



# Viability Assessment

Client:

Permahome Limited

## Land at Richard Thornton School

Carnforth, Lancaster, LA6 3JZ

*Viability Assessment to support planning application number 2020/22109/  
FUL for the construction of eleven dwellings with landscaping,  
infrastructure, associated works and off-street parking on allocated site.*

**Paul Westcott** BSc (Hons)

**Derek Clarke** MRICS MRTPI

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CIL | Enforcement | Land Promotion | Planning | Sequential Tests | Viability

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## **1. Disclaimer**

- 1.1 The following does not provide formal valuation advice. This assessment and its findings are intended purely for the purposes of providing North Yorkshire Council with an opinion on, the viable level of affordable housing provision that can be funded from the proposed development at the subject site.
- 1.2 This document has been prepared for this specific reason and should not be used for any other purpose without the prior written authority of ET Planning; we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.
- 1.3 We have been commissioned on a fixed-fee basis, quoted and agreed in advance. We can confirm that there is no performance-based incentive associated with our viability work.
- 1.4 The appraisal has been carried out using Argus Developer, a proprietary valuation software programme, widely used in the planning and development real estate sector. Where information is not available any assumptions made are in line with industry norms.

## 2. Executive Summary

- 2.1 This Financial Viability Assessment has been produced in relation to the proposed development of land at Richard Thornton's School, Burton in Lonsdale, Carnforth, Lancaster, LA6 3JZ (the site). The subject land is approximately 0.43 Ha (1.04 acres) in size and was used to accommodate ancillary classroom space (now demolished) and school playing fields.
- 2.2 The applicant, Permahome Limited, submitted a planning application to North Yorkshire Council dated February 2021, which has been registered under planning application number 2020/22109/FUL. The proposed development is described as the '*Construction of eleven dwellings with landscaping, infrastructure, associated works and off-street parking on allocated site.*'
- 2.3 Following submission of the planning application, the applicant instructed ET Planning to conduct a Financial Viability Assessment to assess the quantum of Affordable Housing and Section 106 costs (Public Open Space) that may be viably deliverable.
- 2.4 As such, we acknowledge the council's requirements as outlined in paragraphs 1 & 2, appendix 4 on page 47 of the council's document '*Affordable Housing Supplementary Planning Document - Approved by Craven District Council 6th August 2021*', by claiming since 2021, construction costs have risen at a rate which far exceeds any rise in Gross Development Value (GDV). This is supported by evidence outlined in the cost plan provided to complete our assessment. A copy of the cost plan can be found in appendix 2 of this report.

- 2.5 To determine the viability of the provision of Affordable Housing and Public Open Space requirements, the total land and development costs (£4,314,069) are deducted from the Gross Development Value (£3,773,500), based on a 100% open market sale approach.
- 2.6 If there is an identified surplus (after accounting for a suitable level of developer's profit), then this is the financial contribution which can be afforded towards affordable housing and Section 106 costs in the administrative area. If the result is negative, as it is in this case (negative £540,569), then the proposed development cannot be expected to contribute towards Affordable Housing and Public Open Space costs.

### 3. Policy Background

- 3.1 **National Planning Policy** National Planning Guidance sets out the government's recommended approach to viability assessment for planning. The approach supports accountability for communities by enabling them to understand the key inputs to and outcomes of viability assessment.
- 3.2 This National Planning Guidance states that any viability assessment should be supported by appropriate available evidence informed by engagement with developers, landowners, and infrastructure and affordable housing providers. Any viability assessment should follow the government's recommended approach to assessing viability and be proportionate, simple, transparent and publicly available.
- 3.3 In accordance with the above, this assessment follows the key principles for carrying out a viability assessment as outlined in MHCLG guidance on Viability (as updated September 2019).
- 3.4 **Local Planning Policy (Affordable Housing)** The Affordable Housing Plan Policies are outlined in the Craven Local Plan (2012-2032) under policy H2. The policy states that sites of greater than 10 dwellings or 1,000 Sqm, then not less than 25% of the units built on a brownfield/previously developed land to be affordable housing.
- 3.5 During the consultation phase of the planning application, the council have applied a vacant building credit calculator, as set out in the Draft Affordable Housing SPD (dated February 2021) and accepted an initial offer from the applicant to deliver 2 affordable units on-site. The council raised no objection to the offer and deem the provision to be acceptable.

### 3.6 Local Planning Policy (Section 106)

The council derive a public open space contribution following consultation with ward members and Lonsdale Parish Council. As such, the sports development officer at the council, in conjunction with ward members and the Parish Council, have identified several projects to which the contribution which have been proposed by local residents outlined in the planning officer's report to committee dated 25<sup>th</sup> October 2021, as follows.

- £788            Settle Swimming Pool.
- £5,200        Burton in Lonsdale Parish Sports Pavilion
- £10,485      Burton in Lonsdale Parish Children's play equipment.
- £11,385      Burton in Lonsdale Parish Sports pitches and MUGA
- £11,147     General amenity space in the Parish of Burton in Lonsdale
- **£39,005    Total**

## **4. Site Description and Proposal**

- 4.1 According to the description outlined in the planning officer's report to the North Yorkshire planning committee, the site is described as follows.
  
- 4.2 *The proposed development site is located to the west of the village of Burton in Lonsdale. Burton in Lonsdale is a village and civil parish in the Craven District of North Yorkshire close to the border with Lancashire and Cumbria. The site is approximately 4383 square metres (0.43 Ha) in size and is partially previously developed land, currently occupied by part of the former school buildings and its curtilage.*
  
- 4.3 *The site shares a boundary with Richard Thornton School, a Grade II Listed Building - (as the Former Burton in Lonsdale Endowed First School: Schoolmaster's House and garden wall and gate piers) erected in 1853. The former school building occupies a prominent position, set back on elevated ground, to the west of the A687 from which it takes access.*
  
- 4.4 *The curtilage boundaries comprise stone walling to the road frontage and to the south along a track serving two properties located further to the west. Areas of hardstanding are located to the north of the building which provide former playground space and, to the south, car parking. The site area was formerly used as a play area and is currently unmanaged and overgrown. It rises gently to the north bounded by a continuous stone wall with agricultural pastureland beyond. There are a number of mature trees and hedgerows across the site.*



- 4.5 *The former school building is a Grade II listed building (list entry number 1301402), and the site falls within the Burton in Lonsdale Conservation Area. Several other designated heritage assets fall within proximity to the site, most notably the Castle Hill motte and bailey castle to the east and a Scheduled Monument (1009319).*
- 4.6 The site has been allocated for residential development under Policies SP4, SP5 and SP11 of the adopted Local Plan (Site Ref: BU012).
- 4.7 Furthermore, we understand the land is currently lying fallow and may be suitable for several uses, including agricultural.
- 4.8 As for the proposal, the applicant, Permahome Limited, submitted a planning application, to North Yorkshire Council dated 3<sup>rd</sup> February 2021, which has been registered under planning application number 2020/22109/FUL. The proposed development is described as the *'Construction of eleven dwellings with landscaping, infrastructure, associated works and off-street parking on allocated site.*
- 4.9 In summary, the proposed scheme seeks to provide 6 x 2-bedroom houses and 5 x 3-bedroom houses with ancillary private outside space and dedicated car parking for each unit.
- 4.10 The planning application was determined at the council's planning committee by way of a resolution to grant following the signing of a Section 106 agreement. Since then, the applicant has been negotiating with the council and securing the necessary permissions and agreements to affect the Section 106.

## 5. Appraisal Inputs

- 5.1 **Benchmark Land Value** The latest MHCLG viability guidance (updated September 2019) requires that Benchmark Land Value (BLV) should be based upon Existing Use Value (EUV) or in certain circumstances Alternative Use Value (AUV), allow for a premium to landowners (including equity resulting from those building their own homes) and reflect the implications of abnormal costs; site specific infrastructure costs; and professional site fees.
- 5.2 The MHCLG guidance denotes that *"existing use value should be informed by market evidence of 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."*
- 5.3 This is reaffirmed within the RICS Professional Statement, titled; *'Assessing viability in planning under the National Planning Policy Framework 2019 for England'*. This is also supported within the BLV valuation framework which states that *"the primary approach is EUV+ (or AUV where appropriate)"*.
- 5.4 **Existing/Alternative Use Value** The site comprises of the former playing fields at Richard Thornton School and includes a proportion set aside on the western side of the adjoining main buildings complex, to accommodate classrooms built in the 1960s, now demolished and described by the local authority as previously developed land.
- 5.5 The land has fallen fallow and despite the opportunity to assess the land on alternative uses under paragraph 017 of PPG: Viability, we elect, for reasons of expediency and pragmatism, to apply a nominal value of £100.00.

- 5.6 We do however, reserve the right to re-visit the question of value in concert with BLV methodology at some point in the future and if we deem it necessary to do so.
- 5.7 **Premium** The premium (or the 'plus' in EUV+) is the second component of benchmark land value. It is the amount above existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a landowner to bring forward land for development.
- 5.8 Ministry of Housing, Communities & Local Government (MHCLG) guidance. states that the premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. There is no definitive guidance on the level of premium to apply and this is often an arbitrary percentage. In our experience of similar schemes this level of premium can range from 10% - 40%.
- 5.9 Again, for reasons of expediency and pragmatism, we have not applied a landowner's premium, but reserve the right to do in the future if we deem it necessary to do so.
- 5.10 **Site Acquisition Costs (Stamp Duty and Legal)** In addition to the BLV assumption, acquisition costs have also been included with a consideration of £2,500, for surveys and reports normally undertaken in such circumstances.
- 5.11 **Gross Development Value** Gross Development Value (GDV) is an assessment of the value of development. For residential development,

this is the total sales and/or capitalised net rental income from developments.

5.12 During our investigations, it became evident that direct comparable evidence has been difficult to acquire. As such, we have obtained a copy of a market assessment of the proposed resale values attributable to the scheme from Richard Harkness MRICS at Hackney & Leigh Limited.

5.13 Mr Harkness is a chartered surveyor and advises clients on real estate asset values out of the Kirkby Lonsdale office at Hackneigh Leigh. He has been a chartered surveyor since 1993 and sells a wide variety of village and country properties We therefore acknowledge Mr Harkness's opinion on the proposed sales values attributable to the scheme and report his findings as follows.

Plot	Type	Accommodation	Floor Area	Sale Price	£/Sqft
1	Detached	3 Beds, 2 Baths	1,300	£425,000	£327
2	Link	2 Beds, 2 Baths	900	£292,500	£325
3	Link	2 Beds, 2 Baths	900	£292,500	£325
4	Semi	3 Beds, 2 Baths	1,100	£368,500	£335
5	End	2 Beds, 2 Baths	1,000	£335,000	£335
6	Mid	3 Beds, 2 Baths	1,300	£410,000	£315
7	Mid	3 Beds, 2 Baths	1,300	£410,000	£315
8	End	2 Beds, 2 Baths	1,060	£345,000	£325
9	Detached	3 Beds, 3 Baths	1,300	£445,000	£342
10	Semi	2 Beds, 1 Bath	750	£225,000	£300
11	Semi	2 Beds, 1 Bath	750	£225,000	£300
<b>Total</b>			<b>11,660</b>	<b>£3,773,500</b>	<b>£324</b>

- 5.14 A copy of the letter provide by Mr Harkness MRICS can be found in **Appendix 1**.
- 5.15 **Build Costs Assessment** The Build Costs of the scheme should be based on evidence which is reflective of local market conditions.
- 5.16 For the purpose of this assessment, we have sourced an independent cost plan from Thornton Firkin LLP, a professional construction cost consultancy. A copy of the cost plan, dated March 2024, can be found in **Appendix 2**.
- 5.17 **Base Build Costs** Thornton Firkin LLP have appraised the proposed scheme and provide an elemental build cost analysis in conjunction with competitive tender pricing, based on Q2, 2024.
- 5.18 In summary, the cost of building the proposed scheme is calculated at £3,147,345. This represents an average cost per dwelling at £286,122 and an average of £2,904 per square metre or £270 per square foot.
- 5.19 The cost plan also includes a provision for site clearance, contractors overhead and profit and preliminaries and whilst it is customary to separately list these inputs in the residual land value calculation, we input an inclusive single figure.
- 5.20 **Contingency** A contingency of 5% has been included within the development appraisal. This is a market norm assumption and considered reasonable here.

- 5.21 **Professional Fees** Professional fees of 10% of the base build cost have been assumed. This is a market-norm assumption given the work proposed as part of this development.
- 5.22 **Sales & Marketing (including Legal Fees)** An allowance of 1.0% has been included for marketing and 1.5% sales cost allowance to cover costs associated for any future sale. This low-level fee assumption has been applied to assess the.
- 5.23 Additionally, we have incorporated £1,000 per unit for legal fees.
- 5.24 **Developer Contributions** PPG Viability recommends assessments should be predicated on a policy compliant basis and report any surplus or deficit that may be delivered. Nevertheless, during our investigations, we maximum financial contribution which can be paid to the Council. If this was increased the deficit figure would increase drew an early conclusion that the scheme is likely to generate a negative land value and a significant deficit position. We therefore carried out a 100% open market sale appraisal and should there be a surplus, feed the amount back into the appraisal system, by way of iteration, to deliver a viable quantum of Affordable Housing and a Public Open Space contribution.
- 5.25 As outline in paragraphs 3.4 to 3.7. These are namely, 2 x 2-bedroom houses to form an on-site Affordable Housing contribution and a Public Open Space contribution of £39,005, by way of a commuted sum.
- 5.26 For clarity, we have excluded these provisions from our appraisal and report the outcome and conclusions accordingly.

- 5.27 **Development Timings & Finance Costs** The interest rate is the cost of funds to the scheme developer; it is applied to the net cumulative negative cash balance each month on the scheme. According to the HCA 'The rate applied will depend on the developer, the perceived scheme risk, and the state of the financial markets. We also track the Bank of England base rate, currently 5.25%, long term government Bond yields. They currently sit at circa 4.7%, based on a 20-year maturity, which is an increase from 4.55% just 1 month before.
- 5.28 We have therefore applied a modest bank lending rate of 8% which is 2.75% over base and predicated on 100% debt financing modelling. This approach is consistent with viability assessment methodology and whilst the Argus Developer valuation software will feedback a credit input into the residual valuation, the sum is relatively modest and for reasons of expediency, we have ignored the credit input accordingly.
- 5.29 Construction is projected to proceed over a 14-month period with sales expected within 4 months of the completion of the construction phase. We ignore the period prior to the commencement of construction to be as fair as possible to the viability of the scheme. A copy of the indicative build programme, provided by Thornton Firkin LLP is shown below.

ET Planning  
Burton in Lonsdale



## Indicative Build Programme

Item	Months														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Enabling Works</b>															
Site strip, roads, drainage & services	█	█	█	█											
Drainage & Roads		█	█	█											
Incoming Services				█	█										
<b>Buildings</b>															
Plot 1				█	█	█	█	█	█	█	█	█	█	█	█
Plots 2 to 4				█	█	█	█	█	█	█	█	█	█	█	█
Plots 5 to 8					█	█	█	█	█	█	█	█	█	█	█
Plot 9							█	█	█	█	█	█	█	█	█
Plots 10 & 11				█	█	█	█	█	█	█	█	█	█	█	█
<b>Externals</b>															
Hard landscaping										█	█	█	█	█	█
Garden Walls										█	█	█	█	█	█
Roads/drives										█	█	█	█	█	█
Soft landscaping										█	█	█	█	█	█

Source: Thornton Firkin LLP

- 5.30 Applying a 'market-norm' interest rate figure of 8% over a period of 18 months results in a total construction finance cost of £125,685.
- 5.31 **Profit** National Planning Policy Guidance states that for the purpose of viability, a developer's profit consideration of 15-20% of the gross development value (GDV) is deemed to be a suitable return (paragraph 018, Planning Practice Guidance: Viability).
- 5.32 We therefore assume a developer's profit consideration of 17.5% which reflects the scale, complexity and risks associated with this proposed development. As such, this is the level of profit deemed acceptable for the purposes of decision making.
- 5.33 We therefore calculate a developer's profit of £660,362 which is 17.5% on a GDV of £3, 773,500.



## 6. Public Open Space – Proposed Contribution

- 6.1 In accordance with the provisions set out in paragraph 010 PPG: Planning Obligations, this viability assessment seeks to test the proposed Section 106 requirement against the ability to viably contribute to Affordable Housing and Public Open Space as set out by the council.
- 6.2 We report on the scale of the surplus/deficit scenario later in this report. However, we hold the view that if the proposed scheme generates a deficit, to the extent where imposing the Public Open Space would render the scheme, unviable, then such a contribution should not be applied.
- 6.3 Furthermore, paragraph 57 of the NPPF (December 2023) requires charging authorities to qualify any contributions they wish to impose by applying the 3-part test.

Planning obligations must only be sought where they meet the following tests:

- a). necessary to make the development acceptable in planning terms.*
- b). directly related to the development; and*
- c). fairly and reasonably related in scale and kind to the development.*

- 6.4 As such, we draw attention to the rationale stated in the planning officer's report to committee which says.

*'Following consultation with ward members and Lonsdale Parish Council the SDO has identified a number of projects to which the contribution is to be distributed. In particular the Parish*

*Council have several projects which have been proposed by residents and which Sn106 contributions are sought’.*

- 6.5 The planning officer’s report also goes on to say the identified projects have been cross referenced with the evidence base (PPS Open Spaces a Built Facilities Strategies). However, we consider this to be contrary to the provisions set out in paragraph 004 PPG: Planning Obligations where it is stated that.

*‘It is not appropriate for plan-makers to set out new formulaic approaches to planning obligations in supplementary planning documents or supporting evidence base documents, as these would not be subject to examination. Whilst standardised or formulaic evidence may have informed the identification of needs and costs and the setting of plan policies, the decision maker must still ensure that each planning obligation sought meets the statutory tests set out in [regulation 122](#). This means that if a formulaic approach to developer contributions is adopted, the levy can be used to address the cumulative impact of infrastructure in an area, while planning obligations will be appropriate for funding a project that is directly related to that specific development’.*

- 6.6 We are therefore of the view that the imposition of a Public Open Space contribution request should be examined against the viability assessment process and fails to meet the 3-part test outlined in paragraph 57 of the NPPF (December 2023).

## 7. Sensitivity Testing

- 7.1. As per the requirements of RICS professional standards and guidance: Financial viability in planning: conduct and reporting we have carried out further sensitivity analysis of the results to allow the applicant, decision- and plan-maker to consider how changes in inputs to a financial appraisal affect viability.
- 7.2. In conclusion, we found that if construction costs reduce by 5% and the Gross Development Value increases by 5%, the deficit reduces to (negative) £229, 502. This optimistic assessment, based on a best-case scenario, we still find the scheme is in substantial deficit, albeit at a reduced amount.
- 7.3. A copy of our sensitivity analysis is shown below.

### **SENSITIVITY ANALYSIS REPORT** **ET PLANNING LIMITED**

Client: Permahome Limited  
 Planning Application: 2020/22109/FUL  
 North Yorkshire Council

**Table of Land Cost and Gross Sales**

Sales: Gross Sales	Construction: Gross Cost				
	-5.000%	-2.500%	0.000%	+2.500%	+5.000%
-5.000%	£514,053	£598,894	£683,735	£768,576	£853,417
	£3,584,825	£3,584,825	£3,584,825	£3,584,825	£3,584,825
-2.500%	£442,771	£527,309	£612,150	£696,991	£781,832
	£3,679,163	£3,679,163	£3,679,163	£3,679,163	£3,679,163
0.000%	£371,654	£456,024	£540,565	£625,406	£710,247
	£3,773,500	£3,773,500	£3,773,500	£3,773,500	£3,773,500
+2.500%	£300,537	£384,907	£469,277	£553,821	£638,662
	£3,867,838	£3,867,838	£3,867,838	£3,867,838	£3,867,838
+5.000%	£229,502	£313,790	£398,160	£482,530	£567,077
	£3,962,175	£3,962,175	£3,962,175	£3,962,175	£3,962,175

## 8. Conclusion

- 8.1 The development appraisal results in a negative land value of £540,565. This is set against a developer's profit consideration of £660,362 which forms part of the development costs and reflects the substantial increase in construction costs during the lifetime of the planning application and strong inflationary pressure exerted in the last 3 years. A copy of our Argus Appraisal can be found in **Appendix 3**.
- 8.2 Having applied a nominal sum to the BLV at £100.00, we derive a scheme deficit of £540,565 which renders the proposal unviable and unable to contribute towards an Affordable Housing provision and Public Open Space.

### **Paul Westcott BSc (Hons)**

Senior Surveyor Economics | ET Planning

One St Aldates, Oxford, OX1 1DE

[Paul.westcott@etplanning.co.uk](mailto:Paul.westcott@etplanning.co.uk) 01865 507265

### **Derek Clarke MRICS MRTPI**

Director of Economics | ET Planning

One St Aldates Oxford OX1 1DE

[derek.clarke@etplanning.co.uk](mailto:derek.clarke@etplanning.co.uk) 01865 507265

26<sup>th</sup> April 2024

## **Appendix 1: PROPOSED SALE VALUES**

## **Appendix 2: COST PLAN**

## **Appendix 3: ARGUS APPRAISAL**

## **APPENDIX 1: PROPOSED SALE VALUES**

Caring about you and your property



Hackney & Leigh Ltd  
3 Market Square  
Kirkby Lonsdale  
Lancashire  
LA6 2AN

Friday 03rd December 2021

Dear Mr Morgan,

Re: Development in Burton in Lonsdale

Thank you for inviting me to the above site and giving me the guided tour together with an explanation of what you are looking to achieve and the appearances the properties will have once completed.

The site itself is attractive being in a quiet position behind the former school and will have an approach that will foster a community atmosphere. Clearly most houses will have an outlook with lots of clear space which will help in creating the idea of an exclusive development. The proposed layout gives each property reasonable outside space and they don't overlook each other and from the proposed site plan the density looks right and not cramped.

Burton in Lonsdale is an attractive community with local shop/post office and park with housing mix dominated by two/three-bedroom stone built terraced housing, and so this development should provide an improvement to the housing mix and I would expect some demand from locals as well as those looking for a more village style living experience.

It has been widely reported that the demand for housing in the smaller rural communities has risen as people look to relocate and I can confirm that this is our experience on the ground and in this sought of locality.

I've set out below a schedule of the proposed development with plot numbers, type of accommodation, floor area, anticipated price and price per square foot.

Plot	Type	Accommodation	Floor Area	Sale price	£/ft <sup>2</sup>
1	Detached	3 Beds, 2 Bath	1300	425,000	327
2	Link	2 Beds, 2 Bath	900	292,500	325
3	Link	2 Beds, 2 Bath	900	292,500	325
4	Semi	3 Beds, 2 Bath	1100	368,500	335
5	End	2 Beds, 2 Bath	1000	335,000	335
6	Mid	3 Beds, 2 Bath	1300	410,000	315

Ambleside | Arnside | Carnforth | Grange-over-Sands | Kendal | Keswick | Kirkby Lonsdale | Windermere

Derrick Hackney FRICS | John Leigh | David Capps MRICS | Elaine Bradshaw | Richard Harkness MRICS | Mike Graham FNAEA | Robert Casson | Sarah McAlister | Jo Thompson | Sara-Louise Croker | Nick Elgey MRICS

7	Mid	3 Beds, 2 Bath	1300	410,000	315
8	End	2 Beds, 2 Bath	1060	345,000	325
9	Detached	3 Beds, 3 Bath	1300	445,000	342
10	Semi	2 Beds, 1 Bath	750	225,000	300
11	Semi	2 Beds, 1 Bath	750	225,000	300

I have based these figures on nearby sites and adjusted to take into account the differences in the relative value of the different locations.

I have also made adjustments on the site itself to take into account the position of each plot.

The values are cautious as no new development has taken place in Burton in Lonsdale for many years and so it is difficult to be sure how strong the demand will be.

I hope this is satisfactory for your current needs.

Yours sincerely,



Richard Harkness M.R.I.C.S.  
For and on behalf of Hackney & Leigh Ltd

015242 72111  
kirkbysales@hackney-leigh.co.uk  
www.hackney-leigh.co.uk



## **APPENDIX 2: COST PLAN**

**FEASIBILITY ESTIMATE**

**11 Dwellings  
Land at Richard Thornton's School  
Burton in Lonsdale  
Carnforth, Lancaster LA6 3JZ**

**Mar-24**

**T-F Ref: GC BUD EST**

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## DOCUMENT CONTROL

Revision	T-F Ref: GC BUD EST	Reviewed By:	Approved for Issue By:	Date:
Or	Germaine Maynard	Anders Jones	Anders Jones	15/03/2023

## 1 COST PLAN NOTES

### 1.1 INTRODUCTION

Thornton-Firkin LLP have been approached to prepare a feasibility estimate for the proposed development consisting of 11nr new build dwellings including all associated external works on land in the grounds of Richard Thornton's School in Burton in Lonsdale. The estimate is based on the drawings noted below. For further specific detail, the architects drawings should be consulted.

At present, there is no structural or civil design or services information available for review and therefore allowances for such works have been included based on the information noted under section 1.2 below.

The estimated cost of the construction works have been benchmarked against similar projects within Thornton-Firkin LLP in-house cost database. The information used to produce this estimate, as well as assumptions and exclusions have been included below.

### 1.2 BASIS OF INFORMATION

The following information has been used in the preparation of this Cost Plan:

**Architect's Information (Peter Harrison Architects)**

022004-02F - Site layout and ground floor plans

022004-03A - Proposed Elevations

022004-04A - First Floor Plans

022004-06A - Proposed Roof Plan

**Additional Information**

Google Earth

### 1.3 ASSUMPTIONS

All dwelling areas provided by the architect. However the site area is scaled from the available drawings.

Incoming services assumed located near site with sufficient capacity

Assume the works will be competitively tendered.

Our costs are based on 2Q24 rates.

### 1.4 EXCLUSIONS

VAT

Fees including Building Control / Planning / Agents / Marketing / Legal / Survey / Party Walls etc.

Design team professional fees (except Contractor's Design & Build fees).

Infrastructure upgrades, i.e. Section 38, 104, 106, 278, Local Authority contributions (CIL), etc.

Land costs.

Inflation and market fluctuations.

Client contingency.

CCTV.

Any works outside of the site boundary.

Ground contamination and remediation works.

Invasive species treatment and removal.

Public Highway works (inc. off site highway works).

Bin provision

Ecological works.

Archaeological works.

Extensive arboricultural works.

Allowance for associated works for Tree Preservation Zones/ Tree Protection Orders.

Third Party Works.

Gas and vapour protection measures.

Party Wall Awards, Rights to light issues.

Acceleration works.

Phasing.

Flood defence.

Performance Bonds and construction schemes (i.e. Considerate Constructors).

UXO survey and removal.

Obstructions in the ground.

Planning permission and fees

Show house fit out works.

Modern methods of construction.

Floor finishes to non wet areas

No gas - assumed all electric M&E solution

2 FEASIBILITY SUMMARY

2.1 FEASIBILITY ESTIMATE 1

Element	Quantity	Unit	Rate	Total (£)	1,084 £/m2	11,667 £/ft2
GIFA Nr of Units	1,084 11	m2 Nr				
<b>1 Unit Type</b>						
2B4P House: 70.0m2: 2nr units - Affordable	140	m2	1,050	147,000	135.63	12.60
2B4P House: 83.61m2: 2nr units	167.22	m2	1,100	183,942	169.71	15.77
2B4P House: 92.90m2: 1nr units	92.9	m2	1,100	102,190	94.28	8.76
2B4P House: 98.48m2: 1nr units	98.48	m2	1,100	108,328	99.95	9.29
3B5P House: 102.19m2: 1nr units	102.19	m2	1,100	112,409	103.71	9.63
3B5P House: 120.77m2: 4nr units	483.08	m2	1,100	531,388	490.27	45.55
Garages - detached	17	m2	800	13,600	12.55	1.17
Garages - Integral	136	m2	1,000	136,000	125.48	11.66
EO steps in construction	6	No	1,000	6,000	5.54	0.51
EO for MVHR units - assumed electric M&E	11	No	4,000	44,000	40.60	3.77
EO for EV chargers (7KW)	11	no	1,250	13,750	12.69	1.18
EO for PV panels (each house)	11	nr	3,000	33,000	30.45	2.83
EO for Stone elevations	1,300	m2	50	65,000	59.97	5.57
EO for slate roof tiles	542	m2	25	13,550	12.50	1.16
EO non upvc windows and external doors	9	no	2,000	18,000	16.61	1.54
EO for enhanced kitchens to private plots	9	no	3,500	31,500	29.06	2.70
EO for built in wardrobes to private plots	9	no	1,000	9,000	8.30	0.77
EO for Ensuites	14	no	3,500	49,000	45.21	4.20
			<b>Sub-Total (1)</b>	<b>1,617,657</b>	<b>1492.48</b>	<b>138.66</b>
<b>2 External Works</b>						
Site clearance	4,383	m2	5	21,915	20.22	1.88
Tarmac access road and drives	1,740	m2	90	156,600	144.48	13.42
Street lighting - columns	8	nr	2,500	20,000	18.45	1.71
New crossover to existing highway	1	nr	10,000	10,000	9.23	0.86
Forming pedestrian access in existing stone wall	1	Item	4,000	4,000	3.69	0.34
Block paving service strip	78	m2	90	7,020	6.48	0.60
Paving slabs to patio areas	435	m2	70	30,450	28.09	2.61
Forming steps to affordable units	1	nr	2,000	2,000	1.85	0.17
Soft landscaping; 150mm topsoil and turf to gardens/communal gardens/POS	1,588	m2	25	39,700	36.63	3.40
Soft Landscaping; allowance for low level planting to front gardens and communals		Item		20,000	18.45	1.71
EO for mature trees	10	no	250	2,500	2.31	0.21
Stone walls to front gardens	132	m	300	39,600	36.54	3.39
EO for curved wall	8	m	50	400	0.37	0.03
EO for gates	9	no	250	2,250	2.08	0.19
Retaining walls to Rear gardens	74	m	350	25,900	23.90	2.22
Fencing to perimeter and rear gardens	273	m	90	24,570	22.67	2.11
EO for gates	11	no	250	2,750	2.54	0.24
			<b>Sub-Total (2)</b>	<b>409,655</b>	<b>377.96</b>	<b>35.11</b>
<b>3 Drainage</b>						
Foul water drainage	1,084	m2	25	27,097	25.00	2.32
Surface water drainage	2,795	m2	23	62,888	58.02	5.39
EO Attenuation		Item		50,000	46.13	4.29
Connections	2	nr	5,000	10,000	9.23	0.86
			<b>Sub-Total (3)</b>	<b>149,984</b>	<b>138.38</b>	<b>12.86</b>
<b>4 Services</b>						
New external services (water & electric)	11	nr	3,000	33,000	30.45	2.83
BT	11	nr	1,250	13,750	12.69	1.18
Allowance for BWIC, trenching etc		item		25,000	23.07	2.14
			<b>Sub-Total (4)</b>	<b>71,750</b>	<b>66.20</b>	<b>6.15</b>
Main Contractors Preliminaries	60.00	wks	10,000	600,000	553.57	51.43
Main Contractors Design Fees			3.5%	78,717	72.63	6.75
Main Contractor's OH&P			7.5%	219,582	202.59	18.82
<b>Total Construction Cost (excluding VAT) £</b>				<b>3,147,345</b>	<b>2,904</b>	<b>270</b>
<b>Average Cost Per Dwelling £</b>				<b>286,122</b>		

## **APPENDIX 3: ARGUS APPRAISAL**

Client: Permahome Limited  
Planning Application: 2020/22109/FUL  
North Yorkshire Council

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100% Open market sale appraisal  
Land at Richard Thornton School  
Burton in Lonsdale  
LA6 3JZ

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Development Pro Forma  
ET Planning Limited  
April 19, 2024

**Client: Permahome Limited**  
**Planning Application: 2020/22109/FUL**  
**North Yorkshire Council**

**Project Pro Forma for Phase 1**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales
Plot 1 - 3 Bed Detached	1	1,300	326.92	425,000	425,000
Plot 2 - 2 Bed Semi Detached	1	900	325.00	292,500	292,500
Plot 3 - 2 Bed Semi Detached	1	900	325.00	292,500	292,500
Plot 4 - 3 Bed Link Detached	1	1,100	335.00	368,500	368,500
Plot 5 - 2 Bed Semi Detached	1	1,000	335.00	335,000	335,000
Plot 6 - 3 Bed Semi Detached	1	1,300	315.38	410,000	410,000
Plot 7 - 3 Bed Link Detached	1	1,300	315.38	410,000	410,000
Plot 8 - 2 Bed Link Detached	1	1,060	325.47	345,000	345,000
Plot 9 - 3 Bed Link Detached	1	1,300	342.31	445,000	445,000
Plot 10 - 2 Bed Semi Detached	1	750	300.00	225,000	225,000
Plot 11 - 2 Bed Semi Detached	<u>1</u>	<u>750</u>	300.00	225,000	<u>225,000</u>
<b>Totals</b>	<b>11</b>	<b>11,660</b>			<b>3,773,500</b>

**NEGATIVE LAND ALLOWANCE**

Residualized Price	540,565	540,565
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**TOTAL PROJECT REVENUE** **4,314,065**

**DEVELOPMENT COSTS**

**ACQUISITION COSTS**

Negative Land Allowance	(540,565)	
Land aquisition fees & reports		2,500
		2,500

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost
Plot 1 - 3 Bed Detached	1,300	269.92	350,896
Plot 2 - 2 Bed Semi Detached	900	269.92	242,928
Plot 3 - 2 Bed Semi Detached	900	269.92	242,928
Plot 4 - 3 Bed Link Detached	1,100	269.92	296,912
Plot 5 - 2 Bed Semi Detached	1,000	269.92	269,920
Plot 6 - 3 Bed Semi Detached	1,300	269.92	350,896
Plot 7 - 3 Bed Link Detached	1,300	269.92	350,896
Plot 8 - 2 Bed Link Detached	1,060	269.92	286,115
Plot 9 - 3 Bed Link Detached	1,300	269.92	350,896
Plot 10 - 2 Bed Semi Detached	750	269.92	202,440
Plot 11 - 2 Bed Semi Detached	<u>750</u>	269.92	<u>202,440</u>
<b>Totals</b>	<b>11,660 ft<sup>2</sup></b>		<b>3,147,267</b>

**PROFESSIONAL FEES**

Professional fees	10.00%	314,727	314,727
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**MARKETING & LEASING**

Marketing	1.00%	37,735	37,735
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**DISPOSAL FEES**

Sales Agent Fee		1.50%	56,602
Sales Legal Fee	11 un	750.00 /un	8,250
			64,852

**TOTAL COSTS BEFORE FINANCE** **3,567,081**



**Client: Permahome Limited**  
**Planning Application: 2020/22109/FUL**  
**North Yorkshire Council**

**FINANCE**

Debit Rate 8.000%, Credit Rate 0.000% (Nominal)

Land	(35,063)	
Construction	121,685	
Total Finance Cost		86,622

**TOTAL COSTS****3,653,703****PROFIT****660,362****Performance Measures**

Profit on Cost%	18.07%
Profit on GDV%	17.50%
Profit on NDV%	17.50%
IRR% (without Interest)	88.70%
Profit Erosion (finance rate 8.000)	2 yrs 1 mth



- | CIL
- | Enforcement
- | Land Promotion
- | Planning
- | Sequential Tests
- | Viability

## Contact

### Address

200 Dukes Ride RG45 6DS  
One St Aldates OX1 1DE  
32 London Road GU1 2AB  
14 The Square SY1 1LH  
72 Paris Street EX1 2JY

### Phone

01344 508048  
01865 507265  
01483 363950  
01743 612043  
01392 691384

### Web & Mail

Email: [office@etplanning.co.uk](mailto:office@etplanning.co.uk)  
ET Planning Ltd | 10646740

Web: [www.etplanning.co.uk](http://www.etplanning.co.uk)