

Warrington Local Plan Hearing Statement

Matter 6c – Main Development Area: Fiddlers Ferry



1. Instructions

- 1.1. Roger Hannah (“RH”) has been appointed by Ashall Property, Barratt David Wilson, Bloor Homes, Metacre Ltd, Satnam Group and Story Homes (Developer Consortium ID UPSVLP 0410) to provide this Hearing Statement in respect of Matter 6c (Main Development Area: Fiddlers Ferry).
- 1.2. We have reviewed the Matters, Issues and Questions identified by the Inspectors (ID02) in relation to Matter 6c. The purpose of this statement is to address questions 6, 7, 16 and 18 which relate to the viability of Fiddlers Ferry (“FF”). We therefore address these in turn below and refer to the Warrington Borough Council Emerging Local Plan Viability Assessment (“LPVA”), dated August 2021, and the associated Main Report - Addendum (“MRA”), dated January 2022. These reports have been produced by Cushman & Wakefield (“C&W”) on behalf of the Council.
- 1.3. This statement should be read in conjunction with the RH Viability Consultation Response Report (“VCRR”), dated November 2021.

2. Question 6: Does the policy identify all appropriate and necessary infrastructure requirements? How will these be provided and funded? Is this sufficiently clear?

- 2.1. No, it is not clear what extent of infrastructure is required, how much it will cost and how it will be delivered. As per the comments made throughout our VCRR, we have advocated the input of a specialist cost consultant to ensure the LPVA is based on robust and reliable cost evidence.
- 2.2. We accept C&W will have exposure to a range of build costs (in the same way we are) for the purpose of assessing standard costs and that there is broad agreement across many of the cost assumptions adopted for the generic typology testing. At the Local Plan level there is however a need for more detailed and specialist consideration of potential site constraints and associated costs, particularly across strategic allocated sites. This level of specialist cost input is missing from the C&W advice, and they currently rely on advice from the Council. We therefore believe that a suitably qualified professional should be engaged to review this cost information and provide a review of the strategic sites on an individual basis, as per PPG requirements.
- 2.3. In the case of Fiddlers Ferry, we would expect a comprehensive infrastructure delivery strategy that is then considered by a QS and costed accordingly based on the information available. This will enable a meaningful assessment of viability and analysis of what is required for delivery, and how it could be funded.

3. Question 7: Are there any contamination or other constraints either on or adjacent to the site, including the need for remediation and flood risk matters, that will inhibit the development of the allocation as envisaged?

- 3.1. Yes. As part of our VCRR we engaged Brookbanks, who are specialist consulting engineers, cost managers and master developers, to provide a Technical Note. This forms Appendix I of the VCRR, with Figure 21 of the main report summarising the issues. This is re-appended to this Hearing Statement at Appendix I and identifies additional constraints relating to:
 - i. Flooding and drainage – doubts over drainage connections, and third party ownership issues
 - ii. Ground conditions – previous uses, ‘disturbed land’ and underlying geology will all result in remedial measures that create additional abnormal costs
 - iii. Utilities – Vrynwy Aqueduct corridor could block installation of services, hazardous installations (gas main, fuel pipeline and other services) on site and service diversions all need consideration
 - iv. Sustainability – substations, plot cabling and Future Homes Standards are all excluded

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- v. Masterplanning – estimate of net area likely to be optimistic based on known site constraints and doubts over deliverability of southern parcel
- 3.2. As per the Brookbanks advice, additional research needs to be undertaken to understand the site constraints. We would expect the above constraints to result in higher site-specific abnormal costs than those included in the LPVA, and a reduction in net developable area. These factors will result in a worse viability position than reported.
- 3.3. In respect of the assumed abnormal costs associated with the likely site constraints, C&W adopt the average rate of £15,000 per plot they apply to the generic housing typologies, without any input from a specialist QS. Brookbanks however recommend a figure of £35,000 - £50,000 per plot to reflect the likely constraints resulting in above average abnormal costs for this.
- 3.4. We note that C&W consider the Brookbanks allowance to be “speculative and not based on any detailed cost build up or due diligence”, but then apply the average rate of £15,000 per plot from their typology testing that is based on their own generalised view of average abnormal costs (as non-specialist cost consultants). It is not clear why C&W are applying more weight to their own view of average abnormal costs across all housing sites than that of a specialist cost consultant and engineering firm with direct experience of the site constraints associated with Fiddlers Ferry.
- 3.5. Given the extent of identified constraints associated with FF, and the specialist advice received from Brookbanks, we believe it would be prudent to apply professional judgment on a site-specific basis. This justifies our adopted a figure of £40,000 per plot for abnormal costs in our re-appraisal of the site, which clearly demonstrates the site is unviable.

4. Question 16: Is the development proposed viable and deliverable within the plan period? What is the situation in relation to land ownership and developer interest?

- 4.1. C&W produced an indicative appraisal for FF based on an indicative Phase 1 scheme of 300 dwellings, just over 1.4m sq ft of industrial development and 800 sq ft of retail development. It is not clear why the site is appraised in this way and why they do not either consider the delivery of Phase 1 as a whole, or the site as a whole. This would enable a more meaningful assessment of the viability of the allocation.
- 4.2. C&W state that commercial development at FF is unviable on a stand-alone basis, generating a “significant deficit against the BLV”. Given that this is the case, we would expect the sale of the residential land to be required to subsidise the demolition of the power station (c. £37.5m) and the other abnormal costs associated with the commercial development (c. £32.1m).
- 4.3. We therefore undertook a series of appraisals of the residential scheme associated with Phase 1, assuming three phases across the 860 units, in order to understand if the scheme was deliverable based on these sensible phasing assumptions (as shown in Figure 1). In our appraisals of these assumed phases within Phase 1 we assess the residual value associated the residential schemes, to establish what land receipts will be generated to fund the deficit associated with the commercial development. These are included at Appendix 2 and the results are as follows:

Phase	Residual Land Value	Benchmark Land Value	Surplus / Deficit
Phase 1 (300 units)	-£5,804,160	£3,214,285	-£9,018,445
Phase 2 (300 units)	-£5,804,160	£3,214,285	-£9,018,445
Phase 3 (260 units)	-£5,033,250	£2,785,715	-£7,818,965

Figure 1: FF Phase 1 Residential Appraisal Results

- 4.4. None of these appraisals generate a positive land value, which means that the residential development associated with Phase 1 is unviable, as is commercial development (as already concluded by C&W). The viability deficit increases further when the BLV, as assessed by C&W, is considered. We also note that C&W conclude that the delivery of Phase 2 is

likely to be “*more challenging from a viability perspective*”. This is in addition to doubts over the deliverability of this parcel as raised by Brookbanks. We can therefore conclude that the site is not deliverable or viable within the plan period.

5. Question 18: What is the expected timescale and rate of development and is this realistic?

- 5.1. As outlined in the previous section and section 5.6 of our VCRR, it is not clear why the FF appraisal in the LPVA is based on an indicative Phase I scheme. We would expect any appraisal for FF to follow the logical progression of development on site, rather than appraise an indicative parcel.
- 5.2. It is evident that the Phase I residential development needs to come forward to effectively fund the demolition/remediation costs associated with the power station land and resulting employment development that is planned to take place. We therefore believe it is more prudent to assess the viability of Phase I with reference to the residential development land values that will be generated. This is because this element of Phase I needs to generate a surplus to fund the demolition/remediation of the power station, and the associated loss-making commercial development.
- 5.3. On this basis, we believe it is likely that the proposed residential development associated with Phase I would come forward in three phases of c. 260 - 300 units. The commercial development is likely to follow this, on the basis that the land receipts associated with the residential development can be used to fund the demolition/remediation of the power station, and the associated loss-making commercial development.
- 5.4. We would therefore recommend that the viability of the FF site is re-assessed on this basis, with reference to the site values that would be generated by the residential development proposed in Phase I. This would enable an assessment as to whether the land receipts are sufficient to deliver policy compliance, the demolition/remediation of the site, the associated employment development and Phase 2 of the planned scheme. We have undertaken this exercise as outlined in our VCRR and the previous section of this statement and believe the delivery of the site to be unviable on this basis.

6. Summary

- 6.1. To summarise, we believe that the Fiddlers Ferry site is not deliverable or viable within the plan period for the following reasons:
 - i. It is unclear what extent of infrastructure is required, how much it will cost and how it will be delivered. We would expect a comprehensive infrastructure delivery strategy that is then considered by a QS and costed accordingly to enable a meaningful assessment of viability.
 - ii. At the Local Plan level there is a need for more detailed and specialist consideration of potential site constraints and associated costs, particularly across strategic allocated sites, to ensure robustness. This level of specialist cost input is missing from the C&W advice, and they currently rely on advice from the Council in this regard. We therefore recommend that a suitably qualified professional should be engaged to review this cost information and provide a review of the strategic sites on an individual basis as a minimum, as per PPG requirements.
 - iii. We have engaged Brookbanks, who have reviewed the site information and conclude that there are additional constraints relating to flooding and drainage, ground conditions, utilities, sustainability and masterplanning. They advise that these constraints require further research and would result in higher site-specific abnormal costs than those included in the LPVA, and a reduction in net developable area. These factors will result in a worse viability position than reported.
 - iv. C&W apply the average rate of £15,000 per plot from their typology testing that is based on their own generalised view of average abnormal costs (as non-specialist cost consultants). It is not clear why C&W are

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applying more weight to their own view of average abnormal costs across all housing sites than that of a specialist cost consultant and engineering firm with direct experience of the site constraints associated with Fiddlers Ferry. We therefore believe their figure of £35,000 - £50,000 per plot to be more appropriate.

- v. The viability of the site needs to be re-assessed as a whole or for each phase, rather than based on an indicative mixed-use scheme for part of the site, to ensure the timescales and phasing assumptions are realistic. This is because the residential land receipts are required to fund the demolition of the power station and loss-making commercial development. We have therefore assessed the viability of the residential parcels associated with Phase 1 on this basis, which do not generate a positive land value and are therefore unviable. We also note that C&W conclude that the delivery of Phase 2 is likely to be “*more challenging from a viability perspective*”. This is in addition to doubts over the deliverability of this parcel as raised by Brookbanks, deeming the whole scheme unviable.

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APPENDIX I – Brookbanks Technical Note

10855 Warrington

Technical Note: Costs and Technical Review – Rev 2

10th November 2021

1 Introduction

Background

- 1.1 Brookbanks are a multi-disciplinary firm of Consulting Engineers, Cost Managers and Master Developers.
- 1.2 Long term multi-phase projects of this scale are our specialism and our team's unique experience from concept through to project completion, we believe, makes us uniquely placed to advise on development costs and technical solutions. In our company, our commercial team sit alongside specialist technical, engineering, development, and productions teams to ensure we are always able to offer real-world solutions and costs for major development schemes.
- 1.3 We can robustly back up our expertise through numerous completed and live significant scale, urban extension, and new town developments across the Country, including Bishop Stortford North, Airfield Farm, Cranbrook, and many others. We kick started the strategy for implementation and led the ongoing delivery of the Sherford new town close to Plymouth. We are proud to be the Master Developer on this project and are directly responsible for the delivery of all physical and social infrastructure for this scheme of 5,500 homes.
- 1.4 We have been requested by Laura MacKay of Roger Hannah to review the Cushman & Wakefield "Warrington Local Borough Council Emerging Local Plan Viability Assessment Report dated August 2021 and in particular the cost base upon which the viability review has been based.
- 1.5 We have also been asked to review the Infrastructure Delivery Plan (IDP), and in particular the elements pertaining to the Fiddlers Ferry site, which has been undertaken by my colleague David Nottingham, and this is included in this report.

2 Cost base commentary

2.1 Any paragraph and table references are specific to the Cushman and Wakefield Report as noted above.

Summary of Appraisal Assumptions

2.2 Base Build Costs

- At para 7.187 the C&W states the construction assumptions for base build costs, specifically we do not agree with the 1050mm deep foundations and beam and block floor slabs being 'standard'.
- In our experience, and in accordance with NHBC guidance we take standard foundations to be 900mm deep, in addition we have treated beam and block floors to be an abnormal which are driven usually by the need to ventilate the underfloor void or to accommodate potential clay heave, both of which are abnormal impacts.
- Also, at 7.187(h) C&W note that standard includes garages, this is contra to the usual BCIS approach.
- The C&W report at page 8 and from para 7.189 includes a range of assumed Build costs, which vary depending on the assumed revenues as well as the usual development size and are split between houses and flats.
- At the mid-point of the Assumed Revenues of £2,594-£3,057/m² (£241-£284/ft²) the rates adopted of £98-£110/ft² fall below those of the BCIS Median cost data for "810 Mixed developments" of £119.47/ft² for smaller developments. The corresponding Lower Quartile costs are £107.67/ft², which we would apply to larger sites.
- The split of costs selected by C&W is for sites <25 units, 25-74 and 75+ units, is well below the threshold that we would see costs moving from Median to Lower Quartile which in our experience usually occurs at sites of over 150 units.
- The flat build costs do not appear to be predicated on the size of the development and are defined for 3-5 story flat as £120/ft² and or 6+ storey flats as £147/ft². In this case they fall between the corresponding BCIS Median cost data for "816 Flats (Apartments)" of £136.01/ft² for 3-5 storey and £163.32/ft² for 6+ storey developments and the corresponding BCIS Lower Quartile cost of £119.94/ft² and 140.93/ft² respectively.
- The C&W assume alternative revenues of £240/ft² or less and £285/ft² or greater, a movement on their median position of £263/ft² of +/-8.5%.
- The corresponding movement of the C&W build costs is around +/-5% for the alternative revenues.
- The Commercial build cost of £49/ft² for industrial and £104/ft² for retail accords with our recent experience for these typologies.
- In addition, we do not agree with the indexing approach adopted by C&W, while it is true that the BCIS indices are suggesting low or even negative cost growth, this is essentially because the BCIS costs base is backward looking.
- We are aware for our current schemes that the impact of materials shortages, Covid compliant working practices, shortness of labour and other major infrastructure projects throughout the country are all having a significant impact on build costs.
- Anecdotal evidence of timber prices doubling and anticipated 8-15% increases in materials anticipated in January '22, in addition to increases of 30% to specialist trades over the last year go to the root of the inflationary pressures not being reflected in the BCIS indices.

2.3 External Works

- The C&W report at page 9 includes a range of assumed uplifts on House, Apartments and Commercial Build costs for external works, of 15%, 10% and 10% respectively.
- We agree with the allowance for Houses and Commercial.
- However, the allowance for apartments at 10% is, we believe low, as although these costs are shared, the costs themselves are significantly higher with the external works including parking circulation, bin stores, cycle stores, carpark lighting as well as enhanced planting to these areas, and therefore we would expect a minimum of 12.5% - 15% uplift on apartments for these costs.

2.4 Energy Requirements

- The C&W report at page 9 includes a sum for Renewable / Low carbon energy of £2,250 per plot.
- In line with the government white paper, we are currently allowing sums of £2,250 for compliance with the forthcoming Part F and £4,800 for post 2025 Part L requirements.
- Furthermore we, as are others in the field, are assuming a further allowance for zero gas, post 2025 of around £8,000 per plot.
- These costs do not appear to be included in the C&W appraisal.
- Decentralised Energy networks costs of 6% on base build cost have been allowed within C&W appraisal, in our experience this allowance is low, on schemes elsewhere we are seeing costs at this level where the energy centre has been established for some time and this level of costs would be applicable for each additional connection.
- Where a new system is being established, we are seeing costs of around 10% per plot.

2.5 Accessibility Standards

- The C&W allowances accord with our own view on similar schemes.

2.6 Site Specific Abnormal and Extra Over Development Costs

- The C&W allowance is stated as being £15,000 per plot, this is significantly lower than we expect to see.
- On a very simple scheme we would expect as a minimum a S106 / CIL exclusive abnormal cost of at least £20,000 - £25,000 per plot and on larger SUE schemes these costs can increase to as much as £60,000 per plot, although some of these additional costs have been covered elsewhere within C&W's cost base.

2.7 Contingency

- The C&W allowance is stated as being 5% of total costs.
- At this stage we would expect to see a contingency allowance of 10%, with a reduction down to 5% only being made at Reserved Matters stage.

2.8 Professional Fees

- The C&W allowance is stated as being 7% of total costs including contingencies.
- On a blended basis including house build this may be applicable, however on schemes with a heavy infrastructure burden we would expect, in the current market, to be carrying professional fees in the range of 10-12% on infrastructure costs.

Sensitivity

- 2.9** We note C&W's points in relation to sensitivity checking their assumptions. However, one point that stands out is at para 1.50 et al where reference is made to reducing the £2,250 rather than 6% of the base build cost being adopted in order to render the schemes viable.
- 2.10** Given that the 6% allowance is already too low the possible reduction to £2,250 appears moot.
- 2.11** Likewise, at para 1.74 C&W propose a number of adjustments, such as increasing sales values, reducing contingencies and reducing professional fees in order to test viability.
- 2.12** As noted above we believe that the contingency and professional fees allowances are already lower than we would expect to see. Furthermore, any increase in sales revenues would likely be matched by a similar or equal increase in build costs, thus reducing the benefit of this approach
- 2.13** It therefore appears that the C&W report is focussing on achieving the required affordable housing delivery at the cost of applying unattainable sensitivity adjustments.

3 Technical Solutions

Fiddlers Ferry

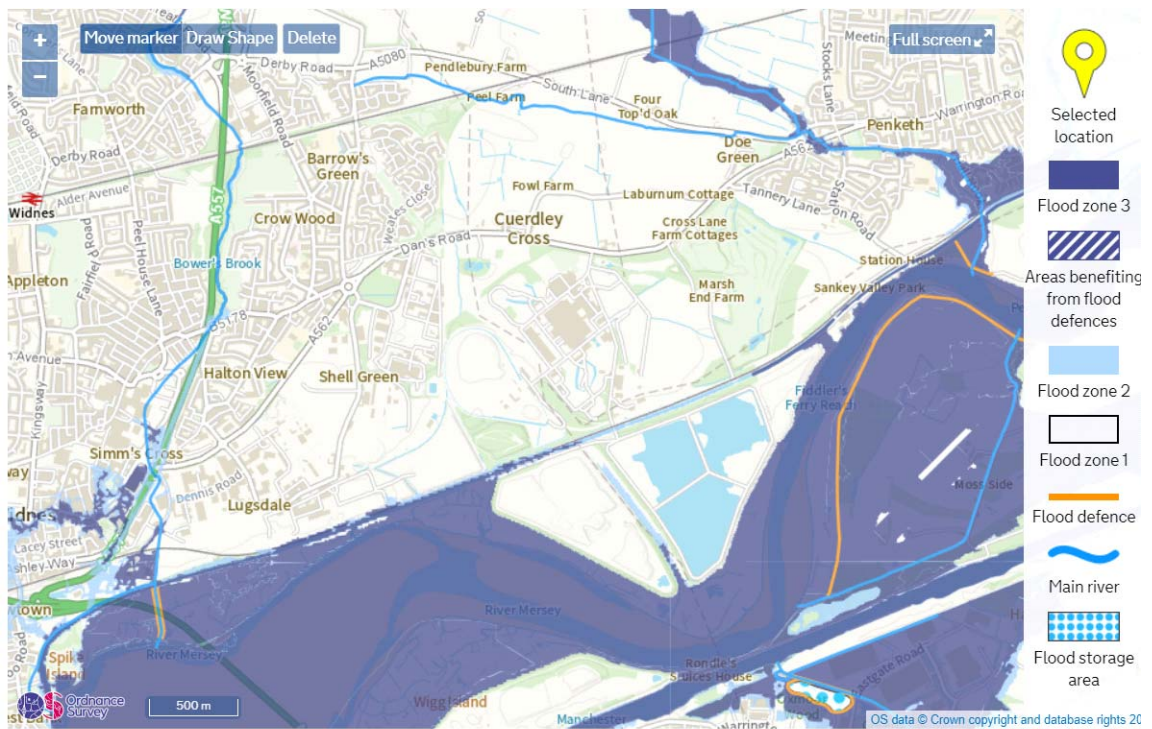
3.1 We have reviewed the Fiddler’s Ferry Technical Submission and the associated Masterplan along with the Infrastructure Delivery Plan and accompanying viability. It is very light in terms of the key considerations of remediating the contamination from the power station.

Flooding and Drainage

3.2 The site is largely free of flooding and although reference is made to Flood Zone 3, this is limited across the site and would seem to have a limited impact on the masterplan.

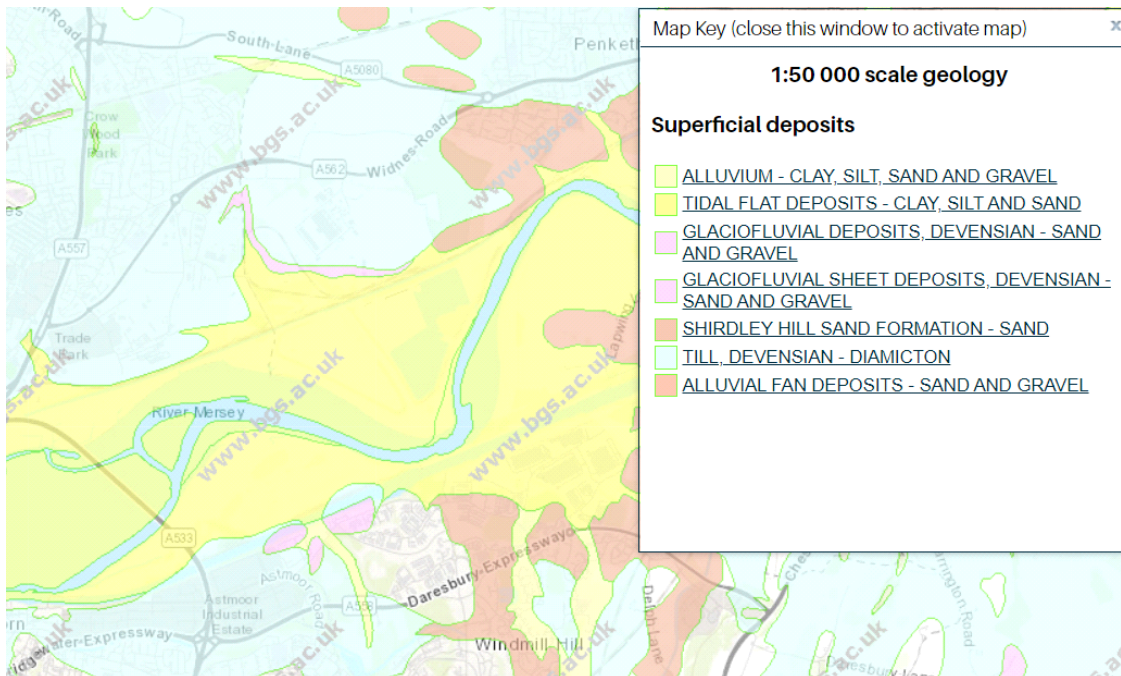
3.3 The site would be subject to sequential test with the site critiqued against other developments, but this would be seen to have been carried out if it was incorporated in the Local Plan and included in the Strategic FRA. The flood map for planning is shown below for your reference.

3.4 It is anticipated that there are existing drainage outfalls from the site to the River Mersey or the canal with sufficient capacity for the development to utilise. The north is separated from the river by the canal and the ownership of the canal is unknown. Otherwise, the landownership does not run continuously and the Vrnwy Aquaduct would act as a constraint for future drainage connections.

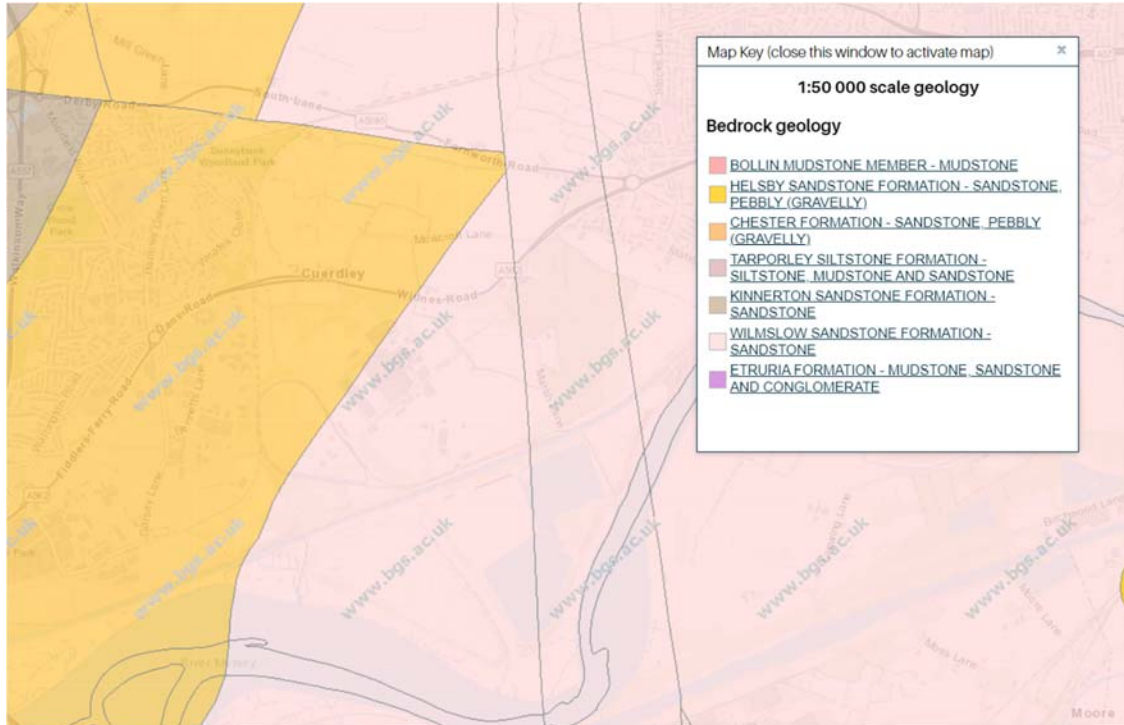


Ground Conditions

- 3.5 Within the Fiddler’s Ferry Technical Submission, it is stated that “there is evidence of potential contamination across the site”. We would say this is underplaying matters and would state that there would be significant remediation across the site.
- 3.6 The southern residential parcel on what is referred to as an “area of disturbed land”. This would require significant works to accommodate residential dwellings. There would be an impact on foundations and require the bulk removal of contaminated material.
- 3.7 This is assumed to be picked up in the C&W viability analysis, but they have referred to Fiddler’s Ferry as Greenfield in the Summary Typologies section (page 7). We would suggest that this would underestimate the works required for the development significantly as the power station, surrounded by chemical works, is not typical of brownfield sites and would be an outlier.
- 3.8 It may be that the Commercial Abnormals cost would include the full works to mitigate the site, but this is not clear and the figure of £32million could be an underestimate. Rugeley Site B was estimated to cost £21million to remediate and this was a site (139 Ha) half the size of Fiddler’s Ferry. Given the timescales and inflation, this is likely to increase further.
- 3.9 The underlying geology of the site is sandstone, but, critically, this is overlain by superficial deposits of Tidal Flat deposits. These are highly likely to require a piled solution for all foundations and would impact on the southern residential parcel. The northern residential parcel would found on glacial deposits, which could be hit and miss in terms of bearing capacity.



BGS Extract Superficial Deposits



BGS Extract Bedrock

Highways

- 3.10 There looks to have been significant work on the extent of interventions to mitigate the impact of the site. There is little to add in this regard other than £270k for interventions to a motorway junction (M62 Junction 8) seems very optimistic in our liaison with National Highways on other sites.

Utilities

- 3.11 A sum of £11m for offsite utility connections seems a reasonable figure for the development given the location of a strategic Grid Supply Point (GSP) on the site. The local sewage treatment works is in Warrington, and it is presumed that the connection will need to be made to a sewer in Warrington to supply the site with the delivery of a pumping station on site.
- 3.12 The Vyrnwy Aqueduct corridor is a significant obstacle between the southern residential parcel and the remainder of the site. There are no details available, but this could block the installation of services to the southern parcel and impact deliverability.
- 3.13 We have reviewed the HSE data and unfortunately due to the constraints by the large number of hazardous installations we were unable to determine the risk to development caused by the gas main, fuel pipeline and other services through the HSE's WebApp. It is suggested that HSE are contacted to review the impact. This indicates that there are significant constraints to development. These are not identified on a plan in the submission and may have an impact on the masterplan.

- 3.14** The private services (telecoms, private electricity connections, slurry pipes etc.) across the site will also be a risk to development and require further mitigation and diversion to facilitate the development. There does not appear to be any assessment of costs for the diversion and removal of services and utility assets across the site.

Sustainability

- 3.15** There does not seem to have been an allowance made for the FHS or car charging. Given the location of strategic electrical infrastructure it would be difficult to argue the impact of reinforcement, but there will be an increased cost with additional substations onsite and additional on plot cabling. This will be typically doubling the onsite costs for the electrical infrastructure.
- 3.16** In addition, FHS will add approx. £8k to the build cost of dwellings based on the “Centre for Sustainable Energy Cost of carbon reduction in new buildings Final report December 2018”, which informed the FHS consultation the following year.

Masterplan

- 3.17** While outside our areas of expertise, we would suggest that, in master planning terms, the southern parcel is very remote from the rest of the site and will not work as part of the delivery of a coherent development. The separation caused by the canal and aqueduct will have a technical impact on delivery, but also restricts the ability to amend the masterplan to stop the fragmented development.
- 3.18** We also note that the densities being aspired to appear to be undeliverable given the site constraints.

Strategic Infrastructure/ Abnormal Costs

- 3.19** The C&W report details various allowances per location.
- 3.20** In the absence of full information, we have reviewed the various inputs onto these costs and have a number of high-level concerns regarding the basis of these costs.
- 3.21** Generally, the costs seem lower than we would expect to see, notable examples include.
- Utility connection costs are typically increasing with the need to deliver all electric proposals and the infrastructure costs increasing as the network is stretched. This is site specific and can form an obstacle to delivery.
 - Need for diversions to facilitate development proposals and the associated highway improvements are atypical for developments.
 - The ground conditions and topography are site specific and can have significant impact both in terms of foundations and retaining walls and earthworks modelling.
 - The highway interventions are assessed separately to the IDP and therefore cannot be reviewed or assessed. However, some interventions, specifically to National Highways assets seem low.

3.22 We also note that for sites where there are extensive remediation works planned there are no apparent allowances for abnormal house foundations in these locations. Typically, in remediation sites we would expect to see a high proportion of piled foundations required to overcome the disturbed / made ground following remediation, with typical extra over costs for piled foundations of £6-10,000 per affected plot.

3.23 Overall we would expect that a reasonable range for site abnormals on a site such as Fiddlers ferry would be in the range of £35-50,000 per plot.

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APPENDIX 2 – RH Fiddlers Ferry Appraisal Summaries

APPRAISAL SUMMARY**ROGER HANNAH LTD****Phase 1****Appraisal Summary for Phase 1**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Private housing	210	246,750	255.00	299,625	62,921,250
Affordable housing	<u>90</u>	<u>73,650</u>	142.37	116,506	<u>10,485,551</u>
Totals	300	320,400			73,406,801

NET REALISATION**73,406,800****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)	(5,804,160)	(5,804,160)
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CONSTRUCTION COSTS**Construction**

	ft²	Build Rate ft²	Cost	
Private housing	246,750	98.00	24,181,500	
Affordable housing	<u>73,650</u>	98.00	<u>7,217,700</u>	
Totals	320,400 ft²		31,399,200	31,399,200

Contingency		5.00%	2,672,551	
Section 106 costs	300 un	9,714.00 /un	2,914,200	
				5,586,751

Other Construction

External works		15.00%	4,709,880	
Abnormal/EO costs	300 un	40,000.00 /un	12,000,000	
Energy requirements	300 un	7,000.00 /un	2,100,000	
BNG delivery			184,607	
Accessibility standards			540,330	
off-site highways	300 un	8,390.00 /un	2,517,000	
off-site utilities	300 un	1,569.00 /un	470,700	
				22,522,517

PROFESSIONAL FEES

Fees		7.00%	3,928,650	3,928,650
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MARKETING & LETTING

Marketing		3.00%	725,445	725,445
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DISPOSAL FEES

Sales Legal Fee		0.50%	367,034	367,034
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FINANCE

Debit Rate 6.000%, Credit Rate 0.000% (Nominal)				
Land			(82,275)	
Construction			82,275	
Other			35	
Total Finance Cost				35

TOTAL COSTS**58,725,472****PROFIT**

APPRAISAL SUMMARY**ROGER HANNAH LTD**

Phase 1

14,681,329

Performance Measures

Profit on Cost%	25.00%
Profit on GDV%	20.00%
Profit on NDV%	20.00%
IRR	N/A
Profit Erosion (finance rate 6.000)	3 yrs 9 mths

APPRAISAL SUMMARY**ROGER HANNAH LTD****Phase 2****Appraisal Summary for Phase 1**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Private housing	210	246,750	255.00	299,625	62,921,250
Affordable housing	<u>90</u>	<u>73,650</u>	142.37	116,506	<u>10,485,551</u>
Totals	300	320,400			73,406,801

NET REALISATION**73,406,800****OUTLAY****ACQUISITION COSTS**

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Other Construction

External works		15.00%	4,709,880	
Abnormal/EO costs	300 un	40,000.00 /un	12,000,000	
Energy requirements	300 un	7,000.00 /un	2,100,000	
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off-site highways	300 un	8,390.00 /un	2,517,000	
off-site utilities	300 un	1,569.00 /un	470,700	
				22,522,517

PROFESSIONAL FEES

Fees		7.00%	3,928,650	3,928,650
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MARKETING & LETTING

Marketing		3.00%	725,445	725,445
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DISPOSAL FEES

Sales Legal Fee		0.50%	367,034	367,034
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FINANCE

Debit Rate 6.000%, Credit Rate 0.000% (Nominal)				
Land			(82,275)	
Construction			82,275	
Other			35	
Total Finance Cost				35

TOTAL COSTS**58,725,472**

APPRAISAL SUMMARY**ROGER HANNAH LTD****Phase 2****PROFIT****14,681,329****Performance Measures**

Profit on Cost%	25.00%
Profit on GDV%	20.00%
Profit on NDV%	20.00%

IRR	N/A
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Profit Erosion (finance rate 6.000)	3 yrs 9 mths
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APPRAISAL SUMMARY**ROGER HANNAH LTD****Phase 3****Appraisal Summary for Phase 1**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Private housing	182	213,850	255.00	299,625	54,531,750
Affordable housing	<u>78</u>	<u>63,830</u>	142.37	116,506	<u>9,087,477</u>
Totals	260	277,680			63,619,227

NET REALISATION**63,619,227****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)	(5,033,520)	(5,033,520)
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CONSTRUCTION COSTS**Construction**

	ft²	Build Rate ft²	Cost
Private housing	213,850	98.00	20,957,300
Affordable housing	<u>63,830</u>	98.00	<u>6,255,340</u>
Totals	277,680 ft²		27,212,640

Contingency		5.00%	2,316,211
Section 106 costs	260 un	9,714.00 /un	2,525,640
			4,841,851

Other Construction

External works		15.00%	4,081,896
Abnormal/EO costs	260 un	40,000.00 /un	10,400,000
Energy requirements	260 un	7,000.00 /un	1,820,000
BNG delivery			159,993
Accessibility standards			468,286
off-site highways	260 un	8,390.00 /un	2,181,400
off-site utilities	260 un	1,569.00 /un	407,940
			19,519,515

PROFESSIONAL FEES

Fees		7.00%	3,404,830
			3,404,830

MARKETING & LETTING

Marketing		3.00%	628,719
			628,719

DISPOSAL FEES

Sales Legal Fee		0.50%	318,096
			318,096

FINANCE

Debit Rate 6.000%, Credit Rate 0.000% (Nominal)			
Land			(77,443)
Construction			78,296
Other			2,415
Total Finance Cost			3,268

TOTAL COSTS**50,895,399****PROFIT**

APPRAISAL SUMMARY**ROGER HANNAH LTD****Phase 3****12,723,828****Performance Measures**

Profit on Cost%	25.00%
Profit on GDV%	20.00%
Profit on NDV%	20.00%
IRR	N/A
Profit Erosion (finance rate 6.000)	3 yrs 9 mths