a physical inspection but understand that the property comprises a detached bungalow in poor condition occupying a site of 0.58 acres together with two areas of paddock/grazing land with stables. These parts extend to 1.62 acres.

4. The Proposed Development

- 4.1 A planning application for the Proposed Development was submitted on 8th July 2022 and registered on 15th July 2022 under reference number 22/10813. The planning application proposes *'Demolition of the existing buildings; erection of 25 dwellings with associated access, landscaping and parking'*.
- 4.2 The Proposed Development comprises a development of 25 x residential units comprising a mix of 2, 3 and 4 bed houses. The houses at the development will have accommodation arranged over ground and first floors with a mix of brick, rendered and weatherboard elevations under pitched tile roofs.
- 4.3 My understanding of the Proposed Development and the Policy Compliant Development, and the accommodation offered, is set out in Table 1 and Table 2 respectively at Appendix One and is based upon Site & Block Plan 21110.07B; the design and access statement; and information provided by the Applicant's viability appraisal. The Proposed Development provides for 22 x Market Housing units and 3 x Affordable Housing units.
- 4.4 Access to the development will be from Noads Way via the existing point of access. The largest of the four bed houses lies at the entrance to the development on the western side of the access road and comprises a detached house that occupies a large plot and benefits from a garage and parking space. This house is orientated to face Noads Way. The remainder of the houses are semi-detached or terraced and many (Units 4 to 13 and 22 to 25) will enjoy a view over the central green located on the inside curve to the south of the access road. A copy of the Site and Block Plan (21110.41 D) is provided as Appendix Two.

5. The Policy Compliant Scheme

- 5.1 The Policy Compliant Development is identical to the Proposed Development in terms of the layout and the form and type of the units. The only difference relates to the tenure mix with the Policy Compliant Development based upon the provision 16 x Market Housing units and 9 x Affordable Housing Units (36%).
- 5.2 Policy HOU2: Affordable Housing of the New Forest Local Plan 2016-2036 requires that 70% of the Affordable Housing units be provided for rent and 30% for affordable home ownership. We have therefore assumed that 70% of the Affordable Housing units will be provided for Social Rent and Affordable Rent and 30% for Shared Ownership and have adopted the following Affordable Housing mix:
- ☐ 4 x 2 Bed Houses (16%)
 - ☐ 5 x 3 Bed Houses (20%)

My understanding of the specific tenure mix is set out in the schedule provided as Appendix Two at Appendix One.

6. Explanation of Framework, Methodology and Key Concepts

Key Viability Terms

- 6.1.1 These terms and definitions are taken from the 2021 Guidance Note and the Professional Statement.

Benchmark Land Value

- 6.1.2 The value to be established on the basis of the existing use value (EUV) plus a premium for the landowner of the alternative use value (AUV) in which the premium is already included.

Residual Land Value

- 6.1.3 The amount remaining once the costs of development of a project are deducted from its net development value (NDV) and an appropriate profit has been deducted (based on Valuation of Development property, RICS guidance note).

Net Development Value

- 6.1.4 The gross development value (GDV) minus assumed seller's costs (Valuation of Development Property, RICS guidance note).

Gross Development Value

- 6.1.5 The aggregate market value of the proposed development, assessed on the special assumption that the development is complete on the date of valuation in the market conditions prevailing on that date...

Residual Method of Valuation

- 6.1.6 A valuation/appraisal of a development based on deduction of the costs of development and either profit or land cost from the anticipated proceeds (Valuation of development property, RICS guidance note). Depending upon whether the residual amount is the land value or profit, the other elements must be deducted in addition to the costs of development to determine the residual amount.

Sensitivity Analysis

- 6.1.7 A series of calculations resulting from the residual appraisal involving one or more variables – rent, sales values, build cost etc. – that are varied to show the differing results (Valuation of development property, RICS guidance note).

Stand Back

- 6.1.8 Following a detailed component review of the inputs into an FVA and running the appraisal, to stand back is to consider the output(s) objectively, and with the benefit of experience, given the complexity of the proposed scheme. This may often be assisted by reviewing the sensitivity analysis.

Comparable Transaction Evidence

- 6.1.9 A transaction used in the valuation process as evidence to support the valuation of another property (valuation of development property, RICS guidance note). Land transaction evidence must be compliant with or adjusted for plan policy requirements.

6.2 Viability Approach

- 6.2.1 A development proposal can be considered viable to provide contributions for CIL, Section 106 and Affordable Housing if the Residual Land Value (RLV) for that development proposal exceeds the Benchmark Land Value (BLV).
- 6.2.2 The basis for determining the viability of a development proposal is set out in the Planning Practice Guidance relating to viability (the PPG) and RICS Guidance Note ‘Assessing Viability in Planning under the National Planning Policy Framework, March 2021 (the 2021 Guidance Note).

6.2.3 The 2021 Guidance Note confirms at paragraph 2.2.1 that *‘FVAs are not valuations as such, but there is a significant valuation content within an FVA. For that reason, these valuation aspects are within the jurisdiction of the Red Book and other RICS mandatory statements and professional guidance’*. The 2021 Guidance Note advises at paragraph 2.2.3 that *‘FVAs for planning purposes are carried out under the NPPF/PPG; this is regarded as the authoritative requirements in the Red Book. This means that the UK government’s technical requirements on the assessment of viability take precedence, but Red Book professional standards still apply. RICS members undertaking this work must adhere to the following:*

- ❑ *Statutory and other authoritative requirement*
- ❑ *The Financial viability in planning: conduct and reporting RICS Professional Statement...*
- ❑ *PS 1 and PS 2 of the Red Book’*

Importantly, at paragraph 2.2.4 the 2021 Guidance Note confirms that *‘this (the 2021 Guidance Note) and other RICS guidance notes are intended to assist practitioners in applying the government’s required approach and should be referenced as appropriate, including:*

- ❑ *Valuation of development property, RICS guidance note (the 2019 Guidance Note)*
- ❑ *Comparable evidence in real estate valuation, RICS guidance note*
- ❑ *Valuation of land for affordable housing, RICS guidance note...’*

6.2.4 The definition and scope of RICS guidance notes is as follows: *‘RICS Guidance Notes set out good practice for RICS members and for firms that are regulated by RICS. An RICS guidance note is a professional or personal standard for the RICS Rules of Conduct.*

Guidance notes constitute areas of professional, behavioural competence and/or good practice. RICS recognises that there may be exceptional circumstances in which it is appropriate for a member to depart from these provisions - in such situations RICS may require the member to justify their decisions and actions’.

6.2.5 Further information is provided by the Professional Statement. The Professional Statement *‘...sets out mandatory requirements that inform the practitioner on what must be included within reports and how the process must be conducted’.*

6.2.6 The definition and scope of RICS Professional Statements is as follows: *‘RICS professional statements set out the requirements of practice for RICS members and or firms that are regulated by RICS. A professional statement is a professional or personal standard for the RICS Rules of Conduct.*

Mandatory vs good practice provisions

Sections within professional statements that use the word ‘must’ set mandatory professional, behavioural, competence and/or technical requirements, from which members must not depart.

Sections within professional statements that use the word ‘should’ constitute areas of good practice. RICS recognises that there may be exceptional circumstances in which it is appropriate for a member to depart from these provisions -in such situations RICS may require the member to justify their decisions and actions’.

6.2.7 At paragraph 13 the PPG states that *‘Landowners and site purchasers should consider policy requirements when agreeing land transactions’*. The 2021 Guidance Note expands on this and advises at paragraph 5.1.5 that *‘The BLV is a benchmark value against which the developer contributions can be assessed. Once those contributions have been set, land markets should take the level of policy requirements into account, just as all markets should take all relevant factors that affect value into account’*.

6.3 **Benchmark Land Value**

6.3.1 The BLV is the threshold that, if exceeded by the RLV of the development, the development can be considered viable and below which a scheme will be unviable. Paragraph 014 of the PPG confirms that *‘Benchmark Land Value should:*

- *be based upon existing use value*
- *allow for a premium to landowners...*
- *reflect the implications of abnormal costs; site-specific infrastructure costs and; professional site fees’.*

6.3.2 The EUV is the value of the land in its existing use and the premium 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.

6.3.3 In arriving at my opinion of the BLV I have had regard to the minimum return at which it is considered a reasonable landowner would be willing to sell the Appeal Property for development in accordance with the PPG and the 2021 Guidance Note.

6.3.4 At paragraph 13 the PPG states that *‘Landowners and site purchasers should consider policy requirements when agreeing land transactions’*. The 2021 Guidance Note expands on this and advises at paragraph 5.1.5 that *‘The BLV is a benchmark value against which the developer contributions can be assessed. Once those contributions have been set, land markets should take the level of policy requirements into account, just as all markets should take all relevant factors that affect value into account’*.

6.3.5 In this way, the expectation of the viability guidance is that purchase prices take account of the costs of meeting policy expectations for Affordable Housing and meeting other necessary planning contributions. In this regard, it is unsatisfactory that the Appellant has not disclosed the purchase price for the site or the assumptions which underpinned it.

6.3 The Residual Land Value

6.3.1 In arriving at my opinion of the RLV for the Proposed Development and the Policy Compliant Scheme, I have had regard to the 2021 Guidance Note and adopted the residual valuation method and established the Gross Development Value (GDV) and then deducted the costs of carrying out the development and a reasonable developer's profit.

6.4 Stand Back

6.4.1 I have then cross-checked the residual values derived from the residual appraisals using the residual valuation method with evidence from comparable development land transactions and applied sensitivity testing of the inputs adopted for the residual appraisals. This forms an important part of the 'Stand Back' exercise required by the Professional Statement and is consistent with the requirements of the 2021 Guidance Note and RICS Guidance Note 'Valuation of Development Property, October 2019 (the 2019 Guidance Note).

6.4.2 The Professional Statement requires appraisers to undertake a detailed review of the inputs into a viability appraisal and to consider the outputs of the residual appraisal objectively and with the benefit of experience. The Professional Statement also requires sensitivity analysis of the inputs to the residual appraisal to assess how changes in inputs can affect viability and to understand the extent to which a residual appraisal enables an appropriate determination of viability to be made.

6.4.3 The Professional Statement advises that '*Case law has recognised that values and costs are not precise figures but may fall within a tolerance. Valuation and costing inputs would not normally be at a level at either end of a possible range but **must** reflect a practitioner's professional viability judgement, having regard to such matters as the risks of development*'. Importantly, the Professional Statement goes on to say that '*The same consideration **should** be applied to resultant outputs to reach a rationale, reasonable and realistic conclusion*' and that '*Sensitivity analyses help set such conclusions in their proper context and allow for adjustments to inputs within a possible range*'.

6.4.4 It is not therefore sufficient in seeking to determine the RLV to rely solely on a residual appraisal based upon not unreasonable assumptions.

6.4.5 In my opinion, the requirement to stand back can best be achieved by comparing the residual value derived by reference to a residual appraisal with evidence from the sale of comparable development land transactions. This is in line with the requirements of the 2019 Guidance Note and the 2021 Guidance Note.

6.4.6 As discussed above, the 2021 Guidance Note confirms at paragraph 2.2.4 the 2021 Guidance Note confirms that *'this (the 2021 Guidance Note) and other RICS guidance notes are intended to assist practitioners in applying the government's required approach and should be referenced as appropriate, including:*

- ❑ *Valuation of development property, RICS guidance note (the 2019 Guidance Note)*
- ❑ *Comparable evidence in real estate valuation, RICS guidance note*
- ❑ *Valuation of land for affordable housing, RICS guidance note...*

6.4.7 The 2019 Guidance Note at paragraph 2.3.3 confirms that *'in the case of the valuation of development property, valuations are normally undertaken in two ways: the market comparison approach; and the residual method'*. The 2019 Guidance Note confirms at paragraph 2.3.4 that *'Best practice avoids reliance on a single approach or method of assessing the value of development property. Normally, any valuation undertaken by the market comparison approach should be cross-checked by reference to the residual method. Where a residual method is used, it is similarly important to cross-check the outcome with comparable market bids and transactions where they exist, including the subject property'*. The advice to apply both methods when possible has been endorsed by 2019 amendments to IVS 410 (effective from 31st January 2020), which state: *'...the valuer should apply a minimum of two appropriate and recognised methods to valuing development property for each valuation project...'*

6.4.8 It is also noted that the 2021 Guidance Note at paragraph 4.1.8 advises that *'Section 2.3 of Valuation of development property, RICS guidance note, (the 2019 Guidance Note) in particular paragraphs 2.3.2 to 2.3.6, gives additional advice on weighting evidence and sense-checking the results'*.

Paragraph 4.2.7 advises that *'Market information concerning costs. Values and optimal assumptions can be used. This means that standardised inputs are market, not individual developer, orientated. The types of evidence could include, but are not restricted to, the following:*

...

- ❑ *Land transaction evidence adjusted for policy compliance and for any abnormal costs.'*

- 6.4.9 The 2019 Guidance Note at paragraph 5.3 advises that ‘*Valuation of development property by comparison requires a depth of information of similar assets normally in a similar type of location or geographical area*’. The RICS Guidance Note *Comparable evidence in property valuation (1st edition)* sets out a hierarchy of different types of evidence with direct transactional data at the top. This includes all types of relevant transactional comparable evidence, including:
- ❑ *Recently completed transactions of identical properties for which full and accurate information is available; occasionally this may include the subject property itself...*
- 6.4.10 Paragraph 5.4 goes on to say that ‘*A transaction in the property being valued can provide some of the best evidence available for a valuation, provided it is a recent transaction.*’
- 6.4.11 The PPG at paragraph 16 advises that ‘*Local Authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement)*’. Confirmation of the price expected to be paid through an option agreement or promotion agreement on the grant of planning permission therefore provides a mechanism to facilitate transparency in decision taking. Transparency is confirmed as a primary motivation of the 2018 and 2019 revisions to the NPPF and the PPG on viability (as confirmed by paragraph 1.1.2 of the 2021 Guidance Note).
- 6.4.12 It is clear from the above that best practice, the Professional Statement and RICS Guidance Notes and direction from IVS require the valuation of development property to be determined by reference to the comparison and residual methods and that the purchase price for a property being valued can provide some of the best evidence available for that valuation. This applies equally to the determination of the BLV and the RLV within a viability appraisal as confirmed by paragraph 2.2.4 the 2021 Guidance Note which makes specific reference to the 2019 Guidance Note (and the RICS Guidance Note relating to Comparable evidence in real estate valuation).
- 6.4.13 In this way, the expectation of the viability guidance is that purchase prices take account of the costs of meeting policy expectations for Affordable Housing and meeting other necessary planning contributions. In this regard, it is unsatisfactory that the Appellant has not disclosed the proposed purchase price for the site or the assumptions which underpin it.

7. Determination of the Benchmark Land Value

- 7.1 The BLV for the Appeal Property had previously been agreed at £1,150,000. This assessment of the BLV was based upon my assessment of the BLV for the Appeal Property under a previous planning application under reference 21/11201 and reflected a sum lying midway between my assessment of the BLV at £990,000 using the EUV Plus approach and that indicated by the New Forest District Council – Whole Plan Viability Assessment 2018 at £1,295,000, both of which are discussed below.

7.2 My Opinion of the BLV

7.2.1 My opinion of the EUV of the Appeal Property was based upon an agreed opinion of the EUV of the bungalow at £510,000 and for the paddock at £100,000 per acre.

7.2.2 However, at paragraph 8.4 of the BK Review 1st November 2022 I advised that based upon Ordnance Survey mapping for the area, and the Land Registry, the total area for the Appeal Property was 2.2 acres (bungalow at 0.58 acres and paddock at 1.62 acres) and that the site area was smaller than that quoted by the Appellant in the Initial FVA at 2.42 acres (0.62 acres for the Bungalow and 1.8 acres for the Paddocks) but was in line with the areas quoted in the Design & Access Statement. This had obvious implications for the EUV of the paddock.

7.2.3 The EUV of the Appeal Property is therefore agreed at £670,000 (£510,000 for the bungalow and £100,000 per acre (£160,000) for the paddock). The assessment of the relevant premium, however, can be harder to determine when seeking to agree the BLV.

7.3 The Premium

7.3.1 The PPG at paragraph 16 advises as follows:

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

7.3.2 Just as importantly, paragraph 13 of the PPG advises that *‘the premium should reflect the minimum return at which 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 plan policy requirements...’.*

7.3.3 My assessment of the BLV at £1,150,000 at the date of the BK Review 1st November 2022 therefore, in part, reflected my opinion of the RLV of the Policy Compliant Development at £1,635,000 and the assumption that the Policy Compliant Development was a viable form of development with policy compliant Affordable Housing provision. This is significant because Mr Newman’s email dated 3rd September 2023 (copy at Appendix Twelve) re-opens the issue of abnormal development costs through the introduction of significant new and additional costs for off-site drainage infrastructure at £401,238 (as discussed above at paragraphs 2.10 to 2.14).

7.3.4 If these new and additional costs are confirmed I am of the view that my previous assessment of the BLV at £1,150,000 is overstated and that it is necessary to review my opinion of the BLV. This is because in determining the BLV paragraph 014 of the PPG requires that *‘the BLV should... reflect the implications of abnormal costs; site-specific infrastructure costs and; professional site fees’.*

- 7.3.5 The 2021 Guidance Note at paragraph 4.4.7 provides further direction in this regard and advises that *‘Abnormal costs related to the development and enabling infrastructure normally impact on the development land value and not the EUV. Each case needs to be treated on its merits, but if the development site value is reduced and the EUV is unaffected, the premium, is reduced...’*. The 2021 Guidance Note at paragraph 4.4.9 goes on to say that *‘Where a residual valuation is being used to identify the residual planning obligations, the BLV used in that calculation must allow for the reduction in land value of a site that has abnormal costs’*.
- 7.3.6 The PPG is clear that the premium should be the minimum required to incentivise the landowner to release the land for development. The objective of the BLV is therefore to identify the minimum sum required to incentivise the landowner to sell their land for development. It is the minimum because the purpose of assessing viability in planning is to maximise the Affordable Housing provision (planning contributions) having regard to site specific issues. There is, however, no specific guidance relating to the premium to be applied to the EUV
- 7.3.7 The standard range for premiums for previously developed sites (the bungalow) lies within the range between 10% to 30%. However, it is understood that the bungalow is in poor condition and requires refurbishment. Paragraph 017 of the PPG confirms that *‘...Where it is assumed that an existing use will be refurbished or redeveloped this will be considered as an AUV when establishing BLV’*. Paragraph 017 goes on to say that *‘Valuation based upon AUV includes the premium to the landowner’*. The Appellant has not sought to apply a premium to the EUV of the bungalow. This is a correct interpretation of the PPG and I have similarly not applied a premium to the bungalow.
- 7.3.8 The 2021 Guidance Note at Appendix D.2.5 advises that *‘...in the case of greenfield, cleared brownfield ... where the EUV is a small proportion of the BLV, the premium is more likely to be stated as a multiplier or could be stated as an actual amount’*. This is in line with advice provided in the now superseded RICS Guidance Note that indicated a premium in the order of 10 to 20 times applying to agricultural land. However, that advice was provided in the context of the low EUVs for agricultural land at approximately £10,000 per acre and applies where *‘...the EUV is a small proportion of the BLV’*. In the absence of clear guidance on the multiplier to be applied and having regard to the PPG and the requirement that *‘the premium should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land’*, I am of the opinion that minimum per gross acre values applied in option and promotion agreements provide a more useful and reliable indicator for the assessment of the BLV and the premium.

- 7.3.9 Minimum values applied in option and promotion agreements are typically in the order of £300,000 per gross acre in the South East region with higher values applying, on occasion, in high value areas. These minimum prices can, in my opinion and by definition, be considered representative of the '*minimum return at which a reasonable landowner would be willing to sell their land*' and are therefore consistent with the requirements for the determination of BLV. These minimum values represent a contractual position between the developer/promoter and the landowner and if the value/price achieved for the property following the grant of planning permission does not match or exceed these minimum prices the sale of the land will fail and the developer/promoter's work and expense in securing a planning permission for development becomes abortive. Developers/promoters therefore have an interest in keeping the minimum gross acre price to a minimum. Landowner's in contrast have an obvious interest in maximising the minimum gross acre price.
- 7.3.10 It is considered that a minimum price of approximately £300,000 per gross acre would apply to the Paddock. At 1.6 acres this indicates a BLV for the Paddock of £480,000. This is equal to approximately 3 x the EUV of £160,000 and provides for a premium of £320,000.
- 7.3.11 Based upon a BLV for the bungalow of £510,000 and a BLV for the paddock of £480,000 I considered that the aggregate BLV for the Appeal Property was represented by a sum in the order of £990,000.
- 7.3.12 The New Forest District Council Whole Plan Viability Assessment 2018 (WPVA) at Figure 2.2 confirms the BLVs relevant to different development typologies in different locations. Within Totton and Waterside, for small development between 1 and 49 units, a BLV of £1,200,000 per gross hectare (£485,000 per gross acre) is considered appropriate for both greenfield and brownfield sites. The Proposed Development provides for 25 units and is therefore considered a small development. At £485,000 per gross acre this indicates a BLV for the Appeal Property of £1,067,000 (2.2 acres x £485,000) which is in line with my assessment at £990,000.
- 7.3.13 I now consider my previous assessment of the BLV using the WPVA, as set out in the BK Review 1st November 2022, at £1,295,000 to be incorrectly assessed. As stated above, the WPVA for small developments in Totton and Waterside considers a BLV of £485,000 per gross acre to be appropriate for both greenfield and brownfield sites. In selectively applying this to the paddock and not the entire site including the bungalow it can be seen that I overestimated the BLV by reference to the WPVA.

7.4 Implications of Abnormal Development Costs/Site Specific Infrastructure Costs

7.4.1 Significant abnormal development costs/site specific infrastructure costs were identified by the Initial FVA and the FVA Update totalling some £475,513. These abnormal development costs/site specific infrastructure costs are set out below and have been agreed. It has not, however, been possible to agree the new and additional costs for off-site drainage infrastructure at £401,358 introduced on 3rd September 2023 by the Appellant via Mr Newman's e-mail of that date as no supporting information or justification has been provided.

- ❑ Substation Upgrades £87,000.
- ❑ E/O 1.5m Deep Strip Foundation £51,734.
- ❑ E/O Block Paving £52,800.
- ❑ Pump Station £80,894.
- ❑ Capping Layer £47,220.
- ❑ SUDS £20,775.
- ❑ Tree Works £30,000.
- ❑ Tree Protection £20,000
- ❑ Asbestos removal £10,000
- ❑ Car charging £25,000
- ❑ Demolition and site clearance £50,000.

The total allowance for abnormal development/site specific infrastructure costs now reported by the Appellant is some £876,751 and has increased significantly since initially assessed at £475,513 when the BLV was previously agreed. These costs are exclusive of agreed sums for contingency at 5% and professional fees at 8%. If further sums are applied for contingency and professional fees this indicates an aggregate sum for abnormal development costs and site specific infrastructure costs of £990,729.

7.4.2 These abnormal development costs and site specific infrastructure costs are an additional cost to the development and therefore impact the development land value but have no impact on the assessment of the EUV. Under such circumstances, the PPG and the 2021 Guidance Note confirm that the if the development site value is reduced and the EUV is unaffected, the premium should be reduced, as discussed above at paragraphs 7.3.4 and 7.3.5.

7.4.3 On this occasion, the EUV is unaffected by the abnormal costs and site specific infrastructure costs and professional site fees and the premium could therefore be reduced.

- 7.4.4 However, if one makes a full allowance for the abnormal development costs and site specific infrastructure costs the BLV would fall significantly below the assessment of the EUV. A BLV at such a level would not therefore satisfy the essential criteria of the BLV and premium, namely:
- 1) it provides a reasonable incentive for the landowner to bring forward land for development; and
 - 2) it is the minimum return at which it is considered a reasonable landowner would be willing to sell their land.
- 7.4.5 The PPG at paragraph 16 is unambiguous in stating that *‘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’*. It is therefore clear that the BLV cannot be for a sum below the EUV and that a higher sum must therefore be considered to apply and that is equal to or in excess of the agreed EUV of £670,000.
- 7.4.6 Given the significant abnormal costs and site specific infrastructure costs I am of the opinion that the BLV at the lower end of the range indicated above (£990,000) based upon the EUV of the bungalow and minimum values per gross acre for the paddock is the maximum that could be considered appropriate. There is nevertheless a case for a lower BLV to apply given the extent of the abnormal development costs and site specific infrastructure costs and to this end I draw attention to the most current and relevant FVA available prepared by Rapleys and dated 14th August 2023 and submitted in support of application 22/10747 for 9 dwellings at Land north of the Hollies, Hill Street in Totton (the Rapleys FVA). This is provided as a core document to the Appeal and comprises a not dissimilar parcel of land when compared to the paddock. The Rapleys FVA at Section 14 adopts a BLV equal to £500,000 per hectare (£202,500 per acre). If this sum was applied to the paddock this would indicate a BLV for the Appeal Property in the order of £834,000.
- 7.4.7 To further assist in the determination of the BLV and to further set the context, one might consider the alternative options are available to the landowner and the circumstances that might motivate the landowner to retain the land rather than releasing the land for development at £990,000.
- 7.4.8 Motivating factors might include the following:
1. The expectation for an alternative and more valuable form of development. This, however, seems unlikely. Residential development appears to be the most appropriate and best alternative use for the property with little if any demand for a commercial scheme in this location, even if such a use was acceptable in planning terms.

2. The expectation that residential land values will increase significantly in the short to medium term. This also appears unlikely having regard to current market conditions. Both the Appellant's and my own views of the RLV for the Proposed Development and the Policy Compliant Development have fallen since the date of our initial appraisal work. Equally, even if residential values were to increase significantly then this would result in an improvement in the viability of the property to contribute towards the provision of additional Affordable Housing and not therefore a higher minimum price expectation to the landowner.

7.4.9 It is therefore considered that residential development of the Appeal Property, in line with the proposed form of development, provides for the most appropriate and highest value use. Furthermore, in the absence of an alternative higher value use there is no logical reason for the Appellant to hold out for a higher value and, even if residential land values were to improve significantly, which appears unlikely in the short to medium term, then the first call on any additional value would be the provision of Affordable Housing to achieve policy compliant levels.

7.5 Conclusion

7.5.1 Paragraph 013 of the PPG states that '*Landowners and site purchasers should consider policy requirements when agreeing land transactions*'. Paragraph 5.1.4 of the RICS Guidance Note 2021 advises that '*The BLV is a benchmark value against which the developer contributions can be assessed. Once those contributions have been set, land markets should take the level of policy requirements into account, just as all markets should take all relevant factors that affect value into account*' and paragraph 014 of the PPG requires that '*the BLV should... reflect the implications of abnormal costs; site-specific infrastructure costs and; professional site fees*'. In this way it is expected that markets, land values and therefore the **minimum** return at which it is considered a reasonable landowner would be willing to sell their land will adjust in relation to expectations for developer contributions including policy compliant Affordable Housing provision. In the absence of a demonstrable alternative and higher value policy compliant use it is considered that a BLV equal to not more than £990,000 provides a reasonable incentive for the landowner to bring forward land for development. A lower sum may be considered to apply and the Rapleys FVA indicates a BLV in the order of £834,000 which, in my opinion, is supportable having regard to the implications of abnormal costs and site specific infrastructure works.

8. Assessment of the Residual Land Value

8.1 The Whole Plan Viability Assessment 2018

8.1.1 The WPVA 2018 considers multiple different development typologies and applies these to the different value areas. The Proposed Development is understood to lie within the Totton & Waterside value area and the WPVA 2018, in Figure 3.8, indicates that small size developments are viable with policy compliant Affordable Housing provision at a density of development of 35 dwellings per hectare and generate RLVs of £1,320,000 per gross hectare (£535,000 per gross acre). This compares with a BLV of £1,200,000 per gross hectare and the expectation is therefore that such developments are viable with policy compliant Affordable Housing provision.

8.1.2 The Application Property extends to 2.2 acres and based upon a development of 25 units indicates a density of development of 39 dwellings per hectare which is in line with the typology tested in the WPVA at 35 dwellings per hectare. At £535,000 per gross acre this indicates a RLV for the Policy Compliant Development of £1,177,000.

8.1.3 This WPVA 2018 therefore provides relevant context for any assessment of the RLV in respect of the Policy Compliant Development. The WPVA 2018 indicates a RLV for the Policy Compliant Development of £1,177,000. This indicates that the Policy Compliant Development is a viable form of development when compared to my opinion of the BLV at £990,000 and the Appellant's opinion of the BLV at £1,150,000.

8.2 The Gross Land Value

8.2.1 The nature of development is that no two sites are exactly the same. It is possible for two neighbouring development sites that share the same location and that have the same kind of planning permissions for development to have different purchase prices/value. This could be, for example, because one site may have more onerous abnormal development costs when compared to the other and/or Section 106/Section 278 contributions and/or requirements to contribute to CIL. Under such circumstances, and with all else being equal, one would expect the purchase price for the site that is affected by these cost implications to be lower than the value for the unaffected/less affected site.

8.2.2 It is therefore valuation practice in seeking to make comparison between different development sites to establish the gross land value (GLV). The GLV is represented by the aggregate of the purchase price for a development property together with the sums attributable to abnormal development costs and for Section 106 contributions and CIL.

- 8.2.3 In this way the GLV provides an effective means of comparison between the two neighbouring sites in the hypothetical example given above, that share the same location and that have identical planning permissions for development in a way that the purchase prices cannot. The GLV therefore provides a suitable means for valuation by comparison between different development sites in a way that reference to the purchase price alone cannot.
- 8.2.4 Having established the GLV for a development proposal by reference to comparable development sites one would then deduct the abnormal development costs, Section 106/Section 278 contributions and requirements to contribute to CIL etc that specifically relate to the development proposal at the property being valued. This provides for a net land value for the property being valued (net of Section 106, Section 278, CIL and abnormal development costs). The net land value should relate to the value of the property with planning permission for development and in the case of a viability appraisal the RLV.

Evidence from Comparable Development Land Transactions

St Jude's, Roman Road, Dibden Purlieu SO45 4QJ

- 8.2.5 It is understood from the Appellant that this property achieved a sale at £1,300,000. This sale was completed on 1st July 2021 and followed the grant of planning permission on 29th January 2021 under reference 21/10119 for *'Four dwellings, with associated works, car ports and parking with new vehicular access onto Roman Road and stopping up of existing access serving St Jude's'*. The planning permission provided for the retention of the existing house on a site of 0.15 acres with the new houses to be constructed on the residue of the site that extends to 0.54 acres. It is not known at this stage whether the price paid reflected any developer discount under the terms of an Option Agreement.
- 8.2.6 The Appellant estimates that the existing house (St Jude's) has a value in the order of £500,000 and suggests that the residue of the property (0.54 acres) with the benefit of planning permission for 4 new dwellings (1 x detached 4 bed house, 1 x detached 3 bed house and 2 x semi-detached 3 bed houses) is in the order of £800,000 (£1,480,000 per acre/£200,000 per plot)). This is a 100% Market Housing development and we understand that the new dwellings will have a total Net Sales Area of 4,616 sq ft. This indicates an average unit size of 1,154 sq ft and a price equivalent to £173 per sq ft.
- 8.2.7 We are not aware of the extent of any abnormal development costs associated with this site but understand that there are some issues relating to TPO trees. It is understood that contributions to CIL of £43,941 are required together with non-infrastructure contributions of £4,278. This indicates a land value gross of CIL of at least £1,350,000 which analyses at £184 per sq ft Net Sales Area.

8.2.8 We have prepared a residual appraisal (copy provided as Appendix Six) for the proposed form of development at the Appeal Property based upon the inputs discussed below but reflecting nil Affordable Housing provision and £nil abnormal development costs and £nil CIL/Section 106 contributions in order to provide for a like for like comparison based upon the concept of the GLV as discussed above. This indicates a GLV of £3,013,849 (gross of abnormal development costs and CIL/Section 106 contributions and Affordable Housing). This analyses at £129 per sq ft Net Sales Area which is significantly lower than that achieved at St Jude's.

8.2.9 One would have expected a similar or higher GLV in £ per sq ft terms to apply to the Proposed Development to reflect unknown abnormal development costs at St Jude's costs, for which an allowance has not been made. This suggests that both the Appellant's and my residual appraisal are based upon pessimistic inputs.

Beckley Walk, Brokenford Lane, Totton SO40 9NE

8.2.10 Our enquiries of the Land Registry indicate that this site achieved a sale on 9th April 2019 at £1,450,000. A copy of the Land Registry entries for this property are provided as Appendix 10. Again, we are not yet aware of whether this price is net of any developer discount arising from an Option exercise. The sale was completed following the grant of planning permission on 6th February 2019 under reference 18/11018 for *'24 Dwellings comprising 18 houses; 1 block of 6 flats; associated parking; access; landscaping'*.

8.2.11 The property extends to 0.88 acre and the development at this property comprised 3 x 1 bed flats, 3 x 2 bed flats, 12 x 2 bed houses and 6 x 3 bed houses with a total Net Sales Area of 18,406 sq ft. This is a 100% Market Housing development and at 18,406 sq ft this indicates an average unit size of 767 sq ft per unit as at February 2019.

8.2.12 We understand that the abnormal development costs totalled £428,000 and that contributions in relation to habitat mitigation and open space of £20,994 and £27,747 respectively were required together with a CIL payment of £171,899. This indicates a GLV of £2,100,000 which analyses at £114 per sq ft of Net Sales Area. This information is confirmed by the Section 106 agreement which is available on the Council's website under planning permission reference 18/11018.

8.2.13 This compares with our current assessment of the GLV of the Appeal Property on the same basis (gross of abnormal development costs and CIL/Section 106 contributions and with nil Affordable Housing) of £129 per sq ft.

8.2.14 We are aware of several recent sales of units at Beckley Walk, as discussed below at paragraphs 9.421 to 9.423 and it is considered that higher values would apply to the units at the proposed form of development at the Appeal Property to reflect the superior location and lower density form of development. This higher GDV would be expected to result in a higher GLV for the Appeal Property.

Conclusion

- 8.2.15 On the basis of the evidence from comparable development land transactions one would anticipate a significantly higher RLV for the Appeal Property on the same GLV basis than that provided by the Applicant's residual appraisals. The evidence provided by Beckley Walk and St Judes indicates a range for the Gross Land Value of £114 per sq ft to £184 per sq ft. I would expect a significantly higher GLV to apply to the Appeal Property when compared to Beckley Walk to reflect the lower value location and more cramped form of development at Beckley Walk and this supports our assessment of the GLV of the Proposed Development at £138 per sq ft.
- 8.2.16 One would anticipate a similar Gross Land Value for the Appeal Property and St Judes. St Judes is a smaller development and occupies a comparable location in terms of value and indicates a GLV of £184 per sq ft. My opinion of the GLV of the Application Property at £138 per sq ft falls significantly below this level and, if anything, indicates that my residual appraisals are based upon pessimistic assumptions. This provides the context for any opinion of the RLV of the Proposed Development and the Policy Compliant Development and indicates that the Applicant's residual appraisals are unrepresentative of the market and based upon pessimistic assumptions.

8.3 Purchase Price for the Application Property

- 8.3.1 In accordance with paragraph 16 of the PPG and RICS guidance the Applicant should again be requested to confirm the purchase price for the application property together with the terms for the proposed transaction. This would provide useful context for appraisal purposes.

9. Residual Appraisals

- 9.1.1 In arriving at my opinion of RLV for the Proposed Development and the Policy Compliant Development I have considered the inputs adopted by the Appellant and applied to their residual appraisals for the Proposed Development. At this stage, the inputs to the RLV are agreed between the Appellant and the Council for both the Proposed Development and the Policy Compliant Development with the exception of the:
- ☐ Gross development value (GDV)
 - ☐ Valuation fee (£20,000)
 - ☐ Management company fee (£5,000)
 - ☐ Void Council Tax cost (£14,000)
 - ☐ Restrictive covenant fee (£25,000)
- 9.1.2 These inputs to the residual appraisals are discussed in turn below. However, as discussed above at Section 6.4 and 7.2 and in line with the Professional Statement and the 2021 Guidance Note and the 2019 Guidance Note, I have also had regard to evidence from comparable development land transactions. This is an important exercise as land values derived from residual appraisals are very sensitive to small changes to the inputs adopted and this cross-checking exercise and sensitivity testing is an important and necessary stage in the accurate valuation of development land and forms part of the Stand Back required by the Professional Statement.

9.2 Gross Development Value

9.2.1 A summary of the current opinions of the GDV for the Proposed Development and the Policy Compliant Development are set out in the tables below.

Appeal One

The Proposed Development

Party	Gross Development Value
Appellant (Sturt & Company)	£9,492,506
The Council (Bruton Knowles)	£10,115,937

The Policy Compliant Scheme

Party	Gross Development Value
Appellant (Sturt & Company)	Not confirmed
The Council (Bruton Knowles)	£8,873,385

9.2.2 The Appellant's opinion of the Gross Development Value (GDV) for the Market Housing units at the Proposed Development is based upon evidence from new build schemes and second hand stock in Dibden Purlieu and the surrounding settlements.

9.2.3 The residual appraisals provided as Appendix A and B to the FVA confirm the unit values adopted by the Appellant. The Appellant's opinion of the GDV has been revised upwards in the FVA and a value of £240 per sq ft has been applied to the Affordable Housing units.

9.2.4 Appendix A and B provides values for the respective unit types.. It is, however, unclear what evidence the Appellant relies upon and how the evidence has been analysed and adjusted to reflect the particular attributes of the units at the Proposed Development (location, orientation, plot size, availability of garage, views over amenity areas etc). In my view, it is necessary to reflect carefully on the comparability of the available evidence. A broad-brush approach risks inaccuracy by relying on evidence which is not sufficiently comparable. A discerning approach to the best evidence (reflecting on location, size, type of dwelling and value significant features) is preferable to and more reliable than a melting pot approach where evidence of a variety of quality is used to derive an average or proxy value.

9.2.5 My opinion in this regard is supported by the property specific evidence provided below.

Indexation

9.2.6 The application of indexation (the Index) is relevant as sale prices are a snapshot in time. The use of indexation facilitates valuation by comparison using evidence derived from a wider period. This is important because reliance upon only contemporary transactions risks comparison with a small data set and less relevant/less comparable properties. It is a matter of valuer judgement to determine the weight to be applied to evidence of 'relevant but dated' comparables when compared to 'less relevant but contemporary' evidence. However, in my opinion, it is generally preferable and more accurate to value by reference to evidence from the sale of similar dwelling types using indexation than by reference to more contemporary evidence but relating to incomparable property types.

9.2.7 The UK House Price Index is based upon all sales recorded by the Land Registry and is therefore considered to provide the most comprehensive basis for indexation. The Property lies within New Forest District and rebasing the index to New Forest should therefore more accurately reflect local market conditions than regional or national market conditions if rebased to a wider area.

Comparable Evidence

9.2.8 In arriving at my opinion of the GDV for the Proposed Development and the Policy Compliant Development I have had regard to the following:

- ❑ Evidence provided by the Applicant;
- ❑ Evidence from the sale of new build developments in neighbouring settlements;
- ❑ Evidence from the sale of modern second-hand stock in the Dibden Purlieu; and
- ❑ Evidence from the sale of second-hand stock in the same location within Dibden Purlieu.

9.2.9 My approach has been to focus on utilising the best evidence for the specific property types at the Proposed Development (and the Policy Compliant Development). I attach significant weight to the evidence from sales of new developments and modern but second hand stock in Dibden Purlieu and Hythe. This evidence is considered to provide the local context for values and one would generally anticipate higher values to apply to the units at the Proposed Development to reflect the village centre location and new build premium. There is, however, only a limited quantity of relevant evidence available for such properties in Dibden Purlieu and I have some reservations about relying on a small data set. I also apply significant weight to the evidence from new build developments within neighbouring settlements. This new build evidence provides some of the most relevant evidence in terms of the form and type of development and the size and type of the units but requires adjustment for location and to reflect changes in market conditions since the date of the transactions.

- 9.2.10 The Applicant's opinion of the Gross Development Value (GDV) for the Market Housing units at the Proposed Development is based upon an average value of £425 per sq ft with values of £325,000 (£431 per sq ft) applied to the two bed semi-detached houses; £385,000 (£412 per sq ft) to £400,000 (£440 per sq ft) applied to the terrace and semi-detached three bed houses; and £450,000 (£394 per sq ft) and £575,000 (£396 per sq ft) applied to the four bed houses. Schedules for the Gross Development Values of the Proposed Development and the Policy Compliant Development are provided as Appendix One.
- 9.2.11 The FVA provides no new evidence to support the opinion of the GDV applied in the residual appraisals. The Initial FVA and the FVA Update similarly provided no new evidence. Indexation was simply applied to the values applied to the units proposed at the Appellant's previous development proposal under a separate planning application under reference 21/11201. The Initial FVA states that *'There is no new sales evidence to consider so I have included for a Land Registry Index rate of 8.6% to uplift the likely sales values...'*.
- 9.2.12 The current application, however, is a very different form of development and although the 2 bed houses and the 3 bed houses under the previous and current planning applications are of a comparable size the development under application 21/11201 was a significantly more dense form of development. The houses under the current planning application enjoy a more open setting and many benefit from views over the central green. The application of indexation alone therefore lacks the necessary robustness of a FVA to support reduced Affordable Housing on viability grounds and is considered to under value the GDV of the Proposed Development and the Policy Compliant Development.
- 9.2.13 The Applicant's previous opinion of the GDV relied upon evidence from developments at Ashlett Road in Fawley and Beckley Walk/Brokenford Lane in Totton and evidence from the sale of second hand units in Dibden Purlieu. In relation to the evidence provided for second hand sales little in the way of a description of the properties was provided (detached, semi-detached or terrace, condition, availability of parking/a garage, plot size or any particular amenities such as views, proximity to open space etc) and no analysis or commentary was provided relating to the adjustments made and how the evidence has been applied to the units at the Proposed Development. Again, this broad-brush approach was considered to lack the necessary robustness required to support a reduced Affordable Housing provision on viability grounds.
- 9.2.14 My approach has been to focus on utilising the best evidence for the specific property types at the Proposed Development (and the Policy Compliant Development). I attach significant weight to the evidence from new developments and sales of modern but second hand stock in Dibden Purlieu. This evidence is considered to provide the local context for values and one would generally anticipate higher values to apply to the units at the Proposed Development to reflect the village centre location and new build premium.

9.3 Evidence from Second Hand Stock

- 9.3.1 The FVA provides very limited information in relation to the assessment of the GDV and the Initial FVA considered there to be ‘...no new sales evidence available’. In arriving at my opinion of the GDV for the Proposed Development and the Policy Compliant Development I have had regard to the evidence from transactions since September 2021 as discussed below.

Two Bed Houses***37 Cordelia Close, Dibden Purlieu, Hampshire SO45 5UD***

- 9.3.2 This property comprises a 1970s era semi-detached house with accommodation arranged over ground and first floors extending to 700 sq ft and benefits from driveway parking for a single car, a lean to shed and gardens to the front and rear. The property was offered to the market in good condition and achieved a sale on 4th May 2022 at £265,000 (£379 per sq ft).

- 9.3.3 The two bed houses at the Proposed Development are of a similar size but larger at 753 sq ft and benefit from two parking spaces and gardens and as new build houses can be expected to attract a significant premium.

- 9.3.4 Noads Way is a very good location in Dibden Purlieu and superior to Cordelia Close for which a further premium would apply. The evidence from the sale of 37 Cordelia Close indicates that the value of £431 per sq ft adopted by the FVA for the two bed houses is understated.

21 Carpenter Close, Hythe, Hampshire SO45 6DR

- 9.3.5 This property comprises a 1950s era semi-detached house with accommodation arranged over ground and first floors extending to 590 sq ft and benefits from a garage within a block and gardens to the front and rear. The property was offered to the market in good condition with an asking price of £295,000 and was recently put under offer at £287,000 (£485 per sq ft).

- 9.3.6 The two bed houses at the Proposed Development are significantly larger at 753 sq ft and can therefore be expected to attract significantly higher values to reflect the larger accommodation offered and a new build premium. However, the value in £ per sq ft terms will be more comparable reflecting the relatively small size and affordability of 21 Carpenter Close.

Three Bed Houses***15 Redwood Close, Dibden Purlieu, Southampton SO45 5SN***

- 9.3.7 This property comprises a modern (circa 1999) detached three bedroom house and lies a short distance to the north west of the Application Property in a comparable location. The property was offered to the market in very good condition and benefits from driveway parking a double garage and gardens to the front and rear. I am advised by the agent (Pearsons) that the property achieved a sale on 3rd August 2023 at £488,000 (£445 per sq ft). The property has accommodation arranged over two storeys extending to 1,098 sq ft including a large conservatory.

- 9.3.8 This is a larger and detached three bed house when compared to the three bed houses at the Proposed Development that has the benefit of a double garage and was offered to the market in very good condition. A lower unit value might therefore be expected to apply to the three bed houses at the Proposed Development although a higher value in £ per sq ft terms might be expected to reflect the superior new build condition and quantum.

18 Redwood Drive, Dibden Purlieu, Southampton SO45 5SN

- 9.3.9 This property lies within the same development at Redwood Drive and comprises a three bedroom semi-detached house with accommodation arranged over ground and first floors extending to 743 sq ft with gardens to the front and rear and a garage and driveway parking space. The property was offered to the market in good/very good condition with an asking price of £329,950 (£444 per sq ft) and I am advised by the agent (Anthony James) that the property was placed under offer on 31st May 2023 at the asking price.

- 9.3.10 This is a significantly smaller three bed house when compared to the three bed houses at the Proposed Development but has the benefit of a garage and was offered to the market in good/very good condition. A lower significantly higher unit value might therefore be expected to apply to the three bed houses at the Proposed Development to reflect the significantly larger size with a similar or marginally higher value in £ per sq ft terms applying to reflect the superior new build condition.

17 Redwood Drive, Dibden Purlieu, Southampton SO45 5SN

- 9.3.11 This property comprises the neighbouring three bed semi-detached house and offers the same accommodation arranged over ground and first floors extending to 743 sq ft with a rear garden and garage and driveway parking space. The property was offered to the market in very good condition and achieved a sale on 17th March 2023 at £335,000 (£451 per sq ft).

- 9.3.12 The same comments apply to this property and 18 Redwood Drive when compared to the three bed houses at the Proposed Development and this evidence provides further support to a value in excess of those applied to the three bed houses at the Proposed Development by the Appellant in the range between £425 per sq ft and £440 per sq ft.

24 Peartree Road, Dibden Purlieu, Southampton SO45 4AL

- 9.3.13 This property comprises a detached three bed house with accommodation arranged over ground and first floors extending to 994 sq ft with gardens to the front and rear. The property was offered to the market in very poor condition requiring comprehensive refurbishment of the internal and external parts and achieved a sale on 26th January 2023 at £405,000 (£407 per sq ft).

- 9.3.14 24 Peartree Road lies a short distance to the east of the Application Property and therefore shares a comparable location. A very significantly higher value can be expected to apply to the three bed houses at the Proposed Development to reflect the superior new build condition when compared to the very poor condition of 24 Peartree Road.

4 Pentland Close, Dibden Purlieu, Hampshire SO45 5SP

- 9.3.15 This property comprises a modern link-detached house with accommodation arranged over ground and first floors with a conservatory and converted garage that now provides a workshop, utility room and shower room. The property benefits from driveway parking for two cars and in total the accommodation extends to 870 sq ft (710 sq ft Net Sales Area). The property was offered to the market in good condition and achieved a sale on 8th April 2022 at £355,000 (£488 per sq ft).
- 9.3.16 Pentland Close is a good location and lies to the west of the Application Property in a secluded development within a woodland setting located off Challenger Way. This is considered to be a comparable but marginally superior location. As a link-detached house occupying a marginally superior location one might anticipate a higher value to apply to this property when compared to the three bed houses at the Proposed Development. However, the three bed houses at the Proposed Development are offered in superior 'new' condition and provide significantly larger purpose-built accommodation. I would therefore expect similar but slightly lower values in £ per sq ft terms to apply but significantly higher unit values.

15 Roman Way Dibden Purlieu, Hampshire SO45 4RP

- 9.3.17 This property comprises a 1970s era semi-detached house with accommodation arranged over ground and first floors extending to 969 sq ft and benefits from driveway parking for two cars and a garage. The property requires modernisation and was offered to the market with an asking price of £400,000 and achieved a sale on 22nd December 2022 at £392,500 (£405 per sq ft).
- 9.3.18 Roman Way is an inferior location and a significantly higher value in £ per sq ft terms can be expected to apply to the three bed houses at the Proposed Development to reflect the superior non-estate location, views over the central green and more open form of development, the new build condition and to a lesser degree quantum as smaller houses. In my opinion, this indicates that the values adopted by the Initial FVA for the three bed houses at the Proposed Development of £375,000 (£412 per sq ft) were significantly understated. The Appellant has since increased their opinion of the GDV of these units to £385,000 (£423 per sq ft) to £400,000 (£440 per sq ft). These values are now significantly closer to my opinion of value at £415,000 (£456 per sq ft) to £425,000 £467 per sq ft).

Wells Tye, Lime Walk, Dibden Purlieu, Southampton SO45 4RB

- 9.3.19 Wells Tye lies adjacent to the rear boundary of the Application Property and comprises a 1970s era detached three bed house set within a plot extending to 0.25 acre. This property has accommodation arranged over ground and first floors extending to 1,313 sq ft Net Sales Area and is understood to have been offered to the market in very good condition.

- 9.3.20 Wells Tye achieved a sale on 21st October 2022 at £685,000 (£522 per sq ft). This is a larger detached three bed house set within a large plot but occupying the same location and, whilst not directly comparable, it is considered that it provides an indication of the high values achievable by good properties in this location. A significantly lower unit value can be expected to apply to the three bed houses at the Proposed Development to reflect the smaller plot size and smaller accommodation offered, however, whilst a lower value in £per sq ft terms can also be expected to apply this will be mitigated to by the superior new build condition and the effect of quantum.

Four Bed Houses

Craigmoor, Whinfield Road, Dibden Purlieu, Southampton, Hampshire SO45 4QA

- 9.3.21 This property comprises a 1970s era detached four bedroom house and lies a short distance to the east of the Application Property. The property was offered to the market in very good condition and benefits from driveway parking and a good size rear garden but no garage and achieved a sale on 19th April 2022 at £625,000 (£366 per sq ft). The property has accommodation arranged over two storeys extending to 1,706 sq ft including a large conservatory.

- 9.3.22 This is a larger four bed house when compared to Plot 1 at the Proposed Development and occupies a similar location within Dibden Purlieu. It is however a 1970s era house and does not have the benefit of a garage. A higher value in £ per sq ft terms can be expected to apply to Plot 1 at the Proposed Development to reflect a new build premium, the availability of a garage and quantum.

63 Highlands Way, Dibden Purlieu, Hampshire SO45 4HY

- 9.3.23 This property comprises a 1970s era detached four bedroom house and lies a short distance to the north east of the Application Property but within an inferior location. The property was offered to the market in very good condition and benefits from driveway parking and a good size rear garden but no garage and achieved a sale on 14th April 2022 at £395,000 (£346 per sq ft). The property has accommodation arranged over two storeys extending to 1,140 sq ft.

- 9.3.24 This four bed house has the same size accommodation as the smaller four bed houses at the Proposed Development and occupies a similar size plot but occupies an inferior location within Dibden Purlieu. It is however a 1970s era house and significantly higher values can be expected to apply to the smaller four bed houses at the Proposed Development to reflect a new build premium and the superior location on Noads Way. The values of £425,000 applied to the smaller four bed houses by the Initial FVA were therefore considered to be pessimistic and understated. The Appellant has since increased their opinion of the GDV of these units to £450,000 (£394 per sq ft). These values are now significantly closer to my opinion of value at £465,000 (£408 per sq ft).

9.4 Evidence from New Build Stock

St Judes, Roman Road, Dibden Purlieu Hampshire (Plot 3 & 4)

- 9.4.1 This new development of four houses was considered in my Review Report and details for the units at this development are provided as Appendix Eight. The sales of Units 2 and 3 at this development were completed on 1st November 2022 (the date of my Review Report) and Units 1 and 4 remained on the market. The FVA advises that that Units 1 and 4 were subsequently withdrawn from the market in January 2023 and were to be remarketed from July 2023 at reduced levels.
- 9.4.2 The FVA further advises that following conversations with the agents (Enfields and Fox & Sons) St Judes is considered to be a superior location that Noads Way and that the development at St Judes is to be provided to a higher specification than that at the Proposed Development.
- 9.4.3 I have on two occasions discussed the St Judes development with Enfields (31st October 2022 and 28th July 2023) and on both occasions Enfields have advised that they consider Roman Road and Noads Way to be prime locations within Dibden Purlieu but that, if anything, Noads Way would be considered superior as it is closer to schools, shops and local amenities than Roman Road which is “off the beaten track”.
- 9.4.4 Enfields also advised that Units 1 and 4 were not due to be re-marketed by them.
- 9.4.5 I have also discussed the St Judes development with Fox & Sons on 28th July 2023. Fox & Sons advised that Units 1 and 4 would be returning to the market soon with the following prices. The extent of any incentives were unknown.
- Plot 1 £700,000 (£469 per sq ft)
Plot 4 £475,000 (£477 per sq ft)
- At the date of this proof of evidence Units 1 and 4 remain off-market.
- 9.4.6 This compares with the prices advised by the FVA for these at:
- Plot 1 £675,000 (£453 per sq ft)
Plot 4 £475,000 (£477 per sq ft)
- 9.4.7 It is clear from the above that both Roman Road and Noads Way are highly regarded locations where similar values can be considered to apply. It is unclear from the conversations held between Sturt & Company and myself with the agents which location is superior but it is considered that any effect would be very marginal. I therefore remain content that St Judes provides good evidence of the values achievable by the Proposed Development.

Units 3 and 4 (Three Bed Houses)

- 9.4.8 Units 3 and 4 at St Judes comprise a pair of semi-detached three bed houses with accommodation extending to 995 sq ft arranged over ground and first floors. These houses have good size gardens to the front and rear and garage and off-road parking within a remote block. Unit 3 achieved a sale on 21st November 2022 at £490,000 (£492 per sq ft).
- 9.4.9 Units 2 and 3 at St Judes are larger at 995 sq ft and benefit from a garage and driveway parking in a block. The availability of a garage is a positive but the remote parking arrangement will not be favoured over driveway parking adjacent to the houses which is provided by the Proposed Development.
- 9.4.10 In my opinion similar but lower values in £ per sq ft terms might be expected to apply to the three bed semi-detached houses at the Proposed Development. The lower values being a reflection of the absence of a garage and the effects of quantum. Significantly lower unit values would be expected to apply to reflect the smaller accommodation and absence of a garage. Fox & Sons advise that a lower asking price of £475,000 (£477 per sq ft) is anticipated and it is considered that this and the evidence from the previous sale at £490,000 (£492 per sq ft) are supportive of my opinion of the GDV for the semi-detached houses at the Proposed Development of £420,000 (£462 per sq ft) to £425,000 (£467 per sq ft).

Unit 2 (Four Bed House)

- 9.4.11 Unit 2 comprises a detached four bed house with accommodation extending to 1,140 sq ft arranged over ground and first floors. The property occupies a large plot and benefits from garage and driveway parking and a sale was completed on 1st November 2022 at £650,000 (£570 per sq ft).
- 9.4.12 At 1,140 sq ft this property is of a comparable size to the semi-detached four bed houses at the Proposed Development which have accommodation extending to 1,141 sq ft. However, I would expect significantly lower values to apply to the four bed houses at the Proposed Development to reflect the significantly smaller plots, absence of garage parking and a discount as semi-detached houses.
- 9.4.13 I have applied values of £465,000 (£408 per sq ft) to the smaller four bed houses at the Proposed Development and, if anything, I am of the opinion that the evidence from Unit 2 at St Judes indicates that a significantly higher value would apply.

Unit 1 (Four Bed House)

- 9.4.14 Unit 1 comprises a detached four bed house with accommodation extending to 1,491 sq ft arranged over ground and first floors. The property occupies a large plot and benefits from garage and driveway parking and was previously on the market with an asking price of £720,000 (£483 per sq ft) but has since been removed from the market. When remarketed it is understood that a new asking price between £675,000 (£453 per sq ft) to £700,000 (£469 per sq ft) may be applied. As this property is not on the market only limited weight can be given to it.
- 9.4.15 At 1,491 sq ft this is a similar size four bed house to Unit 1 at the Proposed Development which has accommodation extending to 1,453 sq ft. A lower value can be expected to apply to Unit 1 at the Proposed Development to reflect the smaller size and smaller plot. However, the expected asking price does suggest that the value of £550,000 and £378 per sq ft applied by the Initial FVA and the value of £575,000 (£396 per sq ft) now applied remains understated. It is, however, supportive of my opinion of the value of Unit 1 at the Proposed Development at £650,000 (£447 per sq ft).

Oak View, Hythe, Southampton SO45 5AL

- 9.4.16 This development lies to the north of the Application Property on the north western side of Hythe and comprises a development of 4 x 4 bed detached houses with accommodation extending to 1,702 sq ft Net Sales Area arranged over ground and first floors. Each of the houses occupied a good size plot and had the benefit of a double garage. Details for this development are provided as Appendix Nine.
- 9.4.17 I am advised by the marketing agent (New Forest Sales & Lettings) that marketing commenced in May 2022 and the last sale was achieved in April 2023 with all the units achieving sales at the asking prices. These are identical properties with the exception of the plot sizes offered and this was reflected in the prices achieved. Sales were achieved in the range between £855,000 (£502 per sq ft) to £885,000 (£519 per sq ft).
- 9.4.18 These properties are considered to be most relevant to Unit 1 at the Proposed Development. Unit 1 at the Proposed Development is smaller at 1,453 sq ft and benefits from a single garage but occupies a good size plot. A lower unit value can be expected to apply and I am also of the view that a lower value in £ per sq ft terms would apply to reflect the availability of only a single garage. I have adopted a value of £650,000 (£447 per sq ft) for Unit 1 at the Proposed Development which I consider to be supported by the evidence from Oak View.

Ashlett Road, Fawley SO45 1DS

- 9.4.19 This development referred to by the Appellant lies on the southern side of Fawley which lies to the south of Dibden Purlieu and is considered to be a lower value location. This development of six x three bed semi-detached houses occupies a relatively cramped site with the houses having relatively small and some awkward shaped gardens and remote parking. I do not consider this

development to provide good evidence for valuation purposes.

- 9.4.20 I was advised by the agent for this development (Anthony James) that three of the houses at this development sold in the period between December 2020 and June 2021 at the asking prices of £289,950. The application of indexation in line with the UK House Price Index indicates current values in the order of £339 per sq ft to £354 per sq ft for an inferior form of development in a lower value location. Significantly higher values can be expected to apply to the three bed houses at the Proposed Development. This view appears to be supported by the Appellant.

Beckley Walk, Totton SO40 9DX

- 9.4.21 This development lies to the north of the Application Property in Totton and comprises a development of 24 units comprising 18 x 2 and 3 bed houses and 6 x 1 and 2 bed flats. This is a higher density development at approximately 67 dwellings per hectare than the Proposed Development and lies adjacent to the railway lines in a mixed-use area opposite the Brokenfield Industrial Estate. This is therefore considered to be a low value location within Totton which itself is a lower value location than Dibden Purlieu. Significantly higher values would therefore be expected to apply to the units at the Proposed Development. I do not consider this development to provide good evidence for valuation purposes.
- 9.4.22 The Appellant advised that the two bed houses have values of £270,000 (£334 per sq ft) and extend to 786 sq ft; and the three bed houses have values of £320,000 (£334 per sq ft) and extend to 956 sq ft.
- 9.4.23 We are aware of a several sales of 2 and 3 bed houses at this development between November 2020 and March 2021. The 2 bed houses achieved sales in the range between £267,500 and £275,000 (£365 per sq ft to £376 per sq ft). The application of indexation by reference to the UK House Price Index indicates present values in the order of £419 per sq ft to £440 per sq ft. The 3 bed houses achieved sales in the range between £308,500 and £328,500 (£326 per sq ft to £343 per sq ft) which indicate present values in the order of £366 per sq ft to £410 per sq ft. These indexed values are, in the main, similar to or higher than those adopted by the FVA for similar size houses within an inferior development that occupies an inferior location. Significantly higher values can therefore be expected to apply to the units at the Proposed Development. A schedule of comparable evidence that confirms the sales prices achieved for the units at this development together with indexed values is provided as Appendix Eleven. The information is based upon data provided by Landinsight.

Conclusion

Two Bed Houses

- 9.4.24 There is little evidence to inform the assessment of the value of the two bed houses at the Proposed Development. The best evidence from new build developments is from Beckley Walk in Totton which indicates present values significantly in excess of £419 per sq ft to £440 per sq ft.

9.4.25 This is supported by the evidence from the recent marketing of 21 Carpenter Close which comprises a semi-detached two bed house 1950s era house that was offered in good condition with a garage and is under offer at £287,000 (£485 per sq ft). I am of the opinion that a significant new build premium would apply to the two bed houses at the Proposed Development that would balance out the value attributable to the garage and consider that similar values in £ per sq ft terms would apply.

9.4.26 In arriving at my opinion of the GDV for the Proposed Development I have adopted values for the two bed houses of £365,000 (£482 per sq ft). This compares with the Appellant's assessment of value at £325,000 (£432 per sq ft).

Three Bed Houses

9.4.27 The best evidence from new build developments in Dibden Purlieu is provided by St Judes and in particular the three bed semi-detached houses (Units 3 and 4). Unit 3 sold in November 2022 at £490,000 (£492 per sq ft). Unit 4 was removed from the market in January 2023 and is expected to be remarketed at £475,000 (£477 per sq ft). In my opinion, similar or slightly lower values in £ per sq ft terms can be expected to apply to the three bed semi-detached units at the Proposed Development.

9.4.28 It is considered that this evidence is supported by the sale of 15 Roman Road at £392,500 (£405 per sq ft) in December 2022. This property occupies the same location as St Judes and comprises a second-hand 1970s era three bed house requiring modernisation. The general expectation for a premium of 15% to 20% for similar units within new build new build developments when compared to second-hand stock and this is supported by the evidence.

9.4.29 The evidence provided by 24 Peartree Road, 4 Pentland Close and Wells Tye is the most comparable in terms of location. These properties indicate a range of values for second hand stock between £407 per sq ft to £522 per sq ft. The highest value applying to Wells Tye a larger (1,313 sq ft) 1970s detached house set within a good size plot (0.25 acre) which sold in October 2022 at £985,000 (522 per sq ft). This property backs onto the Application Property and provides an indication of the premium attributable to this location. The lowest value was achieved by a detached house 1970s era house sold in very poor condition and in need of comprehensive refurbishment internally and externally which sold in January 2023 at £405,000 (£407 per sq ft). 4 Pentland Close comprises link detached house of a comparable size (870 sq ft) and achieved a sale in April 2022 at £355,000 (£488 per sq ft).

9.4.30 In my opinion, these properties provide a good indication of the range of values applicable to the location with Wells Tye and 4 Pentland Close providing the best evidence being properties in good/very good condition. A premium can be expected to apply to the units at the Proposed Development to reflect the new build condition although this will be offset by the superior plot offered by Wells Tye and the availability of a garage at 4 Pentland Close and these being detached houses. This evidence is therefore considered to be supportive of values I have adopted of £420,000 (£462 per sq ft) to £425,000 (£467 per sq ft) and indicate support that adoption of values significantly in excess of those now adopted by the Appellant with the FVA applying values of £400,000 (£440 per sq ft).

9.4.31 This evidence is supported by the sale of modern (circa 1999) three bed houses in good/very good condition at Redwood Drive which is a comparable location and indicates values in the range between £444 per sq ft and £488 per sq ft. The highest value applying to a larger (1,098 sq ft) house with double garage which sold in August 2023 (15 Redwood Drive) and therefore has the advantage of being a very recent transaction and the lowest value was achieved by a smaller (743 sq ft) semi-detached house with a garage (18 Redwood Drive) which was placed under offer in May 2023. A premium can be expected to apply to the units at the Proposed Development to reflect the new build condition although this may be mitigated to a degree by the absence of garage parking. The evidence from Redwood Drive is therefore considered to be supportive of values I have adopted of £420,000 (£462 per sq ft) to £425,000 (£467 per sq ft) and in excess of those now adopted by the FVA at £400,000 (£440 per sq ft).

Four Bed Semi-Detached Houses

9.4.32 The best evidence from new build developments in Dibden Purlieu for the four bed semi-detached houses (Units 8, 16 and 21) is provided by St Judes and, in particular, Unit 2. Unit 2 sold in November 2022 at £650,000 (£570 per sq ft). Although having the same Net Sales Area (1,140 sq ft) I would expect significantly lower values to apply to the four bed semi-detached houses at the Proposed Development to reflect the nature of the accommodation, significantly smaller plots and the absence of a garage.

9.4.33 I have adopted a value of £465,000 (£408 per sq ft) for the four bed semi-detached houses at the Proposed Development which, if anything, could be considered pessimistic. The Appellant has increased their opinion of the GDV of these units to £450,000 (£394 per sq ft) but at £394 per sq ft this appears excessively pessimistic and is unsupported by the evidence.

Four Bed Detached House

9.4.34 The best evidence from new build developments for the four bed detached house at the Proposed Development (Unit 1) is provided by Oak View. The houses at this development comprise four bed detached houses with accommodation extending to 1,702 sq ft Net Sales Area and occupy good plots and benefit of double garages.

9.4.35 Sales were achieved in the range between £855,000 (£502 per sq ft to £885,000 (£519 per sq ft). I am of the view that these provide good evidence for Unit 1 at the Proposed Development although this is a smaller at 1,453 sq ft and benefits from only a single garage but nevertheless occupies a good size plot. I have adopted a value of £650,000 (£447 per sq ft) for Unit 1 at the Proposed Development which I consider to be supported by the evidence from Oak View. This compares with the value adopted by the Appellant of £575,000 (£396 per sq ft) which appears pessimistic.

9.4.36 This is supported by the Unit 4 at St Judes which was removed from the market in January 2023 and is expected to be remarketed at £475,000 (£477 per sq ft).

9.4.37 In arriving at my opinion of the GDV for the Proposed Development I have had regard to the sale prices achieved at the new developments in Beckley Walk/Brokenford Lane, Ashlett Road, St Judes and Oak View and evidence from second-hand stock and have adopted the following values:

- ❑ 2 Bed semi-detached houses £3650,000 (£484 per sq ft)
- ❑ 3 Bed semi-detached houses £420,000 (£462 per sq ft) to £425,000 (£467 per sq ft)
- ❑ 3 Bed terrace houses £415,000 (£456 per sq ft)
- ❑ 4 Bed semi-detached houses £465,000 (£408 per sq ft)
- ❑ 4 Bed detached house £650,000 (£447 per sq ft)

9.5 GDV The Proposed Development

9.5.1 Table 1 at Appendix Two confirms my opinion of the GDV for Proposed Development. I have adopted the Appellant's tenure mix for the purposes of consistency.

9.5.2 In arriving at my opinion of the GDV for the Proposed Development I have adopted an aggregate GDV of £10,115,187 comprising £9,525,000 (£452 per sq ft) for the Market Housing units and £590,187 (£261 per sq ft) for the Affordable Housing units.

9.5.3 This compares with the Applicant's aggregate GDV for the Proposed Development of £9,492,506 comprising £8,950,000 (£424 per sq ft) for the Market Housing units and £542,506 (£240 per sq ft) for the Affordable Housing units.

9.6 GDV The Policy Compliant Development

9.6.1 Table 2 at Appendix Two confirms my opinion of the GDV for Policy Compliant Development.

9.6.2 In arriving at my opinion of the GDV for the Policy Compliant Development I have adopted an aggregate GDV of £8,873,385 comprising £7,065,000 (£447 per sq ft) for the Market Housing units and £1,808,385 (£239 per sq ft) for the Affordable Housing units.

9.6.3 The FVA does not provide a residual appraisal for the Policy Compliant Development.

9.7 Affordable Housing GDV

- 9.7.1 In relation to the Affordable Rent units I have adopted the Local Housing Allowance for the Southampton BRMA and applied these, as relevant, to the assumed Affordable Rent units and made deductions of 3% for voids and £1,750 per unit per annum for management, maintenance and sinking fund before capitalising the net income at 5%. Similar assumptions have been made in relation to the Social Rent units although a lower rent for these units has been applied.
- 9.7.2 In relation to the Shared Ownership units I have assumed an initial equity sale of 30% of the unrestricted Market Value and assumed a rent at 2.75% on the unsold equity before capitalising the income at 4.5%.
- 9.7.3 Based upon the above, I arrive at an aggregate value for the Affordable Housing units at the Policy Compliant Development of £1,808,385 (£239 per sq ft). This is in line with the Appellant's previous estimate of the GDV for the Affordable Housing at £240 per sq ft.
- 9.7.4 My residual appraisal assumes that the Affordable Housing GDV will be paid on typical 'Golden Brick' terms with 30% of the Affordable Housing GDV paid on month six of the construction period (for the land and works completed up to the first course of bricks above the damp proof membrane) with the remaining 70% payable monthly until practical completion. I reserve the right to amend the approach adopted following the receipt of further information relating to the development programme.
- 9.7.5 A copy of my Affordable Housing valuation summary sheets for the Proposed Development and Policy Compliant Development are provided as Table 1 and 2 at Appendix Three.

9.8 Finance Costs, Development Period, Valuation Fee & Bank Monitoring Fees

- 9.8.1 The FVA adopts a finance debit rate of 8.25% per annum which in the residual appraisals is stated to be inclusive (inclusive of arrangement fees). However, an additional £20,000 valuation fee has been applied together with a further sum for bank monitoring fees following the appointment of a quantity surveyor of £10,000 (Mr Newman's e-mail 3rd September 2023).
- 9.8.2 In my residual appraisals I have applied a finance cost of 8.25% per annum. This, however, is inclusive of arrangement fees (including valuation and monitoring fees etc). This adoption of an inclusive fee is consistent with the sums applied in the majority of FVAs I see. The adoption of a further sum of £20,000 for valuation fees and £10,000 for bank monitoring fees by the Appellant is considered opportunistic.

9.8.3 The most current and relevant FVA available to demonstrate this point is the Rapleys FVA. This is provided as a core document to the Appeal. The Rapleys FVA adopts a finance cost of 7.5% per annum inclusive of arrangement fees and indicates that, if anything, my assessment of the finance cost at 8.25% inclusive is generous.

9.8.4 Notwithstanding the above, a valuation fee of £20,000 is considered excessive. Secured lending valuations form a significant part of Bruton Knowles' total fee income and I would not expect a valuation fee for such a development to significantly exceed £5,000.

9.8.5 The FVA adopts a development programme extending to 21 months as set out below:

- ❑ 1 month site acquisition (Month 1)
- ❑ 2 month mobilisation and pre-construction period (Months 2 to 3)
- ❑ 17 month construction period (Months 4 to 20)
- ❑ 7 month sale period (Months 15 to 21)

9.8.6 This is in line with my expectations and the BCIS Duration Calculator and I have adopted the same.

9.9 Management Company Charges

9.9.1 A sum equal to £5,000 has been applied for management company charges. This sum was not included within the Initial FVA but was introduced by the Appellant in the FVA Update. In my opinion, it is very unusual for management company charges to be included within a residual appraisal for a development of this form and type. The only time I have seen the such costs applied has been within residual appraisals prepared for retirement homes schemes. The reason for this being that the post practical completion sales period for such developments is typically significantly longer than in developments that are not age-restricted leaving the developer of those schemes exposed to significant management fees on the unsold units until the point of sale.

9.9.2 The Appellant's residual appraisals have been prepared using the HCA Economic Appraisal Tool. I note that the HCA Economic Appraisal Tool does not provide a default heading for management company costs on the Market Housing and in my opinion the application of management company charges can be considered an irregular cost item for the purposes of the residual appraisal that is not representative of market practice. I am therefore of the opinion that the application of management company charges of £5,000 should not be applied in the residual appraisals and are an opportunistic cost item.

9.9.3 The most current and relevant FVA available to demonstrate this point is again provided by the Rapleys FVA. No management company charges are assumed by the Rapleys FVA. This is supportive of my views on the inclusion of such charges within a residual appraisal for such developments.

9.10 Void Council Tax Costs

9.10.1 A sum equal to £14,000 has been applied for void council tax costs. This sum was not included within the Initial FVA but was introduced by the Appellant in the FVA Update. In my opinion, it is very unusual for void council tax costs to be included within a residual appraisal for a development of this form and type. As with management company charges, the only time I have seen the such costs applied has been within residual appraisals prepared for retirement homes schemes. Again, the reason for this being that the post practical completion sales period for such developments is typically significantly longer than in developments that are not age-restricted leaving the developer of those schemes exposed to void council tax costs on the unsold units until the point of sale.

9.10.2 The Appellant's residual appraisals have been prepared using the HCA Economic Appraisal Tool. The HCA Economic Appraisal Tool does not provide a default heading for void council tax costs and in my opinion the application of void council tax costs can be considered an irregular cost item for the purposes of the residual appraisal that is not representative of market practice. I am therefore of the opinion that the application of void council tax costs of £14,000 should not be applied in the residual appraisals and are an opportunistic cost item.

9.10.3 The most current and relevant FVA available to demonstrate this point is again provided by the Rapleys FVA. No sum for Council Tax voids costs are assumed by the Rapleys FVA. This is supportive of my views on the inclusion of such costs within a residual appraisal for such developments.

9.11 Restrictive Covenants

9.11.1 A sum of £25,000 has been applied by the FVA to address restrictive covenants. No information has been provided by the Appellant in relation to the nature of the restrictive covenants or how the sum of £25,000 has been determined. The Appellant should provide confirmation in this regard and evidence to support a sum of £25,000.

9.11.2 In the absence of such evidence I have not included any sum for restrictive covenants in my residual appraisals and in any event do not consider such a deduction to be appropriate. There are two reasons and these are discussed in turn below.

Landownership Issue

- 9.11.3 The BLV has of £990,000 would be sufficient to motivate the landowner(s) to dispose of the Application Property for development and includes a significant premium. The landowner, on this occasion, can be considered to represent all of those parties with an interest in the Application Property including the party with the benefit of the restrictive covenants.
- 9.11.4 The BLV of £990,000 is therefore the total sum available to all of the landowners or those parties with an interest in the Application Property and would need to be divided between those parties in an equitable manner reflecting the nature of the interests involved. There is no rationale or logic that would support a higher BLV applying to reflect a more complex landownership arrangement.
- 9.11.5 In addition to the above, the advice from the Appellant's solicitors appended to Mr Newman's e-mail dated 3rd September 2023 advises that a 'Title condition' was agreed in the contract for sale between the Appellant and the landowner. I have requested confirmation from Mr Newman regarding the effect of this 'Title Condition' but, at this stage this has not been received. I would expect that the Title condition in the contract allows for a reduction in the purchase price to account for any sum required to obtain a defective Title/restrictive covenant indemnity insurance policy. That being the case the inclusion of a deduction in the residual appraisals for the Proposed Development and the Policy Compliant Development would represent a double count and be in error.

Restrictive Covenant as an Abnormal Cost

- 9.11.6 The BLV is the threshold that, if exceeded by the RLV of the development, the development can be considered viable and below which a scheme will be unviable. Paragraph 014 of the PPG confirms that '*Benchmark Land Value should:*
- ❑ *be based upon existing use value*
 - ❑ *allow for a premium to landowners...*
 - ❑ *reflect the implications of abnormal costs; site-specific infrastructure costs and; professional site fees'.*
- 9.11.7 As discussed above, the 2021 Guidance Note at paragraph 4.4.7 advises that '*Abnormal costs related to the development and enabling infrastructure normally impact on the development land value and not the EUV. Each case needs to be treated on its merits, but if the development site value is reduced and the EUV is unaffected, the premium, is reduced...*'. The 2021 Guidance Note at paragraph 4.4.9 goes on to say that '*Where a residual valuation is being used to identify the residual planning obligations, the BLV used in that calculation must allow for the reduction in land value of a site that has abnormal costs*'.

- 9.11.8 On this basis, any sum required to be paid to address the issues relating to restrictive covenants affecting the Appeal Property can be considered an abnormal cost; impacts the development land value; but has no impact on the assessment of the EUV. It is clear therefore from the PPG and the 2021 Guidance Note that the BLV and the assessment of the premium should reflect the implications of abnormal costs and if the development site value is reduced and the EUV is unaffected, the premium should be reduced.
- 9.11.9 No specific deduction had been applied in determining the BLV to reflect the issues relating to the restrictive covenants but it can be seen that if a sum (£25,000) is to be applied in the residual appraisals to determine the RLV of the Proposed Development and the Policy Compliant Development then a corresponding deduction should be made to the BLV. Rather than apply specific sums for the restrictive covenants in determining the BLV and the RLV which would effectively balance each other out I have simplified the exercise by making no allowance for the costs of addressing the restrictive covenant issue in the BLV and the RLV assessments. The effect is the same.
- 9.11.10 It can, however, be seen from the above that there is case to be made that the BLV should be reduced below £990,000 to reflect the abnormal development costs.

This is because the PPG at paragraph 16 advises that:

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

- 9.11.11 I previously agreed the BLV at a point in time when finance costs were significantly lower and when I considered the RLV of the Policy Compliant Development to be in excess of the BLV. I have now reviewed my opinion of the BLV to £990,000 following the re-opening of the assessment of the abnormal development costs by the Appellant. Having regard to my determination of the RLV at £1,045,000 and paragraph 16 of the PPG then and the requirement to ‘*fully comply with policy requirements*’ I am left to consider if a BLV of £990,000 is appropriate and sufficient to motivate the landowner to release the land for development.
- 9.11.1 At £1,045,000 the RLV of the Policy Compliant Development exceeds my opinion of the BLV at £990,000 identified and would provide the landowner with a premium of £375,000 over and above the EUV agreed at £670,000. In my opinion this would be considered more than sufficient and a lower BLV may be supported having regard to the requirements of paragraph 16 of the PPG and the Rapleys FVA.

9.12 Community Infrastructure Levy

9.12.1 The FVA applies a sum of £102.46 per sq m of the net additional Gross Internal Area of the Market Housing units for Community Infrastructure Levy (CIL). This is in line with my understanding and provides for a sum of £188,885 for the Proposed Development based upon the provision of 3 x Affordable Housing units and I have applied the same.

9.12.2 Based upon my understanding of the tenure mix for the Policy Compliant Development as set out in Table Two at Appendix One. I estimate the contribution required for CIL in respect of the Policy Compliant Development to be £138,425. This being represented by the Gross Internal Area of the Market Housing at the Policy Compliant Development (1,467.02 sq m) less the existing Gross Internal Area (116 sq m) multiplied by 102.46 per sq m.

9.13 Section 106 Contributions

9.13.1 Section 106 contributions totalling £241,710 have been agreed between the Appellant and the Council. Additional sums have been assumed by the Appellant for Biodiversity (£35,000) and off-site highway improvements (£20,000). These sums have not been agreed by the Council and the Appellant. I have provisionally included these sums pending confirmation by the Council and reserve the right to amend my residual appraisals to reflect the final sums agreed.

9.14 Appraisal Result

9.14.1 Prior to Stand Back and Sensitivity testing as required by RICS Guidance etc I arrive at the following RLVs for the Proposed Development and the Policy Compliant Development based upon the inputs to the residual appraisals discussed above.

Residual Land Value - Proposed Development

9.14.2 My residual appraisal (copy at Appendix Four) indicates a RLV for the Proposed Development of £1,690,867. Say £1,690,000.

Residual Land Value - Policy Compliant Development

9.14.3 My residual appraisal (copy at Appendix Five) indicates a RLV for the Policy Compliant Development of £1,046,196. Say £1,045,000.

10. Failure of the Appellant to Apply a 'Stand Back' Approach to the RLV

10.1 Comparable Development Land Transaction

10.1.1 Residual appraisals are very sensitive to small changes to the inputs applied. The Professional Statement requires practitioners to 'Stand Back' (to consider the outputs of the residual appraisal objectively and with the benefit of experience and to apply judgement to the outcome of the residual appraisals) and also requires sensitivity analysis of the inputs to the residual appraisal to assess how changes in inputs can affect viability and to understand the extent to which a residual appraisal enables an appropriate determination of viability to be made. Importantly, the

Professional Statement goes on to say that *‘The same consideration should be applied to resultant outputs to reach a rationale, reasonable and realistic conclusion’* and that *‘Sensitivity analyses help set such conclusions in their proper context and allow for adjustments to inputs within a possible range’*.

10.1.2 Evidence from comparable development land transactions and confirmation of the purchase price are material facts relevant to the determination of the RLV. In arriving at my opinion of the RLV of the Proposed Development and the Policy Compliant Development I have had regard to the evidence for Gross Land Values from the sale of land at St Judes and Beckley Walk as discussed above at section 7.2 above.

10.1.3 The Appellant has not confirmed the purchase price to be paid or expected to be paid following the grant of planning permission and the contractual terms relevant to the determination of the purchase price. The FVA in this respect is therefore noncompliant with the best practice, the Professional Statement, the 2019 Guidance Note and the 2021 Guidance Note.

St Judes, Roman Road, Dibden Purlieu, Hampshire

10.1.4 St Judes indicates a Gross Land Value land of £184 per sq ft and is a comparable form of development within a comparable value location in Dibden Purlieu.

10.1.5 My residual appraisal for the proposed form of development at the Application Property **assuming nil Affordable Housing provision and gross of abnormal development costs and CIL** (copy as Appendix Six) provides for a residual value equal £3,013,849 which analyses at £129 per sq ft.

10.1.6 One might expect the proposed form of development at the Application Property to have a similar Gross Land Value assuming nil Affordable Housing when compared to St Judes. My opinion of the Gross Land Value at £129 per sq ft is in alignment with and is therefore supported by the evidence from St Judes.

Beckley Walk, Totton Hampshire SO45 9DX

10.1.7 Beckley Walk indicates a Gross Land Value land of £114 per sq ft and is a broadly comparable but more cramped form of development and occupies a lower value location in Totton and lies close to the railway lines.

10.1.8 One would expect a higher Gross Land Value to apply to the proposed development at the Application Property with nil Affordable Housing when compared to Beckley Walk to reflect the nature and form of the Beckley Walk development and the inferior location. My opinion of the Gross Land Value at £129 per sq ft is therefore consistent with and supported by the evidence from Beckley Walk.

- 10.1.9 By extrapolation it is therefore reasonable to assume that my residual appraisals for the Proposed Development and the Policy Compliant Development are based upon realistic and market-based inputs and assumptions (particularly in relation to the GDV). The same cannot be said for the Appellant's residual appraisals.

The Appellant's Analysis of Comparable Development Land Transactions

- 10.1.10 The concept of Gross Land Value (GLV) is discussed in detail above at sections 6.4 and 7.2. The purpose of analysis by reference to the GLV is to provide a market-based assessment of development land values and to provide a means of determining if the output of the residual appraisals (in this case the RLVs for the Proposed Development and the Policy Compliant Development) and by inference if the inputs adopted are representative of the market.
- 10.1.11 The FVA does not provide analysis by reference to the GLV but instead seeks to use the evidence from Beckley Walk to support an assessment of the total aggregate development costs. In my opinion the analysis provided by the FVA is flawed. It seeks to apply aggregate development costs from Beckley Walk in percentage terms (percentage of GDV) and to apply these to the Proposed Development and Policy Compliant Development.
- 10.1.12 This is flawed because (1) the development cost for each project reflect significantly different abnormal and infrastructure costs and are not therefore relevant from one to the other; (2) the GDV of each project is significantly different; and (3) development costs being a sum of the quantities and costs of materials and labour required to deliver a project with no relationship with the GDV. Any relationship between the development costs as assessed by the FVA as a percentage of the GDV are therefore coincidental only.
- 10.1.13 Analysis by reference to the GLV is an established and objective method of valuation that enables comparison between sites with different cost profiles to be made. In contrast, the form of analysis of the comparable land transactions applied by the Appellant in the FVA is considered flawed and does not provide a mechanism to test the validity of the assumptions made in relation to the inputs applied to the residual appraisals and therefore the output RLVs. I therefore reject the analysis provided by the FVA.
- 10.1.14 The same comments apply to 8 Holburne Lane which is referred to by the Initial FVA.

10.2 Purchase Price

- 10.2.1 In accordance with the PPG the Appellant should again be requested to confirm the purchase price to be paid or expected to be paid for the Application Property following the grant of planning permission and the contractual terms relevant to the determination of the purchase price.

11.1 Sensitivity Analysis

- 11.1.1 The RICS Professional Statement and the 2021 Guidance Note requires practitioners to provide sensitivity analysis of appraisals based upon an initial estimate of high and low end expectations for the various inputs to an appraisal as part of the stand back approach discussed above.
- 11.1.2 I have prepared a residual appraisal for the Policy Compliant Development that demonstrates the very sensitive nature of residual appraisals to small changes to the inputs adopted and a copy of my sensitivity analysis is provided as Appendix Seven.
- 11.1.3 It can be seen from the sensitivity analysis that the following minor changes generate a RLV for the Policy Compliant Development of £982,935:
- ☐ 3% increase in the GDV
 - ☐ 3% decrease in construction costs
 - ☐ Finance cost at 7.5% in line with the Rapleys FVA
- At £982,935 this is in line with the BLV at £990,000.
- 11.1.4 To put these changes in perspective it should be noted that in relation to the GDV a 3% increase is within an acceptable tolerance for valuation error and that my opinion of the GDV is considered, if anything, to be pessimistic. Similarly, a 3% reduction in the construction costs would be within normal valuation error.
- 11.1.5 Confirmation of the purchase price for the Application Property with the benefit of planning permission is a material consideration to the assessment of the viability of the Applicant's development proposals to support the delivery of Affordable Housing. My residual appraisals provide for RLVs that are consistent with the experience of the market based upon analysis of St Judes and Beckley Walk. The same cannot be said of the residual appraisals relied upon by the FVA.
- 11.1.6 This provides a clear demonstration of the limitations of an exercise that seeks to determine the RLV by reference to a residual appraisal alone. The danger is that marginal differences in input may make a fundamental difference to the amount of affordable housing that is provided. This creates a false sense of precision if it is not sense checked against other available evidence.

12. Conclusion

12.1 Benchmark Land Value

- 12.1.1 The matter of the BLV has been re-opened by the introduction of new and additional costs by the Appellant of £401,238 for off-site drainage infrastructure.
- 12.1.2 Paragraph 014 of the PPG confirms that '*Benchmark Land Value should: 'reflect the implications of abnormal costs; site-specific infrastructure costs and; professional site fees'* and the 2021 Guidance Note at paragraph 4.4.9 states that '*Where a residual valuation is being used to identify the residual planning obligations, the BLV used in that calculation must allow for the reduction in land value of a site that has abnormal costs'*.'
- 12.1.3 I have adopted a BLV of £990,000 which is based upon the EUV of the bungalow at £510,000 and expectations for minimum prices per gross acre of £300,000 for the paddock. This is in line with the expectation for such sites provided by the WPVA. The Rapleys FVA, however, which has been submitted in relation to similar form of development in Totton indicates that the market might adopt a lower BLV in the order of £834,000. A lower BLV at £834,000 may therefore apply having regard to the abnormal development costs and the site specific infrastructure costs which, on this occasion, are potentially very significant and for which no supporting information or justification has been provided in relation to the new and additional sum introduced on 3rd September by the Appellant for off-site drainage infrastructure cost at £401,358.
- 12.1.4 It is assumed that such justification and information will be provided as part of Mr Newman's proof of evidence and following the receipt of the same I reserve the right to review my opinion of the BLV downwards to a sum in the order of £834,000.

12.2 Inputs to the Residual Appraisals

- 12.2.1 The inputs to the residual appraisal are agreed with the exception of the GDV, valuation and bank monitoring fee, management company costs, Council Tax voids and restrictive covenant costs.

Gross Development Value

- 12.2.2 The evidence from the sales at new developments at St Judes and Oak Walk are considered to provide good evidence for new build developments in Dibden Purlieu and for the determination of the GDV. This is supported by evidence from Beckley Walk which occupies an inferior location in Totton and to which lower values apply. It is also supported by the evidence from 15, 17 and 18 Redwood Drive which is a modern development and by evidence from the immediate location (24 Peartree Road, 4 Pentland Close and Wells Tye) which provides an indication of the premium applicable to the very good location of the Appeal Property in Dibden Purlieu. Further evidence is provided from more dated (1950s and 1970s era) second hand stock and from 15 Roman Road which lies close to St Judes. The evidence from these second hand sales is

considered to be relevant with appropriate analysis and adjustment for the location, nature, form, type and condition of those properties.

- 12.2.3 My opinion of the GDV for the Market Housing units at the Proposed Development and the Policy Compliant Development is in line with this evidence and, if anything, it is considered that a higher GDV is supported. The Appellant's assessment of the GDV is, in my opinion, not supported by the evidence and appears unduly pessimistic.

Valuation & Bank Monitoring Fees

- 12.2.4 In my residual appraisals I have applied a finance cost of 8.25% per annum inclusive of arrangement fees (including valuation fees and bank monitoring fees). The adoption of an inclusive fee is consistent with the sums applied in the majority of FVAs I see and the Rapleys FVA.
- 12.2.5 Notwithstanding my comments above, secured lending valuation forms a significant part of Bruton Knowles' fee income and I am of the opinion that the valuation fee for such a development would not significantly exceed £5,000. The adoption of sums of £20,000 for valuation fees and £10,000 for bank monitoring fees by the Appellant is therefore considered opportunistic.

Management Company Costs

- 12.2.6 A sum of £5,000 has been applied for management company charges by the Appellant. It is very unusual for management company charges to be included within a residual appraisal for a development of this form and type and they typically apply only to retirement homes schemes with significantly longer post completion sales period leaving the developer exposed to significant management fees on the unsold units until the point of sale.
- 12.2.7 In my opinion the application of management company charges can be considered an irregular cost item for the purposes of the residual appraisal that is not representative of market practice or the HCA Economic Appraisal Tool which has been relied upon by the Appellant. I am therefore of the opinion that the application of management company charges of £5,000 should not be applied in the residual appraisals and are an opportunistic cost item and this is supported by the Rapleys FVA.

Council Tax Voids

- 12.2.8 A sum of £14,000 has been applied for void council tax costs. In my opinion, it is very unusual for void council tax costs to be included within a residual appraisal for a development of this form and type and they typically apply only to retirement homes schemes with significantly longer post completion sales period leaving the developer exposed to void Council Tax costs on the unsold units until the point of sale.

- 12.2.9 In my opinion the application of void council tax costs can be considered an irregular cost item for the purposes of the residual appraisal that is not representative of market practice or the HCA Economic appraisal Tool which has been relied upon by the Appellant. I am therefore of the opinion that the application of void council tax costs of £14,000 should not be applied in the residual appraisals and are an opportunistic cost item and this is supported by the Rapleys FVA.

Restrictive Covenant Issues

- 12.2.10 Any sum required to be paid to address the issues relating to restrictive covenants affecting the Appeal Property can be considered an abnormal cost. The PPG advises that the assessment of the premium in determining the BLV should reflect the implications of abnormal costs and that if the development site value (the RLV) is reduced and the EUV is unaffected, the premium should be reduced.
- 12.2.11 I have not allowed a specific deduction in agreeing the BLV to reflect the issues relating to the restrictive covenants but if a sum (£25,000) is to be applied in the residual appraisals to determine the RLV of the Proposed Development and the Policy Compliant Development then a corresponding deduction should be made to the BLV. These sums effectively balance each other out and I have simplified the exercise by making no allowance for the costs of addressing the restrictive covenant issue in the BLV and the RLV assessments.
- 12.2.12 Furthermore, this is a landownership and land value issue that is, in any event, addressed by the BLV. It is also understood that the contract for sale between the Appellant and the landowner contains a Title condition. One would expect this to provide a mechanism to recover the costs relating to a restrictive covenant/defective title indemnity insurance policy. The inclusion of a cost item in this regard is therefore considered to potentially represent a double count.

12.3 Stand Back

Evidence from Comparable Development Land Transactions

- 12.3.1 Residual appraisals are very sensitive to small changes to the inputs applied. The Professional Statement requires practitioners to 'Stand Back' (to consider the outputs of the residual appraisal objectively and with the benefit of experience and to apply judgement to the outcome of the residual appraisals) and also requires sensitivity analysis of the inputs to the residual appraisal to assess how changes in inputs can affect viability and to understand the extent to which a residual appraisal enables an appropriate determination of viability to be made. Importantly, the Professional Statement goes on to say that '*The same consideration should be applied to resultant outputs to reach a rationale, reasonable and realistic conclusion*' and that '*Sensitivity analyses help set such conclusions in their proper context and allow for adjustments to inputs within a possible range*'.

- 12.3.2 The requirement to stand back can best be achieved by comparing the residual value derived by reference to a residual appraisal with evidence from the sale of comparable development land transactions.
- 12.3.3 The inputs to the residual appraisal that I have adopted indicate a value of £1,690,000 for the Proposed Development and £1,045,000 for the Policy Compliant Development. The value for the Proposed Development and the Policy Compliant Development therefore exceed the BLV of £990,000 and indicates that the Proposed Development is a viable form of development and generates a surplus (£700,000) that could be used to provide additional Affordable Housing; and that the Policy Compliant Development is a viable form of development with policy compliant Affordable Housing provision.
- 12.3.4 The outcomes of my residual appraisals are consistent with the evidence from the comparable development land transaction provided for St Judes and Beckley Walk based upon Gross Land Value analysis. The same cannot be said of the outcome of the Appellant's residual appraisals which I therefore consider to be pessimistic and unrepresentative of the market. This comparable evidence strikes an important cautionary note as to the weight that should be placed on a viability exercise based only on the residual method of valuation.
- 12.3.5 The Appellant has introduced new and additional costs via Mr Newman's e-mail dated 3rd September 2023. At this stage, no justification or information has been provided in support of the off-site drainage infrastructure costs of £401,358. In the absence of such information I am unable to confirm the relevance of this sum to the determination of the RLV or the extent to which these additional costs represent a double count.
- 12.3.6 I have, however, in order to demonstrate the sensitivity of residual appraisals to changes in the inputs and for the purpose of sensitivity testing prepared a residual appraisal for the Policy Compliant Development that includes the costs for off-site drainage infrastructure and sensitivity testing of some inputs to the residual appraisal as discussed below.

Sensitivity Testing

- 12.3.7 I have carried out sensitivity testing of my residual appraisal for the Policy Compliant Development and this demonstrates that with relatively modest adjustments (3%) to the GDV, (3%) to the construction costs and the adoption of a finance cost of 7.5% in line with the Rapleys FVA a residual value for the Policy Compliant Development of £982,935 is achieved even with the inclusion of the new and additional costs for off-site drainage infrastructure at £401,358. This demonstrates that with only minor adjustment to the inputs applied in my residual appraisals (within reasonable ranges for valuation error) and in line with the Rapleys FVA the Policy Compliant Development is a viable with policy compliant (35%) Affordable Housing provision.

- 12.3.8 This provides a clear indication of the sensitivity of residual appraisals to small changes in the inputs applied and underlines the importance of the Appellant confirming the proposed purchase price for the Appeal Property following the grant of planning permission and the relevant contractual terms. The failure of the Appellant to confirm the purchase price is a real concern as the purchase price is material fact relevant to the determination of the RLV and is contrary to the PPG, the 2021 Guidance Note, 2109 Guidance Note and the Professional Statement.

12.4 Conclusion

- 12.4.1 In my opinion, based upon the evidence I have provided including evidence from comparable development land transactions and sensitivity testing (and the failure of the Appellant to confirm the purchase price or price intended to be paid for the Property following the grant of planning permission) it would be wrong to apply the following:

- ❑ a GDV that is lower than those I have adopted in the residual appraisals;
- ❑ restrictive covenant costs at £25,000 without making a similar deduction to the BLV;
- ❑ a valuation fee of £20,000 and bank monitoring fee of £10,000;
- ❑ a management company costs of £5,000; and
- ❑ Council Tax voids at £14,000.

I have demonstrated that the effect of adopting inputs at these levels eliminates any correlation with the evidence from comparable development land transactions. To adopt more pessimistic assumptions, in line with Appellant's opinions, would result in an unsupported and unreasonably low opinion of the RLV.

- 12.4.2 The very sensitive nature of residual appraisals is well documented and precisely the reason why 2021 Guidance Note and the 2019 Guidance Note require a valuation based upon a residual appraisal to be cross-checked with evidence from comparable development land transaction (and the purchase price where available) and vice versa. This is expressly recognised by the requirement to Stand Back and to apply sensitivity testing. These are important exercises in determining the weight to be applied to a residual appraisal when seeking to determine the viability of a development proposal to provide policy compliant Affordable Housing delivery.
- 12.4.3 To be considered viable to make a policy compliant contribution towards the provision of Affordable Housing the RLV should exceed the BLV. The purchase price payable on the grant of planning permission for the proposed development is a material fact in the determination of the RLV and should be confirmed by the Appellant. The failure of the Appellant to confirm the purchase price is a real concern and is considered to support my view that the residual appraisals are based upon pessimistic inputs.

- 12.4.4 I am of the opinion that confirmation of the purchase price would confirm that the Policy Compliant Development is a viable form of development and this is supported by sensitivity testing. However, in the absence of confirmation of the purchase price it is difficult to prove that the RLV of the Policy Compliant Development would exceed my current opinion of the BLV of £990,000. It is, however, clear that with only small changes to the inputs to the RLV in line with my sensitivity testing the Policy Compliant Development is a viable form of development even with the inclusion of the new and additional costs introduced by the Appellant for off-site drainage infrastructure.

13. Statement of Truth & Declaration

13.1 (i) Statement of Truth

- 13.2 I confirm that I have made clear which facts and matters referred to in this report are within my own knowledge and which are not. Those that are within my own knowledge I confirm to be true. The opinions I have expressed represent my true and complete professional opinions on the matters to which they refer.

13.3 (ii) Declaration

- 1 I confirm that my report has drawn attention to all material facts which are relevant and have affected my professional opinion
- 2 I confirm that I understand and have complied with my duty to the Planning Inspectorate as an expert witness which overrides any duty to those instructing or paying me, that I have given my evidence impartially and objectively and that I will continue to comply with that duty as required.
- 3 I confirm that I am not instructed under any conditional or other success-based fee arrangement
- 4 I confirm that I have no conflict of interest
- 5 I confirm that my report complies with the requirements of the RICS – Royal Institution of Chartered Surveyors, as set down in the RICS Practice Statement Surveyors acting as expert witnesses.



Fraser Castle MRICS

RICS Registered Valuer For and on behalf of Bruton Knowles LLP

Appendix One

Schedule of Accommodation and GDV

Table 1 – The Proposed Development

Table 2 – The Policy Compliant Development

25 Unit Scheme August 2023
Bruton Knowles Assumptions

3 x Affordable Housing Units

Units	Accommodation	Unit Type	Storeys	Bedrooms	Ensuite	Garage	Parking	Amenity	Size		Tenure	Applicant A		Bruton Knowles		Difference
									m2	Sq Ft		Value	£per Sq Ft	Unit Value	£per Sq Ft	
1	House	Detached	2	4	1	1	1	Large garden	135	1453	Private	£575,000	£396	£650,000	£447	£75,000
2	House	Semi	2	2		1	1		70	753	Affordable Rent	£180,835	£240	£155,552	£206	£-25,283
3	House	Semi	2	2		2	0	Small garden	70	753	Affordable Rent	£180,835	£240	£155,552	£206	£-25,283
4	House	End Terrace	2	3		2		View over green	84.5	910	Private	£390,000	£429	£415,000	£456	£25,000
5	House	Mid Terrace	2	3			2	View over green	84.5	910	Private	£385,000	£423	£415,000	£456	£30,000
6	House	Mid Terrace	2	3			2	View over green	84.5	910	Private	£385,000	£423	£415,000	£456	£30,000
7	House	End Terrace	2	3			2	View over green	84.5	910	Private	£390,000	£429	£415,000	£456	£25,000
8	House	Semi	2	4			2	View over green	106	1141	Private	£450,000	£394	£465,000	£408	£15,000
9	House	Semi	2	3			2	View over green	84.5	910	Private	£400,000	£440	£425,000	£467	£25,000
10	House	Semi	2	3			3	View over green	84.5	910	Private	£400,000	£440	£425,000	£467	£25,000
11	House	Semi	2	3			2	View over green	84.5	910	Private	£400,000	£440	£425,000	£467	£25,000
12	House	Semi	2	2			2	View over green	70	753	Shared Ownership	£180,835	£240	£279,833	£371	£98,998
13	House	Semi	2	2			2	View over green	70	753	Private	£325,000	£431	£365,000	£484	£40,000
14	House	Semi	2	3			2		84.5	910	Private	£400,000	£440	£420,000	£462	£20,000
15	House	Semi	2	3			2		84.5	910	Private	£400,000	£440	£420,000	£462	£20,000
16	House	Semi	2	4			2		106	1141	Private	£450,000	£394	£465,000	£408	£15,000
17	House	Semi	2	3			2		84.5	910	Private	£400,000	£440	£420,000	£462	£20,000
18	House	Semi	2	3			2		84.5	910	Private	£400,000	£440	£420,000	£462	£20,000
19	House	Semi	2	3			2		84.5	910	Private	£400,000	£440	£420,000	£462	£20,000
20	House	Semi	2	3			2		84.5	910	Private	£400,000	£440	£420,000	£462	£20,000
21	House	Semi	2	4			2		106	1141	Private	£450,000	£394	£465,000	£408	£15,000
22	House	End Terrace	2	3			2	View over green	84.5	910	Private	£390,000	£429	£415,000	£456	£25,000
23	House	Mid Terrace	2	3			2	View over green	84.5	910	Private	£385,000	£423	£415,000	£456	£30,000
24	House	Mid Terrace	2	3			2	View over green	84.5	910	Private	£385,000	£423	£415,000	£456	£30,000
25	House	End Terrace	2	3			2	View over green	84.5	910	Private	£390,000	£429	£415,000	£456	£25,000
									2169.5	23352		£9,492,506	£406	£10,115,937	£433	

Applicant			NSA	£/NSA
Values	Market Housing	£8,950,000	21092	£424
	Affordable Housing	£542,506	2260	£240
		£9,492,506		
Bruton Knowles			NSA	£/NSA
Values	Market Housing	£9,525,000	21092	£452
	Affordable Housing	£590,937	2260	£261
		£10,115,937		

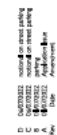
25 Unit Scheme August 2023
Bruton Knowles Assumptions

Policy Compliant Scheme

Units	Accommodation	Unit Type	Storeys	Bedrooms	Ensuite	Garage	Parking	Amenity	Size		Tenure	Assumed Applicant A		Bruton Knowles			
									m2	Sq Ft		Value	Eper Sq Ft	Unit Value	Eper Sq Ft	Difference	
1	House	Detached	2	4	1	1	1	Large garden	135	1453	Private	£575,000	£396	£650,000	£447	£75,000	
2	House	Semi	2	2		1	1		70	753	Affordable Rent	£180,835	£240	£159,204	£211	-£21,631	
3	House	Semi	2	2			2	Small garden	70	753	Affordable Rent	£180,835	£240	£159,204	£211	-£21,631	
4	House	End Terrace	2	3		2		View over green	84.5	910	Private	£390,000	£429	£415,000	£456	£25,000	
5	House	Mid Terrace	2	3			2	View over green	84.5	910	Private	£385,000	£423	£415,000	£456	£30,000	
6	House	Mid Terrace	2	3			2	View over green	84.5	910	Private	£385,000	£423	£415,000	£456	£30,000	
7	House	End Terrace	2	3			2	View over green	84.5	910	Private	£390,000	£429	£415,000	£456	£25,000	
8	House	Semi	2	4			2	View over green	106	1141	Private	£450,000	£394	£465,000	£408	£15,000	
9	House	Semi	2	3			2	View over green	84.5	910	Private	£400,000	£440	£425,000	£467	£25,000	
10	House	Semi	2	3			3	View over green	84.5	910	Private	£400,000	£440	£425,000	£467	£25,000	
11	House	Semi	2	3			2	View over green	84.5	910	Private	£400,000	£440	£425,000	£467	£25,000	
12	House	Semi	2	2			2	View over green	70	753	Social Rent	£180,835	£240	£113,947	£151	-£66,888	
13	House	Semi	2	2			2	View over green	70	753	Social Rent	£180,835	£240	£113,947	£151	-£66,888	
14	House	Semi	2	3			2		84.5	910	Shared Ownership	£218,294	£240	£316,444	£348	£98,150	
15	House	Semi	2	3			2		84.5	910	Shared Ownership	£218,294	£240	£316,444	£348	£98,150	
16	House	Semi	2	4			2		106	1141	Private	£450,000	£394	£465,000	£408	£15,000	
17	House	Semi	2	3			2		84.5	910	Private	£400,000	£440	£420,000	£462	£20,000	
18	House	Semi	2	3			2		84.5	910	Shared Ownership	£218,294	£240	£316,444	£348	£98,150	
19	House	Semi	2	3			2		84.5	910	Affordable Rent	£218,294	£240	£183,194	£201	-£35,100	
20	House	Semi	2	3			2		84.5	910	Private	£375,000	£412	£420,000	£462	£45,000	
21	House	Semi	2	4			2		106	1141	Private	£450,000	£394	£465,000	£408	£15,000	
22	House	End Terrace	2	3			2	View over green	84.5	910	Private	£390,000	£429	£415,000	£456	£25,000	
23	House	Mid Terrace	2	3			2	View over green	84.5	910	Private	£385,000	£423	£415,000	£456	£30,000	
24	House	Mid Terrace	2	3			2	View over green	84.5	910	Private	£390,000	£429	£415,000	£456	£25,000	
25	House	End Terrace	2	3			2	View over green	84.5	910	Social Rent	£218,294	£240	£129,557	£142	-£88,737	
									2169.5	23352		£8,429,810	£361	£8,873,385	£380		
												Market Housing	£7,065,000	15791	£447.41	17.5%	£1,236,375
												Affordable Housing	£1,808,385	7562	£239.15	6%	£108,503
													£8,873,385	23352	£379.98	15.16%	£1,344,878

Appendix Two

Site and Block Plan (21110.41 D)



AJC Homes Ltd

Orchard Gate, Dibden Purlieu

Site and Block Plan

Date: May 22
Scale: 1:500

Appendix Three

Affordable Housing GDV Calculation

Table 1 – The Proposed Development

Table 2 – The Policy Compliant Development

The Proposed Development

31 August 2023

Affordable Housing Valuation

Bruton Knowles - Market Values

Affordable Rent

Beds	Units	LHA Rent pw	Aggregate Rent pw	Aggregate Rent pa	Market Value p unit	Aggregate Market Value	AH Value p unit
2 Bed House	2	£178.36	£357	£18,614	£365,000	£730,000	£155,552
3 Bed House	0	£212.88	£0	£0	£421,667	£0	#DIV/0!
	2		£357	£18,614		£730,000	
Less							
voids			3.00%	£558			
maint, mgt, sinking fund	£1,750	per unit	£3,500	£2,500			
Net Rent				£15,555			
Capitalised at			5.00%	£311,105			
Percentage of MV				42.617%			
Market Value				£730,000			

Shared Ownership

Beds	Units	Market Value p unit	Aggregate Market Value	AH Value p unit
2 Bed House	1	£365,000	£365,000	£279,833
3 Bed House	0	£420,000	£0	#DIV/0!
100% Market Value	0		£365,000	
Occupiers Stake		40%	£146,000	
Retained Equity		60%	£219,000	
Rent at		2.75%	£6,023	
less void/mgt per unit	£250	£0	£0	
Net Rent			£6,023	pa
Capitalised at		4.50%	£133,833	
Total			£279,833	
Percentage of MV			76.67%	

Total Affordable Housing GDV

£590,938

% of Market Value 53.97%

The Policy Compliant Scheme

Affordable Housing Valuation Bruton Knowles - Market Values

Policy HOU2 70% Affordable Rent & Social Rent 30% Shared Ownership

35% Totton & Waterside

Social Rent

Beds	Units	Social Rent	Aggregate Rent pw	Aggregate Rent pa	Market Value p unit	Aggregate Market Value	AH Value p unit
2 Bed House	2	£133.77	£268	£13,960	£365,000	£730,000	£113,947
3 bed House	1	£159.66	£160	£8,331	£415,000	£415,000	£129,557
	3		£427	£22,291		£1,145,000	
Less voids			3.00%	£669			
maint, mgt, sinking fund	£1,600	per unit	£4,800	£3,750			
Net Rent				£17,873			
Capitalised at			5.00%	£357,451			
Percentage of MV				31.22%			
Market Value				£1,145,000			

Affordable Rent

Beds	Units	LHA Rent pw	Aggregate Rent pw	Aggregate Rent pa	Market Value p unit	Aggregate Market Value	AH Value p unit
2 Bed House	2	£178 36	£357	£18,614	£365,000	£730,000	£159,204
3 Bed House	1	£212 88	£213	£11,108	£420,000	£420,000	£183,194
	3		£570	£29,722		£1,150,000	
Less voids			3.00%	£892			
maint, mgt, sinking fund	£1,600	per unit	£4,800	£3,750			
Net Rent				£25,080			
Capitalised at			5.00%	£501,602			
Percentage of MV				43.62%			
Market Value				£1,150,000			

Shared Ownership

Beds	Units	Market Value p unit	Aggregate Market Value	AH Value p unit
3 Bed House	3	£420,000	£1,260,000	£316,444
100% Market Value	3		£1,260,000	
Occupiers Stake		40%	£504,000	
Retained Equity		60%	£756,000	
Rent at		2.75%	£20,790	
less void/mgt per unit	£250	£750	£750	
Net Rent			£20,040	pa
Capitalised at		4.50%	£445,333	
Total			£949,333	
Percentage of MV			75.34%	

Total Affordable Housing GDV

£1,808,386
% of Market Value 50.87%

Appendix Four

Residual Appraisal – The Proposed Development

APPRAISAL SUMMARY**LICENSED COPY**

Proposed Development
Orchard Gate
August 2023

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
Market Housing	1	21,092	451.59	9,525,000	9,525,000
Affordable Housing	1	2,260	261.48	590,937	590,937
Totals	2	23,352			10,115,937

NET REALISATION**10,115,937****OUTLAY****ACQUISITION COSTS**

Residualised Price		1,690,867	
			1,690,867
Stamp Duty		74,043	
Effective Stamp Duty Rate	4.38%		
Agent Fee	1.00%	16,909	
Legal Fee	0.75%	12,682	
			103,633

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost
Detached	1,453	166.48	241,895
Semi-Detached	13,482	139.35	1,878,717
Terrace	8,417	137.50	1,157,337
Totals	23,352 ft²		3,277,950
Contingency		5.00%	235,818
			3,513,768

Other Construction Costs

Externals	962,900
Abnormals	475,513
Part L	210,068
	1,648,481

Section 106 Costs

Nitrate Mitigation	143,000
CIL	188,885
Section 106 Costs	98,710
Additional Section 106 Costs	55,000
	485,595

PROFESSIONAL FEES

Architect	8.00%	377,309
		377,309

DISPOSAL FEES

Sales Agent Fee- Market Housing	2.50%	238,125
Sales Agent Fee - Affordable	1.00%	5,909
		244,034

TOTAL COSTS BEFORE FINANCE**8,063,687****FINANCE**

Timescale	Duration	Commences
Purchase	1	Sep 2021
Pre-Construction	2	Oct 2021
Construction	17	Dec 2021
Sale	7	May 2023
Total Duration	27	

Debit Rate 8.250%, Credit Rate 0.000% (Nominal)

APPRAISAL SUMMARY**LICENSED COPY****Proposed Development****Orchard Gate****August 2023**

Land	220,709	
Construction	129,029	
Total Finance Cost		349,737

TOTAL COSTS**8,413,425****PROFIT****1,702,512****Performance Measures**

Profit on Cost%	20.24%
Profit on GDV%	16.83%
Profit on NDV%	16.83%
IRR% (without Interest)	39.64%
Profit Erosion (finance rate 8.250)	2 yrs 3 mths
Cost per Gross ft²	180
Cost per Net ft²	180
Land Cost pAcre	0
Land Cost per Plot	845,433

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Appendix Five

Residual Appraisal – The Policy Compliant Development

APPRAISAL SUMMARY**LICENSED COPY**

Policy Compliant Development
Orchard Gate
August 2023

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
Market Housing	1	15,791	447.41	7,065,000	7,065,000
Affordable	<u>1</u>	<u>7,562</u>	239.14	1,808,385	<u>1,808,385</u>
Totals	2	23,353			8,873,385

NET REALISATION**8,873,385****OUTLAY****ACQUISITION COSTS**

Residualised Price			1,046,196	
				1,046,196
Stamp Duty			41,810	
Effective Stamp Duty Rate		4.00%		
Agent Fee		1.00%	10,462	
Legal Fee		0.75%	7,846	
				60,118

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost	
Detached	1,453	166.48	241,895	
Semi-Detached	13,482	139.35	1,878,717	
Terrace	<u>8,417</u>	137.50	<u>1,157,337</u>	
Totals	23,352 ft²		3,277,950	
Contingency		5.00%	246,322	
				3,524,271

Other Construction Costs

Externals			962,900	
Abnormals			475,513	
Part L			210,068	
				1,648,481

Section 106 Costs

Nitrate Mitigation			143,000	
CIL			138,425	
Section 106 Costs			98,710	
Additional Section 106 Costs			55,000	
				435,135

PROFESSIONAL FEES

Architect		8.00%	377,309	
				377,309

DISPOSAL FEES

Sales Agent Fee- Market Housing		2.50%	176,625	
Sales Agent Fee - Affordable		1.00%	18,084	
				194,709

TOTAL COSTS BEFORE FINANCE**7,286,219****FINANCE**

Timescale	Duration	Commences
Purchase	1	Sep 2021
Pre-Construction	2	Oct 2021
Construction	17	Dec 2021
Sale	7	May 2023
Total Duration	27	

Debit Rate 8.250%, Credit Rate 0.000% (Nominal)

APPRAISAL SUMMARY**LICENSED COPY****Policy Compliant Development****Orchard Gate****August 2023**

Land	136,638	
Construction	105,322	
Total Finance Cost		241,960

TOTAL COSTS**7,528,180****PROFIT****1,345,205****Performance Measures**

Profit on Cost%	17.87%
Profit on GDV%	15.16%
Profit on NDV%	15.16%
IRR% (without Interest)	42.52%
Profit Erosion (finance rate 8.250)	2 yrs
Cost per Gross ft²	161
Cost per Net ft²	161
Land Cost pAcre	0
Land Cost per Plot	523,098

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Appendix Six

Residual Appraisal – Gross Land Value

APPRAISAL SUMMARY**LICENSED COPY**

Gross Land Value with Nil Affordable Housing
Orchard Gate
August 2023

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
Market Housing	1	23,352	454.78	10,620,000	10,620,000

NET REALISATION**10,620,000****OUTLAY****ACQUISITION COSTS**

Residualised Price			3,013,849	
Stamp Duty			140,192	3,013,849
Effective Stamp Duty Rate		4.65%		
Agent Fee		1.00%	30,138	
Legal Fee		0.75%	22,604	
				192,935

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost	
Detached	1,453	166.48	241,895	
Semi-Detached	13,482	139.35	1,878,717	
Terrace	8,417	137.50	1,157,337	
Totals	23,352 ft²		3,277,950	
Contingency		5.00%	212,022	
				3,489,972
Other Construction Costs				
Externals			962,500	
				962,500

PROFESSIONAL FEES

Architect	8.00%	339,236	
			339,236

DISPOSAL FEES

Sales Agent Fee- Market Housing	2.50%	265,500	
			265,500

TOTAL COSTS BEFORE FINANCE**8,263,992****FINANCE**

Timescale	Duration	Commences
Purchase	1	Sep 2021
Pre-Construction	2	Oct 2021
Construction	17	Dec 2021
Sale	5	May 2023
Total Duration	25	

Debit Rate 8.250%, Credit Rate 0.000% (Nominal)			
Land		378,665	
Construction		118,843	
Total Finance Cost			497,508

TOTAL COSTS**8,761,500****PROFIT****1,858,500****Performance Measures**

APPRAISAL SUMMARY**LICENSED COPY****Gross Land Value with Nil Affordable Housing****Orchard Gate****August 2023**

Profit on Cost%	21.21%
Profit on GDV%	17.50%
Profit on NDV%	17.50%
IRR% (without Interest)	33.86%
Profit Erosion (finance rate 8.250)	2 yrs 4 mths
Cost per Gross ft²	188
Cost per Net ft²	188
Land Cost pAcre	0
Land Cost per Plot	3,013,849

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Appendix Seven

Sensitivity Analysis – The Policy Compliant Development (Appellant's Costs)

SENSITIVITY ANALYSIS REPORT**LICENSED COPY**

Policy Compliant Development - Sensitivity Analysis
Orchard Gate
August 2023

Table of Land Cost and Land Cost

Construction: Gross Cost					
Sales: Gross Sales	-4.000%	-3.000%	-2.000%	-1.000%	0.000%
0.000%	(£826,823)	(£794,479)	(£762,135)	(£729,790)	(£697,446)
	(£826,823)	(£794,479)	(£762,135)	(£729,790)	(£697,446)
+1.000%	(£889,641)	(£857,297)	(£824,953)	(£792,609)	(£760,265)
	(£889,641)	(£857,297)	(£824,953)	(£792,609)	(£760,265)
+2.000%	(£952,460)	(£920,116)	(£887,772)	(£855,428)	(£823,084)
	(£952,460)	(£920,116)	(£887,772)	(£855,428)	(£823,084)
+3.000%	(£1,015,279)	(£982,935)	(£950,591)	(£918,247)	(£885,903)
	(£1,015,279)	(£982,935)	(£950,591)	(£918,247)	(£885,903)
+4.000%	(£1,078,098)	(£1,045,754)	(£1,013,410)	(£981,065)	(£948,721)
	(£1,078,098)	(£1,045,754)	(£1,013,410)	(£981,065)	(£948,721)

Sensitivity Analysis : Assumptions for Calculation**Construction: Gross Cost**

Original Values are varied by Steps of 1.000%.

Heading	Phase	Amount	No. of Steps
Detached	1	£241,895	5 Down only
Semi-Detached	1	£1,878,717	5 Down only
Terrace	1	£1,157,338	5 Down only

Sales: Gross Sales

Original Values are varied by Steps of 1.000%.

Heading	Phase	Amount	No. of Steps
Market Housing	1	£7,065,000	5 Up only
Affordable	1	£1,808,385	5 Up only

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Appendix Eight

Appraisal St Judes, Roman Road, Dibden Purlieu - Information Pack

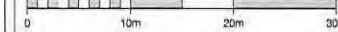


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KEY

	Existing Trees
	New Trees
	New Trees within existing TPO group
	Tree to be removed
	Grass / Planting
	New House
	Existing House
	Paths / Patios
	Shared Driveway
	Private Driveway

Scale 1:500



Revisions:

- A - Amended in accordance with Client comments - 12.03.2020
- B - Amended to address Planners concerns - 06.07.2020
- C - Amended to address Planners concerns - 12.07.2020
- D - Amended to address Planners concerns - 19.07.2020



CLIENT Mr P Sellwood

SITE St Jude, Roman Road, Hythe

TITLE Site Layout Plan

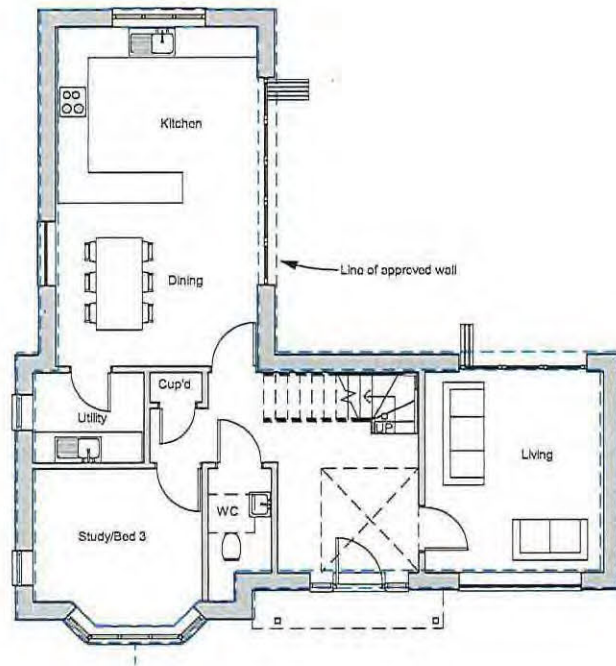
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DATE: March 20		
DRAWN	CHECKED	

Kalotec Limited, Gorse Hill, Fareham, Hampshire, PO16 6AD
Telephone: 01259 257 424 Email: info@kalotec.co.uk
Website: www.kalotec.co.uk

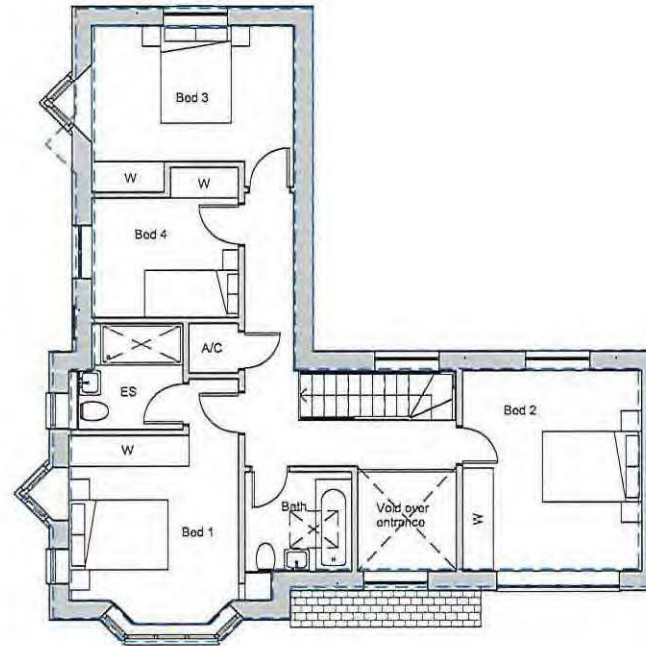
COPYRIGHT © KALOTEC LIMITED

Unit 1 1491 sqft

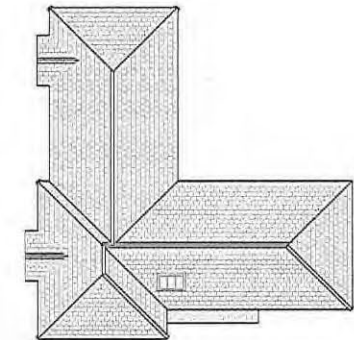
REVISION NOTES					
Rev	DATE	DESCRIPTION	CHK	APP	
A	03/04/2021	Initial Issue	CHK	APP	
B	25/07/2021	Revised back to planning design conditions	CHK	APP	
C	31/08/2021	Final design conditions	CHK	APP	



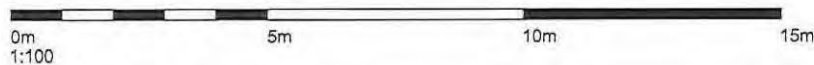
① 0 Ground Floor FFL
1 : 100



② 1 First Floor FFL
1 : 100



③ 4 Roof Plan
1 : 200



Project
Land at St Jude
Hythe

Client

K & J Contractors Ltd

WLA

WLA WilliamsLester.

Enterprise House, Crow Arch Lane, Ringwood, BH24 1JP
www.williamslester.com 01425 416234 info@williamslester.com

Plot 1 - Plans

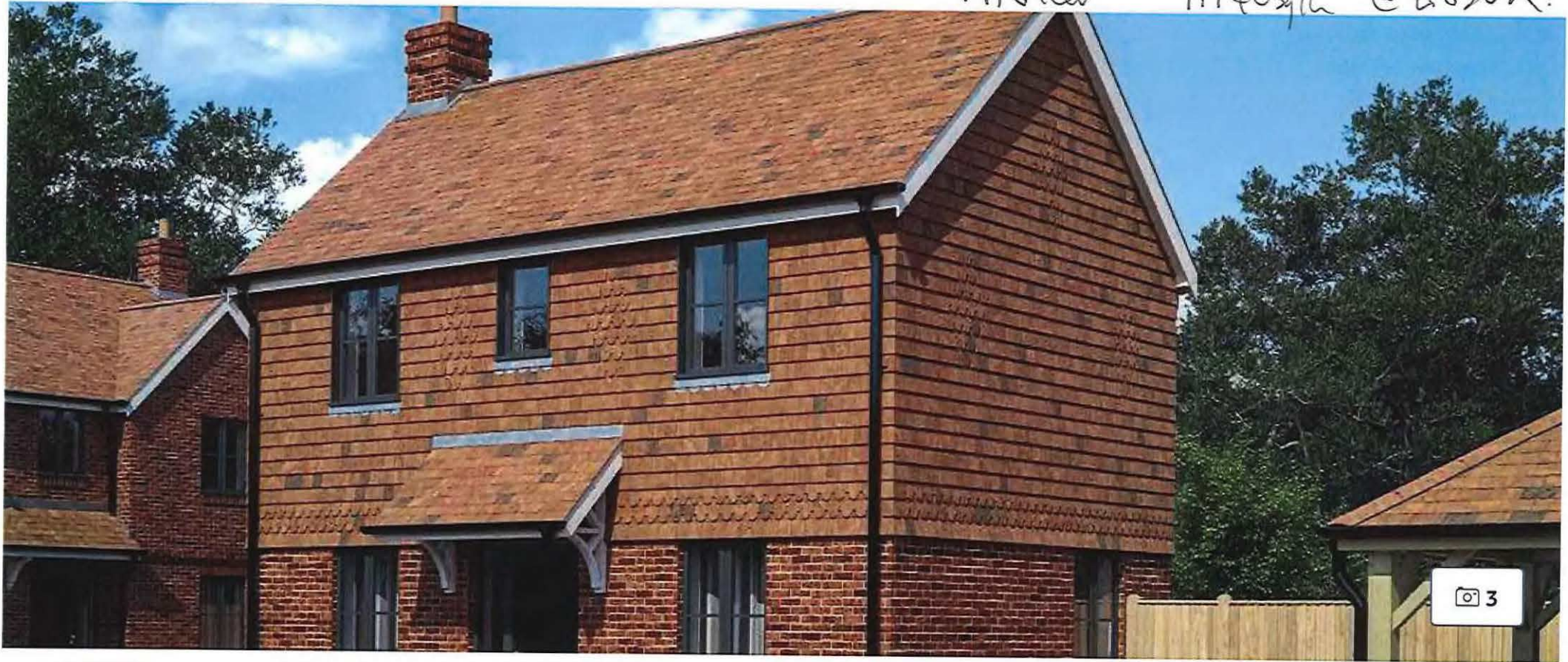
Scale	A3 @	A4
Revision	Drawing Status	Indicating
C	Concept Design	
S2	For Information	
Drawing No.	6065-WLA-P1-XX-DR-A-0100	

rightmove

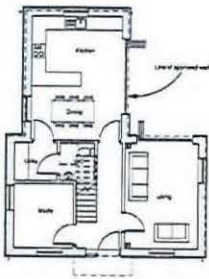
Unit 2

N10 11er

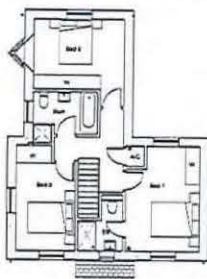
1.140sq/L @ £650K.



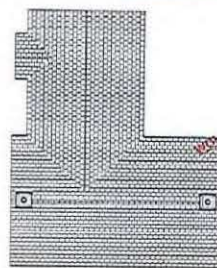
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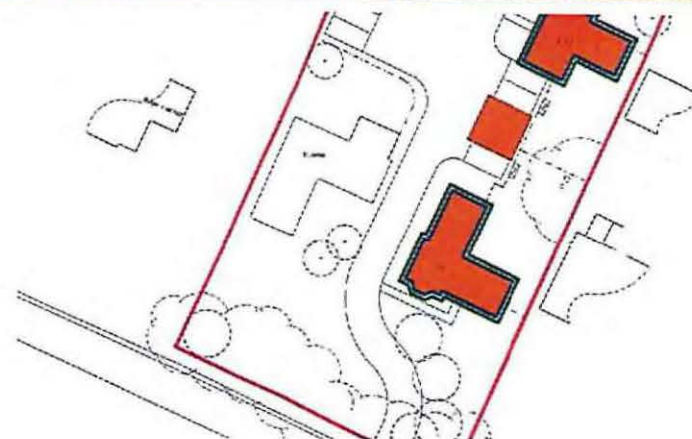
0 Ground Floor FFL
1:100



1 First Floor FFL
1:100



4 Roof Plan
1:100



NEW HOME SOLD STC

St Judes, Roman Road, Dibden Purlieu, Southampton, SO45

£650,000 ⓘ

Added on 02/03/2022

MARKETED BY


Enfields, Hythe

3 Marsh Parade, Hythe, SO45 6AN




Call agent: 0238 001 5474


PROPERTY TYPE

 **Detached**

BEDROOMS

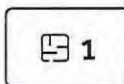
 **×4**

E

 **×2**

Request details

Freehold



Key features

- Four Bedrooms
- Open Plan Kitchen/Dining Room
- Study/Bedroom Four
- Ensuite to Master Bedroom
- Lounge
- Utility Room
- Downstairs W.C

Property description

Enfields are pleased to market this new build four bedroom family home situated within a sought after location in Dibden Purlieu on the edge of the New Forest. Situated in a cul-de-sac location the accommodation on offer comprises of a living room, open plan kitchen/dining room, utility room, study/bedroom and W.C. to the ground floor with three double bedrooms with the master benefitting from an ensuite and family bathroom to the first floor.

Lounge

Open Plan Kitchen/Dining Room

Utility Room

W.C

Study/Bedroom Four

Master Bedroom

Ensuite

Bedroom Two

Bedroom Three

Local Authority Information

New Forest District Council.

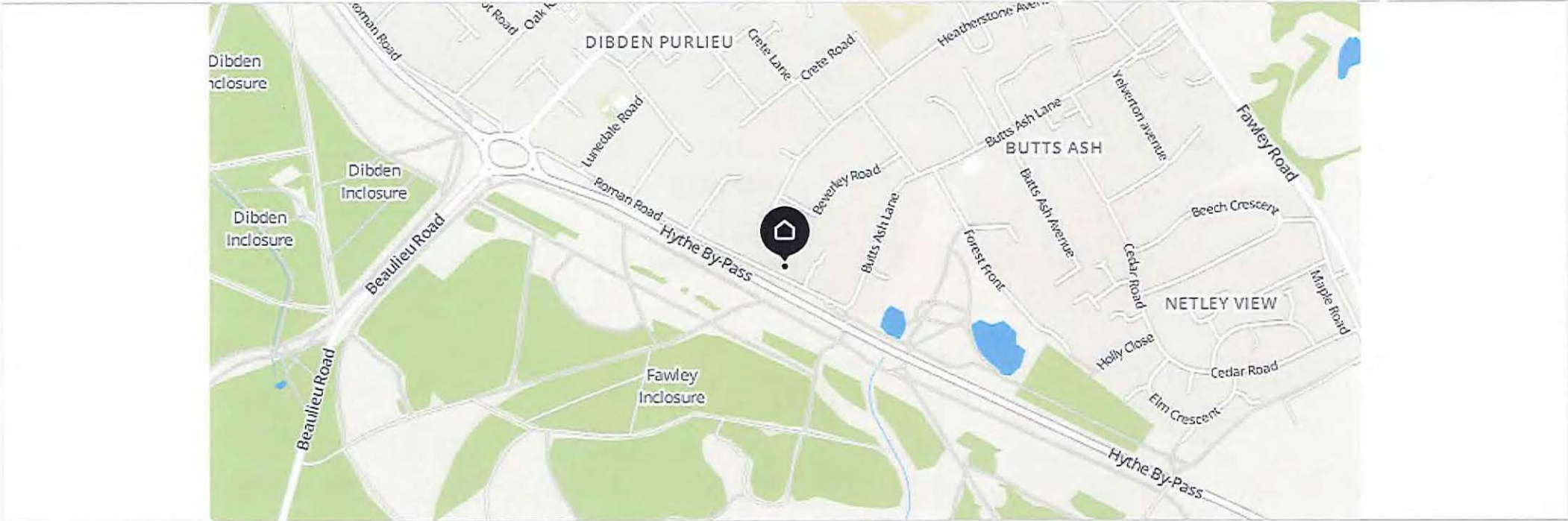
School Catchment Area

Wildground Infant School. Wildground Junior School. Applemore College.

Council Tax ⓘ

Ask agent

St Judes, Roman Road, Dibden Purlieu, Southampton, SO45



NEAREST STATIONS ⓘ

🚆 Netley Station	3.5 miles
🚆 Woolston Station	3.8 miles
🚆 Sholing Station	3.9 miles

📶 Broadband speed

Working with 🐼 ⌵

🏠 Recently sold & under offer

See similar nearby properties ⌵

About the agent

Enfields, Hythe

3 Marsh Parade, Hythe, SO45 6AN



Your Property | Our Priority - Not just words, but actions.

Our customer service is award winning, our property marketing is second to none and our industry and local knowledge is unbeatable. enfields is renowned for hard work, passion and results. All our staff are driven and determined and are trained to deliver exceptional service. We have a culture of

[More properties from this agent](#)

Industry affiliations

Stamp Duty calculator

FC

I am...

Property price

Select

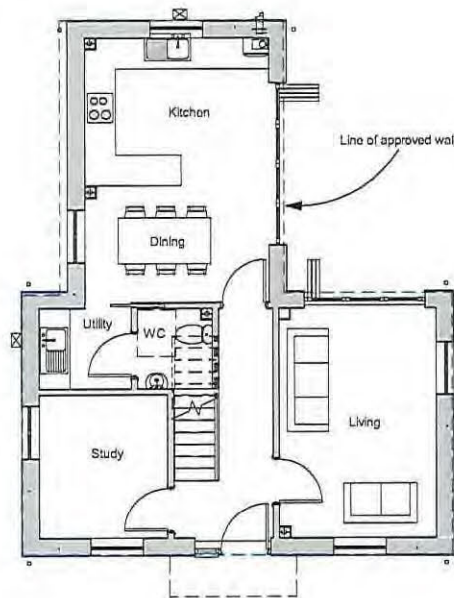


£ 650,000

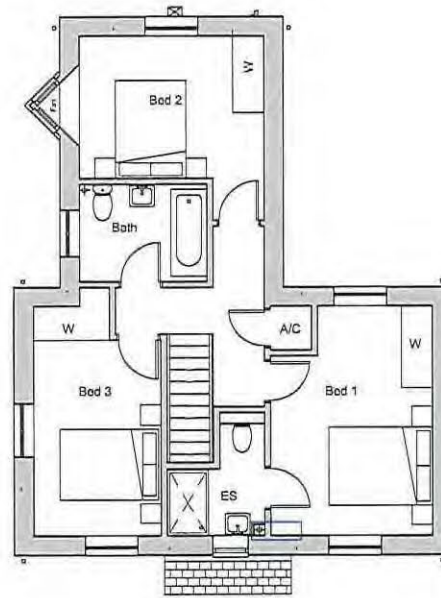
Calculate

Plot 2
1,140 sqm

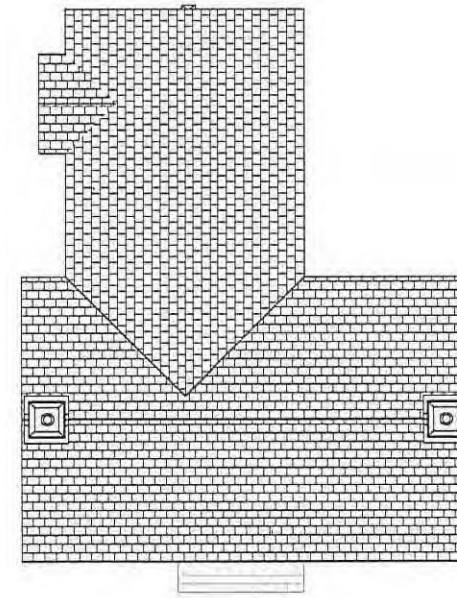
REVISION NOTES				
Rev	Date	Description	Drawn	Check
A	03/04/2022	Initial issue	WLP	WLP
B	26/07/2022	Revised floor to identify energy measures	WLP	WLP
C	11/09/2022	Revised layout approved for planning	WLP	WLP



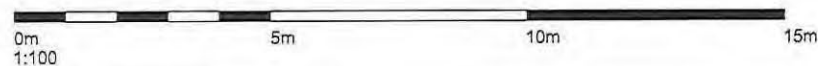
① 0 Ground Floor FFL
1 : 100



② 1 First Floor FFL
1 : 100



③ 4 Roof Plan
1 : 100



Project
Land at St Jude
Hythe

Client

K & J Contractors Ltd

WLA.

WLA Williams Lester.

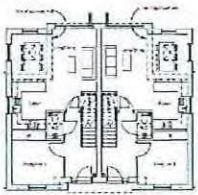
Enterprise House, Cross Arch Lane, Ringwood, BQ4 1LP
www.williamslester.com 01429 465224 info@williamslester.com

Plot 2 - Plans

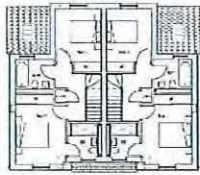
Scale A3 @ 1:100
Revision Drawing Status
C Concept Design
S2 Suitability Description
For Information
Drawing No.
6065-WLA-P2-XX-DR-A-0200



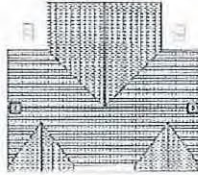
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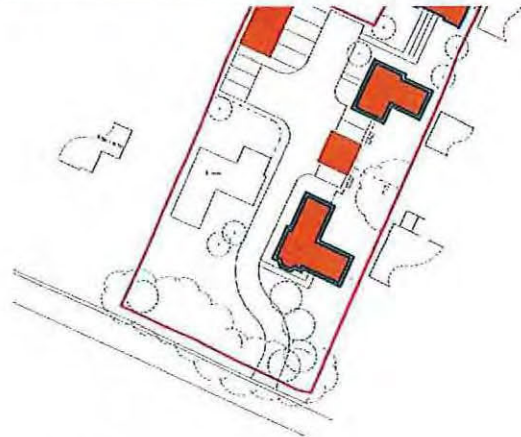
1. Ground Floor PTL



2. First Floor PTL



3. Roof Plan



NEW HOME SOLD STC

St Judes, Roman Road, Dibden Purlieu,
Southampton, SO45

£495,000 

Added on 05/08/2022

MARKETED BY

Enfields, Hythe


3 Marsh Parade, Hythe, SO45
6AN




Call agent: 0238 001 5474

Request details


PROPERTY TYPE

 **Semi-Detached**

BEDROOMS

 **x3**

BATHROOMS

 **x2**

TENURE 

Freehold



1

Key features

- Three Bedrooms
- Study/Bedroom Three
- Ensuite to Master Bedroom
- Open Plan Lounge/Kitchen/Dining Room
- Downstairs W.C
- Bathroom

Property description

Enfields are pleased to market this new build home situated within a sought after location in Dibden Purlieu on the edge of the New Forest. Situated in a cul-de-sac location the accommodation on offer comprises of an open plan living room/kitchen/dining room, study/bedroom and W.C. to the ground floor with two double bedrooms with the master benefitting from an ensuite and family bathroom to the first floor.

Open Plan Lounge/Kitchen/Dining Room

Study/Bedroom

W.C

Master Bedroom

Ensuite

Bedroom Two

Bathroom

Local Authority Information

New Forest District Council.

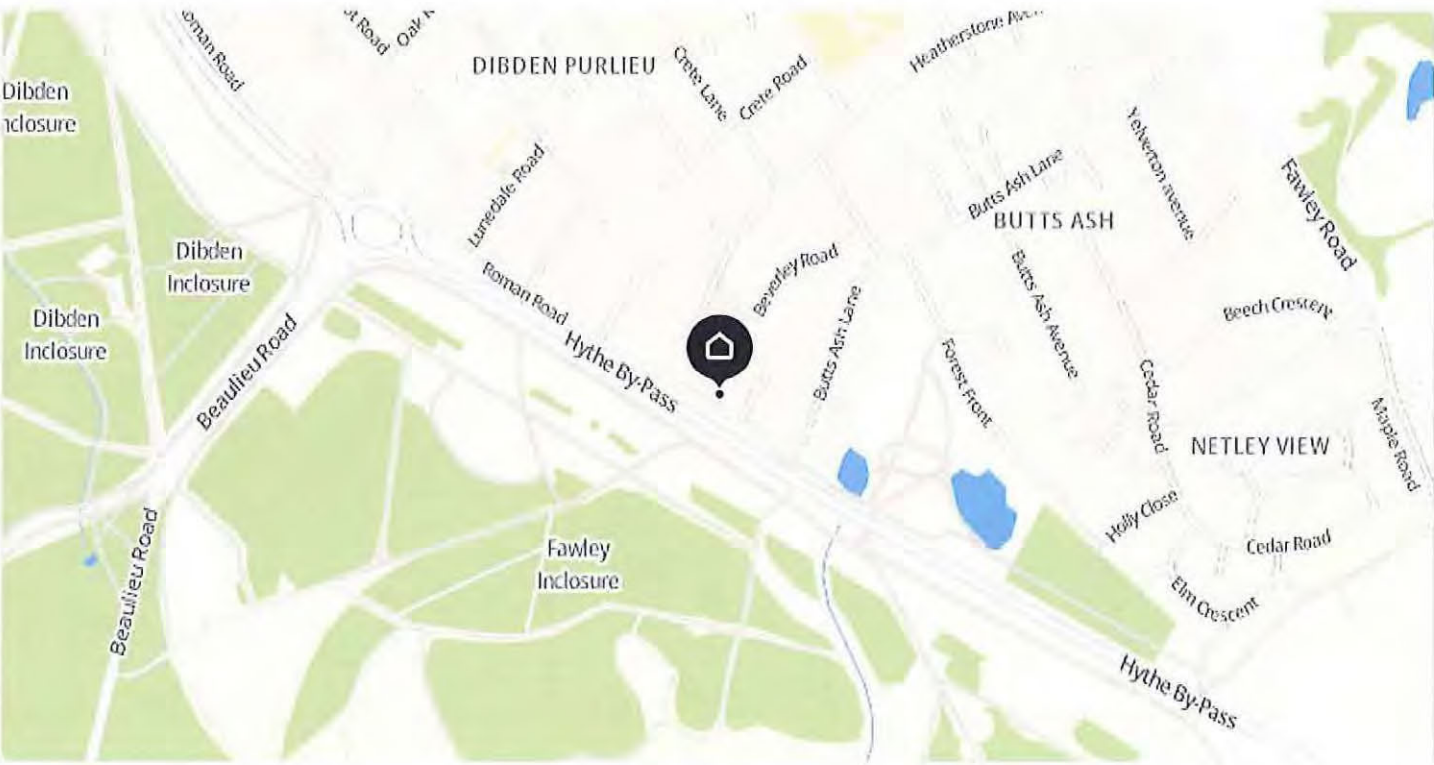
School Catchment Area

Wildground Infant School. Wildground Junior School. Applemore College.

Council Tax ⓘ

. Ask agent

St Judes, Roman Road, Dibden Purlieu, Southampton, SO45



NEAREST STATIONS ⓘ

🚉	Netley Station	3.5 miles
🚉	Woolston Station	3.8 miles
🚉	Sholing Station	3.9 miles

**Broadband speed**

Working with 



**Recently sold & under offer**



About the agent

Enfields, Hythe

3 Marsh Parade, Hythe, SO45 6AN

Your Property | Our Priority - Not just words, but actions.

Our customer service is award winning, our property marketing is second to none and our industry and local knowledge is unbeatable. enfields is renowned for hard work, passion and results. All our

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Industry affiliations

Stamp Duty calculator



I am...

Select




Property price

£495,000

Calculate

Notes



 These notes are private, only you can see them.

Add your thoughts on this property...

Disclaimer - Property reference HYT220050. The information displayed about this property comprises a property advertisement. Rightmove.co.uk makes no warranty as to the accuracy or completeness of the advertisement or any linked or associated information, and Rightmove has no control over the content. This property advertisement does not constitute property particulars. The information is provided and maintained by Enfields, Hythe. Please contact the selling agent or developer directly to obtain any information which may be available under the terms of The Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007 or the Home Report if in relation to a residential property in Scotland.

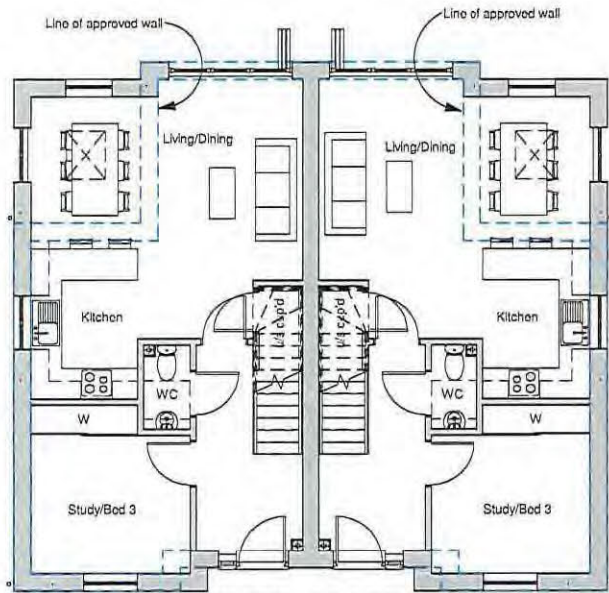
* This is the average speed from the provider with the fastest broadband package available on [comparethemarket.com](https://www.comparethemarket.com) at this postcode. The average speed displayed is based on the download speeds of at least 50% of customers at peak time (8pm to 10pm). Fibre/cable services at the postcode are subject to availability and may differ between properties within a postcode. Speeds can be affected by a

range of technical and environmental factors. The speed at the property may be lower than that listed above. You can check the estimated speed and confirm availability to a property prior to purchasing on the broadband provider's website. Providers may increase charges. The information is provided and maintained by Stickee Technology Limited.

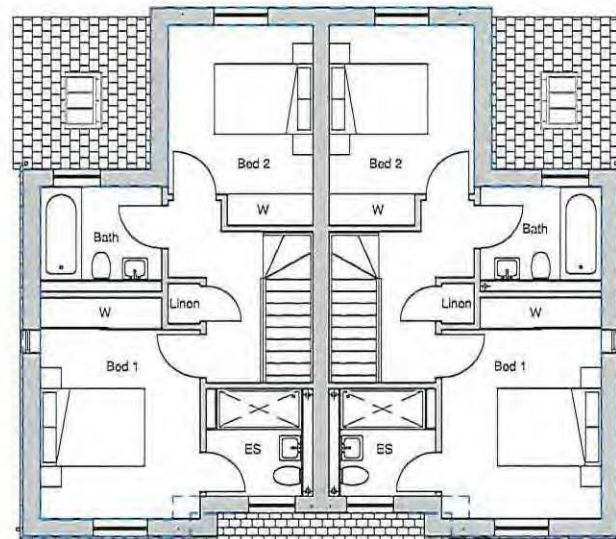
Map data ©OpenStreetMap contributors.

Units 3 & 4 NSA @ 92-45 sqm
995 sq/L.

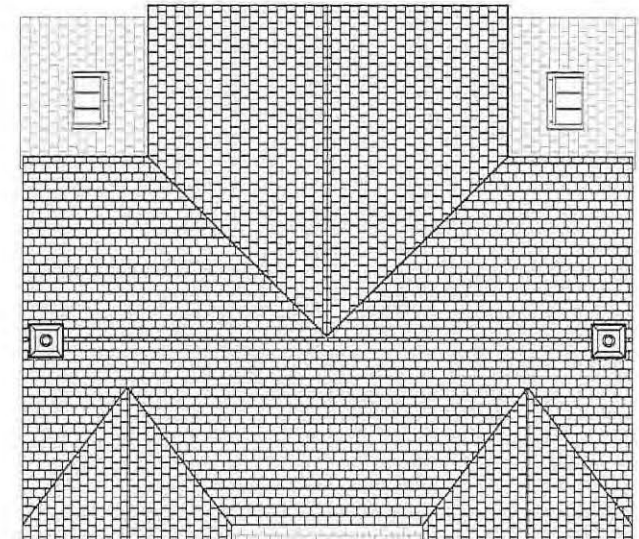
REVISION NOTES				
No.	Date	Description	By	Chk
1	10/01/2022	Initial Issue	WLA	WLA



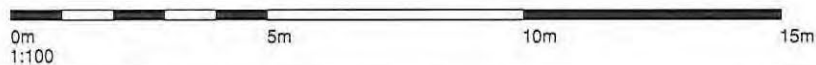
① 0 Ground Floor FFL
1 : 100



② 1 First Floor FFL
1 : 100



③ 4 Roof Plan
1 : 100



Project
Land at St Jude
Hythe

Client

K & J Contractors Ltd

WLA.

WLA Williams Lester.

Unit 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100
www.williamslester.com 01425 481234 mail@williamslester.com

Plots 3 & 4 - Plans

Scale: A3 @ 1 : 100
Revision: A Drawing Status: Concept Design
Suitability: S2 Suitability Description: For Information
Drawing No: 6065-WLA-P3-XX-DR-A-0300

Appendix Nine

Oak View, Hythe - Information Pack

The background of the entire page is a repeating pattern of oak leaves and branches, rendered in a light, textured grey tone. The leaves are stylized with visible veins, and the branches are thin and linear.

OAKVIEW

PROPERTY OF THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO PRESS, 5401 S. UNIVERSITY AVENUE, CHICAGO, ILL. 60637

UNIVERSITY OF CHICAGO PRESS



OAK VIEW

Welcome to Oak View, Driftstone Homes' exclusive new collection of just four detached 4 bedroom homes in a secluded, tranquil setting on the fringes of the desirable coastal village of Hythe.

High specifications throughout each home are complemented by advanced construction methods promising enhanced environmental benefits, resulting in improved thermal efficiency for reduced energy consumption and greener living.



DEVELOPMENT LAYOUT

Approached via a private drive, the homes at Oak View are set in a delightful green environment, with plenty of mature tree and open space for residents to enjoy. Generous rear gardens and thoughtful additional landscaping add to the desirability of the location, making Oak View a prime choice for contemporary living.



EVERYTHING FOR A PERFECTLY BALANCED LIFESTYLE

Steeped in maritime history and once the home of Lawrence of Arabia, Hythe has expanded from a small fishing village to become what it is today - a desirable destination for modern living. Bordered by Southampton Water on one side and the New Forest on the other, you'll be spoilt for choice if you seek a lifestyle that's influenced by the great outdoors.

Hythe's waterfront, just a 15 minute stroll from Oak View, is a great place to while away time soaking up the atmosphere of the village. Famed for its pier, from where you can take the ferry for a 15 minute journey to Southampton, the village hosts a tempting choice of restaurants, The Lord Nelson pub, an eclectic range of retailers, Waitrose and Lidl supermarkets and weekly market.

Activities in the area abound, both on and off the water. The Solent Way walking route passes through Hythe and offers the opportunity to enjoy a bracing six mile walk to Beaulieu along the shores of Southampton Water, or take to two wheels and discover the delights of the New Forest.

At the head of Southampton Water, Calshot Activities Centre offers a range of watersports as well as a climbing wall, dry ski slope and even a velodrome, while golfers will appreciate the close proximity of Dibden Golf Centre.

Schooling is well catered for locally with primary, junior and secondary schools, rated by Ofsted as good, with Orchard Infant School rated excellent.

BY ROAD

Beaulieu	5.5 miles
Southampton	10 miles
Southampton Airport	14 miles
Winchester	20 miles
Salisbury	25 miles
London	88 miles

BY RAIL FROM BEAULIEU ROAD

Southampton	15 mins
Southampton Airport	24 mins
Winchester	39 mins
Salisbury	62 mins
London	101 mins

Source: google.co.uk



Computer-generated illustration is indicative only.

PLOTS 1 & 3

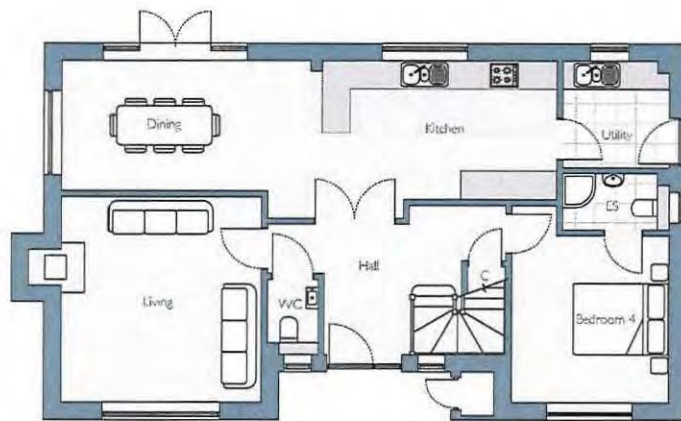
Kitchen
6.09m x 2.74m
20'0" x 9'8"

Utility
2.26m x 2.25m
7'5" x 7'4"

Living Room
4.35m x 4.20m
14'3" x 13'9"

Dining Room
4.33m x 2.76m
14'2" x 9'0"

Bedroom 4
3.30m x 3.07m
10'11" x 10'1"

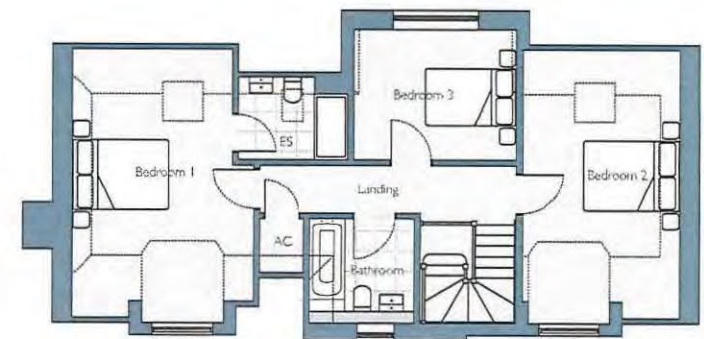


GROUND FLOOR

Bedroom 1
5.81m x 3.77m
19'0" x 12'4"

Bedroom 2
6.23m x 3.30m
20'5" x 10'10"

Bedroom 3
3.45m x 2.76m
11'3" x 9'0"



FIRST FLOOR

C - Cupboard ES - Ensuite AC - Airing Cupboard

All room dimensions are subject to a +/- 50mm (2") tolerance. Kitchen and bathroom layouts are indicative only and may be subject to change. Please consult the Sales Advisor for specific room dimensions and internal layouts. This information is for guidance only and does not form any part of any contract or constitute a warranty.



Computer generated illustration is indicative only

PLOTS 2 & 4

Kitchen

5.34m x 2.94m
17'6" x 9'7"

Utility

2.26m x 2.25m
7'5" x 7'4"

Living Room

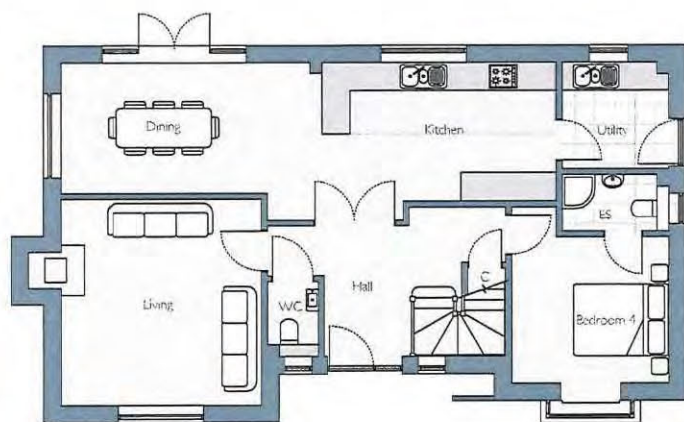
4.31m x 4.0m
14'1" x 13'1"

Dining Room

5.25m x 2.80m
17'2" x 9'2"

Bedroom 4

3.28m x 3.04m
10'9" x 9'11"



GROUND FLOOR

Bedroom 1

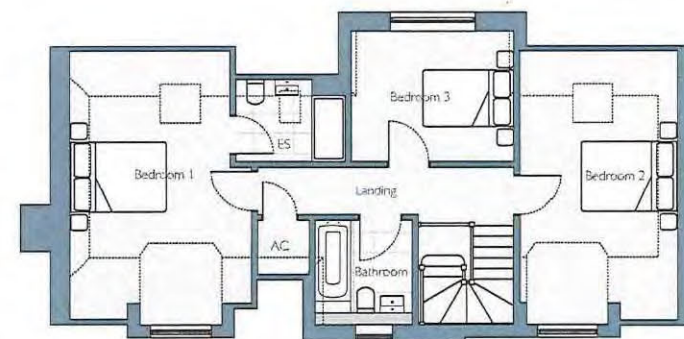
5.81m x 3.77m
19'0" x 12'4"

Bedroom 2

6.23m x 3.30m
20'5" x 10'10"

Bedroom 3

3.45m x 2.76m
11'3" x 9'0"



FIRST FLOOR

C - Cupboard ES - Ensuite AC - Airing Cupboard

All room dimensions are subject to a +/- 50mm (2") tolerance. Kitchen and bathroom layouts are indicative only and may be subject to change. Please consult the Sales Advisor for specific room dimensions and internal layouts. This information is for guidance only and does not form any part of any contract or constitute a warranty.

INNOVATION FOR A GREENER FUTURE

As a forward-thinking developer sustainability is high on Driftstone Homes' agenda, with a commitment to creating homes that fulfil the quest for a greener future.

Each home at Oak View is being constructed utilising 'Structurally Insulated Panels' or 'SIPS'. A proven build method that has been popular throughout colder climes since the 1960s, SIPS comprise outer layers of strand board sandwiched around a 100% recyclable expanded polystyrene foam core, resulting in composite panels that are light, robust and extremely strong. Interlocked SIPS are incredibly well insulated and airtight, resulting in a structure that requires less energy to heat and provides a better air quality within the home. Cloaking the SIPS structure, exteriors are attractively finished in traditional materials designed to blend with and enhance their environment.

The precision engineered panels are factory constructed in the New Forest utilising sustainable timber and the foam core contains no ozone damaging CFCs or HCFCs gases. A reduction in CO₂ emissions is achieved from the outset, with a streamlined build process that requires less movement of construction traffic.

Currently, 27% of Britain's CO₂ emissions is attributed to leakages from homes and with the use of SIPS this can be significantly reduced by lowering energy consumption. For the homeowner, excellent thermal performance is achieved, reducing the energy used to heat and cool a room by up to 50% when compared with standard construction methods.

Your new home at Oak View has been designed to withstand extreme climate and weather conditions with a 100% recyclable monolithic shell that is up to seven times stronger than a conventional timber frame structure. Combined with the environmental benefits offered by the construction method the homes at Oak View fulfil our ambition to provide new homes that offer greener living, now and in the future.

THOUGHTFULLY APPOINTED FOR CONTEMPORARY LIVING

KITCHENS

- Porcelanosa designer kitchen with Krion worktops and upstands
- Induction hob
- Fully integrated appliances include:
 - Neff oven and microwave
 - Caple wine cooler
 - Zanussi fridge freezer
 - Zanussi dishwasher
- Stainless steel undermounted sink

UTILITY ROOMS

- Range of units with space, power and plumbing provided for purchaser's own installation of washing machine / washer dryer

BATHROOMS AND EN SUITES

- White Porcelanosa sanitaryware with chrome taps and fittings
- Non slip Porcelanosa ceramic floor tiling with a choice of colours
- Porcelanosa wall tiles with a choice of colours

DECORATIVE FINISHES

- Oak finish cottage style internal doors with polished chrome handles
- Internal walls painted 'Smoked Glass' emulsion
- Ceilings painted white emulsion

- Skirtings and architraves finished in satin white
- Choice of carpet to living room, stairs, landing and bedrooms*
- Choice of Karndean flooring to hall, kitchen and utility room*
- Painted newel posts and balustrade to stairs with oak handrail

ELECTRICAL AND HEATING

- Concealed LED strip lighting below kitchen wall units
- Recessed LED downlighters to kitchen, utility room and bedrooms
- Low energy pendant lighting to living room and bedrooms
- TV point to kitchen, living room and bedrooms
- BT point to living room and bedrooms
- Google Nest thermostat
- Power and lighting to garage
- Wiring for EV charging point to garage
- Gas boiler with radiators throughout

EXTERNAL

- External water tap to garage
- External light to front and rear

WARRANTY

- 10 year warranty



*Choices available subject to stage of construction



Photographs depict previous Driftstone Homes developments

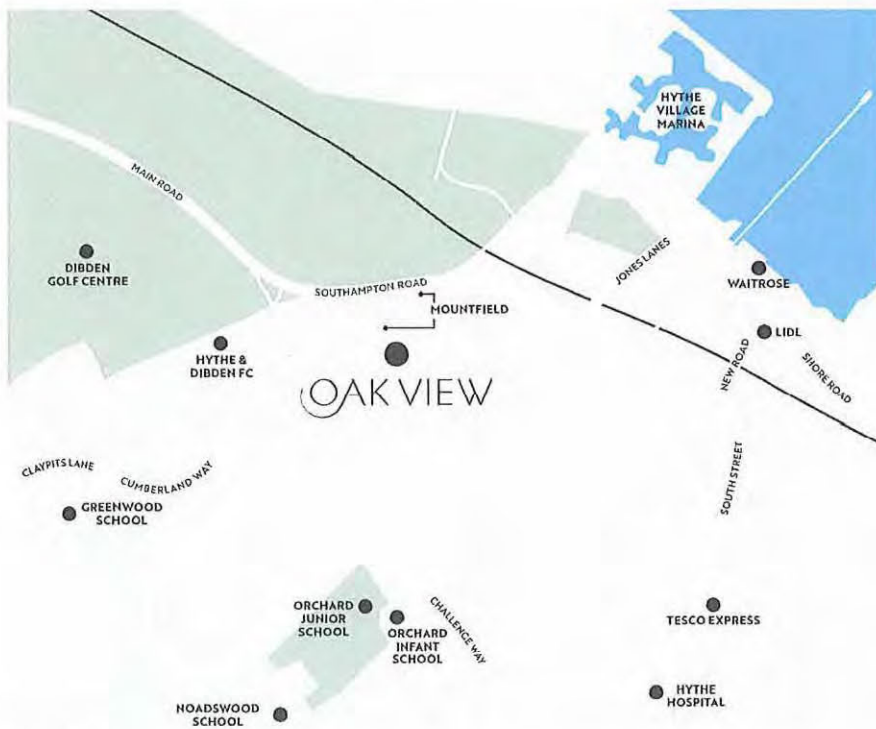
THE DRIFTSTONE DIFFERENCE


Driftstone's award winning architects create spacious, well designed and highly practical homes for stylish modern living across a wide variety of developments.

Our architects and interior designers are jointly involved from the outset, ensuring that every home is finished to the highest professional standard for comfortable living.

Led by Directors Stuart Wright and Jason Osborn, we aim to create homes which are built for life, whilst offering a superior functionality for many years.





 Sat Nav: SO45 5AQ

DRIFTSTONE
Homes

24 Palmerston Business Park
Fareham
Hampshire
PO14 1DJ

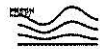
Telephone: 02392 006293
Email: enquiries@driftstonehomes.co.uk

driftstonehomes.co.uk

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Appendix Ten

Beckley Walk, Totton - Information Pack



projects.

about.

contact.



Scheme: Beckley Walk | Brokenford Lane | Totton
Details: Twelve 2-bedroom and six 3-bedroom houses;
three 1-bedroom and three 2-bedroom flats.
Now All Sold



SOLD

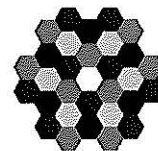
Location:

Brokenford Lane | Totton | S040 9DW



Schedule of Comparable Evidence

Address	Date sold	Sold price	Estimated Market Value	New build	Designation	Category	Subcategory	Net Sales Area	Price per ft²	Market price per ft²	Tenure
60, Brokenford Lane, Totton, Southampton, Hampshire SO40 9DX	06/04/2021	£270,000	£306,466	Y	Residential	House	Terraced	732	£369	£419	Freehold
68, Brokenford Lane, Totton, Southampton, Hampshire SO40 9DX	18/12/2020	£267,500	£309,179	Y	Residential	House	Terraced	732	£365	£422	Freehold
2, Beckley Walk, Totton, Southampton, Hampshire SO40 9NE	18/12/2020	£270,000	£312,069	Y	Residential	House	Terraced	732	£369	£426	Freehold
64, Brokenford Lane, Totton, Southampton, Hampshire SO40 9DX	07/12/2020	£272,500	£314,959	Y	Residential	House	Terraced	732	£372	£430	Freehold
6, Beckley Walk, Totton, Southampton, Hampshire SO40 9NE	04/12/2020	£267,500	£309,179	Y	Residential	House	Terraced	732	£365	£422	Freehold
3, Beckley Walk, Totton, Southampton, Hampshire SO40 9NE	04/12/2020	£270,000	£312,069	Y	Residential	House	Terraced	732	£369	£426	Freehold
62, Brokenford Lane, Totton, Southampton, Hampshire SO40 9DX	27/11/2020	£265,000	£310,562	Y	Residential	House	Terraced	732	£362	£424	Freehold
7, Beckley Walk, Totton, Southampton, Hampshire SO40 9NE	06/11/2020	£267,500	£313,492	Y	Residential	House	Terraced	732	£365	£428	Freehold
1, Beckley Walk, Totton, Southampton, Hampshire SO40 9NE	06/11/2020	£275,000	£322,282	Y	Residential	House	Terraced	732	£376	£440	Freehold
8, Beckley Walk, Totton, Southampton, Hampshire SO40 9NE	30/11/2020	£272,500	£319,352	Y	Residential	House	Terraced	743	£367	£430	Freehold
4, Beckley Walk, Totton, Southampton, Hampshire SO40 9NE	16/03/2021	£318,000	£362,563	Y	Residential	House	Terraced	936	£340	£387	Freehold
5, Beckley Walk, Totton, Southampton, Hampshire SO40 9NE	15/01/2021	£320,000	£365,140	Y	Residential	House	Terraced	936	£342	£390	Freehold
72, Brokenford Lane, Totton, Southampton, Hampshire SO40 9DX	17/12/2020	£308,500	£356,568	Y	Residential	House	Terraced	947	£326	£376	Freehold
74, Brokenford Lane, Totton, Southampton, Hampshire SO40 9DX	04/12/2020	£300,000	£346,743	Y	Residential	House	Terraced	947	£317	£366	Freehold
58, Brokenford Lane, Totton, Southampton, Hampshire SO40 9DX	10/02/2021	£320,000	£372,289	Y	Residential	House	Semi_Detached	958	£334	£389	Freehold
56, Brokenford Lane, Totton, Southampton, Hampshire SO40 9DX	06/11/2020	£328,500	£392,429	Y	Residential	House	Semi_Detached	958	£343	£410	Freehold



Official copy of register of title

Title number HP567757

Edition date 02.05.2019

- This official copy shows the entries on the register of title on 09 DEC 2020 at 11:06:30.
- This date must be quoted as the "search from date" in any official search application based on this copy.
- The date at the beginning of an entry is the date on which the entry was made in the register.
- Issued on 24 Sep 2021.
- Under s.67 of the Land Registration Act 2002, this copy is admissible in evidence to the same extent as the original.
- This title is dealt with by HM Land Registry, Weymouth Office.

A: Property Register

This register describes the land and estate comprised in the title.

HAMPSHIRE : NEW FOREST

- 1 (17.12.1955) The Freehold land shown edged with red on the plan of the above Title filed at the Registry and being Land on the North East side of Brokenford Lane, Totton, Southampton.
- 2 The land has the benefit of the rights granted by but is subject to the exceptions and reservations contained in the Transfer dated 19 March 1986 referred to in the Charges Register.
- 3 The Transfer dated 19 March 1986 referred to above contains provisions as to light or air and boundary structures.
- 4 (23.03.1999) The land has the benefit of the following rights granted by the Transfer dated 1 November 1991 referred to in the Charges Register:-

"TOGETHER WITH all privileges in the nature of light air drainage for the passage of running water soil gas electricity and other services and other like privileges of a continuous nature hitherto used and enjoyed by or over the Retained Land and without liability on the part of the Transferee to define the said privileges excepting and reserving unto the Transferor and his successors in title.

(a) such rights of light and air for the benefit of the Retained Land as he would be entitled to if the land hereby transferred and the Retained Land and all the other Transferor's lands was in separate ownership and the indefeasible rights of light and air at present enjoyed in respect of the Retained Land and the Transferors other land under the Prescriptions Act 1832.

(b) all privileges in the nature of light air drainage for the passage and running of water soil gas electricity and other services and other like privileges of a continuous nature hitherto used and enjoyed by or over the land hereby transferred and without liability on the part of the Transferor to define the said privileges.

(c) the free passage of and running of water soil gas electricity and other services to and from other parts of the Retained Land and the Transferor's adjoining land with power at any time upon giving reasonable notice to enter upon the land hereby transferred to be sold

The electronic official copy of the register follows this message.

Please note that this is the only official copy we will issue. We will not issue a paper official copy.

Applications are pending in HM Land Registry, which have not been completed against this title.

Title number HP567757

A: Property Register continued

to lay repair cleanse maintain and renew the said pipes wires cables conduits and the like person or persons entering making good all damage to the surface occasioned thereby.

(d) a right of way with or without vehicles at all times over that part of the service road coloured yellow on the plan."

NOTE: The land coloured yellow referred to is tinted yellow on the filed plan.

- 5 (01.12.2020) A new title plan based on the latest revision of the Ordnance Survey Map has been prepared.
- 6 (01.12.2020) The land edged and numbered in green on the title plan has been removed from this title and registered under the title number or numbers shown in green on the said plan.
- 7 (01.12.2020) The land has the benefit of any legal easements reserved by transfers of land removed from the title shown edged and numbered in green on the title plan and titles HP324487, HP425464, HP303106 and HP416189.
- 8 (01.12.2020) The land has the benefit of rights of entry for the purposes of maintenance, repairs and construction reserved by transfers of land removed from the title shown edged and numbered in green on the title plan and titles HP303106, HP324487, HP425464 and HP416189.

B: Proprietorship Register

This register specifies the class of title and identifies the owner. It contains any entries that affect the right of disposal.

Title absolute

- 1 (02.05.2019) PROPRIETOR: BROKENFORD DEVELOPMENTS LIMITED (Co. Regn. No. 11681859) of 2 Poole Road, Bournemouth BH2 5QY.
- 2 (12.04.2019) RESTRICTION: No disposition of the registered estate (other than a charge) by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a certificate signed by a conveyancer that the provisions of Paragraph 12.3.1 of a Transfer dated 9 April 2019 made between (1) Colin Richard Toomer and (2) C.R Aquisitions Limited have been complied with or that they do not apply to this disposition.
- 3 (02.05.2019) The price stated to have been paid on 9 April 2019 for the land in this title and in HP303106, HP324487, HP416189 and HP425464 was £1,450,000.
- 4 (02.05.2019) The Transfer to the proprietor contains a covenant to observe and perform the covenants referred to in the Charges Register and of indemnity in respect thereof.
- 5 (02.05.2019) RESTRICTION: No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the Charge dated 9 April 2019 in favour of Hampshire Trust Bank PLC referred to in the Charges Register.

C: Charges Register

This register contains any charges and other matters that affect the land.

- 1 A Transfer of the land in this title and other land dated 19 March 1986 made between (1) Nigel Maurice Pugh and Terence George March and (2) Robert William Gentle contains restrictive covenants.

C: Charges Register continued

NOTE: Copy filed under HP303106.

- 2 (23.03.1999) A Transfer which included the land in this title dated 1 November 1991 made between (1) Robert Gentle (Transferor) and (2) Colin Richard Toomer (Transferee) contains the following covenants:-

"THE Transferee hereby covenants with the Transferor so as to benefit the remainder of the land comprised in the Title above mentioned and so as to bind the land hereby transferred.

a. Not to park any vehicles or cause any obstruction and keep clear at all times the service road coloured yellow and blue and hatched black.

b. Not to operate on or use the land hereby agreed to be sold for any business of a similar nature to that of the Transferor and in particular not for the purpose of motor vehicle repairs servicing maintaining and car and vehicle body repair.

c. Not at any time to erect any buildings of any kind whatsoever on the land hereby transferred and use only as an outside storage and as a car park.

d. To pay one half of the expense from time to time incurred in repairing and maintaining the said service road and right of way coloured blue hatched black and yellow on the plan.

e. Not to make any objections or proposals for a development of the retained land."

NOTE: The land coloured yellow and coloured blue hatched black referred to is tinted yellow and tinted blue respectively on the title plan.

- 3 (01.08.2013) An Agreement dated 8 July 2013 made between (1) Fenwick's Storage And Transport Limited (2) Colin Richard Toomer (3) Elizabeth Toomer (4) Cascade Awbridge Limited (5) National Westminster Bank Plc (6) HSBC Bank Plc and (7) New Forest District Council pursuant to section 106 of the Town and Country Planning Act 1990 contains covenants relating to the development of the land in this title.

NOTE: Copy filed under HP418483.

- 4 (02.05.2019) REGISTERED CHARGE dated 9 April 2019 affecting also other titles.

NOTE: Charge reference HP303106.

- 5 (02.05.2019) Proprietor: HAMPSHIRE TRUST BANK PLC (Co. Regn. No. 1311315) of 55 Bishopsgate, London EC2N 3AS.
- 6 (02.05.2019) The proprietor of the Charge dated 9 April 2019 referred to above is under an obligation to make further advances. These advances will have priority to the extent afforded by section 49(3) Land Registration Act 2002.
- 7 (01.12.2020) The land is subject to rights of drainage and rights in respect of water, gas, electricity and other services granted by transfers of the parts edged and numbered green on the title plan and titles HP324487, HP425464, HP313106 and HP416189.
- 8 (01.12.2020) The parts of the land affected thereby which adjoin the parts edged and numbered in green on the title plan are subject to rights to keep and use any projections granted by transfers of the parts so edged and numbered and titles HP324487, HP425464, HP303106 and HP416189.
- 9 (01.12.2020) The parts of the land affected thereby which adjoin the parts edged and numbered in green on the title plan are subject to rights of support and protection granted by transfers of the parts so edged and numbered and titles HP324487, HP425464, HP303106 and HP416189.
- 10 (01.12.2020) The parking spaces are subject to rights of user granted by transfers of the parts edged and numbered green on the title plan and titles HP324487, HP425464, HP303106 and HP416189.

Title number HP567757

C: Charges Register continued

- 11 (01.12.2020) The parts of the land affected thereby which adjoin the parts edged and numbered in green on the title plan are subject to rights of entry for the purposes of maintenance, repairs and construction granted by transfers of the parts so edged and numbered and titles HP324487, HP425464, HP303106 and HP416189.
- 12 (01.12.2020) The deeds and documents, particulars of which are set out in the schedule of deeds and documents hereto, contain identical restrictive covenants relating to the parts of the land therein specified.
Details of the covenants contained in the Transfer dated 6 November 2020 are set out in the schedule of restrictive covenants hereto.

Schedule of deeds imposing restrictive covenants

- 1 Plan reference: 1 Beckley Walk
Nature of deed: Transfer
Date of deed : 6 November 2020
Parties : (1) Brokenford Developments Limited
(2) Lisa Jane Fulford
Remarks : Copy filed under HP850812

Schedule of restrictive covenants

- 1 (01.12.2020) The following are details of the covenants contained in the Transfer dated 6 November 2020 referred to in the Charges Register:-

"The Transferor covenants with the Transferee for the benefit of the Property to observe and perform the following covenants:

4.1 Not to obstruct the use of the Shared Accessways by the Transferee and those authorised to use it

4.2 Not to allow to pass into the Service Media serving the Estate any noxious deleterious effluent or other substance which may obstruct or damage them or any other neighbouring property."

The Transfer contains the following definitions:-

"Definitions

Attenuation Tank: means the attenuation tank and its ancillary apparatus for the reception of surface water in the position shown edged dark blue on Plan 1.

Estate: means the remainder of the Transferor's (or their successors in title's) land in title numbers HP303106 HP324487 HP425464 HP567757 and HP416189 and any titles granted from those superior titles.

Service Media: means the conduits and structures and equipment including the Attenuation Tank used for the reception, generation, passage and/or storage of Utilities.

Shared Accessways : means the access drives and pathways shown hatched black on Plan 1.

Utilities: means electricity, gas, water, foul water and surface drainage, signals, electronic communications and all other utilities."

End of register

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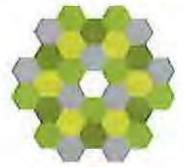
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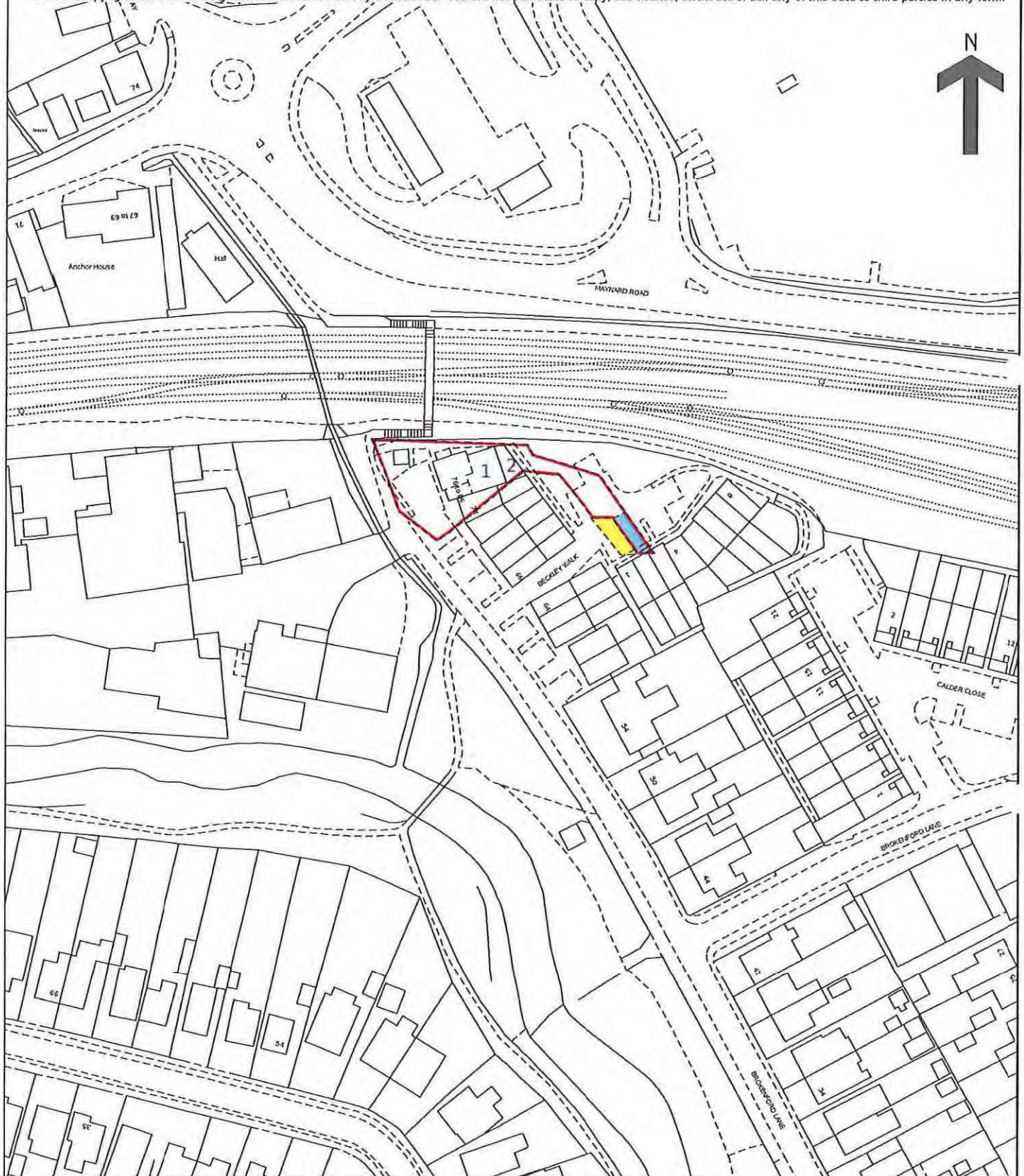
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HM Land Registry Official copy of title plan

Title number **HP567757**
Ordnance Survey map reference **SU3513SE**
Scale **1:1250 enlarged from 1:2500**
Administrative area **Hampshire : New Forest**



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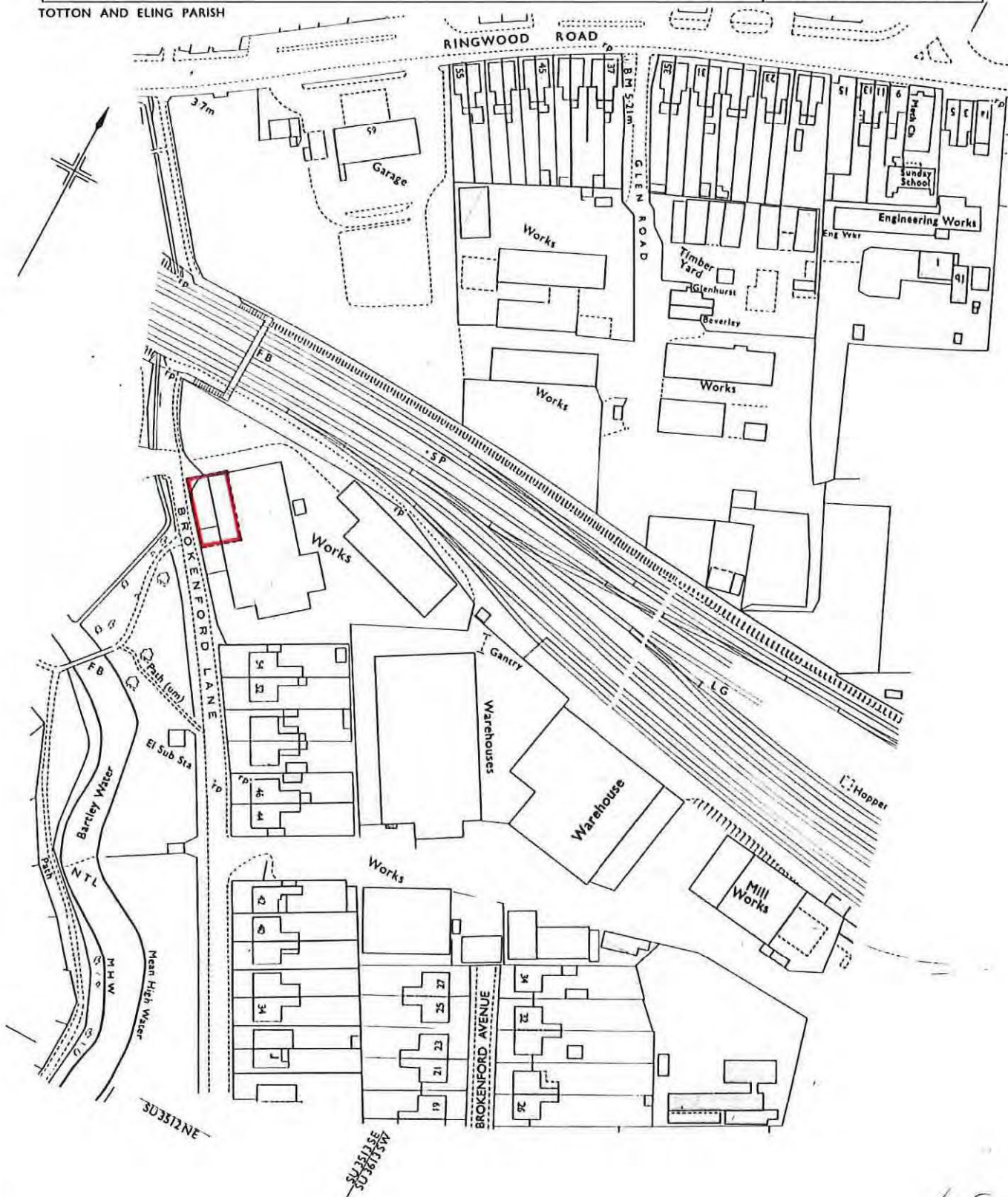
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H.M. LAND REGISTRY		TITLE NUMBER	
		HP 416189	
ORDNANCE SURVEY PLAN REFERENCE	SU 3513	SECTION P	Scale 1/1250
COUNTY HAMPSHIRE	DISTRICT NEW FOREST	© Crown copyright 1976	

TOTTON AND ELING PARISH



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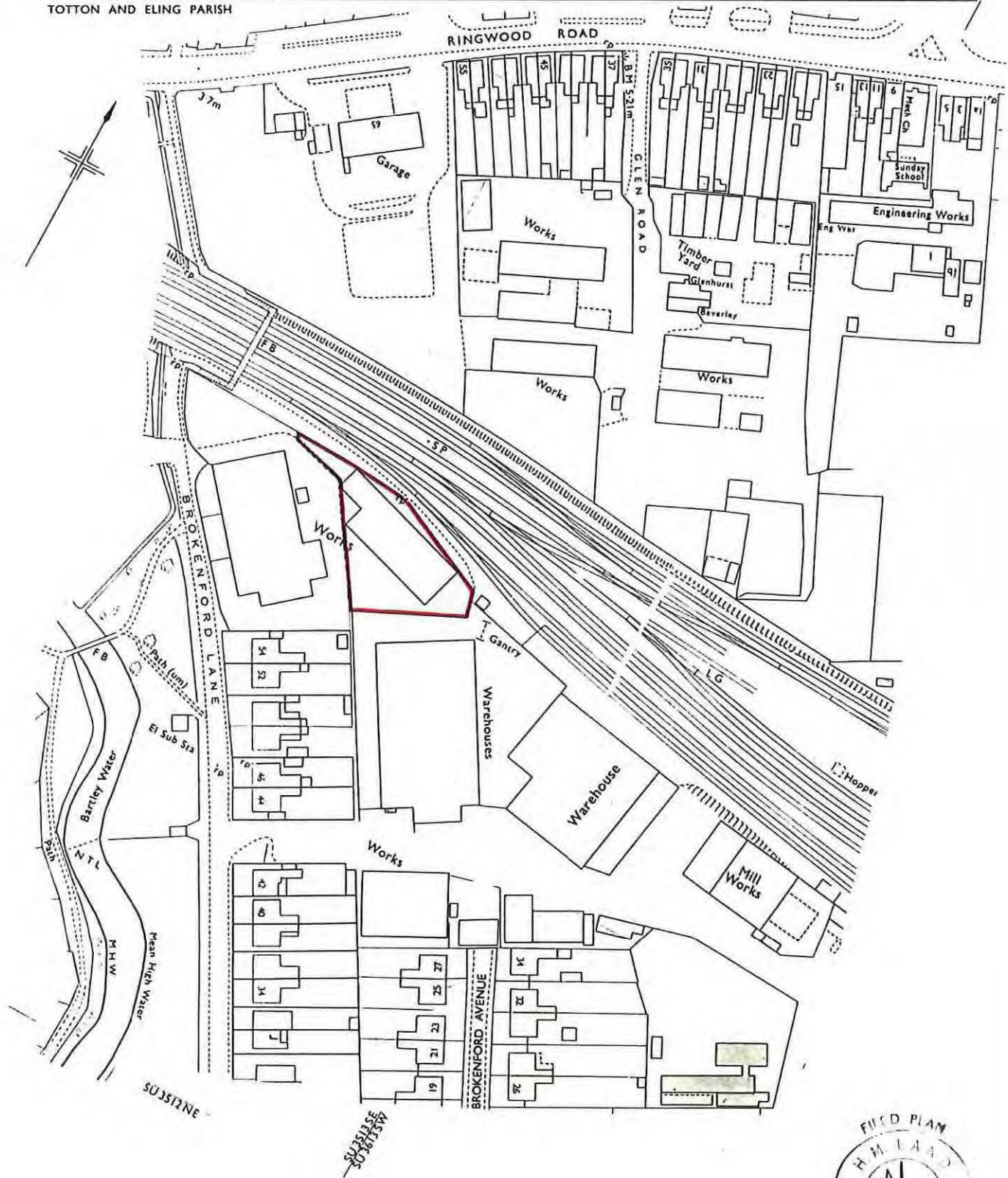
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H.M. LAND REGISTRY		TITLE NUMBER HP 324487	
ORDNANCE SURVEY PLAN REFERENCE	SU 3513	SECTION P	Scale 1/1250
COUNTY HAMPSHIRE	DISTRICT NEW FOREST		© Crown copyright 1976

TOTTON AND ELING PARISH



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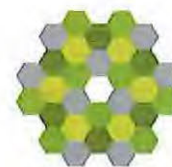
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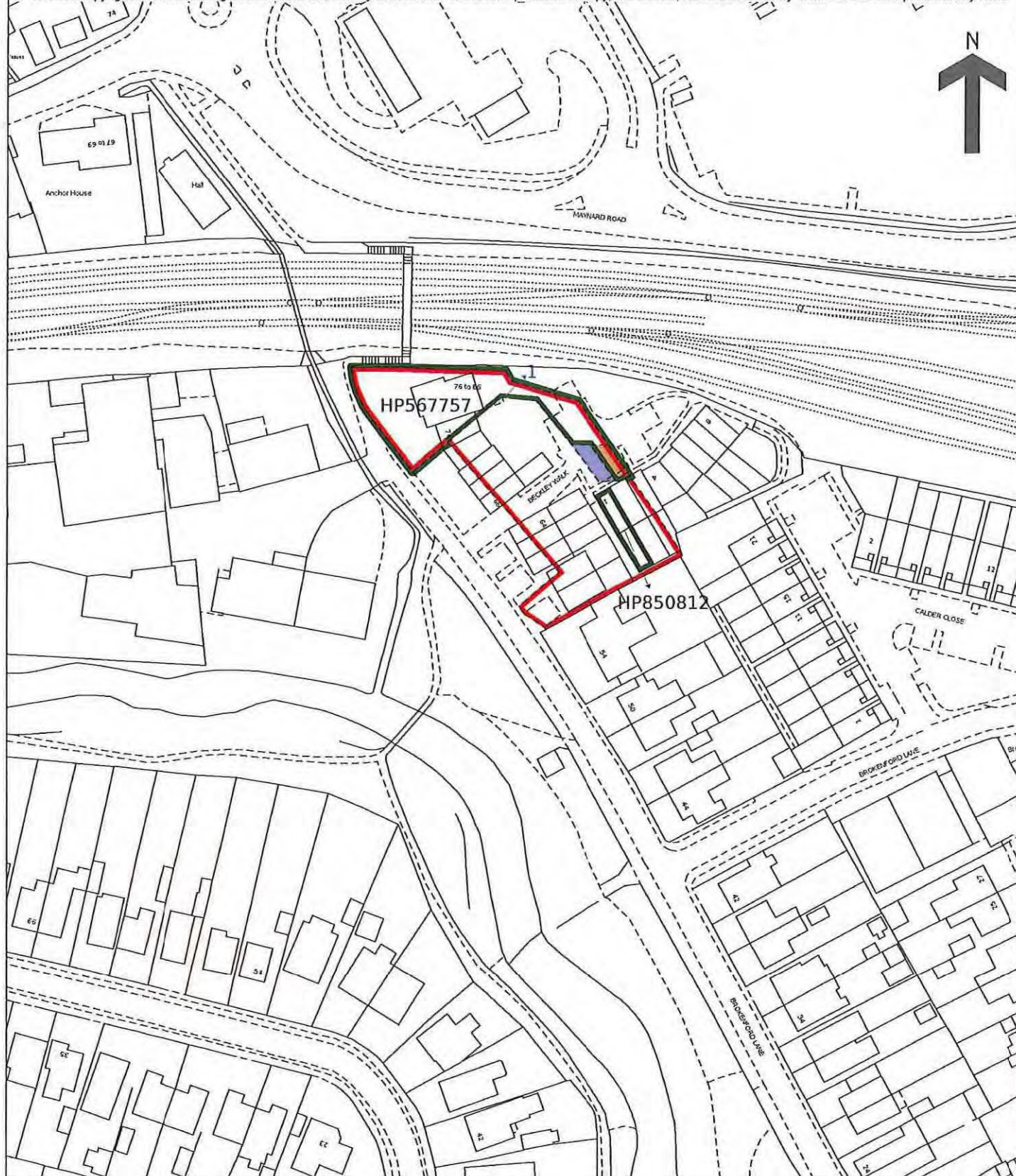
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HM Land Registry Official copy of title plan

Title number **HP303106**
Ordnance Survey map reference **SU3513SE**
Scale **1:1250**
Administrative area **Hampshire : New Forest**



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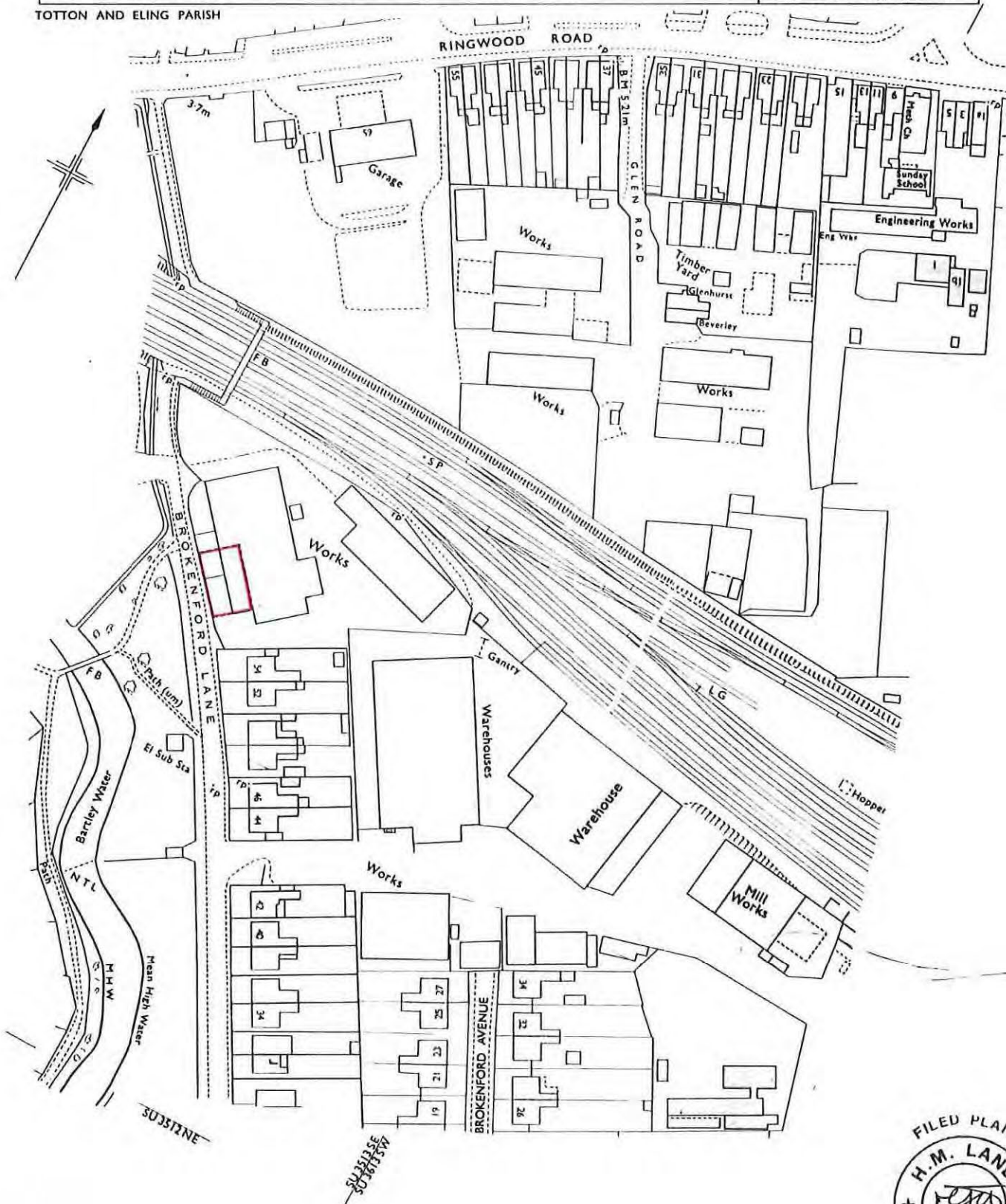
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H.M. LAND REGISTRY		TITLE NUMBER	
		HP 425464	
ORDNANCE SURVEY PLAN REFERENCE	SU 3513	SECTION P	Scale 1/1250
COUNTY HAMPSHIRE	DISTRICT NEW FOREST	© Crown copyright 1976	

TOTTEN AND ELING PARISH



Appendix Eleven

Schedule of Comparable Evidence

Schedule of Comparable Evidence

Address	Date sold	Sold price	Estimated market value	New build	Designation	Category	Subcategory	. of bedro	oc bedrooms	bedrooms	et Sales Ar	Price per ft	ket price p	Tenure
60, Brokenford Lane, Totton, Southampton, Hampshire SO40 9DX	06/04/2021	270000	306466	FALSE	Residential	House	Terraced				731 95	368.88	418.7	Freehold
68, Brokenford Lane, Totton, Southampton, Hampshire SO40 9DX	18/12/2020	267500	309179	FALSE	Residential	House	Terraced				731 95	365.46	422.41	Freehold
2, Beckley Walk, Totton, Southampton, Hampshire SO40 9NE	18/12/2020	270000	312069	FALSE	Residential	House	Terraced				731 95	368.88	426.36	Freehold
64, Brokenford Lane, Totton, Southampton, Hampshire SO40 9DX	07/12/2020	272500	314959	FALSE	Residential	House	Terraced				731 95	372 3	430 3	Freehold
6, Beckley Walk, Totton, Southampton, Hampshire SO40 9NE	04/12/2020	267500	309179	FALSE	Residential	House	Terraced				731 95	365.46	422.41	Freehold
3, Beckley Walk, Totton, Southampton, Hampshire SO40 9NE	04/12/2020	270000	312069	FALSE	Residential	House	Terraced				731 95	368.88	426.36	Freehold
62, Brokenford Lane, Totton, Southampton, Hampshire SO40 9DX	27/11/2020	265000	310562	FALSE	Residential	House	Terraced				731 95	362.05	424 3	Freehold
7, Beckley Walk, Totton, Southampton, Hampshire SO40 9NE	06/11/2020	267500	313492	FALSE	Residential	House	Terraced				731 95	365.46	428 3	Freehold
1, Beckley Walk, Totton, Southampton, Hampshire SO40 9NE	06/11/2020	275000	322282	FALSE	Residential	House	Terraced				731 95	375.71	440.31	Freehold
8, Beckley Walk, Totton, Southampton, Hampshire SO40 9NE	30/11/2020	272500	319352	FALSE	Residential	House	Terraced				742.71	366 9	429.98	Freehold
4, Beckley Walk, Totton, Southampton, Hampshire SO40 9NE	16/03/2021	318000	362563	FALSE	Residential	House	Terraced				936.46	339.58	387.16	Freehold
5, Beckley Walk, Totton, Southampton, Hampshire SO40 9NE	15/01/2021	320000	365140	FALSE	Residential	House	Terraced				936.46	341.71	389.92	Freehold
72, Brokenford Lane, Totton, Southampton, Hampshire SO40 9DX	17/12/2020	308500	356568	FALSE	Residential	House	Terraced				947 22	325.69	376.44	Freehold
74, Brokenford Lane, Totton, Southampton, Hampshire SO40 9DX	04/12/2020	300000	346743	FALSE	Residential	House	Terraced				947 22	316.72	366.06	Freehold
58, Brokenford Lane, Totton, Southampton, Hampshire SO40 9DX	10/02/2021	320000	372289	FALSE	Residential	House	Semi_Detached				957 99	334.03	388.62	Freehold
56, Brokenford Lane, Totton, Southampton, Hampshire SO40 9DX	06/11/2020	328500	392429	FALSE	Residential	House	Semi_Detached				957 99	342.91	409.64	Freehold

Appendix Twelve

E-mail from Sturt & Company dated 3rd September 2023

Fraser Castle

From: Fraser Castle
Sent: 04 September 2023 16:45
To: John Newman
Cc: James.Gilfillan@NFDC.GOV.UK; 'Giles Moir'; 'Simon Mcfarlane - AJC Group'
Subject: RE: Orchard Gate, Noads Way, Dibden Purlieu

John

Thank you for the e-mail.

I have requested confirmation from the Council in relation to the Section 106 contributions.

I note from the solicitor's e-mail you have provided that it makes reference to a 'Title Condition' being included within the contract. Please provide confirmation of the effect of this 'Title Condition'. If the contract allows for a reduction in the purchase price to account for any sum required to obtain a defective Title/restrictive covenant indemnity insurance policy, for example, then to include a deduction in the residual appraisal would represent a double count and be in error.

I note that, at this very late stage, you have included further new cost items for (1) bank monitoring fees and QS at £10,000; and (2) Off-site drainage infrastructure at £401,358.

In relation to the second of these two cost items your e-mail makes reference to 'off-site sewer upgrade costings from the Engineers'. Please provide a copy of the Engineer's costing (the report) together with evidence to support the requirement for these additional costs. I note that these costs have simply been applied as an additional abnormal development cost although you have made previous allowances for (1) road + drainage/lights of £292,560; utility infrastructure charges £92,500; and pump station £80,984. It is therefore apparent that significant sums have already been allowed for drainage with these sums being over and above a sum of £60,000 applied for Foul Drainage (in plot) at £60,000.

It is therefore unclear the extent to which some of these costs represent a double count.

The Benchmark Land Value

As you are aware, paragraph 014 of the PPG advises that the BLV should:

- Be based upon existing use value
- Allow for a premium to landowners...
- Reflect the implications of abnormal costs; site-specific infrastructure costs; and professional fees

The 2021 RICS Guidance Note on Viability at paragraph 4.4.7 advises that '*Abnormal costs related to the development and enabling infrastructure normally impact on the development land value and not the EUV. Each case needs to be treated on its merits, but if the development site value is reduced and the EUV is unaffected, the premium, is reduced...*'. The 2021 Guidance Note at paragraph 4.4.9 goes on to say that '*Where a residual valuation is being used to identify the residual planning obligations, the BLV used in that calculation must allow for the reduction in land value of a site that has abnormal costs*'.

On the basis of the above and having regard to the addition of significant new abnormal development costs I no longer able to confirm that the BLV is agreed at £1,150,000 and consider that a lower sum would apply.

I look forward to receiving the information requested and also take this opportunity to remind you that we are still awaiting confirmation of the purchase price to be paid for the property following the grant of planning permission

together with the terms relevant to the calculation of the purchase price. This is a material fact relevant to the determination of the RLV.

I look forward to hearing from you.

Kind regards

Fraser Castle MSc MRICS
Partner



Chartered Surveyors

2 Paris Parklands, Railton Road Guildford GU2 9JX

D: 01483 238382 M: 07808 904482

W: brutonknowles.co.uk

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From: John Newman <john@sturtandco.com>

Sent: 03 September 2023 13:20

To: Fraser Castle <Fraser.Castle@brutonknowles.co.uk>

Cc: James.Gilfillan@NFDC.GOV.UK; 'Giles Moir' <giles.moir@clplanning.co.uk>; 'Simon Mcfarlane - AJC Group' <simon.mcfarlane@ajcgroup.uk>

Subject: RE: Orchard Gate, Noads Way, Dibden Purlieu

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Hello Fraser

I have been able to obtain more accurate figures for the s106 contributions and have updated the SoCG below.

I'm not sure if you agreed the AH revenue below at £240sqft. I have received confirmation from Vivid Housing Group at this value (£244sqft as an Off The Shelf Purchase, noting that they are adjusting their internal appraisal assumptions and that this will reduce the affordable housing value going forward). Plus, the most recent transactional evidence for the District is at this same value.

I attach the title showing the restrictive covenant and explanatory note from the Solicitor. I consider my Insurance budget to be entirely reasonable.

I have now received the off-site sewer upgrade costings from the Engineers in the sum of £401,358 and will add this to the RLV calculation.

Please let me know if you are now formally instructed by the LPA. If so, and considering the evidence, I would also be grateful if you could ascertain if the LPA wishes to agree the s106 affordable housing contribution ahead of the Inquiry.

Statement of Common Ground

Agreed Inputs		
Item	Rate	Cost
Main Works	BCIS Median - NFDC Index	£TBC
External Works	Measured Works	£962,900
Abnormal Costs	Measured Works	£685,581
Contingency	5%	£246,432
Professional Fees	8%	£394,290
Interest	8.25%	£TBC
Affordable Housing Sale	1.00%	£TBC
Sales, Legals & Marketing	2.50%	£TBC
CIL	£109.23m2	£237,029
Nitrate Mitigation 49.56kg	LA Charge	£180,000
S106 Biodiversity	LA Charge	£35,000
S106 Off Site Highways	LA Charge	£20,000
S106 New Forest Habitats recreational mitigation Infrastructure	LA Charge	£145,476
S106 New Forest Habitats recreational mitigation non-infrastructure	LA Charge	£21,716
S106 Air Quality Monitoring	LA Charge	£2,472
S106 Solent Bird Aware	LA Charge	£19,820
S106 Formal Open Space & Play Equipment	LA Charge	£48,932
Affordable Revenue	£240sqft	£240sqft
Benchmark Land Value		£1,150,000
Land Acquisition Fees	1.75%	TBC
Stamp Duty	8.11%	£93,250
S106 Contracting Profit	6.00%	£TBC
Sale Overhead & Profit	17.50%	£TBC

Inputs Not Agreed		
Item	Sturt & Co	BK
Bank Monitoring Fees & QS	£10,000	£0
Management Company	£5,000	£0
Covenant Insurance	£25,000	£0
Void Council Tax	£14,000	£0
Valuation	£20,000	£0
Off Site Drainage Infrastructure	£401,358	£0
Private Revenue	£425sqft	£455sqft

Kind regards

John Newman

Sturt & Company Ltd, The Coach House, Upham Farm, Upham, Hampshire, SO32 1JD

Tel: 01489 860721
Mob: 07813 701074

Email: john@sturtandco.com
Website: www.sturtandco.com

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From: Fraser Castle <Fraser.Castle@brutonknowles.co.uk>
Sent: Friday, August 18, 2023 4:48 PM
To: john@sturtandco.com
Subject: Orchard Gate, Noads Way, Dibden Purlieu

John

Further to our earlier conversation I confirm that the following inputs to the residual appraisals can be agreed:

Item	Rate	Cost	Note
Main Works	BCIS Median - NFDC Index	£TBC	Application of Median BCIS data for 2 stor adjusted to NFDC agreed by BK. Final sum
External Works	Measured Works	£962,900	Agreed by BK
Abnormal Costs	Measured Works	£685,581	Agreed by BK
Contingency	5%	£246,432	Agreed by BK
Professional Fees	8%	£394,290	Agreed by BK
Interest	8.25%	£TBC	8.25% Agreed by BK but assumes inclusiv
Affordable Housing Sale	1.00%	£TBC	1% Agreed by BK
Sales, Legals & Marketing	2.50%	£TBC	2.5% Agreed by BK
CIL	£102.46m2	£203,229*	Provisionally agreed by BK pending confir
S106 Contributions	LA Charge	£98,710	Provisionally agreed by BK pending confir
Nitrate Mitigation 40.33kg	LA Charge	£143,000	Provisionally agreed by BK pending confir
S106 Bio Diversity	LA Charge	£35,000	Provisionally agreed by BK pending confir
S106 Off Site Highways	LA Charge	£20,000	Provisionally agreed by BK pending confir
Benchmark Land Value		£1,150,000	Agreed by BK
Land Acquisition Fees	1.75%	TBC	1.75% Agreed by BK
Stamp Duty	8.11%	£93,250	SDLT to apply at the prevailing rate
S106 Contracting Profit	6.00%	£TBC	6% Agreed by BK
Sale Overhead & Profit	17.50%	£TBC	17.5% Agreed by BK

*A suitable adjustment will be required to reflect an alternative unit and tenure mix

Management Company	Budget Sum	£5,000	Not agreed
Void Council Tax	Budget Sum	£14,000	Not agreed
Restrictive Covenants	Budget Sum	£25,000	Not agreed. No information provided by
Valuation	Budget Sum	£20,000	Not agreed
Affordable Revenue	£240sqft	£0	Not agreed. Dependent upon the unit an

In addition to the above, I would be grateful if you were to confirm the purchase price to be paid for the Property or agreed to be paid for the Property assuming the grant of planning permission together with any relevant terms including option discount, for example, and or minimum prices.

I hope that the above is helpful for your immediate purposes and helps to narrow down the list of items to be addressed as part of your proof of evidence and can be used to inform the initial Statement of Common Ground on viability.

I understand that you will shortly be on annual leave but will be returning prior to the submission date for proofs of evidence and I would be pleased to discuss any of the above items, where disagreement remains, at a convenient time and date with a view towards further narrowing the ground for disagreement.

Kind regards

Fraser Castle MSc MRICS

Partner




Chartered Surveyors

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