

# **Financial Viability Statement**

Land at Liss Forest Nursery, Petersfield Road,  
Greatham, Hampshire

**Prepared on behalf of:**

Cove Construction Limited

September 2021

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## Client

Cove Construction Limited

## Date

September 2021

# Declaration: Conformity with RICS Professional Statement

## **The RICS Professional Statement Financial Viability in Planning, September 2019, 1<sup>st</sup> Edition**

Confirmation of conformity with the RICS Professional Statement Financial Viability in Planning, September 2019, 1st Edition, is set out within the following sub-sections.

### **Instruction and Purpose of Report**

In accordance with email correspondence and an instruction dated 27 November 2020, Turley has been instructed by Cove Construction Limited ('the Applicant') to objectively assess, and report upon, the financial viability of a proposed development at Land at Liss Forest Nursery, Petersfield Road, Greatham, Hampshire ('the Site'), for the following ('the Proposed Development'):

*"Development of 37 dwellings (including affordable homes), alterations to existing access onto Petersfield Road, hard and soft landscaping, drainage and all other associated development works."*

The purpose of the viability assessment ('VA') is to test the financial viability of the proposed development of the site, taking into account the policy requirements set by South Downs National Park Authority ('SDNPA') as well as national planning policy and guidance.

### **Objectivity, impartiality and reasonableness**

Turley places the utmost importance on the integrity, impartiality and potential conflicts of interests in carrying out its services, and seeks to identify and assess all relationships which may result in a conflict of interest or pose a threat to impartiality. Turley aims to inspire confidence by being open and impartial, offering transparency of process, being fair and maintaining the confidentiality of our clients.

In undertaking this instruction and carrying out the viability assessment, Turley confirms that at all times we have acted impartially, with objectivity, without interference and with reference to all appropriate available sources of information.

Turley confirms that adequate time has been provided to produce this report.

Turley confirms that there is no instruction in place to undertake an Area-Wide viability assessment concerning existing and future planning policies against which the proposed development scheme will, in due course be considered.

Turley has set out a full explanation of the evidence provided with reasoned justification. It is noted that it is a requirement to seek to secure resolution of any differences of opinion between parties where possible, should these arise.

### **Conflict(s) of interest**

Turley confirms, to the best of its knowledge, that no conflict or risk of conflict of interest exists in carrying out this viability assessment on behalf of the applicant and in respect of the site.

### **Contingent Fee**

In preparing this report, no performance related or contingent fees have been agreed between Turley and the applicant.

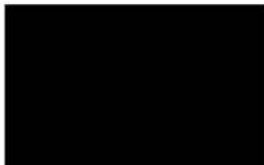
### **Confidentiality and Publication**

This viability assessment has been prepared on the basis that it is expected to be made publicly available, other than in exceptional circumstances.

Where information may compromise delivery of the proposed development or infringe other statutory and regulatory requirements, these exceptions will be discussed and agreed with the Local Planning Authority (LPA) and documented early in the process. Commercially sensitive information will be presented in aggregate form following these discussions. Any sensitive personal information will not be made public.

### **Personnel**

This report has been prepared and countersigned by:



Tom Upton MRICS  
Senior Surveyor, Development Viability

For and on behalf of Turley



Stephanie Eaton MRICS  
Director, Development Viability

For and on behalf of Turley



## Executive Summary

Turley has been appointed by Cove Construction Ltd ('the Applicant') to objectively assess, and report upon, the financial viability of a proposed residential development at Land at Liss Forest Nursery, Petersfield Road, Greatham, Hampshire ('the Site'), for the following ('the Proposed Development'):

*"Development of 37 dwellings (including affordable homes), alterations to existing access onto Petersfield Road, hard and soft landscaping, drainage and all other associated development works."*

The purpose of the viability assessment ('VA') is to test the financial viability of the proposed development of the site, taking into account the policy requirements set by South Downs National Park Authority ('SDNPA') as well as national planning policy and guidance.

By way of analysis set out in chapter 5 of this document, it is considered that the benchmark land value ('BLV') for the site is £1,038,000.

In comparison, the proposed development viability appraisal ('Appraisal 1') generates a residual land value ('RLV') of -£190,720 at the minimum reasonable developer's profit of 16.98% of Gross Development Value ('GDV').

On the basis that the RLV falls below the BLV, it is therefore deemed appropriate that SDNPA applies the flexibility provided within Local Plan policy, as referenced within this VA report, in order to support the delivery of the Proposed Development of the Site, which will be undertaken at the developer's risk.

Turley has prepared several sensitivity test appraisals (Appraisals 2, 3 and 4) that alter the tenure and reduce the provision of affordable housing in order to seek to enhance the financial viability of the Proposed Development.

The Applicant has confirmed, despite the scheme being marginally unviable, to propose an offer of 21.6% Affordable Housing for the Proposed Development, delivering 8 Intermediate/Shared Ownership units. The relevant appraisal (Appraisal 4) informing this offer is contained within **Appendix 10**. A proposed scheme layout and accommodation schedule highlighting the proposed affordable units are contained within **Appendix 11 & Appendix 12** respectively.

# 1. Introduction

## Instruction

- 1.1 Turley has been appointed by the Applicant to objectively assess, and report upon, the financial viability of a proposed residential development ('the Proposed Development') at the Site.
- 1.2 The purpose of the viability assessment ('VA') is to test the financial viability of the proposed development of the site, taking into account the policy requirements set by SDNPA as well as national planning policy and guidance.

## Justification for Viability Assessment

- 1.3 National Planning Policy Framework ('NPPF')<sup>1</sup> and Planning Practice Guidance for Viability ('PPGV')<sup>2</sup> set out the key principles which should be considered when assessing the viability of development at the plan-making and decision-taking stages.

- 1.4 PPGV, Paragraph 007, states that:

*"where up-to-date planning policies have set out contributions expected from development, planning applications which comply with them should be assumed to be viable."*

- 1.5 It is for the Applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage (Paragraph 58, NPPF<sup>3</sup>).

- 1.6 PPGV confirms that the circumstances that justify the requirement for undertaking a viability assessment at the decision-stage can include:

*"where development is proposed on unallocated sites of a wholly different type to those used in viability assessment that informed the plan; where further information on infrastructure or site costs is required; where particular types of development are proposed which may significantly vary from standard models of development for sale (for example BTR or housing for older people); or where a recession or similar significant economic changes have occurred since the plan was brought into force."*

- 1.7 It is considered that particular circumstances exist which justify the requirement for a viability assessment at application stage, for the Proposed Development. The principal circumstances which support the requirement for a viability assessment in this instance are:

- a dated evidence base represented undertaken by BNP Paribas<sup>4</sup> (2017), which does not take into account the significant UK economic and housing market

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<sup>1</sup> MHCLG (2019) National Planning Policy Framework (NPPF)

<sup>2</sup> MHCLG (2019) Planning Practice Guidance: Viability

<sup>3</sup> MHCLG (2021) National Planning Policy Framework (NPPF)

<sup>4</sup> BNP Paribas (2017) Local Plan and Affordable Housing Viability Assessment

changes that have occurred in spring 2020 as a direct result of the Covid-19 pandemic and increased build costs given the current scarcity of materials and labour supply due in part to Brexit. At the current time, building materials are projected to significantly increase in cost over the next two years. The concern is that increasing build costs will impact the Viability of the scheme going forward. Turley reserve the right to review build cost assumptions made in this VA at a later date.

- The subject Site has its own unique characteristics, which BNP's local plan testing does not take into account, and therefore should be assessed on its own merits.
- Site and scheme specific costs. Additional cost due to SDNPA requirement for specific construction materials, and associated additional costs given the brownfield nature of the Site.

- 1.8 This report demonstrates a requirement for SDNPA to apply the flexibility provided within relevant Local Plan policies in order to support the viable delivery of the Proposed Development of the Site.

## **Site Context**

### **Subject Site Location & Access**

- 1.9 The Site comprises 2.40 hectares (5.93 acres) of land to the south-east of Petersfield Road in Greatham within the South Downs National Park. The Site is located to the north of Greatham Primary School and to the south of the residential cul-de-sac of Baker's Field.
- 1.10 A site location plan is presented at **Appendix 1**.
- 1.11 The site is currently used as a horticultural nursery and includes a small office and bungalow to the south-west with a Gross Internal Area (GIA) of 133.5m<sup>2</sup>, as well as a number of greenhouses and other buildings (7,967m<sup>2</sup> GIA) and polytunnels (937m<sup>2</sup> GIA) extending across most of the site. The total GIA of buildings on the site is approximately 9,037.5m<sup>2</sup>.
- 1.12 The site is accessed from Petersfield Road at the western corner of the site and there is a parking area located along the driveway which runs south-west from the site access.
- 1.13 The site is bound by a mixture of trees and hedges and there is a Tree Preservation Order (EH948) covering some trees on the south-western boundary. The Greatham Conservation Area lies a little over 100m to the south of the site and there is a Grade II Listed Building to the west at Deal Farm.
- 1.14 The site is contained by existing built-form on three sides with the north-western boundary formed by Petersfield Road, the north-eastern boundary abuts the rear gardens of properties on the Bakers Field estate and the south-western boundary abuts Greatham Primary School. The south-eastern boundary abuts an arable field.



- 1.15 The Wealden Heaths Phase II Special Protection Area (SPA) lies approximately 600m east of the site.
- 1.16 Greatham contains a number of community facilities including a primary school, village hall, recreation ground, pub, church and church hall. The closest bus stops are located on Petersfield Road to the north and south of the site and are accessible within a 2-minute walk of the existing site access. Several bus services are accessible from these stops and provide access into neighbouring strategic centres such as Alton, Petersfield, Liss, Purbrook and Holybourne, connecting residents to a wider range of local services and amenities.

#### **Planning History and Status**

- 1.17 A review of the EHDC's online planning application public access database has been undertaken to identify any relevant planning history pertaining to the site. The planning history for the site is presented in Table 1.1.

**Table 1.1: Planning History - Subject Site**

Application Reference	Description	Decision
22671/013	Single-storey extension to office building	Permission granted
22671/012	Polythene tunnel	Permission Granted

*Source: East Hampshire District Council*

#### **Disclaimer**

- 1.18 This report does not constitute a valuation, and cannot be regarded, or relied upon as a valuation as it falls outside of the RICS Valuation – Professional Standards (the 'Red Book')<sup>5</sup>.
- 1.19 This report provides a guide for feasibility in line with the purpose for which the assessment is required, as stated within the RICS Financial Viability in Planning (2012) Guidance Note<sup>6</sup>.

#### **Date of Appraisal & Covid-19**

- 1.20 The date of appraisal is the stated date on the cover of this report.
- 1.21 The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation ('WHO') as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.
- 1.22 Market activity is being impacted in many sectors. As at the appraisal date, we consider that we can attach less weight to previous market evidence for comparison purposes to

<sup>5</sup> RICS (2017) RICS Valuation, Global Standards 2017

<sup>6</sup> RICS (2012) Financial Viability in Planning Guidance Note (GN 94/2012) 1st Edition

inform viability appraisal inputs. Indeed, the current response to COVID 19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

- 1.23 Consequently, a higher degree of caution should be applied in viability assessment than would normally be the case.

## Document Structure

- 1.24 The viability assessment report is structured as follows:

- **Section 2:** presents the relevant planning policy context.
- **Section 3:** confirms the approach and methodology to this viability assessment together with a brief review of the relevant current guidance for undertaking viability assessments.
- **Section 4:** sets out a summary of the principal assumptions and evidence used within this financial viability assessment.
- **Section 5:** derives the benchmark land value (BLV) or 'Site Value'.
- **Section 6:** summarises the results of viability assessment.
- **Section 7:** sets out concluding recommendations to the applicant and the Council in respect of the level of affordable housing provision and Section 106 planning obligations that can be realistically supported by the proposed development in accordance with the National Planning Policy Framework (NPPF) and national Planning Practice Guidance for Viability (PPGV)<sup>7</sup>.

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<sup>7</sup> MHCLG (2019) National Planning Practice Guidance – Viability



## 2. Planning Policy Context

- 2.1 This section of the document presents the relevant national and local planning policy context to viability assessment of the Proposed Development of the Site.

### **National Planning Policy Framework**

- 2.2 The National Planning Policy Framework (NPPF) presents the Government's planning policies for England and how these are expected to be applied.
- 2.3 Paragraph 2 of the NPPF states that planning law requires planning applications to be determined in accordance with the development plan unless material considerations indicate otherwise<sup>8</sup>. The NPPF, along with emerging plans, are material considerations that must be accorded weight within planning decision-making.

### **Sustainable Development**

- 2.4 The presumption in favour of sustainable development runs as a 'golden thread' through decision-making and plan-making as set out within paragraph 11. However, the presumption in favour will not apply where specific policies in the NPPF indicate that development should be restricted.

### **Deliverability & Viability**

- 2.5 The NPPF confirms that it is the applicant's responsibility to demonstrate whether the circumstances affecting the development justify the requirement for the submission of a viability assessment at the application stage.
- 2.6 The LPA, as decision maker, must determine the weight to be given to the submitted viability assessment having regard to all the circumstances in the case including the following:
- whether the Plan and viability evidence underpinning it is up to date; and
  - whether there have been any changes in site circumstances since the Plan was brought into force.
- 2.7 All viability assessments, including those undertaken at plan-making stage, should reflect the recommended approach in national planning guidance<sup>9</sup>.

### **Planning Practice Guidance for Viability ('PPGV')**

- 2.8 The Government's national planning guidance for understanding viability in both plan making and decision taking is set out within national Planning Practice Guidance for Viability ('PPGV')<sup>10</sup>.
- 2.9 Detailed guidance is provided with regard to viability assessment in decision-taking upon individual schemes at the application stage. Firstly, it is the responsibility of the applicant

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<sup>8</sup> Section 38(6) of the Planning and Compulsory Purchase Act 2004

<sup>9</sup> MHCLG (2019) National Planning Policy Framework (NPPF)

<sup>10</sup> MHCLG (2019) Planning Practice Guidance: Viability

to demonstrate the particular circumstances justifying the need for viability assessment. Whilst not stated as exhaustive, examples stated in PPGV are:

- where development is proposed on unallocated sites of a wholly different type to those used in viability assessment that informed the plan;
- where further information on infrastructure or site costs is required;
- where particular types of development are proposed which may significantly vary from standard models of development for sale (for example BTR or housing for older people); or
- where a recession or similar significant economic changes have occurred since the plan was brought into force.

2.10 Paragraph 20 confirms that the inputs and findings of any viability assessment should be set out in a way that aids clear interpretation and interrogation by decision makers. Reports and findings should clearly state what assumptions have been made about costs and values (including gross development value, benchmark land value ('BLV') including the landowner premium, developer's return and costs).

2.11 Paragraph 10 confirms the applicant's viability assessment must be based upon and refer back to the viability assessment that informed the plan, and transparently present evidence of any change in site circumstances since the plan was brought into force. It should reflect the Government's recommended approach to defining key inputs as set out in PPGV.

## **Adopted Local Policy**

### **Development Plan**

#### **South Downs Local Plan (Adopted 2 July 2019)**

2.12 The South Downs Local Plan ('SDLP') was adopted on 2 July 2019 following extensive public consultation with local communities and examination by the Government. The SDLP is the first local plan to cover the whole of the South Downs National Park<sup>11</sup>. It has replaced the East Hampshire Joint Core Strategy as the Development Plan for the area and as such, its policies are a significant material consideration in the determination of the planning application.

#### **Development Management Policy SD22: Parking Provision**

2.13 The policy states that new developments must provide an appropriate level of private vehicle and cycle parking to serve the needs of the development in accordance with the adopted parking standards. Electric vehicle charging facilities must also be provided wherever feasible. New parking provision must be of a scale and design that reflects its context and incorporates sustainable drainage systems.

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<sup>11</sup> South Downs National Park Authority (2019) Adoption Statement

**Strategic Policy SD27: Mix of homes**

- 2.14 The policy states that developments must deliver a balanced mix of housing to meet projected future household needs for the local area.
- 2.15 Affordable housing should provide the following approximate mix of units:
- 1 bedroom dwellings: 35% (although these may be substituted with 2 bedroom affordable dwellings)
  - 2 bedroom dwellings: 35%
  - 3 bedroom dwellings: 25%
  - 4 bedroom dwellings: 5%
- 2.16 Market housing should provide the following mix of units:
- 1 bedroom dwellings: at least 10%
  - 2 bedroom dwellings: at least 40%
  - 3 bedroom dwellings: at least 40%
  - 4+ bedroom dwellings: up to 10%
- 2.17 Planning permission will be granted for an alternative mix provided evidence of local housing need demonstrates that a different mix of dwellings is required to meet local needs or site-specific considerations necessitate a different mix to ensure National Park purpose 1 is met. Proposals of 5 or more homes will be permitted where it is demonstrated that evidence of local need for older people's or specialist housing is reflected in the types of homes proposed.

**Strategic Policy SD28: Affordable Homes**

- 2.18 The policy outlines that new residential development must maximise the delivery of affordable housing to meet local need. On sites of 11 or more homes 50% new homes must be affordable, of which a minimum 75% will provide a rented tenure.
- 2.19 The National Park Authority considers that social rent tenures are the most affordable to those in greatest need, and should be prioritised over other forms of rented tenure. Levels of rent for affordable rented homes must be genuinely affordable, and must not exceed the relevant Local Housing Allowance.
- 2.20 In exceptional cases where viability is a genuine barrier to delivery, the Authority will require the applicant to demonstrate this by submitting a robust viability appraisal. This should demonstrate that the cost of the land reflects the existing use value of land in its current use, plus a reasonable, but not excessive, uplift which provides an incentive for the land to be sold.
- 2.21 Developers will be expected to contribute as fully as possible to mixed and balanced communities, by assessing development options in accordance with the following cascade:



- (i) Firstly, reduce the proportion of rented affordable tenure homes in favour of intermediate housing that best reflect local need;
- (ii) Secondly, reduce the overall percentage of housing provided as affordable units; and
- (iii) Thirdly, provide a financial contribution for affordable housing to be delivered off-site.

**Allocation Policy SD73: Land at Petersfield Road, Greatham**

- 2.22 The site is allocated under Policy SD73, which states development for 35 to 40 residential dwellings (class C3 use) and associated open space.
- 2.23 The site specific development requirements include, but are not limited to, the following:
- (i) Development proposals should provide a clear transition in form and layout with a reduced build intensity from Petersfield Road east towards the open countryside;
  - (ii) Development proposals should conserve and enhance the setting of local heritage assets including the Greatham Conservation Area and local Listed Buildings and use local building materials to reinforce local distinctiveness;
  - (iii) Retain the existing vehicular access and, where identified as necessary to provide safe access and egress, improvements to both the vehicular access and to off-site highways;
  - (iv) Provide a publicly accessible off-road pedestrian route from Petersfield Road to the existing Public Right of Way to the east of the allocation site;
  - (v) Provision of a significant area of public open space within the site which provides for a transition between the development and the countryside; and
  - (vi) Retain and enhance existing mature trees and site boundaries and new site boundaries appropriate to the local landscape.

**Community Infrastructure Levy (CIL)**

- 2.24 CIL was introduced under the Planning Act 2008 and is legislated by the CIL Regulations 2010 (as amended). Local authorities in England and Wales can elect to charge CIL on new development to assist in funding infrastructure associated with planned growth.
- 2.25 South Downs National Park Authority (SDNPA) CIL Charging Schedule was formally adopted in January 2017 and took effect from April 2017. SDNPA CIL is charged at a fixed rate based on the net additional gross square meterage (m<sup>2</sup> GIA) of a development. SDNPA's charging schedule is set out in **Table 2.1** overleaf.

**Table 2.1: South Downs National Park Authority – CIL Rates**

Use of Development	Proposed Levy (£/m <sup>2</sup> )
Residential Zone 1	£150
Residential Zone 2	£200
Large format retail	£120
All other development	0

Source: South Downs National Park Authority

- 2.26 The Charging Schedule adopts CIL rates based upon locational differentials. According to the 'SDNPA CIL Charging Schedule Rates from January 2017' the Site falls within the Zone 2, which attracts a CIL rate of £200/m<sup>2</sup>.

#### Indexation

- 2.27 SDPNA CIL is indexed in accordance with SDPNA'S 'SDNPA CIL Charging Schedule Rates from January 2017', which confirms that the calculation of the chargeable amount is as defined by the CIL Regulations 2010 (as amended), and indexed in line with indexation figures published on the Council's website<sup>12</sup>.
- 2.28 The table below details the CIL liability calculation for the Proposed Development on a policy compliant basis.

**Table 2.2: Indexed CIL Liability Calculation | Proposed Development**

Indexed CIL Liability Calculation		
R	Residential Rate	£200
A(i)	Proposed Floorspace <sup>13</sup> (m <sup>2</sup> GIA)	2,767.90
A(ii)	Existing Floorspace <sup>14</sup> (m <sup>2</sup> GIA)	3,803.13
A	Net Chargeable Area (m <sup>2</sup> GIA)	0
Ip	Index Rate when PP Granted (Assumed 2021)	333
Ic	Index Rate when Charging Schedule adopted (2017)	287
<b>CIL Liability = (R * A * Ip) / Ic</b>		<b>£0</b>

Source: East Hampshire District Council

- 2.29 As can be seen from Table 2.2, the existing floorspace confirmed as being offset for CIL purposes exceeds the private floorspace attributable to the Proposed Development.

<sup>12</sup> SDNPA (2021) CIL & S106 Rates

<sup>13</sup> This figure includes the GIA of the private units, and the 7 associated garages, each measuring 19.7m<sup>2</sup>. The GIA area listed is on the basis of 19 private units.

<sup>14</sup> The SDNPA CIL Planning Officer confirmed in an email to Turley on 16/04/2021 that the existing building area listed is to be offset against the proposed development to extends to 3,803.13m<sup>2</sup>.



Turley therefore consider there is no CIL charge to be accounted for within the Viability appraisal. The CIL officer's email regarding CIL offset is contained within **Appendix 2**.

### 3. Approach & Methodology

#### The Role of Viability Assessment in Planning

- 3.1 This chapter provides the approach and methodology to this viability assessment set within the context of the legislative planning framework and recognised national practice guidance for undertaking viability assessments.

#### **RICS Financial Viability in Planning: Conduct and Reporting (1<sup>st</sup> edition, May 2019)**

- 3.2 This RICS professional statement sets out mandatory requirements on conduct and reporting in relation to financial Viability Assessments ('VAs') for planning in England, whether for area-wide or scheme-specific purposes. It recognises the importance of impartiality, objectivity and transparency when reporting on such matters. It also aims to support and complement the Government's reforms to the planning process announced in July 2018 and subsequent updates, which include an overhaul of the NPPF and PPGV and related matters.

- 3.3 The statement focuses on reporting and process requirements, and the need for the assessment of viability to be carried out having proper regard to all material facts and circumstances. The additional requirements became effective on 1 September 2019.

#### **RICS Financial Viability in Planning Guidance Note (GN 94/2012)**

- 3.4 The RICS Financial Viability in Planning (2012) Guidance Note<sup>15</sup> (hereafter 'the Guidance') is grounded in the statutory and regulatory planning regime. It provides a definitive and objective methodological framework for the preparation of scheme specific viability assessments for planning purposes, which concords with national best practice.

- 3.5 It defines financial viability for planning purposes as:

*'An objective financial viability test of the ability of a development project to meet its costs including the cost of planning obligations, while ensuring an appropriate Site Value for the landowner and a market risk adjusted return to the developer in delivering that project.'*<sup>16</sup>

- 3.6 The Guidance supports the use of the residual appraisal methodology where either the level of return or residual Land Value (RLV) can be an input, and the consequential output (either a residual land value or return respectively) can be compared to a benchmark 'Site Value' to assess the implications on viability.

- 3.7 Importantly, the Guidance defines Site Value, either input into a scheme specific viability assessment or as a benchmark, as follows:

*'Site Value should equate to the market value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan.'*<sup>17</sup>

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<sup>15</sup> RICS (2012) Financial Viability in Planning Guidance Note (GN 94/2012) 1st Edition

<sup>16</sup> Ibid, p.4

<sup>17</sup> Ibid, p.4

- 3.8 The fundamental objective, therefore, is to ensure an efficient use of the site (land) and a fair return for the landowner and/or developer (risk adjusted) with reasonable planning obligations that can be realised through the efficient use of the land.
- 3.9 The fundamental objective, therefore, is to ensure an efficient use of the site (land) and a fair return for the landowner and/or developer (risk adjusted) with reasonable planning obligations that can be realised through the efficient use of the land.
- 3.10 Turley are aware of a new Guidance Note published by the RICS<sup>18</sup> which becomes effective from 1<sup>st</sup> July 2021. The Guidance Note sets out good practice for Viability; aligns with the NPPF (2018/2019) and PPG; any updates to the NPPF and PPG take precedence over the Guidance and; where schemes are providing higher than the maximum reasonable amount of affordable housing at application, it may be appropriate for an earlier Viability deficit to be taken into account as part of the review, provide that it has been robustly assessed and realistic.

### **National Planning Practice Guidance for Viability (PPGV)**

- 3.11 PPGV sets out the Government's recommended approach and confirms the principles for conducting viability assessment as follows:

*'Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return'.<sup>19</sup>*

- 3.12 PPGV defines Site Value as the 'benchmark land value' (BLV), which should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. This approach is referred to as the 'existing use value plus' (EUV+). PPGV confirms that the premium (i.e. 'plus') should:

*'...reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements'.<sup>20</sup>*

- 3.13 PPGV confirms that the BLV should be calculated as follows. It should:

- be based upon existing use value;
- allow for a premium to landowners (including equity resulting from those building their own homes);
- reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees; and

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<sup>18</sup> RICS (2021) Assessing Viability in planning under the National Planning Policy Framework 2019 for England

<sup>19</sup> MHCLG (2018) National Planning Practice Guidance – Viability: Paragraph: 010

<sup>20</sup> MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 013



- be informed by market evidence including current uses, costs and values wherever possible. Where recent market evidence is used to inform assessment of benchmark land value this evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance.
- 3.14 It proceeds to confirm that the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any CIL charge should be taken into account<sup>21</sup>.
- 3.15 PPGV also confirms that alternative uses can be used in establishing the BLV. For the purposes of viability assessment the AUV refers to:
- ‘...the value of land for uses other than its existing use.’<sup>22</sup>*
- 3.16 Where there is no implementable alternative permission upon which to calculate the AUV, plan makers can set out circumstances where AUV is used. Examples of such circumstances included in PPGV (whilst not exhaustive) are:
- if there is evidence that the alternative use would fully comply with development plan policies;
  - if it can be demonstrated that the alternative use could be implemented on the site in question;
  - if it can be demonstrated there is market demand for that use; and
  - if there is an explanation as to why the alternative use has not been pursued.
- 3.17 Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. PPGV confirms the Government’s position that valuation based on AUV includes the premium to the landowner (i.e. the AUV is equal to the EUV+ as a BLV)<sup>23</sup>.

### **Procedural Requirements**

- 3.18 The RICS Guidance recommends that practitioners are reasonable and transparent in both undertaking and reviewing FVAs. It specifically states at G5 on p.50:
- ‘Where possible, differences of opinion should be resolved between consultants acting for the applicant and the council. Once the financial position has been established and agreed between consultants, this does not preclude further negotiation between the council and the applicant having regard to all material planning considerations.’*
- 3.19 Paragraph 4.5.2 on page 25 of the RICS Guidance states the following:

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<sup>21</sup> MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 014

<sup>22</sup> MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 017

<sup>23</sup> MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 017

*‘Many local authorities will require, in respect of individual developments, an impartial and objective review of the viability assessment submitted as part of a planning application. These should be prepared by suitably qualified practitioners as set out in 4.2. It is recommended that once these reports have been prepared, the applicant is provided with a copy (in draft and final forms) to enable responses, if any, to be made to either the LPA or directly to the consultant undertaking the independent review’.*

- 3.20 This is reinforced by paragraph 4.5.3 on page 25, which states:

*‘Practitioners should be reasonable, transparent and fair in objectively undertaking or reviewing financial viability assessments. Where possible, practitioners should seek to resolve differences of opinion’.*

- 3.21 It is expected that the Council and any appointed reviewing practitioners will act to follow best practice, which is reflective of the transparent process of dialogue advocated by the RICS Guidance.

### **Methodology**

- 3.22 In order to determine the viability of the proposed development of the subject site, a residual valuation model with cash flow has been prepared using proprietary software Argus Developer.
- 3.23 The methodology for undertaking this viability assessment follows the residual appraisal method, which is that accepted by the RICS and recommended within RICS Professional Guidance<sup>24</sup>. The methodology is also consistent with the Government’s recommended approach as set out in PPGV<sup>25</sup>.
- 3.24 The assessment calculates the cost to acquire, construct, and deliver the capital costs of the development scheme, which is set against the value of the development on the assumption it is completed in the current market.

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<sup>24</sup> RICS (2012) Financial Viability in Planning Guidance Note (GN 94/2012) 1st Edition

<sup>25</sup> MHCLG (2019) National Planning Practice Guidance – Viability



## 4. Viability Assessment Assumptions

### Development Outputs

#### Land Analysis

- 4.1 The Site occupies a gross area of approximately 2.4 hectares (5.93 acres) of previously developed land.

#### Proposed Development

- 4.2 Development of 37 dwellings (including affordable homes), alterations to existing access onto Petersfield Road, hard and soft landscaping, drainage and all other associated development works.
- 4.3 A site layout for the Proposed Development is included within **Appendix 3**.

#### Accommodation Schedule

- 4.4 The Proposed Development comprises a mix of residential accommodation encompassing one, two, three, four and five bed dwellings. An accommodation schedule for the Proposed Development has been prepared by the Applicant (**Appendix 4**) and is presented in **Table 4.1**.

**Table 4.1: Residential Accommodation Summary**

Plot	House Type	Number of Units	Area (m <sup>2</sup> )	Area (ft <sup>2</sup> )	Total Area (m <sup>2</sup> )	Total Area (ft <sup>2</sup> )	Percentage %
Romsey (GF)	1-Bed Maisonette	1	50.8	547	50.8	547	5.5%
Romsey (FF)	1-Bed Maisonette	1	59.0	635	59	636	
Vyne A	2-Bed House	4	80.4	865	321.4	3,460	35.1%
Vyne B	2-Bed House	4	80.4	865	321.4	3,460	
Vyne C	2-Bed House	2	80.4	865	160.7	1,730	
Pemberley	2-Bed House	3	81.3	875	243.9	2,625	
Houghton	3-Bed House	1	100.5	1,082	100.5	1,082	32.4%
Dean	3-Bed House	4	110.8	1,193	110.8	1,193	
Hyde	3-Bed House	1	113.3	1,220	113.3	1,220	
Longstock	3-Bed House	6	93.5	1,006	560.7	6,028	
Oakleigh	4-Bed House	1	147.3	1,585	147.3	1,585	18.9%
Alverstoke	4-Bed House	2	164.1	1,766	328.1	1,766	
Avington	4-Bed House	2	164.6	1,722	329.2	3,544	
Hillier	4-Bed House	2	165.7	1,784	331.5	3,568	
Ormeley	5-Bed House	2	193.8	2,086	387.6	4,172	8.1%
Ormeley - DG	5-Bed House	1	205.2	2,209	205.2	2,209	
<b>Total</b>		<b>37</b>			<b>4,104</b>	<b>44,177</b>	<b>100%</b>

Source: Carlton Design Partnership

4.5 A policy compliant mix would provide 18 of the dwellings as affordable. The tenure has been broken down into the following categories:

- Private Sale
- Shared Ownership (Intermediate)
- Affordable Rent

4.6 The Proposed Development incorporates a tenure distribution as set out in Table 4.2.

**Table 4.2: Tenure Distribution**

Plot	House Type	Quantity	Private	Affordable	Total
Romsey (GF)	1-Bed Maisonette	1		1	1
Romsey (FF)	1-Bed Maisonette	1		1	1
Vyne A	2-Bed House	4		4	4
Vyne B	2-Bed House	4		4	4
Vyne C	2-Bed House	2		2	2
Pemberley	2-Bed House	3	3		3
Houghton	2-Bed House	1	1		1
Dean	3-Bed House	4	4		4
Hyde	3-Bed House	1	1		1
Longstock	3-Bed House	6		6	6
Oakleigh	3-Bed House	1	1		1
Alverstoke	4-Bed House	2	2		2
Avington CT	4-Bed House	2	2		2
Hillier	4-Bed House	2	2		2
Ormeley	5-Bed House	2	2		2
Ormeley - DG	5-Bed House	1	1		2
<b>Total</b>		<b>37</b>	<b>19</b>	<b>18</b>	<b>37</b>

*Source: Carlton Design Partnerships*

4.7 In accordance with the Strategic Policy SD28: Affordable Homes, the Proposed Development assigns the units as follows:

- 14 x Affordable Rented Units (77.77%); and
- 4 x Shared Ownership (Intermediate) Units (22.22%).

### **Development Value**

4.8 The value to be adopted in the assessment of viability is the Net Achievable Sales Value of the Proposed Development and is based on the special assumption that the development is complete on the publication date of this document in the prevailing market conditions<sup>26</sup>.

<sup>26</sup> RICS (2008) Valuation of Development Land – Valuation Information Paper (VIP) 12

### **Residential Market Commentary**






- 4.9 Turley has conducted a pricing analysis from data captured from comparable new-build and re-sale developments, within close proximity of the Site.
- 4.10 The analysis has included an assessment of new-build asking prices and sales transactions, utilising Rightmove/Zoopla, Land Registry and Energy Performance Certificate ('EPC') data. Where appropriate, data from the existing re-sale market - comprising modern, good quality stock - has been incorporated to benchmark and determine local market performance.
- 4.11 Turley has consulted with marketing agents active on live new build developments and conducting re-sales within the local market.

### **New Build (Market Evidence)**

#### ***Andlers Wood, Liss, CALA Homes***

- 4.12 A collection of detached and semi-detached 3, 4 & 5 bedroom family homes are situated in the picturesque village of Liss, 3 miles south of the proposed development, within the South Downs National Park. Each home is designed to a high quality specification throughout. Asking prices for the development range from between £480,000 - £720,000. Available listings are shown in the table overleaf.

**Table 4.3: Andlers Wood, Liss | Asking Prices**

Type / Plot	Image	House Type	No. Beds	Asking Price	Area (ft²)	Asking £/ft²	Comments
The Ambereley – Plot 14		Semi-detached	3	£480,000	1,138	£421.79	Three bedroom house with a sitting room which is front-facing and an open plan kitchen/family/dining room. One bedroom one benefits from an en suite. The property also benefits from a large garage and a private driveway.
The Ambereley – Plot 15		Semi-detached	3	£480,000	1,138	£421.79	Three bedroom house with a sitting room which is front-facing and an open plan kitchen/family/dining room. One bedroom one benefits from an en suite. The property also benefits from a large garage and a private driveway.
The Marden – Plot 16		Detached	4	£570,000	1,321	£431.49	The property comprises of large kitchen/family/dining room. The upper floor has four good-sized bedrooms and a family bathroom. Bedroom one benefits from private en suite. This home also benefits from a double garage and driveway.
The Petworth – Plots 18 & 19		Detached	4	£595,000	1,399	£425.30	A four bedroom home with a front facing living room. The large kitchen/family/dining room with a utility room and a WC and good-sized garden. Bedroom one has separate en-suite. The property also benefits from a large garage.
The Weald – Plot 11		Detached	5	£715,000	1,703	£419.84	The ground floor comprises of a living room and a kitchen/family/dining room. Five bedrooms located on first floor, one with an en-suite. A further en suite in the second bedroom and family bathroom. A driveway leads to the double garage.
<b>Average:</b>						<b>£424.17</b>	

Source: Cala Homes



- 4.13 Turley consider that given Andlers Wood close proximity to the subject site and new build specification, the values listed in Table 4.3 are a useful guide for which to inform achievable values within the Proposed Development. Turley note that the sizes of the units within the Proposed Development are generally larger than those marketed at Andlers Wood. For example, Ormeley (five bedroom unit within the Proposed Development) sizes range from 2,086 – 2,209 ft<sup>2</sup>, compared to the Weald at 1,704ft<sup>2</sup>. Turley expect achievable £/ft<sup>2</sup> values for the Proposed Development to be deflated as a result.
- 4.14 Turley has spoken with the marketing agents/marketing team, who advise the units are sold either at asking price or within a 5% discount.

***Dukes Quarter, Taylor Wimpey***

- 4.15 Taylor Wimpey is delivering a collection of 1, 2 and 3 bedroom properties 3.4 miles north of the proposed development. Turley understands the units will be completed to a high specification. Asking prices for the development range from between £255,000 - £383,000. Marketed properties are summarised in the table overleaf.

**Table 4.4: Dukes Quarter, Taylor Wimpey | Asking Prices**

Type	Image	House Type	No. Beds	Asking Price	Area (ft²)	£/ft²	Comment
The Whitehill – Plot 224		End Terrace	2	£260,000	641	£405.61	An open-plan kitchen/living/dining area, spacious bedroom 1, a further bedroom and the main bathroom, the property also features a carport & parking space.
The Whitehill – Plot 221 & 222		Coach House	2	£255,000	641	£397.81	An open-plan kitchen/living/dining area, a spacious bedroom 1, a further bedroom and the main bathroom, the property also features a carport & parking space.
The Braxton – Plot 214 & 215		Mid Terrace	3	£363,000	1,117	£324.97	A kitchen/dining area with double doors to the garden, a living room on the ground floor. On the first floor is a family bathroom and two bedrooms. On the top floor bedroom 1 with en-suite shower room.
The Longmoor – Plot 208 (Taylor Wimpey)		Semi-detached	3	£383,000	1,208	£317.05	A kitchen/dining area with double doors to the garden, a living room on the ground floor. On the first floor is a family bathroom and two bedrooms. On the top floor bedroom 1 with en-suite and dressing area.
The Longmoor – Plot 209 (Taylor Wimpey)		Semi-detached	3	£385,000	1,208	£318.70	A kitchen/dining area with double doors to the garden, a living room on the ground floor. On the first floor is a family bathroom and two bedrooms. On the top floor bedroom 1 with en-suite and dressing area.
<b>Average</b>						<b>£344.43</b>	

Source: Taylor Wimpey

- 4.16 Turley considers that the values achievable within the Proposed Development to be higher than those listed within Dukes Quarter, owing to locational factors (being within the South Downs AONB) and specification of the completed units.

***New Quarter, Barratt Homes***

- 4.17 Barratt Homes is delivering a range of 2 bedroom apartments, 3 and 4 bedroom properties 4.7 miles north of the proposed development. Asking prices for the development range from between £240,000 - £495,000. Marketed properties are set out in the table overleaf.

**Table 4.5: New Quarter, Barratt Homes | Asking Prices**

Type / Developer	Image	House Type	No. Beds	Asking Price	Area (ft <sup>2</sup> )	Asking £/ft <sup>2</sup>	Comments
Elderleaf – Plot 333 (Barratt Homes)		Semi-detached	3	£355,000	1,020	£348.03	A three bedroom home that has a modern kitchen/breakfast room. The open plan lounge has French doors that open onto the garden. Upstairs, there are two double bedrooms, with an en-suite to the main, one single bedroom and a family bathroom. Garage and parking.
Elderleaf – Plot 332 (Barratt Homes)		Semi-detached	3	£365,000	1,020	£357.84	A three bedroom home that has a modern kitchen/breakfast room. The open plan lounge has French doors that open onto the garden. Upstairs, there are two double bedrooms, with an en-suite to the main, one single bedroom and a family bathroom. Garage and parking.
Primrose – Plot 334 (Barratt Homes)		Detached	4	£454,500	1,186	£383.22	A four bedroom detached home with a dual-aspect lounge and French doors opening onto the garden. An open plan kitchen and dining room with utility area complete the ground floor. The first floor has three double bedrooms, with an en-suite to the main bedroom, one single bedroom and a family bathroom. Garage and parking.
Violet – Plots 200 & 201 (Barratt Homes)		Terraced	4	£495,000	1,981	£249.87	A Georgian style town house, overlooking Heritage Park. This 4 bedroom home has an open plan kitchen with Bi-fold doors to the garden. On the first floor there's a double bedroom and a family bathroom. The top floor has a main bedroom with an en-suite and a dressing area, and 2 further double bedrooms that share an additional bathroom. Carport and two parking spaces.
<b>Average</b>						<b>£301.12</b>	

Source: Barratt Homes



- 4.18 Turley considers that the values achievable within the Proposed Development to be higher than those at New Quarter, owing to locational factors (being within the South Downs AONB) and specification of the completed units.

***Oak Park, Taylor Wimpey***

- 4.19 Taylor Wimpey is delivering a collection of 2, 3, 4 and 5 bedroom properties 4.8 miles west of the proposed development. Turley understands the proposed development is located in a prominent location and the units will be completed to a high specification. Asking prices for the development range from between £437,500 - £620,000.

**Table 4.6: Oak Park, Taylor Wimpey – New Build (Market Evidence)**

Type / Developer	Image	House Type	No. Beds	Asking Price	Area (ft <sup>2</sup> )	Asking £/ft <sup>2</sup>	Comments
The Easedale – Plot 154		Detached	3	£437,500	917	£477.09	A 3 bedroom home with the entrance hallway leading to a kitchen/dining area and a living room leading to a private garden. Upstairs, bedroom 1 with an en-suite shower room, a further double bedroom, a main bathroom and a bedroom.
The Easton – Plot 60		Semi-detached	4	£460,000	1,235	£372.46	A 4 bedroom townhouse benefiting from a breakfast kitchen room, a spacious living/dining area. Two double bedrooms occupy the first floor, along with another bedroom and a main bathroom. On the top floor the master bedroom with en-suite shower room and dressing area.
The Midford – Plot 64		Detached	4	£525,000	1,153	£455.33	A 4 bedroom home with a kitchen/dining area and a utility room. Bedroom 1 has an en-suite shower room is found upstairs, along with two further double bedrooms, a main bathroom and an additional bedroom.
The Wilton – Plot 66 (Taylor Wimpey)		Detached	5	£620,000	1,739	£356.52	On the ground floor is a kitchen/dining area with separate living room and study. The first floor features the master bedroom with en-suite shower room and dressing area, a further double bedroom, and the main bathroom and a fifth bedroom. The second floor is made up of a double bedroom, a shower room and a further bedroom.
<b>Average</b>						<b>£405</b>	

Source: Taylor Wimpey

- 4.20 Turley considers Oak Park to be comparable to the Proposed Development, owing to its location with the South Downs AONB and specification of the completed units. Turley note that a considerable premium is attached the to the Easedale unit, given it is a three bedroom detached house. The Midford is a relatively small four bedroom house, which explains the higher £/ft<sup>2</sup> rate attached.

***Maple Walk, Liphook, Redrow***

- 4.21 Redrow is delivering a range of 3 and 4 bedroom properties 4.7 miles north of the proposed development. Asking prices for the development range from between £462,950 - £609,950. Marketed properties are set out in the table overleaf.

**Table 4.7: Maple Walk, Liphook (Redrow) | Asking Prices**

Type / Developer	Image	House Type	No. Beds	Asking Price	Area (ft <sup>2</sup> )	Asking £/ft <sup>2</sup>	Comments
The Letchworth – Plot 5		Semi-Detached	3	£462,950	984	£470	A living room and an open plan kitchen dining room on the ground floor with a downstairs w/c, three bedrooms (main bedroom benefiting from an en-suite) and family bathroom on the first floor.
The Grantham – Plot 35		Semi-Detached	4	£489,950	1,217	£403	A living room and an open plan kitchen dining room on the ground floor, three bedrooms and family bathroom on the first floor with main bedroom and en-suite on the second floor.
The Lincoln - Plot 33 (Redrow Homes)		Semi-Detached	4	£504,950	1,294	£390	Townhouse. A living room and an open plan kitchen dining room on the ground floor with a downstairs w/c, two bedrooms and family bathroom on the first floor and the remaining two bedrooms on the second floor along with a shared bathroom.
The Stratford – Plot 15		Detached	4	£569,950	1,218	£468	A living room and an open plan kitchen dining room on the ground floor with a downstairs w/c, four bedrooms and family bathroom on the first floor.
The Marlow – Plot 172		Detached	4	£579,950	1,289	£450	A living room and an open plan kitchen/ dining room and utility room on the ground floor, four bedrooms (main bedroom benefiting from an en-suite) and family bathroom on the first floor.
The Oxford Lifestyle - Plot 175		Detached	3	£609,950	1,318	£463	A living room and an open plan kitchen/ dining room and utility room on the ground floor with a downstairs w/c, three bedrooms (each bedroom benefiting from an en-suite).

Source: Redrow



- 4.22 Turley consider that given Maple Walk to be a superior development, however, the values listed in the table above are a useful guide for which to inform achievable values within the Proposed Development. Turley was not able to determine whether asking prices were being achieved, or whether there was an discount to the asking price. Turley consider that the specification of the Redrow homes development are completed to a higher standard than the proposed development, achieving higher £/ft<sup>2</sup> values.
- 4.23 Turley also notes that the unit sizes within Maple Walk are generally smaller within the Proposed Development. The available 4-bedroom units with Table 4.7 average 1,254ft<sup>2</sup> and an average unit value of £536,200. The 4-bedroom units within the Proposed Development are considerably bigger, with an average size of 1,747ft<sup>2</sup>; Turley expect the units within the Proposed Development to achieve a higher capital values and lower £/ft<sup>2</sup> values as a result.

#### **Modern Re-sale Transactions**

- 4.24 A summary of transactional evidence for good quality modern re-sale stock is presented in Table 4.8. This confirms a range of between £367ft<sup>2</sup> and £384ft<sup>2</sup> for achieved sales values.

**Table 4.8: Re-Sale Comparable Evidence**

Address	No. of beds/Type	Sale Date	Sold Price	Area (ft <sup>2</sup> )	£/ft <sup>2</sup>	Commentary
1, Oaktree Cottages, Petersfield Road, Greatham, LISS, Hampshire, GU33 6EZ	3 bed / Semi Detached	20 Aug 2020	£550,000	1,432	£384	Built in 1896 renovated throughout to good specification. Price confirmed by Land Registry.
Forge House, Mill Road, LISS, Hampshire, GU33 7DX	2 Bed / Semi Detached	17 Jun 2014	£289,000	867	£333	A re-sale property, refurbished throughout with original features. Price confirmed by Land
16 Todmore, Greatham, LISS, Hampshire, GU33 6AR	3 Bed / Detached	Under Offer	£425,000	1,256	£338	A re-sale property, built in 1995. Price confirmed by Land Registry.
Lynden, Longmoor Road, Greatham, LISS, Hampshire, GU33 6AH	4 Bed / Semi Detached	02 Sep 2020	£ 595,000	1,942	£306	A re-sale property that has been recently extended and modernised.
1 Silver Birch Mews, Silver Birch Mews, Greatham, Liss, Hampshire, GU33 6DL	3 Bed / End Terrace	Under Offer	£372,500	1,141	£326	A re-sale modern property, built in 2012. Price confirmed by Land Registry.
90 Station Road, Bordon, Hampshire, GU35 0GE	3 bed / Semi Detached	17 Jul 2020	£325,000	979	£332	A re-sale modern property, built in 2018. Price confirmed by Land Registry. Inferior location.
7 Reed Way, Petersfield, Hampshire, GU32 3FL	3 bed / Semi Detached	02 Sep 2020	£365,000	960	£380	A re-sale new build property, built in 2016. 6.6 miles from Proposed Development.
34 Charlton Drive, Petersfield, Hampshire, GU31 4QL	3 Bed / End Terrace	04 Sep, 2020	£430,000	1,373	£314	A re-sale new build property, built in 2005. Located 5.2 miles from Proposed Development.
37 Charlton Drive, Petersfield, Hampshire, GU31 4Q	3 Bed / End Terrace	28 Jul, 2020	£435,000	1,627	£267	A re-sale new build property, built in 2005. Price confirmed by Land Registry.
6 Dalley Way, Liss, Hampshire, GU33 7HD	3 Bed / End Terrace	29 Jul, 2020	£374,000	1,005	£372	A re-sale new build property, built in 2010. Price confirmed by Land Registry.

Source: *Rightmove Plus*

### **Open Market Sales Values – Proposed Development**

- 4.25 Drawing on the analysis, and speaking with reputable local marketing agents, the viability assessment adopts a range of ambitious market-facing net achievable sales values for the open market units. This results in a blended open market sales value of £394/ft<sup>2</sup> for the private units. This has been adopted with the appraisal(s) for the subject development.
- 4.26 A schedule of achievable open market sales values applied to viability appraisal of the Proposed Development is provided in the following table.

**Table 4.9: Achievable Open Market Sales Values | Proposed Development**

Tenure	Type	Beds	No. Units	Average Unit Area (ft <sup>2</sup> )	Total Unit Area (ft <sup>2</sup> )	Unit Price (£)	Sum of Total (£)	(£/ft <sup>2</sup> )
Private	Pemberley	2	3	875	2,625	£350,000	£1,050,000	£400
	Houghton	3	1	1,082	1,082	£435,000	£435,000	£402
	Dean	3	4	1,193	4,772	£475,000	£1,900,000	£398
	Hyde	3	1	1,220	1,220	£500,000	£500,000	£410
	Oakleigh	4	1	1,585	1,585	£625,000	£625,000	£394
	Alverstone	4	2	1,766	3,532	£700,000	£1,400,000	£396
	Avington CT	4	2	1,772	3,544	£700,000	£1,400,000	£395
	Hillier	4	2	1,784	3,568	£700,000	£1,400,000	£392
	Omerley	5	2	2,086	4,172	£800,000	£1,600,000	£384
	Omerley - DG	5	1	2,209	2,209	£850,000	£850,000	£385
<b>Total/Average</b>			<b>19</b>	<b>1,490</b>	<b>28,308</b>	<b>£587,368</b>	<b>£11,160,000</b>	<b>£394</b>

Source: Turley Analysis



#### **Affordable Housing Values – Proposed Development**

4.27 Turley has determined the value of the Affordable Rented units by the following methodology:

- Establish market rent;
- Determine 80% of the market rent;
- Establish Local Housing Allowance ('LHA') rents for various units types in the Site's location;
- Adopted the lower end of the rental range from (80% of market rental value or LHA rents); and
- The rental values are calculated through Turley's bespoke affordable housing calculator and capitalised to determine the capital value of the affordable units.

4.28 Shared Ownership units values are calculated using the following methodology:

- Establishing market value of the units;
- Adopting a suitable initial share percentage of the unit type; and
- Using the bespoke Turley affordable housing calculator, calculate the rents on the remaining equity and capitalised by an appropriate yield.

4.29 This has been cross-referenced with Registered Provider ('RP') pricing in the current market. The affordable housing values are summarised in the table overleaf.

**Table 4.10: Summary of Affordable Housing Values | Policy Compliant**

Tenure	Type	No. Beds	No. of Units	Average Unit Area (ft <sup>2</sup> )	Total Area (ft <sup>2</sup> )	Average Unit Price (£)	Total Sales Value (£)	Average Sales Value (£/ft <sup>2</sup> )
Affordable Rent ('AR')	Romsey (GF)	1	1	547	547	£93,684	£93,684	£171
	Romsey (FF)	1	1	635	635	£93,684	£93,684	£148
	Vyne A	2	4	865	3,460	£138,027	£552,107	£160
	Vyne B	2	3	865	2,595	£138,027	£414,080	£160
	Longstock	3	5	1,006	5,030	£200,107	£1,000,533	£199
<b>AR Avg/Total</b>			<b>14</b>	<b>3,063</b>	<b>12,267</b>	<b>£153,863</b>	<b>£2,154,088</b>	<b>£176</b>
Shared Ownership ('SO')	Vyne B	2	1	865	865	£210,119	£210,119	£243
	Vyne C	2	2	865	1,730	£210,119	£420,238	£243
	Longstock	3	1	1,006	1,006	£242,381	£242,381	£241
<b>SO Avg/Total</b>			<b>4</b>	<b>2,756</b>	<b>3,601</b>	<b>£218,185</b>	<b>£872,738</b>	<b>£242</b>
<b>Overall Avg Total</b>			<b>18</b>	<b>882</b>	<b>15,868</b>		<b>£3,026,826</b>	<b>£191</b>

Source: Turley Analysis

## Development Costs

### Construction Costs

- 4.30 The applicant instructed cost consultancy Rider Levitt Bucknall ('RLB') to prepare a cost estimate based on the indicative scheme for the proposed development. RLB's cost estimate, dated June 2021, confirms an estimated rounded construction cost for the development is summarised in the following table.

**Table 4.11: Construction Cost Summary**

Item	GIA Area (m <sup>2</sup> )	GIA Area (ft <sup>2</sup> )	£/m <sup>2</sup>	£/ft <sup>2</sup>	Totals
Strategic Off-Site Works			£14.25	£1.32	£58,500
Strategic On-Site Works <sup>27</sup>			£785.34	£72.96	£3,223,017
On Plot Works -Residential			£1,519.30	£141.14	£6,235,198
On Plot Works – Residential Abnormals			£119.50	£11.10	£490,413
<b>TOTAL</b>	<b>4,104</b>	<b>44,177</b>	<b>£2,438.14</b>	<b>£226.52</b>	<b>£10,007,128</b>

Source: RLB

<sup>27</sup> Includes Primary & Secondary Distribution Roads, Strategic Landscaping, Services, Environmental Works and Temporary Works.

- 4.31 The construction cost includes external works, demolition and enabling works, residential abnormals and contingency. Contingency is included at 5% of base construction costs, in line with industry standards.
- 4.32 RLB has included the base construction cost for the residential dwellings at £1,336/m<sup>2</sup> (£124/ft<sup>2</sup>) in line with BCIS median for 'Estate Housing Generally', rebased to East Hampshire. RLB consider at this level the cost also incorporates the charge for Building Regulations Part L, meeting the energy efficiency performance enhancements in accordance with the Government's 'Future Homes Standard' ('FHS')<sup>28</sup>. Part L Regulation costs are typically in the range of £3,000 - £4,000 per dwelling.
- 4.33 A copy of the full Cost Estimate is provided at **Appendix 5**.

#### **S106/S278 Obligations**

- 4.34 Turley has modelled the S106/S278 works relating to the scheme. A summary of these costs is set out in the table below.

**Table 4.12: Summary of S106/S278 Planning Obligations**

Item	Application Cost (£)	Comment
S278 Highways Contribution	£75,000	Flat rate adopted.
S278 Travel Plan	£18,000	Flat rate adopted.
<b>Total</b>	<b>£93,000</b>	

*Source: Turley Planning, The Applicant*

<sup>28</sup> MCHLG (October 2019) The Future Homes Standard 2019 Consultation on charges to Part L (conservation of fuel and power) and Part F (ventilation) of the Building Regulations for new dwellings.

### Other Development Costs

4.35 Other development costs are summarised in Table 4.13.

**Table 4.13: Other Development Costs Summary**

Item	Rate	Commentary
CIL	Nil	See 2.32 – 2.37 of the report.
Town Planning Fee	£17,094	Informed by Turley Planning. Amount paid by applicant to submit planning application.
Professional Fees	10%	Of total development costs. Conservative sum, reflecting a reasonable allowance in the current market. This aligns with the rate adopted in BNP's Local Plan and Viability Assessment <sup>29</sup> .
Residential Sales Agent & Marketing Fee	3%	Of Private GDV. Adopted in BNP's Local Plan and Viability Assessment.
Residential Sales Legal Fee	£1,000	Per unit. Advised by Applicant.
Land Acquisition Costs	-	Standard fees relating to SDLT (as per HMRC), agent's fees (1%) and legal fee (0.8%).
Finance (Debit)	7%	Total blended cost of capital for financing the development via the market, which takes into account arrangement, monitoring and related fees/credits. Aligns with the rate adopted in BNP's CIL Viability Study.
Developer's Return	20%	Profit on GDV for the open market dwellings.
	6%	Profit on GDV for the affordable units.
		Rates are consistent with assumptions adopted in BNP's Local Plan and Affordable Housing Viability Assessment.

*Source: Turley Analysis*

4.36 Turley note the Applicant also needs to secure Suitable Alternative Natural Greenspace ('SANG') from either East Hampshire District Council, or a third party land owner. As yet, a contribution for SANG has not been identified by SDNPA. Turley therefore reserves the right to revisit the appraisal at a later stage, if required.

<sup>29</sup> BNP (2017) Local Plan and Affordable Housing Viability Assessment



## Development, Marketing & Sales Programme

4.37 The development programme is summarised as follows:

- Month 1: **Purchase** Assumes grant of planning permission.
- Months 2 -6: **Pre-Construction** Procurement, planning and site set-up.
- Months 7 – 21: **Construction** Strategic infrastructure, plot abnormal works and residential construction period.
- Months 22 – 27: **Residential Sales** 30% off plan residential sales with a sales velocity of circa 3 per month for the open market units.

## 5. Site Value (or ‘Benchmark Land Value’)

- 5.1 Establishing the minimum level of financial return at which a reasonable landowner would be willing to release their land for development represents a critical component of a viability assessment. It must represent a premium over the existing use value (EUV) and a reasonable incentive, in comparison with other options available, for the landowner to sell land for development, whilst allowing a sufficient contribution to comply with policy requirements.
- 5.2 When not directly featuring as a cost in an appraisal conducted on a residual basis, this ‘minimum return’ forms the benchmark land value (BLV) against which the RLV derived from the appraisal is tested in order to determine the viability of the proposed development and scope for planning obligations (including affordable housing).
- 5.3 The RICS Guidance recommends consideration of both transactional and comparable evidence in reaching an appropriate BLV – which it defines as ‘Site Value’. Specifically, it recommends that checks should include comparison with the sale price of land for similar development, where such evidence exists, based on land value per hectare (or acre) and per unit of development.
- 5.4 The Government’s PPG requires that the BLV should:

*‘...be informed by market evidence including current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value... This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.’<sup>30</sup>*

- 5.5 Paragraph 016 of PPGV provides further elaboration. It states:

*‘Market evidence can include benchmark land values from other viability assessments. Land transactions can be used but only as a cross check to the other evidence. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners.’<sup>31</sup>*

- 5.6 The approach adopted for arriving at an appropriate BLV for the Site follows that set out within Chapter 3 of this document and accords with the relevant RICS Guidance, PPGV and the NPPF (2019). It considers:
- the existing use value (EUV) of the subject site;

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<sup>30</sup> MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 014

<sup>31</sup> MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 016

- the alternative use value (AUV) of the subject site; and
- available comparable evidence of land transactions.

#### **Existing Use Value (EUV)**

- 5.7 The Site comprises 2.40 hectares (5.93 acres) of land to the south-east of Petersfield Road in Greatham within the South Downs National Park. It Site is located to the north of Greatham Primary School and to the south of the residential cul-de-sac of Baker's Field.
- 5.8 The site is currently operating as a horticultural nursery and includes a small office and bungalow to the south-west with a Gross Internal Area (GIA) of 133.5m<sup>2</sup>, as well as a number of greenhouses and other buildings (7,967m<sup>2</sup> GIA) and polytunnels (937m<sup>2</sup> GIA) extending across most of the site. The total GIA of buildings on the site extends to approximately therefore 9,037.5m<sup>2</sup>.
- 5.9 The applicant instructed BCM LLP to undertake a Red Book Valuation of the site. BCM arrived at a Market Value of £865,000 for the subject site (it's EUV), inclusive of all buildings on-site and associated land. This equates to £145,868 per acre. The Valuation is contained within **Appendix 6** of this report.

#### **Determining 'Benchmark Land Value'**

- 5.10 The EUV of the subject site is determined to be £865,000, as per BCM's Valuation.
- 5.11 There are no known alternative uses that conform to adopted planning policy upon which an AUV could be calculated.
- 5.12 Turley consider that a suitable premium to be applied to the EUV figure, consistent with PPG guidance is 20%.
- 5.13 In summary, the EUV plus premium ('EUV+') assessment therefore generates a BLV of **£1,038,000** for the subject site, which has been adopted. Turley consider the premium to release the site could be higher than 20% given it is fully operational, and reserve the right to reconsider this value at negotiation stage, if required.

## 6. Appraisal Results

- 6.1 This chapter presents the results of the assessment of financial viability arising from the proposed development of the site.

### **Viability Appraisal**

- 6.2 A viability appraisal has been undertaken for the Proposed Development of 37 residential housing units, of which 48.6% are provided as affordable housing.
- 6.3 By way of analysis set out in chapter 5 of this document, it is considered that, if acting reasonably and when fully accounting for adopted planning policy, guidance and all other relevant factors, including a minimum 'premium' at which the vendor would be incentivised to dispose of the site, this results in a BLV of £1,038,000.
- 6.4 The viability appraisal demonstrates that, for the proposed development to generate the minimum risk-adjusted developer's return, the residual output (RLV) generated equates to -£190,720.
- 6.5 This falls below the BLV. The commercial decision whether to proceed with the Proposed Development on this basis will therefore be at the discretion of the Applicant.
- 6.6 This viability appraisal for the Proposed Development is provided within **Appendix 7**.

### **Sensitivity Testing**

- 6.7 To inform the Applicant of prospective options for enhancing the financial viability of the Proposed Development, Turley has conducted a range of sensitivity tests that alter the tenure and proportion of affordable housing, in line with SDNPA policy.
- 6.8 The results of the sensitivity testing are summarised in Table 6.1.



**Table 6.1      Sensitivity Testing Results**

Affordable Contribution (%)	Tenure Split	Residual Land Value	Benchmark Land Value	Surplus / Deficit	Viable/Unviable
Appraisal 1: 48.6%	Policy Compliant (14 AR + 4 SO units)	-£190,720	£1,038,000	-£1,228,720	Unviable
Appraisal 2: 48.6%	100% Shared Ownership (18 SO units)	£401,550	£1,038,000	-£636,450	Unviable
Appraisal 3: 21.6%	Policy Compliant (6 AR + 2 SO units)	£612,630	£1,038,000	-£425,370	Unviable
Appraisal 4: 21.6%	100% Shared Ownership	£850,665	£1,038,000	-£187,335	Unviable

*Source: Turley*

6.9      Appraisals 2, 3 and 4 are provided at **Appendix 8**, **Appendix 9** and **Appendix 10** respectively.

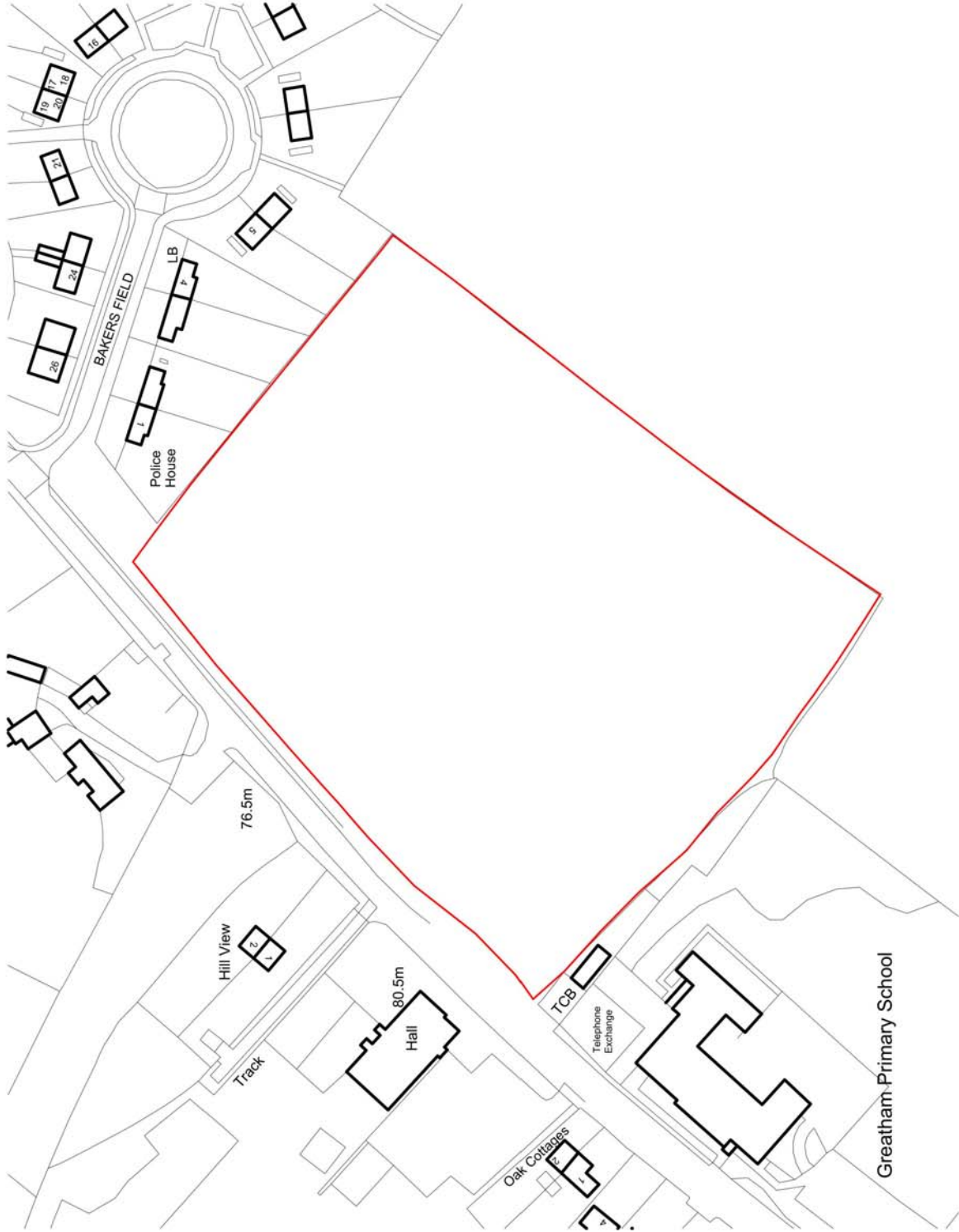
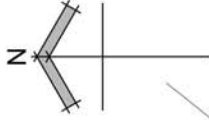
## 7. Conclusion

- 7.1 Turley has been appointed by Cove Construction Ltd ('the Applicant') to objectively assess, and report upon, the financial viability of a proposed residential development at Land at Liss Forest Nursery, Petersfield Road, Greatham, Hampshire ('the Site'), for the following ('the Proposed Development'):

*"Development of 37 dwellings (including affordable homes), alterations to existing access onto Petersfield Road, hard and soft landscaping, drainage and all other associated development works."*

- 7.2 The purpose of the viability assessment ('VA') is to test the financial viability of the proposed development of the site, taking into account the policy requirements set by South Downs National Park Authority ('SDNPA') as well as national planning policy and guidance.
- 7.3 By way of analysis set out in chapter 5 of this document, it is considered that the benchmark land value ('BLV') for the site is £1,038,000.
- 7.4 In comparison, the proposed development viability appraisal ('Appraisal 1') generates a residual land value ('RLV') of -£190,720 at the minimum reasonable developer's profit of 16.98% of Gross Development Value ('GDV').
- 7.5 On the basis that the RLV falls below the BLV, it is therefore deemed appropriate that SDNPA applies the flexibility provided within Local Plan policy, as referenced within this VA report, in order to support the delivery of the Proposed Development of the Site, which will be undertaken at the developer's risk.
- 7.6 Turley has prepared several sensitivity test appraisals (Appraisals 2, 3 and 4) that alter the tenure and reduce the provision of affordable housing in order to seek to enhance the financial viability of the Proposed Development.
- 7.7 The Applicant has confirmed, despite the scheme being marginally unviable, to propose an offer of 21.6% Affordable Housing for the Proposed Development, delivering 8 Intermediate/Shared Ownership units. The relevant appraisal (Appraisal 4) informing this offer is contained within **Appendix 10**. A proposed scheme layout and accommodation schedule highlighting the proposed affordable units are contained within **Appendix 11 & Appendix 12** respectively.

## **Appendix 1: Site Location Plan**



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X:\CURRENT PROJECTS\COVE\PETERSFIELD ROAD GREATHAM\SITE LAYOUT\LOCATION PLAN

Drawn by : LAD      Checked by :

Date:      NOV 18

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Revisions

Rev	Date	Drawn	Checked
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Project:  
LISS FOREST NURSERY  
PETERSFIELD ROAD  
GREATHAM

Drawing Title:  
LOCATION PLAN



**carlton**  
design partnership  
Selwyn House, 32a Castle Way, Southampton, SO14 2AW  
023 8011 8866 www.carltondesignpartnership.com

Scale: 1:1250      @ A3

Dwg No: 150715/40/LP      Rev: -



## **Appendix 2: SDNPA CIL Email**

## Tom Upton

---

**From:** Nikki Allen <Nikki.Allen@southdowns.gov.uk>  
**Sent:** 16 April 2021 16:34  
**To:** Tom Upton  
**Cc:** Richard Ferguson  
**Subject:** RE: Site Visit - Liss - CIL

Hi Tom,

We have been through the photos and information relating the buildings on site and we are happy to offset the Greenhouses against the proposed GIA. Please note Polytunnels are not buildings so cannot be used for offset for CIL purposes. This is confirmed by CIL Appeals determined by the VOA.

Therefore the buildings that are to be offset are:

1	Bungalow	Two reception rooms, kitchen, 3 bedrooms and double garage	126.46
2	Office	Office with adjacent toilet and staff area	83.35
3	Top Shed	Portal Framed industrial unit	154.96
4	Dispatch Shed	Portal Framed Industrial Unit	112.62
5	Glasshouse	Metal structure with wooden frame glazed units, capillary water bed system. Two separate combined into one measurement.	1,663.03
10	Glasshouse	Wooden framed glasshouse. Capillary bed watering system, heating. Southern edge of building adjacent to office block.	130.16
11	Propagation Unit	Metal framed glasshouse with automatic ventilation, heating system, capillary bed watering system, blinds. Southern edge of building adjacent to toilet/staff area.	315.75
13	Glasshouse	Metal framed glasshouse on south-east corner of site with sprinkler system and automatic ventilation, warm air heating and underfloor heating, shading blinds.	459.54

Lower Glasshouse	Metal structure with wooden framed glasshouse. Heating, capillary bed watering system, manual ventilation	762.26	This gives a total GIA of existing buildings to be offset as 3803.13sqm, according to the figures given above.
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Regarding the proposed GIA, we will need to see a precise breakdown of the GIA for each unit proposed. Please be advised that this must be in accordance with the RICS 6<sup>th</sup> Edition Code of Measuring Practice Core Definition and excludes any specialist definitions. Please also note that as per a CIL Appeal determined by the VOA, party walls in terraced and semi-detached dwellings are included in the GIA.

CIL Appeal Decisions can be found at the following link:

<https://www.gov.uk/government/collections/community-infrastructure-levy-appeal-decisions>

When you are in a position to confirm the precise Proposed and Existing GIA we can assess the CIL liability and potentially issue a Draft Liability Notice.

Kind regards,

Nikki Allen  
CIL Planning Officer  
South Downs National Park Authority  
Tel: 01730 819213  
Mobile: 07384 255195

South Downs Centre, North Street, Midhurst, West Sussex, GU29 9DH

[www.southdowns.gov.uk](http://www.southdowns.gov.uk) | [facebook](#) | [SDNPA twitter](#) | [Ranger twitter](#) | [youtube](#)



From: Tom Upton <tom.upton@turley.co.uk>  
Sent: 14 April 2021 09:51

## **Appendix 3: Scheme Layout (Policy Compliant)**

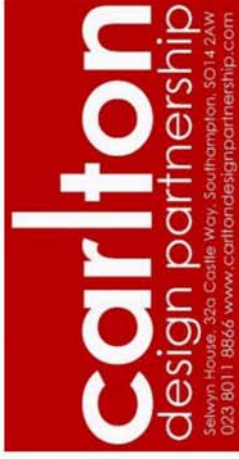




## **Appendix 4: Accommodation Schedule (Policy Compliant)**

## Schedule Of Accommodation 2

Client: Cove  
 Site Name: Liss Forest Nursery  
 Project Ref: 150715  
 Revision: A  
 Date: 27/08/2021



AFFORDABLE						
House Type	Reference	Storeys	Description	Total No	GIA ft²	Total GIA ft²
ROMSEY (GF)	ROM	1	1 Bedroom House	1	547	547
ROMSEY (FF)	ROM	1	1 Bedroom House	1	635	635
VYNE A	VYN	2	2 Bedroom House	4	865	3460
VYNE B	VYN	2	2 Bedroom House	4	865	3460
VYNE C	VYN	2	2 Bedroom House	2	865	1730
LONGSTOCK	LON	2	3 Bedroom House	6	1006	6036
Total				18	15868	14742

PRIVATE						
PEMBERLEY	PEM	2	2 Bedroom House	3	875	2625
HOUGHTON	HOU	2	3 Bedroom House	1	1082	1082
DEAN	DEA	2	3 Bedroom House	4	1193	4772
HYDE	HYD	2	3 Bedroom House	1	1220	1220
OAKLEIGH	OAK	2	4 Bedroom House	1	1585	1585
ALVERSTOKE	ALV	2	4 Bedroom House	2	1766	3532
AVINGTON	AVI	2	4 Bedroom House	2	1772	3544
HILLIER	HIL	2	4 Bedroom House	2	1784	3568
OMERLEY	ORM	2	5 Bedroom House	2	2086	4172
OMERLEY - DG	ORM (DG)	2	5 Bedroom House	1	2209	2209
Total				19	28309	26300

Total Proposed Development (Houses & Garages)			
Total House GIA	37	44177	41042
Total House GIA		45661	4242

Site Area (ha)	2.35		
Site Area (A)	5.81		
Nett Site Area (ha)	1.32	Overall 1 Bed %	5%
Nett Site Area (A)	3.26	Overall 2 Bed %	35%
Density 1 (Sq.Ft/A)	13544	Overall 3 Bed %	32%
Density 2 (Units/ha)	15.74	Overall 4+ Bed %	27%

Garages No	GIA ft²	Total GIA ft²	Total GIA m²
1	212	212	19.7
2	212	424	39.4
1	212	212	19.7
2	212	424	39.4
1	212	212	19.7
7		1484	137.9
Total			

## **Appendix 5:    RLB Cost Estimate**



# COST REPORT NUMBER ONE

## LISS FOREST NURSERY



### COST SUMMARY

Gross Internal Area: 4,104 m<sup>2</sup>

Ref	Description	%	GIA £/m <sup>2</sup>	Total Cost £
<b>A</b>	<b>SECTION 106 OBLIGATIONS</b>			
A.1	SECTION 106 PAYMENTS			Excluded
	<b>SECTION 106 OBLIGATIONS</b>			<b>Excluded</b>
<b>B</b>	<b>STRATEGIC OFF-SITE WORKS</b>			
B.1	ACCESS ROADS			Excluded
B.2	OFF-SITE JUNCTIONS	0.6%	14.25	58,500
	<b>STRATEGIC OFF-SITE WORKS</b>	<b>0.6%</b>	<b>14.25</b>	<b>58,500</b>
<b>C</b>	<b>STRATEGIC ON SITE WORKS</b>			
C.1	PRIMARY & SECONDARY DISTRIBUTION ROADS	9.4%	228.77	938,867
C.2	STRATEGIC LANDSCAPING	2.8%	69.29	284,361
C.3	SERVICES	14.0%	341.78	1,402,654
C.4	ENVIRONMENTAL WORKS	5.7%	138.46	568,260
C.5	TEMPORARY WORKS	0.3%	7.04	28,875
	<b>STRATEGIC ON SITE WORKS</b>	<b>32.2%</b>	<b>785.34</b>	<b>3,223,017</b>
<b>D</b>	<b>ON PLOT WORKS</b>			
D.1	RESIDENTIAL	62.3%	1,519.30	6,235,198
D.2	RESIDENTIAL ABNORMALS	4.9%	119.50	490,413
	<b>ON PLOT WORKS</b>	<b>67.2%</b>	<b>1,638.79</b>	<b>6,725,611</b>
	<b>ESTIMATED TOTAL COST</b>		<b>2,438.38</b>	<b>10,007,128</b>

# COST REPORT NUMBER ONE

## LISS FOREST NURSERY

### ESTIMATE DETAIL

Gross Internal Area: 4,104 m<sup>2</sup>

Ref	Description	Qty	Unit	Rate £	Total Cost £
<b>A</b>	<b>SECTION 106 OBLIGATIONS</b>				
<b>A.1</b>	<b>SECTION 106 PAYMENTS</b>				
1	Planning contributions, commuted sums etc.		Note		Excluded
	<b>SECTION 106 PAYMENTS</b>				<b>Excluded</b>
	<b>SECTION 106 OBLIGATIONS</b>				<b>Excluded</b>
<b>B</b>	<b>STRATEGIC OFF-SITE WORKS</b>				
<b>B.1</b>	<b>ACCESS ROADS</b>				
B.1.01	Access Roads				
1	Off-site access road improvements		Note		Excluded
	Access Roads				Excluded
B.1.02	Preliminaries				
1	Site establishment, supervision and management		Item		Excluded
	Preliminaries				Excluded
B.1.03	Contingency and Risk				
1	Construction contingency		Item		Excluded
2	Specific provisions: adoption remedial work		Item		Excluded
	Contingency and Risk				Excluded
B.1.04	Fees and Charges				
1	Professional fees on delivery		Item		Excluded
2	Local Authority fees and consents		Note		Excluded
	Fees and Charges				Excluded
	<b>ACCESS ROADS</b>				<b>Excluded</b>
<b>B.2</b>	<b>OFF-SITE JUNCTIONS</b>				
B.2.01	Highway Access				
1	Petersfield Road connection; alterations and adaptations to suit development		Item		35,000
2	Connection to Public Right of Way (PROW) Route 10		Item		5,000
	Highway Access			9.75/m <sup>2</sup>	40,000
B.2.02	Preliminaries				
1	Site establishment, supervision and management at 15%		Item		6,000
2	Traffic management at 10%		Item		4,000
	Preliminaries			2.44/m <sup>2</sup>	10,000
B.2.03	Contingency and Risk				
1	Construction contingency at 5%		Item		2,500
2	Specific provisions: adoption remedial work at 4%		Item		2,000
	Contingency and Risk			1.10/m <sup>2</sup>	4,500
B.2.04	Fees and Charges				
1	Professional fees on delivery		Note		Excluded

# COST REPORT NUMBER ONE

## LISS FOREST NURSERY

### ESTIMATE DETAIL

Gross Internal Area: 4,104 m<sup>2</sup>

Ref	Description	Qty	Unit	Rate £	Total Cost £
2	Local Authority fees and consents at 8%		Item		4,000
	Fees and Charges			0.97/m <sup>2</sup>	4,000
	<b>OFF-SITE JUNCTIONS</b>			<b>14.25/m<sup>2</sup></b>	<b>58,500</b>
	<b>STRATEGIC OFF-SITE WORKS</b>			<b>14.25/m<sup>2</sup></b>	<b>58,500</b>
<b>C</b>	<b>STRATEGIC ON SITE WORKS</b>				
<b>C.1</b>	<b>PRIMARY &amp; SECONDARY DISTRIBUTION ROADS</b>				
C.1.01	Roads and Footpaths				
1	Primary distribution road; 6m wide carriageway; 450mm capping and 350mm sub-base as required	500	m	925.00	462,500
2	Extra over for pedestrian route; 2m wide; one side of road only	430	m	200.00	86,000
3	Extra over for pedestrian route; 2m wide; both sides of road	70	m	400.00	28,000
4	Extra over for junctions; splayed corners, dropped kerbs etc.	3	No	2,500.00	7,500
5	Extra over for localised levels differences		Item		10,000
6	Extra over for culvert to drainage	1	No	5,000.00	5,000
7	Extra over for traffic calming measures	300	m <sup>2</sup>	50.00	15,000
	Roads and Footpaths			149.61/m <sup>2</sup>	614,000
C.1.02	Drainage				
1	Highway drainage; gully pots plus connections to sewers	500	m	50.00	25,000
	Drainage			6.09/m <sup>2</sup>	25,000
C.1.03	Landscaping				
1	Allowance for highway landscaping; verges	500	m	20.00	10,000
	Landscaping			2.44/m <sup>2</sup>	10,000
C.1.04	Services				
1	Streetlighting; allowance for 1nr per 20m of primary road	25	No	2,200.00	55,000
2	Illuminated bollards; allowance for 1nr per 30m of primary road	17	No	500.00	8,500
	Services			15.47/m <sup>2</sup>	63,500
C.1.05	Sundries				
1	Signage; allowance for 1nr per 30m of primary road	17	No	1,000.00	17,000
	Sundries			4.14/m <sup>2</sup>	17,000
C.1.06	Preliminaries				
1	Site establishment, supervision and management at 10%		Item		72,950
	Preliminaries			17.78/m <sup>2</sup>	72,950
C.1.07	Contingency and Risk				
1	Construction contingency at 5%		Item		40,123
2	Specific provisions: adoption remedial work at 4%		Item		32,098
	Contingency and Risk			17.60/m <sup>2</sup>	72,221



# COST REPORT NUMBER ONE

## LISS FOREST NURSERY

### ESTIMATE DETAIL

Gross Internal Area: 4,104 m<sup>2</sup>

Ref	Description	Qty	Unit	Rate £	Total Cost £
C.1.08	Fees and Charges				
1	Professional fees on delivery		Note		Excluded
2	Local Authority fees and consents at 8%		Item		64,196
	Fees and Charges			15.64/m <sup>2</sup>	64,196
	<b>PRIMARY &amp; SECONDARY DISTRIBUTION ROADS</b>			<b>228.77/m<sup>2</sup></b>	<b>938,867</b>
<b>C.2</b>	<b>STRATEGIC LANDSCAPING</b>				
C.2.01	Strategic Open Space				
1	Marginal planting to SuDs attenuation features	1,200	m <sup>2</sup>	20.00	24,000
2	Semi-improved neutral grassland	7,140	m <sup>2</sup>	5.00	35,700
3	Semi-mature trees	100	No	500.00	50,000
4	Hedgerow planting; refer to boundary treatment allowances		Note		Elsewhere
5	Ongoing maintenance post-construction		Note		Excluded
6	Street furniture to informal open space		Item		5,000
	Strategic Open Space			27.95/m <sup>2</sup>	114,700
C.2.02	Recreational Routes				
1	Combined pedestrian/cycle route; 3m wide	340	m	300.00	102,000
	Recreational Routes			24.85/m <sup>2</sup>	102,000
C.2.03	Sundries				
1	Boundary treatment adjacent Bakers Field Estate	110	m	50.00	5,500
2	Boundary treatment adjacent agricultural land	170	m	50.00	8,500
3	Boundary treatment adjacent primary school	150	m	50.00	7,500
4	Boundary treatment adjacent Petersfield Road	160	m	50.00	8,000
5	Boundary treatment; acoustic measures		Note		Excluded
6	Play areas (LAP, LEAP, NEAP)		Note		Excluded
	Sundries			7.19/m <sup>2</sup>	29,500
C.2.04	Preliminaries				
1	Site establishment, supervision and management at 10%		Item		24,620
	Preliminaries			6.00/m <sup>2</sup>	24,620
C.2.05	Contingency and Risk				
1	Construction contingency at 5%		Item		13,541
	Contingency and Risk			3.30/m <sup>2</sup>	13,541
C.2.06	Fees and Charges				
1	Professional fees on delivery		Note		Excluded
	Fees and Charges				Excluded
	<b>STRATEGIC LANDSCAPING</b>			<b>69.29/m<sup>2</sup></b>	<b>284,361</b>
<b>C.3</b>	<b>SERVICES</b>				
C.3.01	Gas				
1	Diversions		Note		Excluded
2	Disconnections		Note		Excluded



# COST REPORT NUMBER ONE

## LISS FOREST NURSERY

### ESTIMATE DETAIL

Gross Internal Area: 4,104 m<sup>2</sup>

Ref	Description	Qty	Unit	Rate £	Total Cost £
3	On-site mains infrastructure		Item		23,000
4	Extra over for excavation and reinstatement works	500	m	50.00	25,000
5	Off-site reinforcement		Note		Excluded
6	On-plot connections and metering		Note		Included
	Gas			11.70/m <sup>2</sup>	48,000
C.3.02	Electricity				
1	Diversions		Note		Excluded
2	Disconnections		Note		Excluded
3	On-site mains infrastructure		Item		279,000
4	Extra over for excavation and reinstatement works	500	m	50.00	25,000
5	Off-site reinforcement		Note		Not Required
6	Off-site mains infrastructure; works over existing railway line		Item		50,000
7	On-plot connections and metering		Note		Included
8	On-site substation; builder's work		Item		20,000
	Electricity			91.13/m <sup>2</sup>	374,000
C.3.03	Water				
1	Diversions		Note		Excluded
2	Disconnections		Note		Excluded
3	On-site mains infrastructure	500	m	125.00	62,500
4	Extra over for excavation and reinstatement works	500	m	50.00	25,000
5	Off-site reinforcement; infrastructure charge rate	37	No	530.00	19,610
6	On-plot connections and metering	37	No	340.00	12,580
	Water			29.16/m <sup>2</sup>	119,690
C.3.04	Telecommunications				
1	Diversions		Item		5,000
2	Disconnections		Note		Excluded
3	On-site mains infrastructure		Note		Excluded
4	Extra over for excavation and reinstatement works	500	m	50.00	25,000
5	Off-site reinforcement		Note		Excluded
6	On-plot connections and metering		Note		Excluded
	Telecommunications			7.31/m <sup>2</sup>	30,000
C.3.06	Surface Water Drainage				
1	Storm drain runs; average 300 diameter, depth to invert not exceeding 2.50m; primary road only	500	m	200.00	100,000
2	Storm manholes; depth to invert not exceeding 2.50m	23	No	3,000.00	69,000
3	Forming swales; as indicated on drainage plan only	160	m	100.00	16,000
4	Forming retention ponds	320	m <sup>3</sup>	50.00	16,000
5	Headwalls to retention ponds	2	No	10,000.00	20,000
6	Extra over headwalls for flow control chambers	1	No	15,000.00	15,000

# COST REPORT NUMBER ONE

## LISS FOREST NURSERY

### ESTIMATE DETAIL

Gross Internal Area: 4,104 m<sup>2</sup>

Ref	Description	Qty	Unit	Rate £	Total Cost £
7	Connections to discharge points		Item		15,000
8	Geocellular storage tank		Note		Excluded
9	Permeable paving to foul pumping access	90	m <sup>2</sup>	130.00	11,700
10	Permeable paving to car parking spaces		Note		Elsewhere
11	Rain water harvesting		Note		Excluded
	Surface Water Drainage			64.01/m <sup>2</sup>	262,700
C.3.07	Foul Water Drainage				
1	Foul drain runs; assume 150 diameter, depth to invert not exceeding 2.50m	500	m	175.00	87,500
2	Foul manholes; depth to invert not exceeding 2.50m	20	No	3,000.00	60,000
3	Connections to existing public sewers		Item		15,000
4	Foul pumping station; including associated builder's work		Item		70,000
5	Foul rising main	240	m	250.00	60,000
	Foul Water Drainage			71.27/m <sup>2</sup>	292,500
C.3.08	Drainage: Diversions and Disconnections				
1	Works to existing drainage; allowance for protective measures to existing surface water drain crossing to adjacent agricultural land	283	m	70.00	19,810
	Drainage: Diversions and Disconnections			4.83/m <sup>2</sup>	19,810
C.3.10	Preliminaries				
1	Site establishment, supervision and management at 10%		Item		114,670
	Preliminaries			27.94/m <sup>2</sup>	114,670
C.3.11	Contingency and Risk				
1	Construction contingency at 5%		Item		63,069
2	Specific provisions: adoption remedial work at 4%		Item		50,455
	Contingency and Risk			27.66/m <sup>2</sup>	113,524
C.3.12	Fees and Charges				
1	Professional fees on delivery		Note		Excluded
2	Section 104 costs (inspection fees) at 5%; foul and surface water drainage only		Item		27,760
	Fees and Charges			6.76/m <sup>2</sup>	27,760
	<b>SERVICES</b>			<b>341.78/m<sup>2</sup></b>	<b>1,402,654</b>
C.4	<b>ENVIRONMENTAL WORKS</b>				
C.4.01	Ecological Works				
1	Dealing with Great Crested Newts		Note		Not Required
2	Dealing with Hazel Dormice		Note		Not Required
3	Dealing with badgers; permanent works (temporary setts measured elsewhere)		Note		Excluded
4	Dealing with bats and breeding birds; boxes and lofts		Item		10,000

# COST REPORT NUMBER ONE

## LISS FOREST NURSERY

### ESTIMATE DETAIL

Gross Internal Area: 4,104 m<sup>2</sup>

Ref	Description	Qty	Unit	Rate £	Total Cost £
5	Post-development monitoring		Note		Excluded
	Ecological Works			2.44/m <sup>2</sup>	10,000
C.4.02	Enabling Works				
1	Toxic/hazardous material removal; asbestos		Note		Excluded
2	Contaminated ground removal/treatment		Note		Excluded
3	Eradication of plant growth; invasive species		Note		Excluded
4	Demolition of entire buildings; all existing buildings on-site; not exceeding 3 storeys	9,000	m <sup>2</sup>	25.00	225,000
5	Site dewatering and pumping; localised works during construction		Item		5,000
6	Soil stabilisation measures		Note		Excluded
7	Ground gas venting measures		Note		Excluded
8	Temporary diversion works		Note		Excluded
9	Archaeological investigation		Note		Excluded
10	Clearing vegetation	10,800	m <sup>2</sup>	2.00	21,600
11	Taking down trees; removing tree stumps and roots	25	No	800.00	20,000
12	Minor demolition works; breaking out existing substructures; oil storage tanks	5	No	3,000.00	15,000
13	Breaking out existing hardstanding; other than buildings; disposal off-site	3,700	m <sup>2</sup>	25.00	92,500
14	Topsoil removal; 300mm assumed depth; disposal on-site	10,800	m <sup>2</sup>	3.00	32,400
15	Forming new site contours and adjusting existing site levels; 500mm assumed depth	23,500	m <sup>2</sup>	3.00	70,500
16	Ground water remediation		Note		Excluded
17	Surface water remediation		Note		Excluded
18	Dealing with localised soft spots		Note		Excluded
	Enabling Works			117.45/m <sup>2</sup>	482,000
C.4.03	Preliminaries				
1	Site establishment, supervision and management at 10%		Item		49,200
	Preliminaries			11.99/m <sup>2</sup>	49,200
C.4.04	Contingency and Risk				
1	Construction contingency at 5%		Item		27,060
	Contingency and Risk			6.59/m <sup>2</sup>	27,060
C.4.05	Fees and Charges				
1	Professional fees on delivery		Note		Excluded
	Fees and Charges				Excluded
	<b>ENVIRONMENTAL WORKS</b>			<b>138.46/m<sup>2</sup></b>	<b>568,260</b>



# COST REPORT NUMBER ONE

## LISS FOREST NURSERY

### ESTIMATE DETAIL

Gross Internal Area: 4,104 m<sup>2</sup>

Ref	Description	Qty	Unit	Rate £	Total Cost £
<b>C.5</b>	<b>TEMPORARY WORKS</b>				
C.5.01	Ecological Works				
1	Dealing with badgers; temporary setts and the like during construction (risk item)		Item		Excluded
2	Light, noise and vibration mitigation measures to existing otter habitats		Item		5,000
3	Noise/vibration mitigation measures for existing ecology		Note		Excluded
4	Tree protection during construction		Item		15,000
5	Slow worm trapping and translocation		Item		5,000
	Ecological Works			6.09/m <sup>2</sup>	25,000
C.5.02	Preliminaries				
1	Site establishment, supervision and management at 10%		Item		2,500
	Preliminaries			0.61/m <sup>2</sup>	2,500
C.5.03	Contingency and Risk				
1	Construction contingency at 5%		Item		1,375
	Contingency and Risk			0.34/m <sup>2</sup>	1,375
C.5.04	Fees and Charges				
1	Professional fees on delivery		Note		Excluded
	Fees and Charges				Excluded
	<b>TEMPORARY WORKS</b>			<b>7.04/m<sup>2</sup></b>	<b>28,875</b>
	<b>STRATEGIC ON SITE WORKS</b>			<b>785.34/m<sup>2</sup></b>	<b>3,223,017</b>
<b>D</b>	<b>ON PLOT WORKS</b>				
<b>D.1</b>	<b>RESIDENTIAL</b>				
D.1.01	Building Works				
1	Building works	4,104	m <sup>2</sup>	1,336.00	5,482,944
2	Extra over building works for ironstone facing brickwork walls; PC Sum of £900 per 1,000 bricks (build cost rate assumed PC Sum of £500)	4,104	m <sup>2</sup>	10.00	41,040
	Building Works			1,346.00/m <sup>2</sup>	5,523,984
D.1.02	External Works				
1	Plot external works; 7.5% of building works cost		Item		414,299
	External Works			100.95/m <sup>2</sup>	414,299
D.1.03	Preliminaries				
1	Site establishment, supervision and management		Note		Included
	Preliminaries				Included
D.1.04	Contingency and Risk				
1	Construction contingency at 5%		Item		296,915
	Contingency and Risk			72.35/m <sup>2</sup>	296,915
D.1.05	Fees and Charges				
1	Professional fees on delivery		Note		Excluded



# COST REPORT NUMBER ONE

## LISS FOREST NURSERY

### ESTIMATE DETAIL

Gross Internal Area: 4,104 m<sup>2</sup>

Ref	Description	Qty	Unit	Rate £	Total Cost £
2	Local Authority fees and consents		Note		Excluded
	Fees and Charges				Excluded
	<b>RESIDENTIAL</b>			<b>1,519.30/m<sup>2</sup></b>	<b>6,235,198</b>
<b>D.2</b>	<b>RESIDENTIAL ABNORMALS</b>				
D.2.01	Abnormals				
1	Deep trench foundations		Note		Excluded
2	Piled foundations; 8.00m approximate length; deemed included within building works rate	37	No		Elsewhere
3	Gas protection works		Note		Excluded
4	Retaining structures (extent TBC)	37	No	500.00	18,500
5	Capping to gardens where made ground present; 150mm clean topsoil	3,700	m <sup>2</sup>	10.00	37,000
6	Uplift to plot externals allowance for permeable paving to external parking spaces	80	No	375.00	30,000
7	Photovoltaic (PV) panel installation to roofs	37	No	3,000.00	111,000
8	Cycle storage enclosure included associated builder's work	37	No	300.00	11,100
9	Electric vehicle (EV) charging points	37	No	1,000.00	37,000
10	Single-door garage	7	No	15,000.00	105,000
11	Two-door garage (shared)		Note		Excluded
12	Car port; single	6	No	5,000.00	30,000
13	Car port; double	1	No	7,500.00	7,500
14	Car port; double (shared)	5	No	7,500.00	37,500
	Abnormals			103.46/m <sup>2</sup>	424,600
D.2.02	Preliminaries				
1	Site establishment, supervision and management at 10%		Item		42,460
	Preliminaries			10.35/m <sup>2</sup>	42,460
D.2.03	Contingency and Risk				
1	Construction contingency at 5%		Item		23,353
	Contingency and Risk			5.69/m <sup>2</sup>	23,353
D.2.04	Fees and Charges				
1	Professional fees on delivery		Note		Excluded
2	Local Authority fees and consents		Note		Excluded
	Fees and Charges				Excluded
	<b>RESIDENTIAL ABNORMALS</b>			<b>119.50/m<sup>2</sup></b>	<b>490,413</b>
	<b>ON PLOT WORKS</b>			<b>1,638.79/m<sup>2</sup></b>	<b>6,725,611</b>
	<b>ESTIMATED NET COST</b>			<b>2,438.38/m<sup>2</sup></b>	<b>10,007,128</b>

## **Appendix 6: Red Book Valuation Report**

Valuation Report  
for  
Cove Construction Ltd

Liss Forest Nursery  
Petersfield Road, Greatham GU33 6HA

February 2021

BCM Ref. 1946-8966

Private and Confidential



**Report on and Valuation of the Property Known as:**

Liss Forest Nursery, Petersfield Road, Greatham GU33 6HA

**For the Purpose of Internal Planning Purposes for:**

Cove Construction Ltd c/o Mr F Fogarty

<b>1 Preamble to the report</b>		
1.1	Addressee	Cove Construction Ltd c/o Mr F Fogarty, 1 Alpha Centre, North Lane, Aldershot GU12 4RG.
1.2	Instructions & Terms of Engagement	This valuation has been prepared in accordance with your instructions dated 16 November 2020 and attached at Appendix 1.
1.3	Owner/s	We are advised Liss Forest Nursery is owned jointly by Mr Peter Catt, the current occupier and his two sons Vincent Catt and Neill Catt.
1.4	Occupier/s	We are advised the residential Property is occupied by Mr Peter Catt with the nursery occupied by the business Liss Forest Nursery. Further details are included below in section 3.2.
1.5	Purpose of valuation	Internal purposes.
1.6	Property type and use	Liss Forest Nursery comprises a residential dwelling, agricultural buildings, a variety of glasshouses and ancillary buildings all operated as a wholesale plant nursery.
1.7	Basis of valuation	<b>Market Value</b> 'the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and willing seller in an arm's length transaction, after proper marketing and where the parties have acted knowledgeably, prudently and without compulsion.'
1.8	Valuation date	11 October 2020.
1.9	The valuer/s	This report has been prepared by Thomas Bishop BSc (Hons) MRICS FAAV RICS Registered Valuer acting as external valuer and checked by Alastair MSc Wilson MRICS FAAV RICS Registered Valuer.  We confirm the valuers meet the requirements of RICS Valuation – Global Standards having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.
1.10	Conflicts of interest	We are not aware of a conflict of interest which would prevent us from preparing this valuation and the completed form is attached in Appendix 2.



1.11	Professional indemnity insurance	The Firm carries Professional Indemnity Insurance of £10,000,000.
1.12	Sources of information	This report has relied upon information supplied by the Owners and our own resources.
1.13	Inspection	The Property was inspected on 11 October 2020.
1.14	Measurements	<p>Where quoted, measurements are given to the nearest tenth of an acre, one tenth of a hectare or 1ft in respect of dwellings and buildings where appropriate.</p> <p>Unless otherwise stated, residential dwellings and office buildings are measured using the International Property Measurement Standards Coalition 1-3. All other measurements are in accordance with the RICS Code of Measuring Practice, 6<sup>th</sup> Edition.</p> <p>Where measurements and plans have been provided with the use of geo-technical mapping software, the Ordnance Survey data is assumed to be accurate at the point of issuing the valuation report.</p>
1.15	Assumptions and caveats	<p>In the preparation of this report, the following assumptions have been made in addition to those detailed elsewhere in this report:-</p> <ul style="list-style-type: none"> <li>a) Freehold</li> <li>b) Vacant Possession unless otherwise stated</li> <li>c) The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuation is therefore reported on the basis of ‘material valuation uncertainty’ as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.</li> <li>d) As stated within our terms of engagement we have made the special assumption that the site is not allocated in the South Downs Local Plan 2014-2033. Therefore, the values provided are for the site in its existing use and a second value to include hope value for alternatives uses, subject to planning. No value has been attributed due to the sites allocation with the Local Plan.</li> </ul>
1.16	RICS Valuation – Professional Standards	This report has been prepared in accordance with the current edition of the RICS Valuation – Global Standards.

2 Property description		
2.1	Situation	<p>Liss Forest Nursery is located within the village of Greatham with access from Petersfield Road. Greatham is situated approximately 3.5 miles south of Bordon and 6 miles north of the market town of Petersfield.</p> <p>The A3 is accessible at the Ham Barn roundabout approximately 1 mile to the south of the Property and provides access to the M25 and wider national highway network.</p> <p>Petersfield provides a mainline railway station with services to London Waterloo taking approximately 1h15. Southampton Airport is located approximately 35 miles south west of the Property and offers a number of domestic and international flights daily.</p>
2.2	General description	<p>The Property comprises a three-bedroom bungalow together with a range of buildings operated as a wholesale plant nursery.</p> <p>The site extends to approximately 2.39 ha (5.90 acres) in total of which the residential element is approximately 0.27 ha (0.66 acres) with the remainder occupied by the commercial land and buildings.</p> <p>A schedule of photographs is attached at Appendix 3.</p>
2.3	Grid reference	SU776307
2.4	Plans	The land is located and outlined on the attached plans in Appendix 4 and 5 respectively.
2.5	Land classification	Not applicable.
2.6	Dwellings	<p>The Property includes a bungalow occupied by Mr Peter Catt. It comprises:</p> <ul style="list-style-type: none"> <li>- Kitchen</li> <li>- Reception room</li> <li>- Bathroom</li> <li>- 3 bedrooms</li> <li>- Conservatory</li> </ul> <p>The bungalow was built in 1977 and is of brick construction under a tile roof with a UPVC conservatory and windows throughout. The interior is in a fair, liveable condition, however, would benefit from modernisation throughout. There is a garden to the rear which is laid to lawn. In total the dwelling extends to approximately 105 m<sup>2</sup> (1,132 ft<sup>2</sup>).</p> <p>Council Tax Band: E EPC: None</p>

		<p><b>Energy Performance Certificate (EPC)</b> Under the Minimum Energy Efficiency Standards properties require an EPC rating of E or above to be re-let. From 1 April 2020 this rating will be required to continue letting any property on a statutory periodic tenancy.</p> <p>However, the Energy Efficiency (Private Rented Property) (England and Wales) (Amendment) Regulations 2019, which came into force on 1 April 2019 introduced a cap of £3,500 for the landlord's contributions to the cost of installing energy efficiency measures where a let residential property has an EPC in band F or G.</p> <p>Liss Forest Nursery Bungalow does not require an EPC currently as it is owner-occupied.</p> <p><b>Tenancy Deposit Scheme (TDS)</b> We have assumed that, where appropriate, all residential tenancy deposits have been registered in accordance with the TDS.</p> <p><b>Electrical Installations</b> We have not had sight of any electrical periodic inspections in respect of any of the properties. Unless otherwise stated, we have assumed all properties have an electrical system in good order and compliant with appropriate regulations.</p>
2.7	Buildings and fixed equipment	<p>The site comprises a range of buildings including poly tunnels, glass houses, two agricultural style barns and two brick-built buildings used as offices and staff rooms.</p> <p>All buildings are used in association with the plant nursery business. A full schedule of buildings, including areas and descriptions, can be found at Appendix 6.</p>
2.8	Plant and machinery & fixtures and fittings	Not applicable.
2.9	Buildings – commercial property / non-agricultural use	Not applicable.
2.10	The land	Not applicable.
2.11	Timber and woodland	Not applicable.
2.12	Drainage	A variety of water butts were observed on site for the harvest of rainwater and subsequent use on site.
2.13	Irrigation	Some of the glass houses and polytunnels were irrigated via trickle irrigation systems fed from the rainwater harvested onsite. Details on which buildings are irrigated can be found in Appendix 6

2.14	Services	The Property benefits from mains drainage, electricity, water and with heating via oil-fired boilers across the site.
2.15	UK and EU support payments	We understand the land is not registered for Basic Payment Scheme entitlements.
2.16	Environmental factors and Land Contamination	<p>Our enquiries have not revealed any made up ground on the Property which would affect the valuation given.</p> <p>The gov.uk website reveals no historic or authorised landfill sites or recorded pollution incidents as shown in Appendix 7.</p> <p>We are not aware of the content of any environmental audit or other environmental investigation or survey which may have been carried out in respect of the Property, which could draw attention to any contamination or the possibility of such contamination. In undertaking our valuation, we have assumed no contaminative or potentially contaminative uses have ever been carried out on the Property.</p> <p>We have not carried out any detailed investigations into the past or present uses, either of the Property or any neighbouring land to establish whether there is any contamination or the potential for contamination to the subject Property from uses off-site and have therefore assumed none exist.</p> <p>Should it be established contamination, seepage or pollution exist at the Property or any neighbouring land or the premises have been, or are being put to, a contaminative use, this might affect the valuation provided.</p>
2.17	Flood risk	<p>The gov.uk website shows the Property is not subject to flooding.</p> <p>The gov.uk flood map is shown in Appendix 7.</p>
2.18	Invasive Species	We have been informed that Japanese Knotweed and other invasive species are not present on the Property.
2.19	Radon Gas Search	A Radon risk map is attached at Appendix 8 and confirms the Property is outside of a Radon Risk area.
<b>3 Legal</b>		
3.1	Report on title	<p>We have not been provided with a report on title but assume there are no onerous conditions or restrictions.</p> <p>The Property is registered under Title No. SH13694 in Appendix 9.</p>



3.2	Tenure and possession	<p>We are advised that Liss Forest Nursery is owned by Mr Peter Catt and his sons Vincent Catt and Neill Catt as part of the family partnership that currently operates the nursery business.</p> <p>The dwelling on site is occupied by Mr Peter Catt whilst Vincent Catt and Neill Catt reside elsewhere. The remaining buildings are occupied by the partnership who own the site and operate the wholesale plant nursery. We are informed one third of the partnership is owned by each individual listed above.</p>
3.3	Tenancies, leases and licences	The site is owner occupied and we are informed there is no tenancy, lease or licence in place over any part.
3.4	Access to the property	Access to the Property is direct from the public highway, Petersfield Road. The single access hatched brown on the plan included at Appendix 5 provides access to the residential and commercial buildings.
3.5	Easements, way-leaves & rights of way	<p>We are advised there are no public rights of way crossing the Property. A public footpath does, however, run along the south-eastern boundary of the site as detailed in the Definitive Map at Appendix 10</p> <p>We are not aware of any other significant wayleaves or easements affecting the land.</p>
3.6	Restrictive agreements	<p>We have not been informed by the Owners that there are any restrictive covenants relating to the Property.</p> <p>There is an option to purchase the site in favour of Cove Construction Ltd listed on the registered title as included at Appendix 9.</p>
3.7	Mines and minerals	We have not been informed of whether rights of mines and minerals are reserved and in hand but have valued it on the basis they are.
3.8	VAT	We have not been advised they have waived their exemption to VAT and thus have taken no account of the implications of VAT in undertaking our valuation.
3.9	Sporting rights	Not applicable.
3.10	Contracts and quotas	We are not advised of any contracts or quotas attached to the Property which would have an effect on value.
3.11	Outgoings	None that would affect the valuation given.
3.12	Town and country planning	Liss Forest Nursery is located within the South Downs National Park (SDNP) and therefore the planning policy governing any development is managed by the South Downs National Park

		<p>Authority. The South Downs Local Plan (2014-33) was adopted on 2 July 2019 and acts as the statutory development plan for the whole National Park.</p> <p>A summary of the planning history of Liss Forest Nursery as detailed on the SDNP planning page is included below:</p> <p><b>Ref. SDNP/17/05087/PRE</b>  Summary: Redevelopment of the site to residential with three options currently under consideration: Option A - 39 unit scheme (houses) and care home, Option B - 65 unit scheme including flats, Option C - 59 unit scheme (all houses). The existing access would be retained and open space provided on-site for residents.</p> <p>Status: Pre-application advice given</p> <p><b>Ref. SDNP/18/01316/SCREEN</b>  Summary: Screening Opinion pursuant to Regulation 5 of the Town and Country Planning (Environmental Impact Assessment) Regulations 2017, in relation to the proposed residential development at Liss Forest Nursery, Petersfield Road, Greatham, Hampshire GU33 6HA.</p> <p>Status: EIA not required</p> <p><b>Ref: SDNP/18/06111/FUL</b>  Summary: Development of 37 dwellings (including affordable homes), alterations to existing access onto Petersfield Road, hard and soft landscaping, drainage and all other associated development works.</p> <p>Status: Pending consideration</p> <p>The planning history above all related to the allocation of the site within the South Downs Local Plan and the residential development potential of the Property. As previously mentioned, this allocation and planning history has been disregarded for the purpose of this valuation.</p> <p>We are informed by the owner that the bungalow is subject to an agricultural occupancy condition requiring the occupant to be operating the businesses on the site.</p> <p>There is no other planning history listed for the site, however, we understand from the Owners that all buildings and infrastructure have the benefit of planning permission either by formal permission or by long standing existing use.</p>
3.13	Special designations of land and the Property	The Property is within the South Downs National Park.

3.14	Fire Regulations	We have not been provided with any Fire Risk Assessment report in relation to the Property.
3.15	Control of Asbestos at Work Act	We have not had sight of any written record or management plans in relation to asbestos on the Property.
3.16	The Equality Act 2010	The Property appears to comply with the appropriate legislation but we have not undertaken a full assessment.
<b>4 Evaluation</b>		
4.1	Overall condition of the Property (land buildings & dwellings)	<p>Liss Forest Nursery Bungalow is in fair condition, however, would benefit from modernisation throughout.</p> <p>We understand that the infrastructure for the nursery would require some modernisation to allow it to continue to operate efficiently going forward, however, it is currently fit for purpose.</p> <p>We have not undertaken a structural survey, nor have we inspected the roof or other void spaces. This report does not constitute a structural or condition survey and should not be relied upon as such.</p>
4.2	Development potential	<p>As discussed in section 3.12 the recent planning history for the site and allocation for residential development has been disregarded for the purpose of this valuation. Despite this, given the village location and designation as a brownfield site there would likely be some medium to long term development potential on the Property.</p> <p>The situation of the site within the South Downs National Park would, however, have a significant impact on the development potential with all permitted development rights removed and a heightened level of scrutiny placed upon any planning applications.</p> <p>Should the property be bought to the market, disregarding the allocation, we would still expect it to attract interest from parties looking for a longer-term development opportunity and who would place an element of hope value upon it. We believe this to be in the region of 20% of the existing use value as shown within the two market values provided in section 5 of this report.</p> <p>It should also be noted that there could be the opportunity to use the site for other commercial uses, subject to planning.</p>
4.3	Marketability	The site provides the opportunity to purchase a property suitable to run a sizable, operational plant nursery business. It would also be adapted to another horticultural use such as flower growing or as a 'pick-your-own' fruit farm.

		<p>The presence of the dwelling on site improves the site security and means a potential purchaser could buy a business opportunity and home in one location. Furthermore, the fact that a purchaser would be able to immediately satisfy the occupancy condition, given they would purchase the nursery site and bungalow together, would mean a wider range of purchasers may be interested in the site.</p> <p>In our experience it is not uncommon for dwellings such as these to have such an occupancy condition. In arriving at our valuation of the bungalow we have discounted the open market value by 15%, a percentage which reflects the disadvantage of the occupancy condition but is reduced from the industry general standard of 30% due to the likelihood that a purchaser would be able to immediately satisfy the condition upon purchase of the whole Property.</p> <p>As discussed above in section 4.2 there would also likely be some interest from purchasers looking for a site with long-term development potential.</p>
4.4	Methodology	<p>Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.</p> <p>In undertaking our valuation of the Property, we have made our assessment on the basis of a collation and analysis of appropriate comparable transactions, together with evidence of demand within the vicinity of the subject Property. With the benefit of such transactions we have then applied these to the Property taking into account size, location, aspect and other material factors.</p>
4.5	Comparable Evidence & Valuation Commentary	<p>The following comparable evidence has been used in our valuation:</p> <p><b><u>POTASH NURSERY, DRAYTON PARSLow, BUCKINGHAMSHIRE</u></b>  Large house subject to an agricultural occupancy condition, garden shop, commercial greenhouse, three polytunnels and a storage barn. Total area of approximately 6.50 acres (2.63 hectares). Sold for £950,000 in July 2020.</p> <p><b><u>FORMER NURSERY AT ASTON WOOD HILL, LIPHOOK, HAMPSHIRE</u></b>  Former herb nursery comprising 4,000 ft<sup>2</sup> (371 m<sup>2</sup>) of buildings but no dwelling. Total area of approximately 6.50 acres (2.63 hectares). Advertised for £850,000 in 2020 but unsold, conversations with the selling agent indicated the guide price was perhaps too expensive and set by the client rather than the agent.</p> <p><b><u>THE CHALET, FERRING, WORTHING, WEST SUSSEX</u></b>  Four-bedroom bungalow with no occupancy condition, packing shed, garage, three glasshouse and a concrete yard. Total area of approximately 1.28 acres (0.52 hectares). Sold for £695,000 in August 2020.</p>

	<p><b><u>BUNGALOW ON LONGMOORE ROAD, GREATHAM, HAMPSHIRE</u></b></p> <p>Well presented, two-bedroom bungalow in a large plot with no occupancy condition. Total floor area approximately 1,001 ft<sup>2</sup> (92.99 m<sup>2</sup>). Sold for £375,000 in 2020.</p> <p>Potash Nursery is of a similar total size to Liss Forest Nursery extending to approximately 6.50 acres (2.63 hectares) compared to 5.91 acres (2.38 hectares). The house at Potash Nursery was however, significantly larger at 2,246 ft<sup>2</sup> (208.6 m<sup>2</sup>) compared to 1,132 ft<sup>2</sup> (1.5.16 m<sup>2</sup>) at Liss Forest Nursery Bungalow. The significant difference between the two sites is the amount of commercial/horticultural building where Potash Nursery had 1,330 ft<sup>2</sup> (123.56 m<sup>2</sup>) compared to 162,729 ft<sup>2</sup> (15,118.01 m<sup>2</sup>).</p> <p>Despite the two sites being different in terms of ratios of residential, commercial and total areas, they would appeal to similar markets. Possible buyers for both could include expanding horticultural businesses, purchasers looking to start a new horticultural enterprise or purchasers looking at the site potential for alternative uses or development. Given this we believe the value of the two sites to be similar.</p> <p>The former herb nursery at Aston Wood Hill is the same sized site as Potash Nursery at 6.50 acres (2.63 hectares) however has a larger area of buildings extending to 4,000 ft<sup>2</sup> (371.61 m<sup>2</sup>). It does not however, have any dwelling and therefore we would expect it to be less valuable than the subject Property.</p> <p>The Chalet at Ferring is similar to the subject Property in that it has a four-bedroom bungalow however, with no agricultural occupancy condition. It also comprises a packing shed and three glasshouses similar to Liss Forest Nursery. The total area is less however extending to 1.28 acres (0.52 hectares) meaning we would expect the site to be less valuable than the subject Property.</p> <p>The bungalow in Greatham is a useful comparable as it is a similar size bungalow as the one at Liss Forest Nursery. It is in better condition than the subject bungalow however, slightly smaller and we would therefore expect it to have a similar value- excluding the occupancy condition - than the subject dwelling.</p> <p>Considering the comparable evidence above, we have applied a value of £3,500/m<sup>2</sup> for the bungalow together with £2,000/m<sup>2</sup> for the ancillary brick-built buildings and offices. As previously mentioned, a 15% discount has been applied to the bungalow to reflect the occupancy condition. In relation to the agricultural buildings we have applied a rate of £450/m<sup>2</sup> with the glass houses and polytunnels ranging between £12-£15/m<sup>2</sup>. This therefore equates to approximately £175,000/acre for the yard. These figures are similar to the comparable evidence within this report and others on file.</p>
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		<p>These figures have been used to establish the current, existing use value of the site with the second value provided including perceived 'hope value' for the site. For the avoidance of doubt does not include the allocation of the site within the South Downs National Park Local Plan, as per the special assumption described in section 1.15 above.</p>
4.6	General Market Commentary	<p>General commentary from RICS Market Surveys is as follows:</p> <p><i>The November 2020 RICS UK Residential Survey results remain consistent with a solid trend in sales activity across the market, even if the sharp growth in buyer demand reported over recent months appears to losing a bit of steam. For the time being, prices continue to be driven sharply higher in most parts of the UK, although near-term expectations for both prices and transactions point to a more moderate picture emerging over the coming months.</i></p> <p><i>At the national level, a net balance of +27% of respondents cited an increase in new buyer enquiries during November. While still comfortably positive, this latest return is down from a figure +42% in October and has now eased in four consecutive months following the recent high of +75% posted in July.</i></p> <p><i>Alongside this, fresh listings coming onto the sales market continued to rise, evidenced by a net balance of +16% of contributors noting an increase in November. As such, this marks the sixth month in succession in which new instructions have picked up at the headline level, albeit the latest monthly rise reported was the smallest throughout this stretch (in net balance terms).</i></p> <p><i>Meanwhile, a headline net balance of +25% of survey participants saw an increase in agreed sales over the month (compared to a reading of +41% in October). When disaggregated, sales continue to rise across most parts of the UK according to survey feedback, with Wales and Northern Ireland still seeing particularly strong growth. That said, some areas such as the West Midlands, East Midlands and Scotland have begun to see a flatter trend emerge, as the latest readings fell out of positive territory.</i></p> <p><i>Looking ahead, near term sales expectations have now turned broadly neutral at the national level. The headline net balance slipped from +15% in October to -4% in the latest returns, pointing to a levelling out in sales over the coming three months.</i></p> <p><i>Further ahead, at the twelve month horizon, sales expectations remain negative, with a net balance of -21% of respondents foreseeing weaker sales volumes next year. Comments left by contributors suggest this downbeat assessment is attributable to the negative employment outlook as well as the withdrawal of the Stamp Duty holiday after March 2021.</i></p>

		<p><i>Turning to house prices, respondents continue to report a significant degree of upward pressure currently, with the latest net balance coming in at +66% at the national level (broadly unchanged from +67% in October). Strong momentum behind house price inflation is being cited across virtually all parts of the UK, led by especially strong feedback in Wales and the South West of England. Interestingly although prices are reported to be rising marginally in London, the capital does stand out as having the softest net balance by some margin. Indeed, the latest figure across the capital stands at +9% compared to a national net balance of +76% when London is excluded.</i></p> <p><i>Back at the UK-wide level, near term price expectations continue to signal a more moderate pace of price growth coming through over the next three months, with the latest net balance standing at +13%. That said, expectations strengthened slightly regarding the outlook for the year ahead, as a net balance of +20% of respondents now envisage prices rising over the next twelve months (up from +8% in previously).</i></p>
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<b>5 Market Valuation</b>		
5.1	Market Value (excluding hope value)	£865,000 (eight hundred and sixty-five thousand pounds).
5.2	Market Value (including hope value)	£1,040,000 (one million and forty thousand pounds).
<b>6 Disclaimer</b>		
6.1	This report is confidential to the addressee. The report or any part of it should not be disclosed to any third party other than the addressee and legal representatives acting for the addressee without the express consent of the valuer.	

Signed:



Thomas Bishop BSc (hons) MRICS FAAV  
RICS Registered Valuer

Signed:



Alastair Wilson MSc MRICS FAAV  
RICS Registered Valuer

BCM  
The Old Dairy  
Winchester Hill  
Sutton Scotney  
Winchester  
Hampshire  
SO21 3NZ

February 2021

**Appendix 1**  
**Copy of Instructions**



16 November 2020



Our ref: 201116-1946-8966-l ffogarty  
Your ref:

Frank Fogarty Esq  
Cove Construction Ltd  
1 Alpha Centre  
North Lane  
Aldershot  
G12 4RG

Dear Mr Fogarty

**TERMS OF ENGAGEMENT FOR A VALUATION OF**  
**LISS FOREST NURSERY, PETERSFIELD ROAD, GREATHAM GU33 6HA**

Thank you for requesting a valuation of the above property. We are writing to set out our Terms of Engagement for carrying out a valuation of the above property.

Our Terms of Engagement for this instruction comprise our 'General Terms of Business for Valuations' which are attached to this letter, together with the specific terms contained within this letter. This letter shall take precedence, to the extent that there is any inconsistency with the General Terms of Business for Valuations. A copy of this letter and our General Terms of Business for Valuations are attached for you to sign and return to us, signifying your acceptance of the terms contained therein.

In addition to our General Terms of Business for Valuations, our Terms of Engagement for carrying out this instruction include the following:

1. **Our Client is:** Cove Construction Ltd.
2. **Purpose of valuation:** The valuation is required for the purpose of ascertaining the Market Value.
3. **Property to be valued:** Liss Forest Nursery, Petersfield Road, Greatham GU33 6AH.
4. **Interest to be valued:** The Freehold Interest with Vacant Possession.
5. **Property type and use:** Residential, Agriculture & Horticulture.
6. **Basis of valuation:** Market Value in accordance with the RICS Valuation – Global Standards. See below regarding any Key Assumptions and Special Assumptions.

The Old Dairy | Sutton Scotney | Winchester | Hampshire | SO21 3NZ  
t 01962 763900 | f 01962 763901  
www.bcm.co.uk

BCM is a trading name of BCM Bays Curry McCowen LLP a Limited Liability Partnership registered in England no: OC318704  
Our registered office is The Old Dairy, Winchester Hill, Sutton Scotney, Winchester SO21 3NZ where you may look at a list of partners



	<p><b>Market Value:</b></p> <p>'The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'.</p> <p>We will also provide an indicative building reinstatement cost as requested.</p>
<b>7. Key Assumptions and Special Assumptions:</b>	None at this stage.
<b>8. Valuation date:</b>	To be agreed.
<b>9. Conflicts of Interest:</b>	We confirm that we have no current or recent fee earning involvement with the property or any party connected with this transaction.
<b>10. Status of valuer:</b>	External valuer.
<b>11. Valuer Competence Disclosure:</b>	The valuer, on behalf of BCM LLP, with responsibility for this report will be Thomas Bishop MRICS FAAV, RICS Registered Valuer. We confirm that the valuer meets the requirements of RICS Valuation – Global Standards having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.
<b>12. Currency to be adopted:</b>	Pounds Sterling.
<b>13. Extent of inspection and Investigations:</b>	<p>Our General Terms of Business set out the scope of our on-site inspection and investigations.</p> <p>Unless prevented from doing so, we will inspect the property internally by going onto the site, as well as externally.</p>
<b>14. Application in accordance with RICS Valuation – Global Standards</b>	We confirm that the valuation will be undertaken in accordance with the RICS Valuation- Global Standards.
<b>15. Departures from the RICS Valuation – Global Standards:</b>	None applicable.
<b>16. Information to be relied upon:</b>	We will rely on information provided to us by you (or a third party) and will assume it to be correct. We will rely on information provided by the owner on matters of title which will not be independently verified.
<b>17. Fees:</b>	Our fee for undertaking this instruction will be £1,250-£1,750 plus disbursements plus VAT. We reserve the right to charge interest on fees unpaid 30 days after the date of the invoice.



If you end this instruction at any stage, we will charge abortive fees on the basis of reasonable time and expenses incurred, (with a minimum charge of 50% following inspection of the property).

Should our fees remain unpaid for more than 30 days after the date of the invoice, we reserve the right to recover payment from yourselves.

- |  |   |
|--|---|
| <b>18. Limitation of liability</b>                     | Clause 3 of our General Terms of Business Valuations limits our liability under the instruction.  |
| <b>19. Liability to parties other than the Client:</b> | <p>The valuation report is confidential to the Client and no responsibility is accepted to any third party for the whole or any part of its contents.</p> <p>If the property in question is to be used for security on behalf of a syndicate, please notify us now, so that we can agree the fee and the extent of our responsibility to further third party lenders.</p>   |
| <b>20. Complaints Handling Procedure</b>               | If you have any concerns about our service, please raise them in the first instance with the valuer concerned. If this does not result in the satisfactory resolution, please contact the relevant Partner. As required by RICS, we will send you a copy of our Complaints Handling Procedure on request.   |
| <b>21. Data Protection</b>                             | We will process your personal data for our business and marketing activities fairly and lawfully in accordance with professional standards and the Regulation (EU) 2016/679 (General Data Protection Regulation). Full details are available in our Privacy Policy ( <a href="https://www.bcm.co.uk/privacy-policy.html">https://www.bcm.co.uk/privacy-policy.html</a> ). If you do not wish to receive marketing communications from us, please let us know. |
| <b>22. Compliance Statement</b>                        | Our compliance with the RICS Valuation – Global Standards is subject to the monitoring procedures of the RICS and the valuation may be investigated for compliance with these standards.  |

If any of the details set out above are incorrect please let us know – we will assume they are correct unless you tell us otherwise.

Please will you sign and return the duplicate copy of the Terms of Engagement, signifying your agreement to the terms contained therein together with Money Laundering Identification. We should point out that the report will not be discussed or disclosed before the Terms have been returned.

16 November 2020



Thank you for instructing BCM LLP.

Yours sincerely



**Tom Bishop MRICS FAAV RICS REGISTERED VALUER**  
dl 01962 763900  
m 07876 356408  
tbishop@bcm.co.uk

Encl: General Terms of Business for Valuations

Signed 

In acceptance of the above Terms of Engagement and the  
attached BCM General Terms of Business for Valuations

23-11-20

Date

Two forms of Identification enclosed:-

- ☐ Passport
- ☐ UK Driving Licence Photo Card
- ☐ Firearms Certificate or Shotgun Certificate
- ☐ Utility Bill
- ☐ Council Tax Statement
- ☐ Bank/Mortgage Statement
- ☐ Inland Revenue/HMRC Tax Notification

These General Terms of Business comprise a part of our Terms of Engagement. The following General Terms of Business apply to all valuations and appraisals undertaken by BCM LLP unless specifically agreed otherwise in confirming instructions and so stated within the main body of the valuations report.

## 1. BCM

BCM LLP is a Limited Liability Partnership with registered number OC318704. This is a corporate body which has "members" and not "Partners".

Any representative of BCM LLP described as "Partner" is a Member. The term "Partner" has been retained because it is an accepted way of referring to senior professionals.

Our VAT registration number is 760 5675 16. The details of our professional indemnity insurance specified in the Provision of Services Regulations 2009 will be provided to you on request by Ros Foreman, Partner.

## 2. Jurisdiction

English law shall apply in every respect in relation to the valuation and the agreement with the client which shall be deemed to have been made in England. In the event of a dispute arising in connection with a valuation, unless expressly agreed otherwise in writing by BCM LLP, the client, and any third party using the valuation, will submit to the jurisdiction of the English Courts only. This will apply wherever the property or the client is located or the advice is provided.

## 3. Limitations on Liability

**3.1** Our valuation is confidential to the party to whom it is addressed for the stated purpose and no liability is accepted to any third party for the whole or any part of its contents. Liability will not subsequently be extended to any other party save on the basis of written and agreed instructions; this will incur an additional fee. Except as set out in 3.2 below the terms of the agreement between BCM LLP and the client are not enforceable by any third party under the Contracts (Rights of Third Parties) Act 1999.

**3.2** No claim arising out of or in connection with this agreement may be brought against any member, employee, partner or consultant of BCM LLP (each called a 'BCM Person'). Those individuals will not have a personal duty of care to the client or any other party and any such claim for losses must be brought against BCM LLP. Any BCM Person may enforce this clause under the Contract (Rights of Third Parties) Act 1999 but the terms of our agreement may be varied by agreement between the client and BCM LLP at any time without the need for any BCM Person to consent.

**3.3** We do not accept liability for any indirect or consequential loss (such as loss of profits). Nothing in these Terms of Business (or in our letter of engagement) shall exclude or limit our liability in respect of fraud or for death or personal injury caused by our negligence or for any other liability to the extent that such liability may not be excluded or limited as a matter of law.

## 4. Disclosure and Publication

If our opinion of the value is disclosed to persons other than the addressees of our report, the basis of valuation should be stated. Neither the whole or any part of the valuation report nor any reference thereto may be included in any published document, circular or statement not published in any way whatsoever in hard copy or electronically (including on any web-site) without our prior written approval of the form and context in which it may appear.

## 5. Complaints Procedure

If you have any concerns about our service, please raise them in the first instance with the valuer concerned. If this does not result in the satisfactory resolution, please contact the relevant Partner. As required by RICS, we will send you a copy of our Complaints Handling Procedure on request.

## 6. Data Protection

We will process your personal data for our business and marketing activities fairly and lawfully in accordance with professional standards and the Regulation (EU) 2016/679 (General Data Protection Regulation). Full details are available in our Privacy Policy (<https://www.bcm.co.uk/privacy-policy.html>). If you do not wish to receive marketing communications from us, please let us know.

## 7. Our Fees

**7.1** If any invoice remains unpaid after the date on which it is due to be paid, we reserve the right to charge interest, calculated daily, from the date when payment was due until payment is made at 4% above the then prevailing bank base rate of Barclays Bank PLC or (if higher) at the rate provided for under the Late Payment of Commercial Debts (Interest) Act 1998 and its regulations (if applicable); If we should find it necessary to use legal representatives or collection agents to recover monies due, you will be required to pay all costs and disbursements so incurred.

**7.2** If before the valuation is concluded:-

- a) You end this instruction, we will charge abortive fees; or
- b) You delay the instruction by more than 1 month or materially alter the instruction so that additional work is required at any stage we will charge additional fees;

And in each case such fees will be calculated on the basis of reasonable time and expenses incurred.

**7.3** Where the valuation is for loan security purposes, and we agree to accept payment of our fee from the borrower, the fee remains due from yourselves until payment is received by us. Additionally, payment of our fee is not conditional upon the loan being drawn down or any conditions or the loan being met.



**8. Disclosable Interest**

We may offer the following services to prospective purchasers and similarly the services may be offered to them by another organisation in circumstances where we may benefit financially: financial services, property letting and management services, building construction, refurbishment and maintenance services and the sale of the prospective purchaser's property.

**9. RICS Valuation – Global Standards – “The Red Book”**

Valuations and appraisals will be carried out in accordance with the relevant edition of the RICS Valuation – Global Standards by valuers who conform to its requirements and with regard to relevant statutes or regulations. Compliance with The Red Book is mandatory for Chartered Surveyors in the interest of maintaining high standards of service and for the protection of clients.

**10. Regulation and Monitoring**

BCM LLP is registered for regulation in the UK by RICS. The valuation may be subject to monitoring under the RICS conduct and disciplinary regulations.

**11. Valuation Basis**

Valuations and appraisals are carried out on the basis appropriate to the purpose for which they are intended and in accordance with the relevant definitions, commentary and assumptions contained in The Red Book. The basis of valuation will be agreed with you in the letter covering the specific term for the instruction.

**12. Portfolios**

Where required to value a portfolio, unless specifically agreed with you otherwise, we will value the individual properties separately, upon the assumption that the properties have been marketed in an orderly manner.

**13. Land Register Inspection and Searches**

We do not undertake searches or inspections of any kind (including web-based searches) for title or price paid information in any publicly available land registers, including the Land Registry for England and Wales, Registers of Scotland and Land & Property Services in Northern Ireland.

**14. Title and Burdens**

We do not read documents of title although, where provided, we consider and take account of matters referred to in solicitor's reports or certificates of title. We would normally assume, unless specifically informed and stated otherwise, that each property has good and marketable title and that all documentation is satisfactorily drawn and that there are no unusual outgoing, planning proposals, onerous restrictions or local authority intentions which affect the property, nor any material litigation pending.

**15. Disposal Costs and Liabilities**

No allowance is made in our valuation for expenses of realisation or for taxation which may arise in the event of a disposal and our valuation is expressed as exclusive of any VAT that may become chargeable. Properties are valued disregarding any mortgages or other charges.

**16. Sources of Information**

We rely upon information provided to us, by the sources listed, as to details of tenure and tenancies (subject to 'Leases' below), planning consents and other relevant matters, as summarised in our report. We assume that this information is complete and correct.

**17. Identity of Property to be Valued**

We will exercise reasonable care and skill (but will not have an absolute obligation to you) to ensure that the property, identified by the property address in your instructions, is the property inspected by us and contained within our valuation report. If there is ambiguity as to the property address, or the extent of the property to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

**18. Boundaries**

Plans accompanying reports are for identification purposes only and should not be relied upon to define boundaries, title or easements. The extent of the site is outlined in accordance with information given to us and/or our understanding of the boundaries.

**19. Planning, Highway and Other Statutory Regulations**

Enquiries of the relevant Planning and Highways Authorities in respect of matters affecting the property, where considered appropriate, are normally only obtained verbally or from a Local Authority web site and this information is given to us and accepted by us, on the basis that it should not be relied upon. Written enquiries can take several weeks for response and incur charges. Where reassurance is required on planning matters, we recommend that formal written enquiries should be undertaken by the client's solicitors who should also confirm the position with regard to any legal matters referred to in our report. We assume that properties have been constructed or are being constructed and occupied or used in accordance with the appropriate consents and that there are no outstanding statutory notices.

We assume that the premises comply with all relevant statutory requirements including fire and building regulations.

**20. Property Insurance**

Our valuation assumes that the property would, in all respects, be insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.

**21. Building Areas and Age**

Where so instructed, areas provided from a quoted source will be relied upon. Otherwise dimensions and areas measured on location or from plan are calculated in accordance with the current RICS Code of Measuring Practice and are quoted to a reasonable approximation, with reference to their source. Where the age of the building is estimated, this is for guidance only.

**22. Structural Condition**

Building, structural and ground condition surveys are detailed investigations of the building, the structure, technical services and ground and soil conditions undertaken by specialist building surveyors or engineers

and fall outside the normal remit of a valuation. Since we will not have carried out any of these investigations, except where separately instructed to do so, we are unable to report that the property is free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials. We do reflect the contents of any building survey report referred to us or any defects or items of disrepair of which we are advised or which we note during the course of our valuation inspections but otherwise assume properties to be free from defect.

**23. Ground Conditions**

We assume there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the sites of each property are sufficient to support the building constructed or to be constructed thereon.

**24. Environmental Issues**

Investigations into environmental matters would usually be commissioned of suitably qualified environmental specialists by most responsible purchasers or higher value properties or where there was any reason to suspect contamination or a potential future liability. Furthermore, such investigation would be pursued to the point at which an inherent risk was identified and quantified before a purchase proceeded. Anyone averse to risk is strongly recommended to have a proper environmental investigation undertaken and besides, a favourable report may be of assistance to any future sale of the property. Where we are provided with the conclusive results of such investigations, on which we are instructed to rely, these will be reflected in our valuations with reference to the source and nature of the enquiries. We would endeavour to point out any obvious indications or occurrences known to us of harmful contamination encountered during the course of our valuation enquiries.

We are not, however, environmental specialist and therefore we do not carry out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation will be on the assumption that the property is unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified by reference to appropriate sections of The Red Book.

**25. Minerals, Timber, Airspace etc.**

Unless specifically agreed otherwise in confirming instructions and so stated within the main body of the valuation report, we do not value or attempt to value or take into account any potential income stream or other beneficial or detrimental effect or other factor relating to undiscovered or unquantified mineral deposits, timber, airspace, sub-ground space or any other matter which would not be openly known in the market and considered to have value.

**26. Leases**

The client should confirm to us in writing if they require us to read leases. Where we do read leases reliance must not be placed on our interpretation of these documents without reference to solicitors, particularly where purchase or lending against the security of a property is involved.

**27. Covenant**

We reflect our general appreciation of potential purchasers' likely perceptions of the financial status of tenants. We do not, however, carry out detailed investigations as to the financial standing of the tenants, except where specifically instructed, and assume, unless informed otherwise, that in all cases there are no significant arrears of payment and that they are capable of meeting their obligations under the terms of leases and agreements.

**28. Loan Security**

Where instructed to comment on the suitability of property as a loan security we are only able to comment on any inherent property risk. Determination of the degree and adequacy of capital and income cover for loans is the responsibility of the lender having regard to the terms of the loan.

**29. Building Cost Information**

Where our instruction requires us to have regard to build cost information, for example in the valuation of properties with development potential, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We do not hold ourselves out to have expertise in assessing build costs and any property valuation advice provided by us will be stated to have been arrived at in reliance upon the build cost information supplied to us by you. In the absence of any build cost information supplied to us, we may have regard to published build cost information. There are severe limitations on the accuracy of build costs applied by this approach and professional advice on the build costs should be sought by you. The reliance which can be placed upon our advice in these circumstances is severely restricted. If you subsequently obtain specialist build cost advice, we recommend that we are instructed to review our advice.

**30. Reinstatement Assessments**

A reinstatement assessment for insurance purposes is a specialist service and we recommend that separate instructions are issued for this specific purpose. If advice is required as a check against the adequacy of existing cover this should be specified as part of the initial instruction. Any indication given is provided only for guidance and must not be relied upon as the basis for insurance cover. Our reinstatement assessment should be compared with the owner's and if there is a material difference, then a full reinstatement valuation should be considered.

**31. Comparable Evidence**

Where comparable evidence information is included in our report, this information is often based upon our oral enquiries and its accuracy cannot always be assured or may be subject to undertakings as to confidentiality.

However, such information would only be referred to where we had reason to believe its general accuracy or where it was in accordance with expectation. In addition, we have not inspected comparable properties.

**32. Regulated Purpose Valuations (RPV)**

RICS has established particular requirements in circumstances where a valuation although provided for a client may also be of use to third parties, for instance, the shareholders in a company, defined by the RICS as "Regulated Purpose Valuations". Where a valuation is for a Regulated Purpose, in accordance with RICS requirements, BCM LLP is required to make specific disclosures to you.

When instructed in a continuing role as a Valuer it is BCM LLP's policy to rotate persons responsible for valuations and the signatory to the report, on a seven yearly basis, unless specifically agreed otherwise.

**Valuation Basis**

**1. Market Value (MV):**

Market Value is defined as:

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

**2. Market Value under Inheritance Tax Act 1984**

As defined as:

Except as otherwise provided by the Act, the value at any time of any property shall for the purposes of this Act be the price which the property might reasonably be expected to fetch if sold on the open market at that time; but that price shall not be assumed to be reduced on the ground that the whole property is to be placed on the market at one and the same time.

**3. Market Value under Taxation of Chargeable Gains Act 1992**

As defined as:

The price which the asset might reasonably be expected to fetch on sale in the open market. In estimating the market value of any assets no reduction shall be made in the estimate on account of the estimate being made on the assumption that the whole of the assets is to be placed on the market at one and the same time.

**4. Market Rent (MR):**

Market Rent is defined as:

The estimated amount for which a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

**5. Fair Value**

The definition of Fair Value adopted by the International Accounting Standards Board is:

**6. Investment Value**

Investment Value (or Worth) is defined as:

Investment Value is the value of an asset to the owner or a prospective owner for individual investment or operational objectives.

**7. Projected Market Value (PMV) of Residential Property only**

Projected Market Value is designed to provide residential mortgage lenders with a simple numeric indication of the valuer's opinion of short-term market trends and is defined as:

The estimated amount for which an asset is expected to exchange at a date, after the valuation date and specified by the valuer, between a willing buyer and a willing seller, in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

**8. Existing Use Value (EUV)**

Existing Use Value is the basis suitable for financial reporting purposes under UK accounting standards only and is defined as:

The estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion – assuming that the buyer is granted vacant possession of all parts of the asset required by the business and disregarding potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at least cost.

**Appendix 2**  
**Conflict of Interest**

## Conflict of Interest Statement

I Thomas Bishop on behalf of BCM LLP confirm that in undertaking professional work on behalf of the addressee there is no conflict of interest and that in acting as an Agent and Valuer all professional work undertaken by me will be compliant with all appropriate RICS regulations and professional practice guidance

Signed:



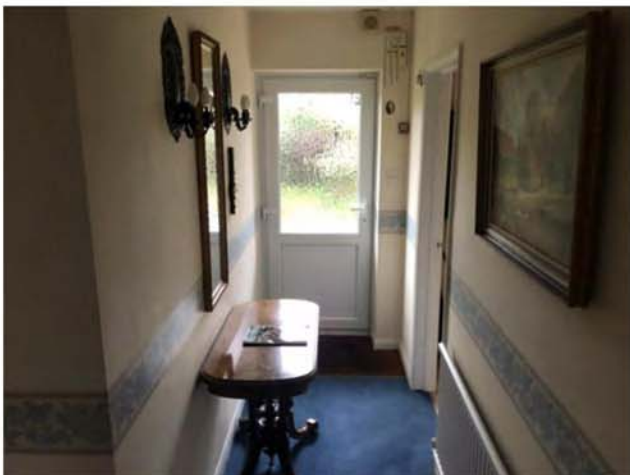
Thomas Bishop

Date: 12 January 2021

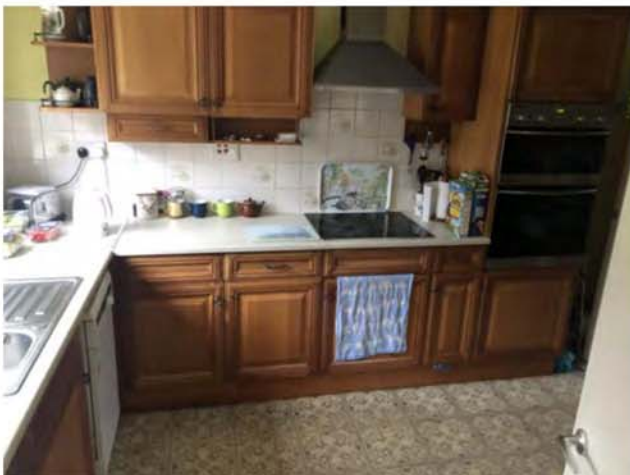


**Appendix 3**  
**Schedule of Photographs**

## Schedule of Photographs

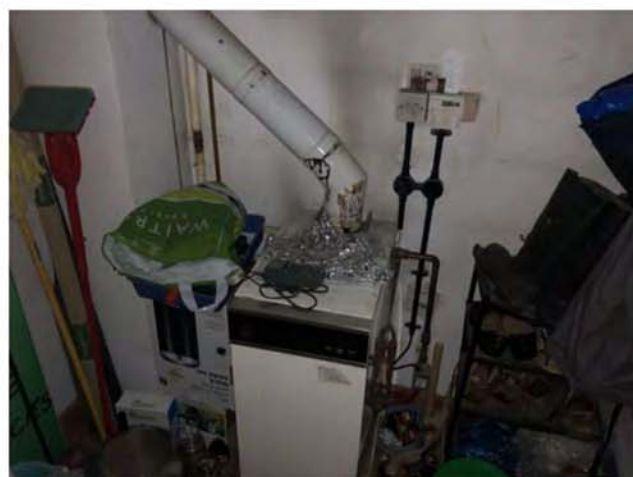


## Schedule of Photographs





## Schedule of Photographs



Schedule of Photographs

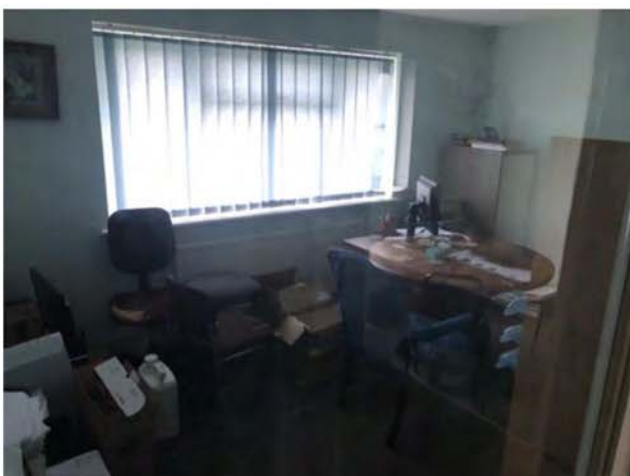
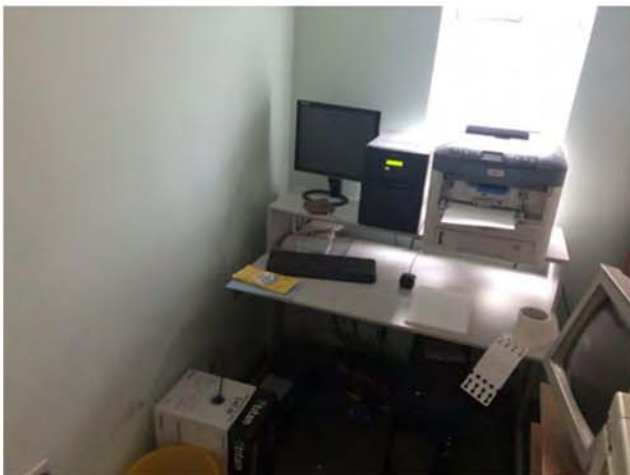




Schedule of Photographs



## Schedule of Photographs





## Schedule of Photographs

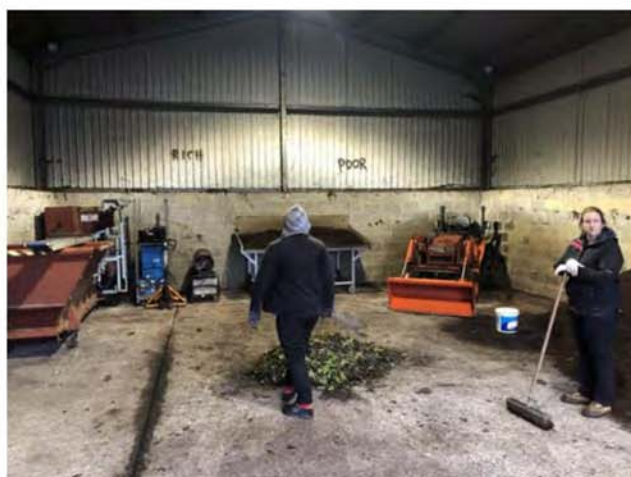


Schedule of Photographs





## Schedule of Photographs





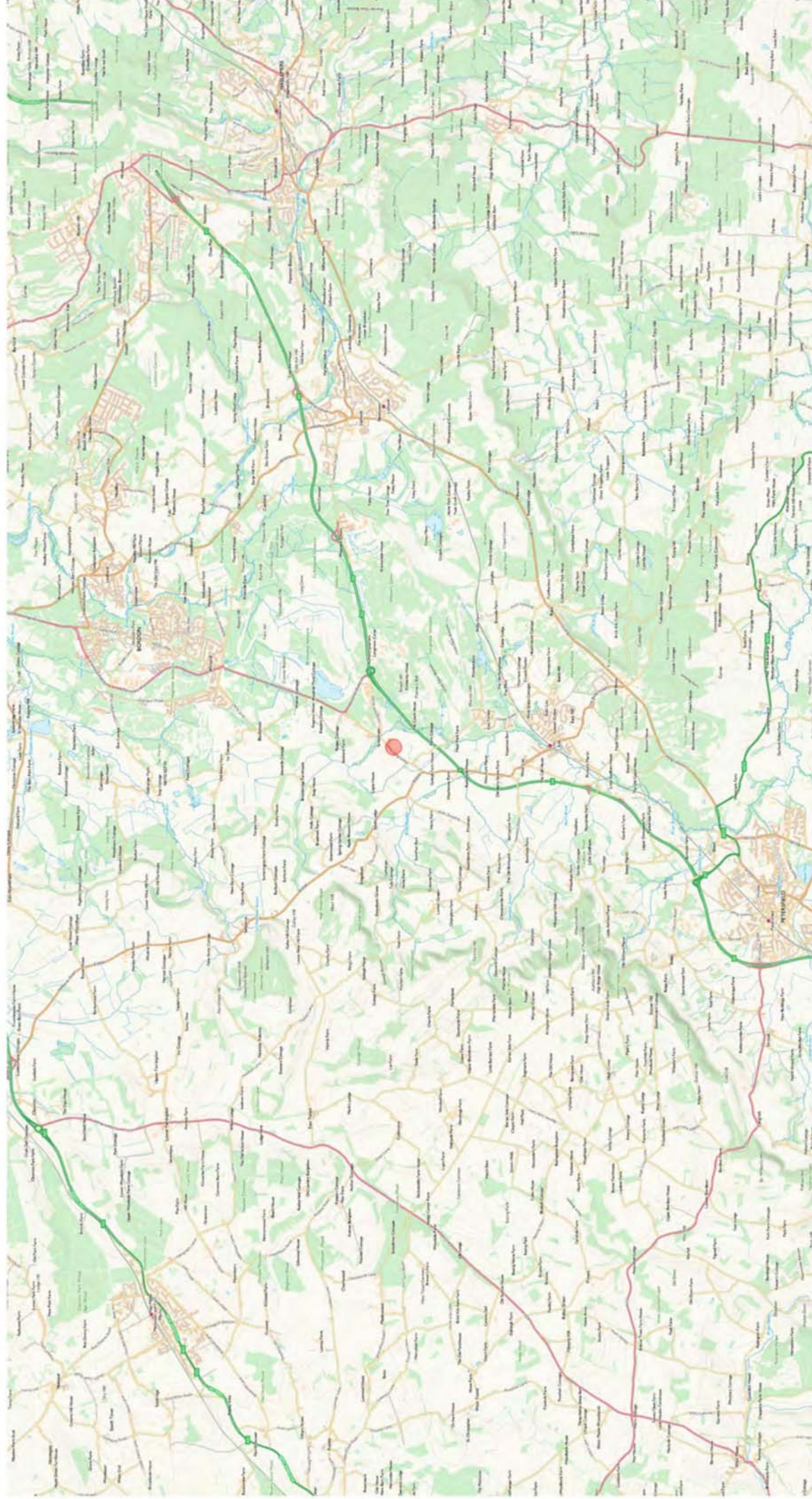
Schedule of Photographs



## **Appendix 4**

### **Location Plan**





**Appendix 5**  
**Site Plan**





**Appendix 6**  
**Schedule of Buildings**

**Liss Forest Nursey**  
**Schedule of Buildings**

<b>No</b>	<b>Description</b>	<b>m<sup>2</sup></b>	<b>ft<sup>2</sup></b>
1	Dwelling- see report for further details.	-	-
2	Brick built under tile building, currentley being used as part garage for the dwelling, with the other half being used as a staff room.	61	657
3	Brick built under tile building, currentley being used as a combination of office and meeting rooms.	70	750
4	Wooden framed glass houses, with irrigation and heating system.	296	3,186
5	Wooden framed glass houses, with irrigation and heating system.	137	1,480
6	Metal framed polytunnel greenhouses, with irrigation	288	3,097
7	Wooden framed glass houses, with irrigation and heating system.	773	8,320
8	Steel portal framed barn under asbestos cement fibre roofing and side cladding , with concreete floor and concrete block work edging.	122	1,318
9	Wooden framed glass houses, with irrigation.	440	4,732
10	Wooden framed glass houses, with irrigation.	666	7,168
11	Wooden framed glass houses, with irrigation.	787	8,473
12	Metal framed polytunnel greenhouses, with irrigation	2,300	24,757
13	Metal framed polytunnel greenhouses, with irrigation	812	8,744
14	Metal framed polytunnel greenhouses, with irrigation	796	8,572
15	Steel portal framed barn under asbestos cement fibre roofing and side cladding , with concreete floor and concrete block work edging.	131	1,409
16	Metal framed polytunnel greenhouses, with irrigation.	276	2,969
17	Metal framed polytunnel greenhouses, with irrigation.	414	4,457
18	Metal framed polytunnel greenhouses, with irrigation.	548	5,903
19	Storage pad with irrigation.	3,100	33,368
20	Storage pad with irrigation.	3,100	33,368
		<b>15,118</b>	<b>162,729</b>

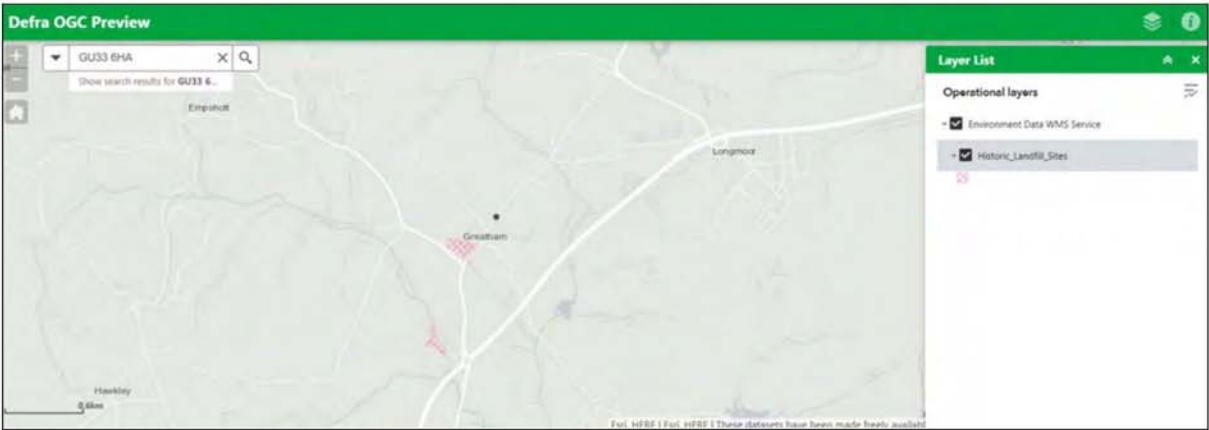
**Appendix 7**  
**gov.uk Landfill and Flood Maps**



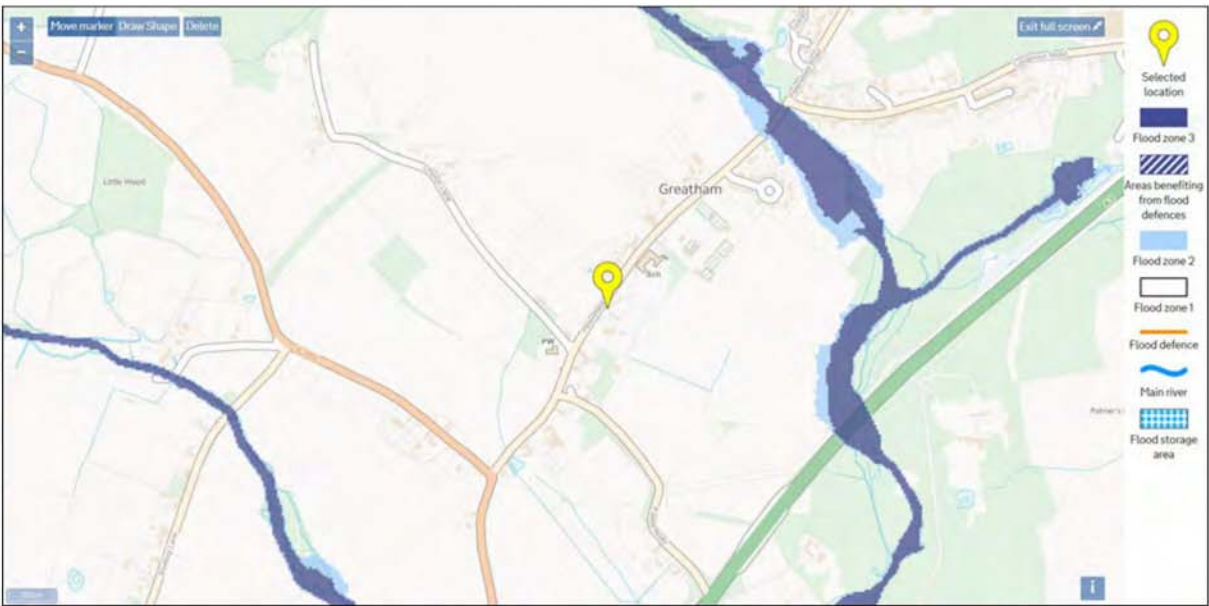
gov.uk Permitted Waste Sites



gov.uk Historic Waste Sites

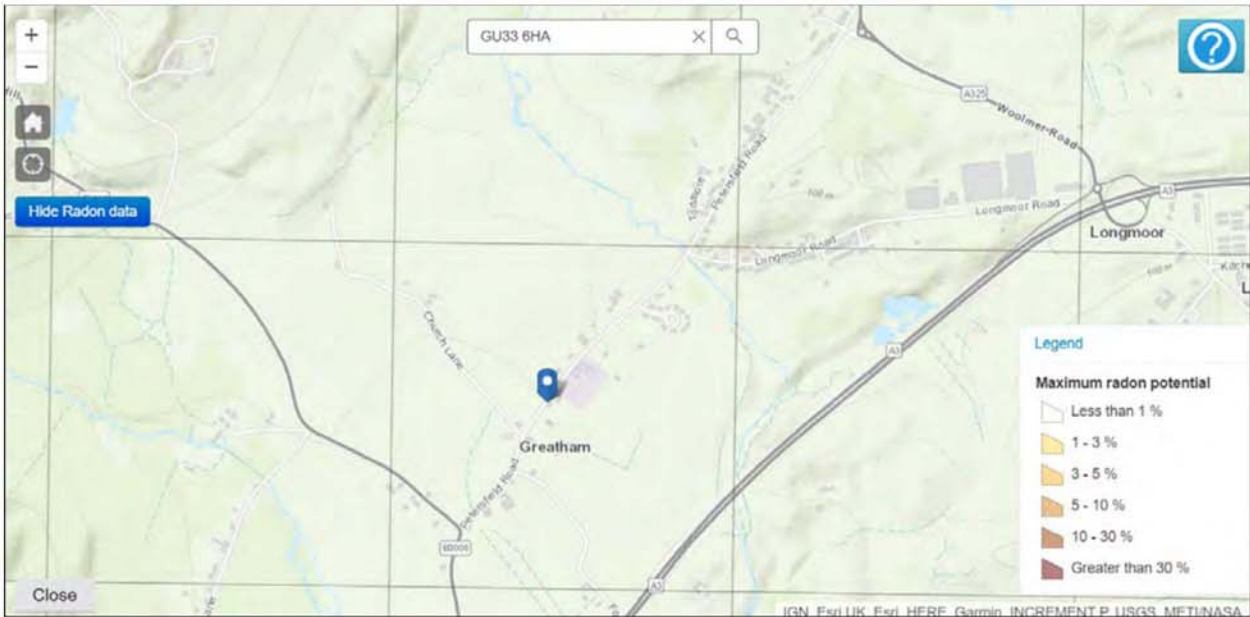


gov.uk Flood Map for Planning



**Appendix 8**  
**Radon Risk Map**

Radon Risk Map



**Appendix 9**  
**Land Registry Title**



THIS IS A PRINT OF THE VIEW OF THE REGISTER OBTAINED FROM HM LAND REGISTRY SHOWING THE ENTRIES SUBSISTING IN THE REGISTER ON 5 JAN 2021 AT 09:09:35. BUT PLEASE NOTE THAT THIS REGISTER VIEW IS NOT ADMISSIBLE IN A COURT IN THE SAME WAY AS AN OFFICIAL COPY WITHIN THE MEANING OF S.67 LAND REGISTRATION ACT 2002. UNLIKE AN OFFICIAL COPY, IT MAY NOT ENTITLE A PERSON TO BE INDEMNIFIED BY THE REGISTRAR IF HE OR SHE SUFFERS LOSS BY REASON OF A MISTAKE CONTAINED WITHIN IT. THE ENTRIES SHOWN DO NOT TAKE ACCOUNT OF ANY APPLICATIONS PENDING IN HM LAND REGISTRY. FOR SEARCH PURPOSES THE ABOVE DATE SHOULD BE USED AS THE SEARCH FROM DATE.

THIS TITLE IS DEALT WITH BY HM LAND REGISTRY, WEYMOUTH OFFICE.

TITLE NUMBER: SH40941

There is no application or official search pending against this title.

## A: Property Register

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

HAMPSHIRE : EAST HAMPSHIRE

- 1 (07.01.2015) The Freehold land shown edged with red on the plan of the above title filed at the Registry and being Land at Greatham, Liss.
- 2 (06.08.2020) The land has the benefit of any legal easements granted by a Deed of Grant dated 30 July 2020 made between (1) John Leonard Bryant (2) National Westminster Bank Plc and (3) Peter Catt and others.

*NOTE: Copy filed under SH13694.*

## 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 (07.01.2015) PROPRIETOR: PETER CATT of The Bungalow, Liss Forest Nursery, Petersfield Road, Greatham, Liss GU33 6HA and VINCENT ROYSTON CATT of Oak Cottage, Langley Bridge, Rake, Liss GU33 7JP and NEILL MADISON CATT of Rivendell, Gosport Road, East Tisted, Alton GU34 3QW.
- 2 (07.01.2015) The value stated as at 7 January 2015 was under £1,000,000.
- 3 (06.01.2016) RESTRICTION: No disposition by a sole proprietor of the registered estate (except a trust corporation) under which capital money arises is to be registered unless authorised by an order of the court.

## C: Charges Register

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

- 1 (07.01.2015) The land is subject to the rights reserved by a Conveyance dated 8 October 1976 made between (1) Nelson Mitchell and (2) Peter Catt and Joyce Isabel Ann Catt.

*NOTE: Copy filed.*

- 2 (11.08.2017) UNILATERAL NOTICE in respect of an option to purchase contained in an Agreement dated 16 June 2017 made between (1) Peter Catt, Vincent Royston Catt and Neill Madison Catt and (2) Cove Construction Limited.

*NOTE: Copy filed.*

Title number SH40941

## C: Charges Register continued

3 (11.08.2017) BENEFICIARY: Cove Construction Limited (Co. Regn. No.  
01145104) of 1 Alpha Road, North Lane, Aldershot, Hampshire GU12 4RG.

End of register

**Appendix 10**  
**Definitive Rights of Way Plan**

Given this                      day of                      2006

The Common Seal of Hampshire County  
Council was hereunto affixed in the  
presence of:-

.....  
**Authorised Signatory**

Map Scale 1:10,000



### Legend

## Footpath

Bridleway

## Restricted Byway

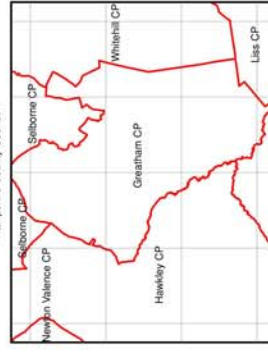
Byway Open to

All rights reserved.

Parish boundary

County boundary

Public Rights of Way are not shown over any areas shaded in grey on the map below, as these are outside the administrative boundary of Hampshire County Council

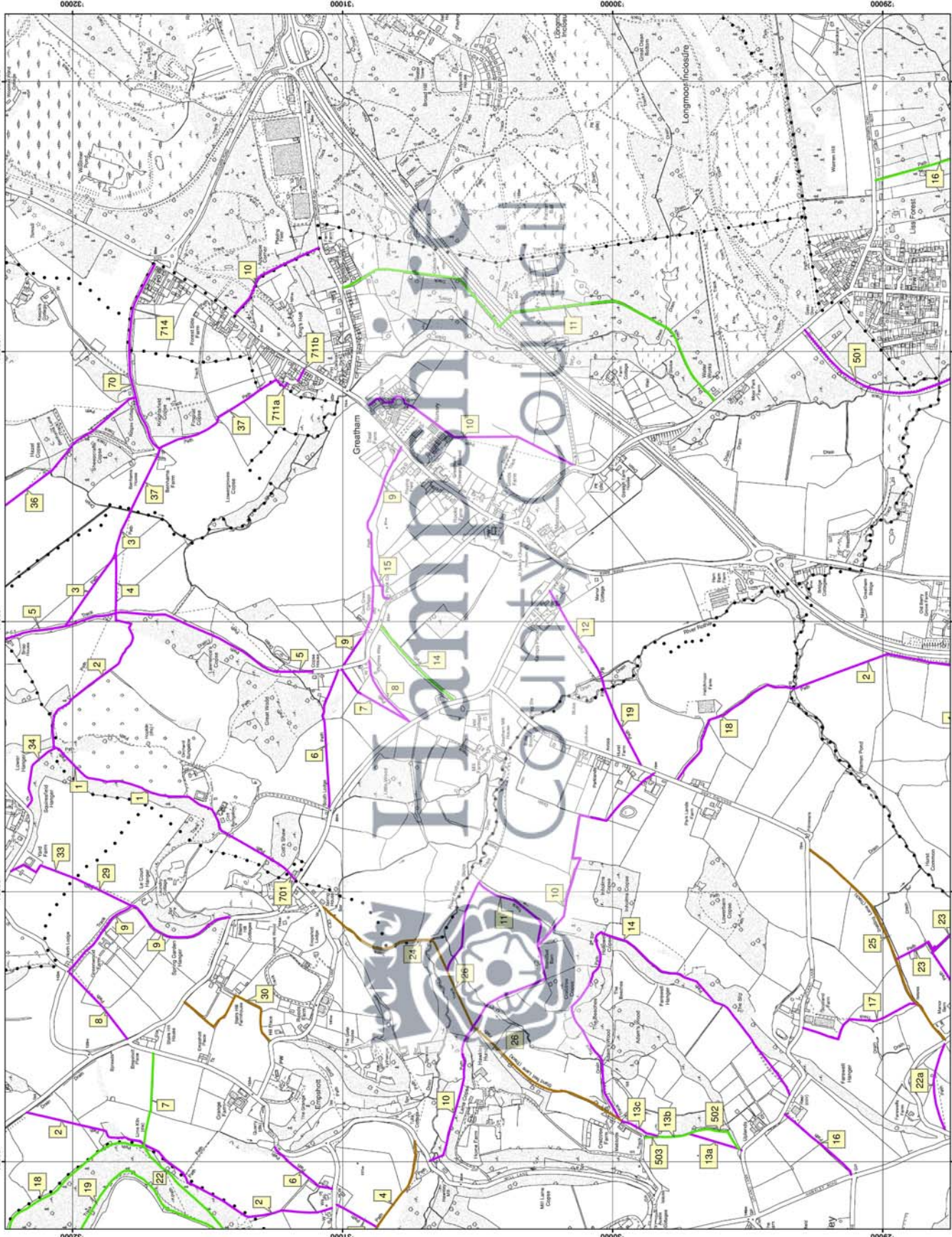


Index to adjoining maps

18.15	19.15	20.15
18.14	19.14	20.14
18.13	19.13	20.13

Map  
Number

19.14





**Appendix 7: Appraisal 1 (48.6% AH, Policy  
Compliant tenure)**

## Liss Nursery, Land at Petersfield Road - Viability Appraisal

Development Appraisal  
Turley  
14 September 2021

**Liss Nursery, Land at Petersfield Road - Viability Appraisal**

Appraisal Summary for Phase 1 Scenario 1- 48.6% AH, policy compliant tenure split

Currency in £

**REVENUE**

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Private Units	19	28,308	394.23	587,368	11,160,000
Affordable Rent	14	12,267	175.60	153,863	2,154,088
Shared Ownership	4	3,601	242.36	218,184	872,738
<b>Totals</b>	<b>37</b>	<b>44,176</b>			<b>14,186,826</b>

**NET REALISATION**

**14,186,826**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price (Negative land)

(190,720)

Town Planning

17,094

17,094

**CONSTRUCTION COSTS**

**Construction**

ft²	Build Rate ft²	Cost
44,176	226.53	10,007,128

Construction

10,007,128

**10,007,128**

S278 Highways Contribution

75,000

S278 Travel Plan

18,000

93,000

**PROFESSIONAL FEES**

Professional Fees

10.00%

1,000,713

1,000,713

**DISPOSAL FEES**

APPRAISAL SUMMARY

TURLEY

Liss Nursery, Land at Petersfield Road - Viability Appraisal

Sales Agent & Marketing Fee	37 un	1,000.00 /un	3.00%	425,605	
Sales Legal Fee				37,000	462,605

TOTAL COSTS BEFORE FINANCE

11,389,819

FINANCE

Timescale	Duration	Commences
Purchase	1	Apr 2020
Pre-Construction	5	May 2020
Construction	15	Oct 2020
Sale	6	Jan 2022
Total Duration	27	

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)

Land	(14,933)	
Construction	348,459	
Other	54,557	
Total Finance Cost	388,084	

TOTAL COSTS

11,777,903

PROFIT

2,408,923

Performance Measures

Profit on Cost%	20.45%
Profit on GDV%	16.98%
Profit on NDV%	16.98%
IRR% (without Interest)	44.11%
Profit Erosion (finance rate 7.000)	2 yrs 8 mths



**Appendix 8: Appraisal 2 (48.6% AH, 100% Shared  
Ownership units)**

## Liss Nursery, Land at Petersfield Road - Viability Appraisal

Development Appraisal  
Turley  
14 September 2021

**Liss Nursery, Land at Petersfield Road - Viability Appraisal**

Appraisal Summary for Phase 2 Scenario 2 = 48.6% AH (100% Shared Ownership)

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales
Private Units	19	28,308	394.23	587,368	11,160,000
Shared Ownership Units	18	15,868	240.95	212,407	3,823,333
<b>Totals</b>	<b>37</b>	<b>44,176</b>			<b>14,983,333</b>

**NET REALISATION**

**14,983,333**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price	401,550	401,550
Stamp Duty		
Effective Stamp Duty Rate	2.39%	9,577
Agent Fee	1.00%	4,016
Legal Fee	0.80%	3,212
Town Planning	17,094	17,094
		33,899

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost
Construction	44,176	226.53	10,007,128
S278 Highways Contribution			75,000
S278 Travel Plan			18,000
			10,100,128

**PROFESSIONAL FEES**

Professional Fees	10.00%	1,000,713	1,000,713
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Liss Nursery, Land at Petersfield Road - Viability Appraisal

DISPOSAL FEES

Sales Agent & Marketing Fee	37 un	1,000.00 /un	3.00%	449,500	
Sales Legal Fee				37,000	486,500

TOTAL COSTS BEFORE FINANCE

12,022,791

FINANCE

Timescale	Duration	Commences
Purchase	1	Apr 2020
Pre-Construction	5	May 2020
Construction	15	Oct 2020
Sale	6	Jan 2022
Total Duration	27	

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)

Land	44,200
Construction	320,010
Other	52,162
Total Finance Cost	416,372

TOTAL COSTS

12,439,163

PROFIT

2,544,170

Performance Measures

Profit on Cost%	20.45%
Profit on GDV%	16.98%
Profit on NDV%	16.98%

IRR% (without Interest) 41.74%

Profit Erosion (finance rate 7.000) 2 yrs 8 mths





**Appendix 9: Appraisal 3 (21.6% AH, Policy  
Compliant tenure)**

## Liss Nursery, Land at Petersfield Road - Viability Appraisal

Development Appraisal  
Turley  
14 September 2021

**Liss Nursery, Land at Petersfield Road - Viability Appraisal**

Appraisal Summary for Phase 3 Scenario 3 - 21.6% AH Provision, Policy Compliant Tenure

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales
Private Units	29	37,522	390.44	505,172	14,650,000
Shared Ownership Units	2	1,730	242.91	210,119	420,238
Affordable Rented Units	6	4,924	175.39	143,939	863,634
<b>Totals</b>	<b>37</b>	<b>44,176</b>			<b>15,933,872</b>

**NET REALISATION**

**15,933,872**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price	612,630	612,630
Stamp Duty		
Effective Stamp Duty Rate	3.29%	20,131
Agent Fee	1.00%	6,126
Legal Fee	0.80%	4,901
Town Planning	17,094	48,253

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost
Construction	44,176	226.53	10,007,128
S278 Highways Contribution			75,000
S278 Travel Plan			18,000
			10,100,128

**PROFESSIONAL FEES**

Professional Fees	10.00%	1,000,713
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APPRAISAL SUMMARY

TURLEY

Liss Nursery, Land at Petersfield Road - Viability Appraisal

DISPOSAL FEES

Sales Agent & Marketing Fee				1,000,713
Sales Legal Fee	37 un	1,000.00 /un	3.00%	478,016
				37,000
				515,016

TOTAL COSTS BEFORE FINANCE

12,276,740

FINANCE

Timescale	Duration	Commences
Purchase	1	Apr 2020
Pre-Construction	5	May 2020
Construction	15	Oct 2020
Sale	8	Jan 2022
Total Duration	29	

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)

Land	77,756
Construction	451,213
Other	121,441
Total Finance Cost	650,411

TOTAL COSTS

12,927,150

PROFIT

3,006,722

Performance Measures

Profit on Cost%	23.26%
Profit on GDV%	18.87%
Profit on NDV%	18.87%
IRR% (without Interest)	33.09%
Profit Erosion (finance rate 7.000)	3 yrs





**Appendix 10: Appraisal 4 (21.6% AH, 100% Shared  
Ownership units)**

## Liss Nursery, Land at Petersfield Road - Viability Appraisal

Development Appraisal  
Turley  
14 September 2021

**APPRAISAL SUMMARY****TURLEY****Liss Nursery, Land at Petersfield Road - Viability Appraisal****Appraisal Summary for Phase 4 Scenario 4 - 21.6% AH Provision, 100% Shared Ownership**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales
Private Units	29	37,522	390.44	505,172	14,650,000
Shared Ownership Units	8	6,654	239.42	199,137	1,593,095
<b>Totals</b>	<b>37</b>	<b>44,176</b>			<b>16,243,095</b>

**NET REALISATION****16,243,095****OUTLAY****ACQUISITION COSTS**

Residualised Price	850,665	850,665
Stamp Duty		
Effective Stamp Duty Rate	32,033	
Agent Fee	8,507	
Legal Fee	6,805	
Town Planning	17,094	64,439

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost
Construction	44,176	226.53	10,007,128
S278 Highways Contribution			75,000
S278 Travel Plan			18,000
			10,100,128

**PROFESSIONAL FEES**

Professional Fees	10.00%	1,000,713	1,000,713
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Liss Nursery, Land at Petersfield Road - Viability Appraisal

DISPOSAL FEES

Sales Agent & Marketing Fee	37 un	1,000.00 /un	3.00%	487,293
Sales Legal Fee				37,000
				524,293

TOTAL COSTS BEFORE FINANCE

12,540,238

FINANCE

Timescale	Duration	Commences
Purchase	1	Apr 2020
Pre-Construction	5	May 2020
Construction	15	Oct 2020
Sale	8	Jan 2022
Total Duration	29	

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)

Land	105,270
Construction	403,224
Other	119,546
Total Finance Cost	628,039

TOTAL COSTS

13,168,277

PROFIT

3,074,818

Performance Measures

Profit on Cost%	23.35%
Profit on GDV%	18.93%
Profit on NDV%	18.93%

IRR% (without Interest)

34.30%

Profit Erosion (finance rate 7.000)

3 yrs





## **Appendix 11: Proposed Scheme Layout (21.6% Affordable Housing)**



## **Appendix 12: Proposed Accommodation Schedule (21.6% Affordable Housing)**

## Schedule Of Accommodation 1

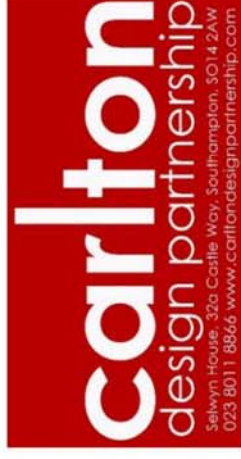
Client: **Cove**  
 Site Name: **Liss Forest Nursery**  
 Project Ref: **150715**  
 Revision: **A**  
 Date: **27/08/2021**

AFFORDABLE						
House Type	Reference	Storeys	Description	Total No	G/A ft²	Total G/A m²
ROMSEY (GF)	ROM	1	1 Bedroom House	1	547	50.8
ROMSEY (FF)	ROM	1	1 Bedroom House	1	635	59.0
RYNE B	VYN	2	2 Bedroom House	4	865	80.4
LONGSTOCK	LON	2	3 Bedroom House	2	1006	93.5
Total				8	6654	618.2

PRIVATE						
VYNE A	VYN	2	2 Bedroom House	4	865	80.4
VYNE C	VYN	2	2 Bedroom House	2	865	80.4
PEMBERLEY	PEM	2	2 Bedroom House	3	875	81.3
LONGSTOCK	LON	2	3 Bedroom House	4	1006	93.5
HOUGHTON	HOU	2	3 Bedroom House	1	1082	100.5
DEAN	DEA	2	3 Bedroom House	4	1193	110.8
HYDE	HYD	2	3 Bedroom House	1	1220	113.3
OAKLEIGH	OAK	2	4 Bedroom House	1	1585	147.3
ALVERSTOKE	ALV	2	4 Bedroom House	2	1766	164.1
AVINGTON	AVI	2	4 Bedroom House	2	1772	164.6
HILLIER	HIL	2	4 Bedroom House	2	1784	165.7
OMERLEY	ORM	2	5 Bedroom House	2	2086	193.8
OMERLEY - DG	ORM (DG)	2	5 Bedroom House	1	2209	205.2
Total				29	37523	3486.0

Total Proposed Development (Houses & Garages)			
Total House G/A	37	44177	4104.2
Total House G/A		45661	4242

Site Area (ha)	2.35	Overall 1 Bed %	5%
Site Area (A)	5.81	Overall 2 Bed %	35%
Nett Site Area (ha)	1.32	Overall 3 Bed %	32%
Nett Site Area (A)	3.26	Overall 4+ Bed %	27%
Density 1 (Sq.Ft/A)	13544		
Density 2 (Units/ha)	15.74		



Garages No	G/A ft²	Total G/A ft²	Total G/A m²
1	212	212	19.7
2	212	424	39.4
1	212	212	19.7
2	212	424	39.4
1	212	212	19.7
7		1484	137.9
Total			