

Financial Viability Statement

Haydock Green, St. Helens

Prepared on behalf of:

Peel Holdings (Land and Property) Limited

May 2021

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Client

Peel Holdings (Land and Property) Limited

Date

May 2021

Declaration: Conformity with RICS Professional Statement

The RICS Professional Statement Financial Viability in Planning, September 2019, 1st Edition

A declaration of confirmation 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 on 01 March 2021, Turley is instructed by Peell&P) Limited ('the Landowner') to objectively assess, and report upon, the deliverability and financial viability of land under promotion at Haydock Green, St. Helens ('the Site') for residential development and potential additional uses such as an EV Charge Station and Roadside Amenities ('the Prospective Development').

The purpose of this assessment is to test the deliverability and viability of the proposed development of the Site taking into account the adopted and draft planning policy requirements of St Helens Council ('SHBC' or 'the Council'), 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 Prospective Development scheme will, in due course be considered.

Turley has set out a full explanation of the evidence provided with reasoned justification

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 Landowner 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 Landowner.

Status

This report does not constitute a formal valuation and cannot be regarded, or relied upon, as such.

This report provides a guide for feasibility in line with the purpose for which the assessment is required, in accordance with the National Planning Policy Framework (NPPF)¹ and national Planning Practice Guidance for Viability (PPGV)², and as stated within the RICS Financial Viability in Planning (2012) Guidance Note³.

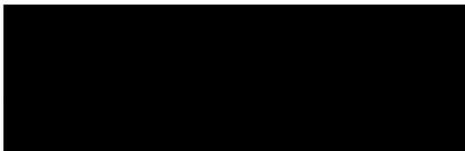
The conclusions of this report are based upon the input assumptions as stated herein and as available at the time of production. The input assumptions and conclusions of this report are valid at the date of publication and should be subject to review should further information be made available or in the event of material economic or property market change, or in respect of relevant legislative and policy changes.

Publication

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

Personnel

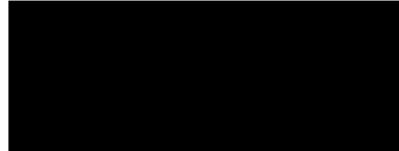
This report has been prepared and countersigned by:



Steve Smith MRICS

Associate Director, Development Viability

For and on behalf of Turley



Matt Spilsbury MRICS MRTPI

Director, Head of Development Viability

For and on behalf of Turley

¹ MHCLG (2019) National Planning Policy Framework (NPPF)

² MHCLG (2019) National Planning Practice Guidance – Viability

³ RICS (2012) Financial Viability in Planning Guidance Note (GN 94/2012) 1st Edition

Executive Summary

Instruction

1. Turley has been appointed by Peel L&P ('the Landowner') to objectively assess, and report upon, the financial viability of a proposed residential development site referred to as Haydock Green, in St Helens.

Haydock Green

2. Haydock Green occupies an area of approximately 32.46 hectares (80.2 acres) situated to the south-west of Junction 23 (roundabout) of the M6/A580. The Masterplan⁴ sets out a vision for Haydock Green as a new residential location, extending to the south east of the current built area of St Helens. The proposed scheme comprises 525 houses of 2, 3 and 4 bedrooms, with extensive areas of public open space and retention of existing woodland. Renewable energy provision is proposed, and diversion of the A49, to reduce traffic on the M6 J23 access roundabout, feeding traffic directly onto the A580.

Viability in Plan-making

3. The Government's national planning guidance for understanding viability in both plan making and decision taking is set out within Planning Practice Guidance for Viability ('PPGV')⁵.
4. PPGV confirms that the role for viability assessment is primarily at the plan making stage, and should be undertaken to ensure that plan policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan.
5. PPGV emphasises the importance of assessing the financial viability of strategic sites within the plan-making process, particularly for sites that are critical to delivering the strategic priorities of the plan.
6. PPGV requires that the inputs and findings of any viability assessment should be set out transparently in a way that aids clear interpretation and interrogation by stakeholders. 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).

Assessment Purpose & Methodology

7. The purpose of this financial viability assessment is to test the financial viability of the proposed development of Haydock Green, taking into account the adopted and draft

⁴ Hope Architects Proposed Residential Development Plan

⁵ MHCHLG (2019) Planning Practice Guidance: Viability

planning policy requirements of SHBC, as well as national planning policy set out in the National Planning Policy Framework ('NPPF') and national guidance set out in PPGV.

8. This represents a fully compliant 'policy on' assessment, inclusive of all expected costs arising from SHBC's Submission Draft Local Plan ('the Local Plan').
9. The methodology applied in the viability assessment of Haydock Green is, as far as possible, conducted consistently with the methodology utilised by Keppie Massie ('KM') in the preparation and undertaking of the published St Helens Local Plan Economic Viability Assessment ('LPEVA') December 2018, as produced on behalf of the Council and forming the primary viability evidence document supporting the Local Plan.
10. The viability model is conducted on a residual basis. It assumes that the gross land area required for Haydock Green is sold unserviced to a lead housebuilder, with the payment for the land being made upfront (i.e. on day one) as a single monetary sum (i.e. without deferment or phased payments). The lead housebuilder is then responsible for servicing the site with the requisite infrastructure, the construction and sale of residential dwellings and the disposal of suitably serviced commercial land parcels (which are delivered by a suitable third party developer and/or operator).
11. As Part of Peel L&P, Northstone Homes are expected to deliver the Haydock Green development, and reference to the Northstone Homes housing unit typology and anticipated unit mix has been adopted within this assessment.
12. The scheme is anticipated to come forward as a single phase by a single developer. The scheme is of sufficient scale to be potentially split between two developers, but we have adopted our current understanding of delivery within our assessment of the achievable sales programme. Residential development is projected at an average residential delivery rate of 51 dwellings per annum ('dpa') over a seven year delivery period.
13. Additional uses, such as an EV Charging Station and Roadside Amenities are under consideration for inclusion within the scheme. No details are currently available in respect of these uses, and this viability assessment focusses upon the residential development. It is anticipated that additional uses will be brought forward if they prove viable, and on that basis, they would be assumed to add to the residual land value of the site, further improving viability.
14. Costs for the A49 diversion have been adopted in line with a high level costing by WSP, dated Q3 2018. BCIS data indicates limited movement in construction costs since the date of costing preparation, and the WSP costing has been adopted at £4,008,697.
15. Other infrastructure and abnormal costs have been assessed in line with allocated site evidence presented within the LPEVA.
16. A risk-adjusted developer's return of 20% of gross development value ('GDV') is incorporated within the viability assessment as a fixed target margin.

17. The viability modelling input assumptions adopted for the testing of Haydock Green are summarised in Table 1 overleaf.

Table 1: Viability Assessment Inputs Summary | Haydock Green

Input	Metrics
Gross Site Area	32.46 hectares/80.2 acres
Net Site Area	13.44 hectares/33.2.acres
Dwellings	525
Start date	Jun-2023
Build-out rate	51 d.p.a average
End date	Jul-2031
A49 Diversion (incl. contingency)	£4,008,697 (£7,636/unit)
Residential Sales Values	£229/ft ² average (£2,463/m ²)
Residential Affordable Values	£132/ft ² average (£1,422/m ²)
Residential Build Costs inclusive of external works, Building Regulations M4(2) and M4(3a) requirements	Houses: £98.61/ft ² (£1,061/m ²)
Abnormal/Opening Up Costs	£3,183 per unit
POS	72,300 sq m of POS x £16.34/sq m = £1,181,382
Electric Vehicle Charging	£220/unit
Building Regulations M4(2)	£1,100/unit (20% of units)
Building Regulations M4(3)	£5,500/unit (5% of Affordable Rent units)
Professional Fees	7.50%
Contingency	5.00%
Sales, Marketing and Sales Legal Costs	3.50%
Affordable Housing Sales Legal Fees	£500 per dwelling
Finance Rate (% Debit)	7.00%
Developer's Return (% GDV)	20.00%

Benchmark Land Value

18. The LPEVA adopts benchmark land values ('BLV') for greenfield sites at either £150,000 per net acre, or £250,000 per net acre, depending upon which Affordable Housing Zone (1, 2 or 3) a site sits within.
19. The Haydock Green site sits within Affordable Housing Zone 2, where the LPEVA assesses average market sales values equating to £195/ft². On the basis of comparable evidence, the average market sale value within the proposed scheme is £229/ft². This

level of value exceeds those adopted for Affordable Housing Zone 3 areas within the LPEVA, at £225/ft².

20. It is, therefore, determined as reasonable to assess the BLV for the Haydock Green site at £250,000 per net acre.
21. This results in a minimum BLV for Haydock Green of £8,300,000.
22. The BLV equates to only £103,491 per gross acre.
23. Land owners will maintain a minimum requirement, below which they will not release any land. A land owner will allocate development value to the whole of the site area that is included within a development scheme, rather than being focussed solely upon the net land value.
24. In our experience, £100,000 per gross acre is regarded as minimum option pricing for large strategic sites which are required to bear significant infrastructure and abnormal costs. Often, infrastructure costs are significantly in excess of those that are assessed for Haydock Green, and a £250,000 per net acre BLV allowance is regarded as an absolute minimum.
25. The Affordable Housing Zone 2 BLV of £150,000 per net acre equates to only £62,095 per gross acre for the Haydock Green site, and this is insufficient to incentivise a land owner to sell their asset.

Viability Assessment Results

26. The viability appraisal of Haydock Green demonstrates that, for the proposed development to generate a risk-adjusted developer's and hence be viable and deliverable, the residual land value ('RLV') generated equates to £157,285 per gross acre.
27. This exceeds the minimum BLV of £103,491 per gross acre by c.£4,314,236.

Conclusion

28. On the above basis, as supported by national planning policy and guidance, it is clear that, on the basis of the LPVA appraisal assumptions, the proposed development generates an RLV that is sufficient to achieve and exceed the minimum BLV.
29. Therefore, Haydock Green is demonstrable as being fully viable and deliverable for the purpose of consideration within SHBC's Local Plan.
30. For the purpose of transparency and ease of review, a summary of the Haydock Green viability assessment modelling is set out in Table 2 overleaf.
31. The full financial appraisal with cashflow is provided within **Appendix 1** for complete transparency.

Table 2: Viability Assessment Outputs Summary | Haydock Green⁶

Revenue	Totals (£)
Residential	£111.15m
Costs	Totals (£)
A49 Diversion	£4.01m
Abnormal/Opening Up	£1.67m
POS	£1.18m
S106	£0.53m
Build Costs	£53.2m
Fees & Contingency	£6.87m
Sales & Marketing	£3.38m
Finance	£4.55m
Developer's Return (Fixed)	£22.23m
Land Value (Residual) after purchase costs	£12.61m
Benchmark Land Value ('BLV')	£8.30m
Viability Surplus / Deficit (vs. BLV)	+£4.31m

⁶ Note: figures subject to rounding

1. Introduction

Haydock Green

- 1.1 The Site comprises 32.46 hectares of existing agricultural/grazing land located to the south-west of Junction 23 (roundabout) of the M6/A580, and to the south-east of the built area of Haydock.
- 1.2 The Site is immediately bound by Lodge Lane (A49) and an area of woodland to the east, agricultural land to the south, the B5209 Vista Road and existing residential and commercial development to the west, and the A580 and the Haydock Industrial Estate to the north. Lyme and Wood Pits Country Park is also located beyond the western boundary of the Site (across the B5209 Vista Road), offering recreation and open space to the Haydock area.
- 1.3 The Ellams Brook runs through the Site within a set of established trees, which are to be retained. There is also a smaller brook towards the west of the Site.
- 1.4 The established residential areas of Haydock and Newton-le-Willows are located to the west and south, respectively, offering access to a range of facilities and services, including Haydock Industrial Estate, which is a key employment area.
- 1.5 The nearby strategic highway network provides a high level of accessibility to the Site by road and bus. Junction 23 of the M6 provides access to the major centres of Wigan, St. Helens and Warrington (and beyond). Bus stops along Vista Road and Lodge Lane/A580 provide local services which include routes to Newton-le-Willows and Haydock. An on-road cycle way is located on Vista Road with a further off-road route along the A580. The closest train station is located approximately 1.75km south in Newton-le-Willows.
- 1.6 As an accessible location, close to established residential areas, in proximity to employment development, the Site is considered a suitable area of expansion for residential development, which would support further employment proposals on land further east.
- 1.7 A Masterplan for the Prospective Development is enclosed within **Appendix 2**.

Document Structure

- 1.8 The viability assessment report is structured as follows:
 - **Section 2:** presents the relevant planning policy context for the undertaking of this viability assessment during the process of Local Plan preparation.
 - **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 of Haydock Green.
- **Section 5:** derives the benchmark land value ('BLV') or 'Site Value' as appropriate to apply to Haydock Green.
- **Section 6:** summarises the results of viability assessment for Haydock Green.
- **Section 7:** sets out concluding recommendations in respect of the viability results generated by the proposed development of Haydock Green, in accordance with the NPPF⁷ and national PPGV⁸.

⁷ MHCLG (2019) National Planning Policy Framework (NPPF)

⁸ 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 prospective development of Haydock Green.

2.2 It informs the preparation of a viability assessment of Haydock Green deemed compliant with national policy and guidance, as well as drafted Local Plan policies, upon which SHBC and the Local Plan Inspector can place confidence and reliance.

National Planning Policy Framework

2.3 The NPPF presents the Government's planning policies for England and how these are expected to be applied.

2.4 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 otherwise⁹. The NPPF, along with emerging plans, are material considerations that must be accorded weight within planning decision-making.

Sustainable Development

2.5 The presumption in favour of sustainable development is at the heart of the NPPF and is to be pursued positively in both decision-making and plan-making as set out within NPPF paragraphs 10 and 11. For the purposes of plan-making the presumption is only disapplied in the circumstances indicated in paragraph 11(b).

Deliverability & Viability

2.6 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.

2.7 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.

2.8 All viability assessments, including those undertaken at plan-making stage, should be transparently published and reflect the recommended approach in national planning guidance¹⁰.

⁹ Section 38(6) of the Planning and Compulsory Purchase Act 2004

¹⁰ MHCLG (2019) National Planning Policy Framework (NPPF) paragraph 57; (see also *Holborn Studios v London Borough of Hackney & Anor* [2020] EWHC 1509 (Admin) .

Planning Practice Guidance for Viability ('PPGV')

- 2.9 The Government's national planning guidance for understanding viability in both plan making and decision taking is set out within PPGV¹¹.
- 2.10 Paragraph 002 confirms how plan makers and site promoters should ensure that policy requirements for contributions from development are deliverable. It states:
- "The role for viability assessment is primarily at the plan making stage. Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan."*
- 2.11 Paragraph 002 also places the weight of responsibility on site promoters to actively engage in the plan-making process, to account for costs (including profit expectations and risk) and to ensure that proposals for development fully comply with up to date plan policies.
- 2.12 Paragraph 003 confirms that, whilst not every individual site requires testing within the Plan-making process, in some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the Plan relies.
- 2.13 Notably, paragraph 005 emphasises the importance of assessing the financial viability of strategic sites within the plan-making process. Specifically, it states:
- "It is important to consider the specific circumstances of strategic sites. Plan makers can undertake site specific viability assessment for sites that are critical to delivering the strategic priorities of the plan. This could include, for example, large sites, sites that provide a significant proportion of planned supply, sites that enable or unlock other development sites or sites within priority regeneration areas."*
- 2.14 In this regard, PPGV is clear at paragraph 006 that:
- "Plan makers should engage with landowners, developers, and infrastructure and affordable housing providers to secure evidence on costs and values to inform viability assessment at the plan making stage."*
- 2.15 Paragraph 010 confirms that the viability assessment should reflect the Government's recommended approach to defining key inputs as set out in PPGV.
- 2.16 Paragraph 020 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).

¹¹ MHCHLG (2019) Planning Practice Guidance: Viability

Emerging St. Helens Borough Local Plan 2020 – 2035 (Draft) ('SHBLP')

- 2.17 Weight may be given to relevant policies in emerging plans according to their stage of preparation, the extent to which there are unresolved objections to relevant policies, and their degree of consistency with policies in the NPPF.
- 2.18 The Council began working on a new Local Plan as far back as 2013, when initial scoping consultations took place. The emerging SHBLP was submitted to the Planning Inspectorate for independent examination on 29 October 2020. Hearings are due to commence from 25 May over a four week period.
- 2.19 Once adopted, the SHBLP will provide the vision and objectives for the Borough up to and beyond 2035.

Housing

- 2.20 Policy LPC01 requires new housing to be well designed and to address local needs, and informed by relevant evidence including the Borough's latest Strategic Housing Market Assessment (SHMA).
- 2.21 Where a proposal for new housing would be on a greenfield site on which the site as a whole would deliver 25 or more new homes, the Council will apply optional standards as set out in Parts M4(2) and M4(3) of the Building Regulations 2010 (as amended) so that:
- (a) at least 20 % of the new dwellings across the whole site must be designed to the "accessible and adaptable" standard set out in Part M4(2); and
 - (b) at least 5% of the new dwellings across the whole site must be designed to the "wheelchair user" dwellings standard set out in Part M4(3).
- 2.22 Unit typology, based on the number of beds is set out within SHBLP Table 6.1, indicating the range of sizes identified as being needed in the SHMA update that will guide the Council's assessment of planning applications in line with paragraph 1 of Policy LPC01, as follows:

Table 6.1: Estimated Size of Homes Needed 2014-2037⁴⁸

	1-bed	2-bed	3-bed	4+ bed
Market	0-5%	25-30%	50-55%	15-20%
Low-cost home ownership	10-15%	35-40%	40-45%	5-10%
Affordable housing (rented)	30-35%	30-35%	25-30%	5-10%

- 2.23 If the standards in Part M4(2) or Part M4(3) are amended or superseded by new standards, the Council will apply the relevant amending or superseding provisions in the same proportions as set out above.
- 2.24 Moreover, at least 5% of new homes on greenfield sites that would deliver 25 or more dwellings should be bungalows.
- 2.25 Exceptions to the above will be made where an applicant has submitted an independent viability assessment.

- 2.26 In addition to the new housing requirements above, in accordance with Policy LPA07 (Transport and Travel), new development will only be permitted if it would provide appropriate provision of charging points for electric vehicles.

Affordable Housing

- 2.27 Policy LPC02 requires proposals for new open market housing developments of 11 or more units to contribute to the following targets:
- (a) at least 30% of new dwellings provided on greenfield sites in Affordable Housing Zones 2¹² and 3 must fall within the definition of 'affordable housing';
 - (b) at least 10% of new dwellings provided on brownfield sites in Affordable Housing Zone 3 must fall within the definition of 'affordable housing'.
- 2.28 The types of affordable housing to be provided on any site must be informed by the latest evidence concerning need. Where an affordable housing requirement is triggered in line with the affordable housing policy above:
- (a) at least 10% of the overall number of homes to be provided should be available for affordable home ownership (unless this would significantly prejudice the ability to meet the identified needs of specific groups); and
 - (b) any remaining proportion of the affordable housing to be provided should be for affordable rented accommodation.
- 2.29 The LPEVA adopts an affordable unit mix of 33.33% affordable home ownership and 66.67% affordable rent and this mix has been adopted within the attached appraisals.
- 2.30 Affordable housing provision must be within the application site unless the applicant demonstrates insufficient local need exists to justify on-site provision, or where there are overriding benefits to making 'off site' provision.
- 2.31 Any relaxation to the Council's affordable housing policy will only be supported if fully justified by a site-specific viability assessment, and the benefits of proceeding with the development outweigh the failure to provide the full affordable housing contribution.

Open Space

- 2.32 In accordance with Policy LPC05, new residential development will be required to contribute towards the provision, expansion and/or enhancement of open space to meet needs in accordance with SHBLP Policies LPA08 and LPD03.

Renewable and Low Carbon Energy Development

- 2.33 Policy LPC13 requires new developments for housing, employment or other uses to meet high standards of sustainable design and construction and minimise carbon emissions. They should use energy efficiently and where feasible incorporate decentralised energy systems that would use or generate renewable or other forms of low carbon energy. Large scale schemes that would generate a significant source or demand for heat should also be supported by evidence considering the feasibility of

¹² According to the Affordable Housing Zones map, the Site falls within Zone 2

serving the development by means of a district heating scheme. Proposals for new development within a strategic employment site or a strategic housing site (as defined in Policies LPA04.1 and LPA05.1) must, unless this is shown not to be practicable or viable, ensure that at least 10% of their energy needs can be met from renewable and/or other low carbon energy source(s).

Open Space and Residential Development

- 2.34 Policy LPD03 requires proposals for new residential development of 40 dwellings or more to make provision for new open space, or the expansion or enhancement of existing open space, where;
- (a) there are existing deficiencies in the quantity, accessibility or quality of open space(s) in the area; or
 - (b) the development would generate a need for open space that cannot be satisfactorily or fully met by existing provision in the area.
- 2.35 The required amount of open space should be provided on the development site unless it has been demonstrated that developer contributions towards the provision, expansion or enhancement of off-site open space within the locality would be more suitable.
- 2.36 Development proposals that would include new open space must incorporate suitable arrangements for its long-term management and maintenance and ensure that it will have continued public access.

Infrastructure Delivery and Funding

- 2.37 Policy LPA08 states that development proposals will be expected to include or contribute to the provision, improvement or replacement of infrastructure that is required to meet needs arising from the development proposal and/or to serve the needs of the wider area. This may include provision of on/off site infrastructure and/or financial contributions.
- 2.38 Consideration will be given to economic viability evidence including any site specific development appraisal submitted (by an applicant) to determine the ability of the development scheme to support the required level of contributions.

Community Infrastructure Levy ('CIL')

- 2.39 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.
- 2.40 According to SHBC's website they do not currently have plans to introduce a CIL levy for St. Helens. CIL is therefore not applicable to this assessment at the date of publication.

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 (1st edition, May 2019)

- 3.2 This RICS professional statement sets out mandatory requirements on conduct and reporting in relation to Financial Viability Assessments ('FVAs') 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 Note¹³ (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.'*¹⁴

- 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:

¹³ RICS (2012) Financial Viability in Planning Guidance Note (GN 94/2012) 1st Edition

¹⁴ Ibid, p.4

*'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.'*¹⁵

- 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 2012 Financial Viability in Planning Guidance Note is to be replaced by the new RICS Assessing viability in planning under the National Planning Policy Framework 2019 for England Guidance Note, which is effective from 1 July 2021. This document has been taken into consideration in the preparation of this report.

PPGV

- 3.10 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.'*¹⁶

- 3.11 PPGV defines Site Value as the 'benchmark land value' ('BLV'), which should be established on the basis of the existing use value ('EUUV') of the land, plus a premium for the landowner. This approach is referred to as the 'existing use value plus' ('EUUV+'). 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.'*¹⁷

- 3.12 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
- 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

¹⁵ Ibid, p.4

¹⁶ MHCLG (2018) National Planning Practice Guidance – Viability: Paragraph: 010

¹⁷ MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 013

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.

3.13 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 account¹⁸.

3.14 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.'*¹⁹

3.15 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 PPG (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.

3.16 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)²⁰.

Methodology

3.17 In order to determine the viability of the Prospective Development at the Site, a residual valuation model with cash flow has been prepared using proprietary software Argus Developer.

3.18 The methodology for undertaking this viability assessment follows the residual appraisal method, which is that accepted by the RICS and recommended within RICS Professional Guidance²¹. The methodology is also consistent with the Government's recommended approach as set out in PPGV²².

3.19 The model assumes that the gross land area required for Haydock Green is sold unserviced to a lead housebuilder, with the payment for the land being made upfront

¹⁸ MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 014

¹⁹ MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 017

²⁰ MHCLG (2019) National Planning Practice Guidance – Viability: Paragraph: 017

²¹ RICS (2012) Financial Viability in Planning Guidance Note (GN 94/2012) 1st Edition

²² MHCLG (2019) National Planning Practice Guidance – Viability

(i.e. on day one) as a single monetary sum (i.e. without deferment or phased payments). The lead housebuilder is then responsible for servicing the site with the requisite infrastructure, the construction and sale of residential dwellings on the open market and to a registered provider of affordable homes.

- 3.20 The model 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. No allowance is made for underlying inflation.
- 3.21 The residual land value ('RLV') represents the sum available following the deduction of all costs, including allowance for developer's profit, from the net achievable revenue which can be derived from Haydock Green.
- 3.22 This method is an industry standard approach for developers in calculating an appropriate bid to acquire land and premises for development.
- 3.23 The methodology applied in the viability assessment of Haydock Green is, as far as possible, conducted consistently with the methodology utilised by Keppie Massie in the preparation and undertaking of the published LPEVA, as produced on behalf of the Council and forming the primary viability evidence document supporting the Local Plan.

Benchmark Land Value (BLV)

- 3.24 As set out above, PPGV, the RICS Professional Statement and RICS Guidance set out a requirement for viability assessment to compare the RLV of the proposed development, as derived through the viability assessment, with the BLV (i.e. minimum return at which it is considered a reasonable landowner would be willing to sell their land) in order to determine whether the proposed development is viable or unviable.
- 3.25 Turley's considered analysis of the appropriate BLV to apply to Haydock Green is set out in chapter 5 of this document.

4. Viability Assessment Assumptions

4.1 This section presents the principal assumptions used in the viability assessment.

Development Outputs

Land Budget

4.2 The Site occupies an area of approximately 32.4 hectares and comprises agricultural/grazing land interspersed with woodland, hedgerows, the Ellams Brook and a further, smaller brook to the west.

4.3 A summary of the land budget for the Prospective Development is set-out within Table 4.1.

Table 4.1: Proposed Land Budget

Land Area	%	Hectares (ha)	Acres (ac)
Public Open Space/Landscaping (includes woodland, SUDS, landscaped spaces in boulevards etc. Excludes all land east of the new road link, and land reserved on northern boundary for noise attenuation)	33.5	10.89	26.91
Retained Woodland	11.3	3.66	9.04
Undevelopable Land Area	13.8	4.47	33.21
Developable Land Area	41.4	13.44	11.05
Total Gross Site Area	100	32.46	80.21

Source: The Landowner

4.4 Table 4.1 presents a net to gross land efficiency of only 41.4%.

Phasing & Delivery

4.5 The scheme is anticipated to come forward as a single phase by a single developer. The scheme is of sufficient scale to be potentially split between two developers, but we have adopted our current understanding of the proposed delivery by Northstone Homes within our assessment of the achievable sales programme.

4.6 Residential development is projected at an average residential delivery rate of 51 dwellings per annum ('dpa') over a seven year delivery period.

4.7 In comparison, the five nearby new build residential schemes achieved 257 during the year of 2019, averaging 4.28 per month. Some of this delivery is within a site that has multiple outlets (Vulcan Village), and the adopted sales rate is regarded as realistic.

Accommodation Schedule

- 4.8 No detailed scheme layout or accommodation schedule have been produced by the Landowner or Northstone Homes at this relatively early stage of promotion.
- 4.9 For the purposes of conducting a viability assessment, the Landowner has instructed Turley to develop an appropriate framework for a residential development at the Site.
- 4.10 This framework has been informed by confirmation that Northstone Homes expects to deliver 16,250 ft² of accommodation per acre, and they have provided details of the unit types which are expected to be adopted within the Haydock Green development, along with their proposed mix of bed types (20% 2 beds; 50% 3 beds and 30% 4 beds).
- 4.11 Turley has reviewed the unit typologies and applied them in line with the percentage mix for each bed type.
- 4.12 Table 4.3 presents the site-wide (tenure blind) unit mix that has been applied within viability assessment.

Table 4.2: Summary Residential Dwelling Mix | Haydock Green

Unit Type	Beds	Dwellings	% of dwellings
Bungalow	2	26	5%
2 storey house	2	36	7%
2 storey house	2	42	8%
2 storey house	3	79	15%
2 storey house	3	63	12%
2 storey house	3	42	8%
2.5 storey house	3	79	15%
2 storey house	4	32	6%
2 storey house	4	21	4%
2.5 storey house	4	79	15%
2 storey house	4	16	3%
2 storey house	4	5	1%
2 storey house	4	5	1%
Total/ Average:		525	100.0%

- 4.13 The following accommodation schedule summary presents the adopted unit mix for the Prospective Development at the Site, equating to 16,249 ft² per acre.

Table 4.3: Accommodation Schedule Summary

Type	Format	Beds	Dwellings	Dwellings (%)	Dwelling NIA		Dwelling GIA	
					Size (m ²)	Size (ft ²)	Size (m ²)	Size (ft ²)
Bungalow	Terraced/semi-detached	2	26	5%	64	693	1,674	18,018
2 storey house	Terraced/semi-detached	2	36	7%	60	651	2,177	23,436
2 storey house	Terraced/semi-detached	2	42	8%	71	768	2,997	32,256
2 storey house	Terraced/semi-detached	3	79	15%	80	866	6,356	68,414
2 storey house	Terraced/semi-detached	3	63	12%	90	974	5,701	61,362
2 storey house	Detached	3	42	8%	98	1050	4,097	44,100
2.5 storey house	Detached	3	79	15%	107	1151	8,448	90,929
2 storey house	Detached	4	32	6%	111	1195	3,553	38,240
2 storey house	Detached	4	21	4%	119	1277	2,491	26,817
2.5 storey house	Detached	4	79	15%	116	1251	9,181	98,829
2 storey house	Detached	4	16	3%	127	1370	2,036	21,920
2 storey house	Detached	4	5	1%	133	1435	667	7,175
2 storey house	Detached	4	5	1%	148	1591	739	7,955
Total/ Average:			525	100%	95	1,028	50,116	539,451

Development Value

Residential Open Market Values

- 4.14 The value to be adopted is based on the special assumption that the development is complete on the publication date of this document in the prevailing market conditions.

Open Market Housing

- 4.15 Turley has conducted an extensive market analysis of new build residential activity across the local area to inform pricing within the Haydock Green viability assessment. The comparable and pricing analysis is provided within the Residential Market Report at **Appendix 3**.
- 4.16 In accordance with the current market evidence, obtained in May 2021, the average blended open market sales value has been incorporated at c.£229 per square foot ('£/ft²'), which is equivalent to £2,463 per square metre ('£/m²'). This is considered appropriate and reasonable to reflect the market value that would be achievable in the current market at Haydock Green with the assumption that the development is underway and supporting infrastructure and facilities are being delivered in tandem.
- 4.17 A site-wide residential open market accommodation and pricing schedule is provided in the following table overleaf.
- 4.18 Sales values are assessed with reference to unit sizes, typology and number of storeys. A 10% value uplift is applied to bungalows, in line with LPEVA methodology, and lower £/ft² are applied to 2.5 storey units, in line with purchaser expectations. £/ft² values reduce as unit sizes increase, again in line with purchaser expectations.

Table 4.4: Open Market Sale Housing Pricing Schedule | Haydock Green

Open Market Sale Housing			NIA				Average Price			
Type	Beds	Dwellings	Size (m ²)	Size (ft ²)	Total sq m	Total ft ²	(£/m ²)	(£/ft ²)	(£/Unit)	GDV (£)
Bungalow	2	26	64	693	1,674	18,018	2,960	275	191,000	4,966,000
2 storey house	3	26	80	866	2,092	22,516	2,691	250	217,000	5,642,000
2 storey house	3	37	90	974	3,348	36,038	2,637	245	239,000	8,843,000
2 storey house	3	42	98	1050	4,097	44,100	2,691	250	263,000	11,046,000
2.5 storey house	3	79	107	1151	8,448	90,929	2,243	208	240,000	18,960,000
2 storey house	4	32	111	1195	3,553	38,240	2,637	245	293,000	9,376,000
2 storey house	4	21	119	1277	2,491	26,817	2,551	237	303,000	6,363,000
2.5 storey house	4	79	116	1251	9,181	98,829	2,269	211	264,000	20,856,000
2 storey house	4	16	127	1370	2,036	21,920	2,476	230	315,000	5,040,000
2 storey house	4	5	133	1435	667	7,175	2,368	220	316,000	1,580,000
2 storey house	4	5	148	1591	739	7,955	2,314	215	342,000	1,710,000
Total / Average		368	104	1,121	38,326	412,537	2,463	£229	256,473	94,382,000

Affordable Housing Values

- 4.19 The viability assessment for Haydock Green incorporates 30% affordable housing units in accordance with Policy LPC02 of the Local Plan.
- 4.20 The affordable housing tenure mix has been prepared in accordance with that adopted within the LPEVA.
- 4.21 Table 4.6 summarises the affordable housing tenure mix adopted.

Table 4.5: Affordable Housing Tenure Mix | Haydock Green

Affordable Tenure	Mix (%)
Affordable Rent	66.66%
Affordable Home Ownership	33.37%

- 4.22 Values are applied to the affordable housing tenures in line with the approach adopted in the LPEVA, with affordable rent assessed at 45% of market value and affordable home ownership at 70% of market value. The 70% assessment is regarded as being at the upper range of potential offers from affordable housing providers.
- 4.23 The blended value of both tenures equates to 53.3% on the basis of the assumed tenure mix.

The blended (all tenures) affordable housing mix and associated values that have been applied within the viability testing of Haydock Green are set out in Table 4.7 overleaf.

Table 4.6: Affordable Housing Accommodation Schedule – All Tenures | Haydock Green

Type	Beds	Dwelling NIA				Average Price			GDV(£)		
		Dwellings	Dwellings (%)	Size (m ²)	Size (ft ²)	Total sq m	Total ft ²	(£/m ²)		(£/ft ²)	(£/Unit)
House	2-bed	36	23%	60	651	2,177	23,436	1,435	133	86,799	3,124,751
House	2-bed	42	27%	71	768	2,997	32,256	1,407	131	100,350	4,214,718
House	3-bed	53	34%	80	866	4,264	45,898	1,435	133	115,465	6,119,638
House	3-bed	26	17%	90	974	2,353	25,324	1,407	131	127,267	3,308,951
Total/ Average:		157	100%	75.1	808	11,791	126,914	1,422	132	106,803	16,768,058

Development Costs

Strategic Infrastructure Costs

- 4.24 Costs for the A49 diversion have been adopted in line with a high level costing by WSP, dated Q3 2018, as attached at **Appendix 4**. BCIS data indicates limited movement in since the date of costing preparation, and the WSP costing has been adopted at £4,008,697.
- 4.25 In line with advice from Vectos, construction of the A49 diversion is included within the first six months of the construction period.

On-plot Construction Costs

- 4.26 On-plot residential works (including prelims) are assessed in line with the costs adopted within LPEVA Appendix D Construction Cost Sheets for the Specific Allocations Tested.
- 4.27 An average cost has been adopted, in line with those applied to the 2HA and 5HA sites, which are proposed to deliver 522 and 569 dwellings respectively, as the most appropriate for comparison to the 525 unit Haydock Green site.
- 4.28 The LPEVA costs include allowances for public open space ('POS') and garages.
- 4.29 POS costs vary between the sites, depending upon the POS area adopted. Therefore, a separate POS cost has been adopted to accommodate the extensive POS provision within Haydock Green.
- 4.30 The Northstone unit typology does not include garages, with all 2 and 3 bed houses being provided two parking spaces, and 4 beds provided three parking spaces. The cost of providing the parking spaces is assumed to be accommodated within the LPEVA external works/roads and footpath costs.
- 4.31 The average construction cost that is generated by the 2HA and 5HA sites is £98.61/ft².
- 4.32 This is regarded as an absolute minimum provision, falling well below the cost that would be generated when adopting RICS BCIS lower quartile figures at £97.27/ft² (£1,047/m²) plus external works at a minimum 10% of base build (on the basis that POS is costed separately), producing a total base construction cost of £106.57/ft² (£1,147/m²).
- 4.33 RICS BCIS Average Price data is named as "*appropriate data*" within PPGV, and is regarded as a more realistic assessment of deliverable costs.
- 4.34 An allowance in line with RICS BCIS lower quartile figures plus 10% external works is regarded as more appropriate for a scheme of the proposed scale, and a revised appraisal, adopting these costs is attached at **Appendix 5**.

Policy Provision and Other Development Costs

A summary of the approach to modelling Local Plan policies and other development costs are set out in Table 4.7.

Table 4.7: Other Development Costs

Submission Draft Policy Assumption Title	LPVA Assumption	Haydock Green Assumption
Policy LPC01 Housing Mix	In-line with SHMA Housing Mix 2014 – 2037.	In line with Northstone development requirements.
Building regulation requirements	M4(2)(20%)-£1,100 per house M4(3a)(5%)-£5,500 per house	LPVA costs adopted.
Policy LPC02 Affordable Housing	30% requirement with 33.33% affordable home ownership and 66.67% affordable rent.	Adopted in line with the LPVA.
Affordable Housing Values	Affordable Rent: 45% of market value Affordable Home Ownership: 70% of market value.	Based on a 50:50 split of affordable rent and affordable home ownership, the average LPVA affordable value equals 57.5% of market value. Applied at this level, the average Haydock Green affordable value equates to £142.62/ft ² .
Policy LPC05 Open Space and Policy LPD03 Open Space and Residential Development	POS requirements are included within the specific allocation testing. From analysis of allocated sites 2HA and 5HA (closest in scale to Haydock Green at 522 and 569 units respectively), generates an average cost equating to £16.34/sq m of POS. On site provision is assumed along with proposals for long term management and maintenance, with	POS costs are stripped out of base build cost analysis. Average POS cost for the 2HA and 5HA sites = £16.34 per sq m of POS. The area of retained woodland is assumed to require limited expenditure. Area of POS minus retained woodland = 7.23ha. 72,300 sq m of POS x £16.34 = £1,181,382.

Submission Draft Policy Assumption Title	LPVA Assumption	Haydock Green Assumption
	associated costs included within the construction cost assessments.	
Policy LPC13 renewable and low carbon energy development	<p>10% of energy needs to be met using renewable and low carbon energy. Costs included within cost assessment.</p> <p>The LPVA states that costs are applied in respect of providing 10% renewable energy by way of PV arrays, but no cost breakdown appears within the LPVA and it is not clear what assumption has been adopted.</p>	<p>The LPVA provides cost assessments for the allocated schemes with, and without PV renewables. On analysis of the uplift applied to the 2HA and 5HA sites, an average allowance of £23.58 is assessed, equating to £1,967 per dwelling.</p> <p>This falls below the cost that is generated by the web site that is referenced in the LPVA but, due to lack of further detail, the PV renewable allowance has been maintained within the adopted construction cost.</p>
Policy LPD07 Digital Communications	The costs of provision of suitable ducting are included within the construction costs assessment.	LPVA costs adopted.
LPA07 Transport and Travel	A cost assessment equating to £220 per dwelling is referenced in respect of the provision of car charging points, but does not appear to have been included in the adopted costs (LPVA para 6.65).	A £220 per dwelling cost is included.
LPA08 Infrastructure Delivery and Funding	<p>S106 contributions of £1,000 per dwelling.</p> <p>Education contributions as follows:</p> <p>Primary School places at £12,439 x (number of family dwellings built divided by 1,000) x37 = £241,628.</p>	<p>Applied at £1,000 per dwelling.</p> <p>The base appraisal excludes education contributions, in line with expectations as set out in the LPVA.</p>

Submission Draft Policy Assumption Title	LPVA Assumption	Haydock Green Assumption
	<p>Secondary School places £16,171 x (number of family dwellings built divided by 1,000) x 16 = £135,836.</p> <p>The LPVA determines that <i>“it is very unlikely the new development in zone 2 locations will be required to provide significant education contributions.”</i></p>	<p>A sensitivity test has been completed, with the inclusion of education contributions of £241,628 for primary and £135,836 for secondary, in line with the calculation set out in the LPVA.</p> <p>The sensitivity test appraisal is attached at Appendix 6.</p>
Development Programme	2-3 per month with first sale in month 9-10. Larger sites have sales of 4-10 per month.	4.25 per month based on the average from the sales rates achieved at five nearby new build developments. Total sales period of 86 months for 305 market sales.
Sales Values	Average sale value adopted for Haydock and other Affordable Housing Zone 2 locations is £195/ft ² . Bungalow values increase by 10% to £214.50/ ft ² .	Based on comparable evidence from five nearby new build developments, the average housing market sale value equates to £226.7/ ft ² (excluding bungalows). Bungalows are assessed at £275.6 ft ² , a 10% uplift from the unit of similar size, in line with the LPVA.
Sales and Marketing costs	3.5% of gross development value of market housing (assumed to include sales, marketing and legal fees), and £500 per dwelling for affordable dwelling transfer costs.	LPVA costs adopted.
Finance	7%	7%
Developers Profit and Overhead	20% of GDV for both market and affordable housing	LPVA costs adopted.
Construction Costs	Construction costs for allocated sites are set out in the QS Report at LPVA Appendix 5. The costs include allowances for POS and garages.	The BCIS All-in TPI index has not increased since 4Q 2018, when the LPVA was prepared, so construction costs are applied at £98.61 ft ² .

Submission Draft Policy Assumption Title	LPVA Assumption	Haydock Green Assumption
	Excluding these costs, the average cost for the 2HA and 5HA sites equates to £1,061.39/m ² (£98.61/ft ²) on a PV renewable basis.	POS costs are included separately and no garages are proposed within the Haydock Green scheme.
Drainage	Drainage costs are included in the specific allocation testing on a typical cost per dwelling equating to c. £5,200 per dwelling.	Drainage costs are included in the adopted construction cost.
Incoming Services	Incoming services are costed within the specific allocation testing at c. £3,800 per dwelling	Incoming services costs are included in the adopted construction cost.
Abnormal Development Costs and Opening up Costs	<p>Abnormal development costs are included within both the generic and specific allocation testing.</p> <p>Generic site opening up costs equate to £8,300 per dwelling for sites of 200+ dwellings, with abnormals at 5% of construction costs.</p> <p>Site allocation testing is based upon known information at the time of preparation of the LPVA.</p> <p>The average abnormal cost applied to the nine allocated sites equates to £3,183 per dwelling, based on the total abnormal costs of £21,337,500 and total dwellings of 6,703.</p>	<p>There is a lack of information in respect of constraints affecting the Haydock Green site.. Costs relating to the A49 diversion are assessed separately, and abnormal costs are assessed in line with the average per unit cost applied to the nine site allocations.</p> <p>For Haydock Green, a cost of £3,183 per dwelling on 525 dwellings generates an abnormal cost of £1,671,222 as an estimate based on LPEVA testing.</p>
Professional Fees	The LPEVA paragraph 2.39 states that professional fees are applied at 5% on total development costs for sites of 100 plus dwellings.	A 7.5% allowance is regarded as appropriate, and has been adopted.

Submission Draft Policy Assumption Title	LPVA Assumption	Haydock Green Assumption
	However, the allocation cost assessments at LPEVA Appendix D include professional fees at 7.5% of total development costs.	
Contingencies	A 5% contingency allowance is applied to total construction costs including professional fees.	5%

Source: Keppie Massie; Turley; the Landowner

5. 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 Whilst 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 Haydock Green viability appraisal is tested in order to determine the viability of the proposed development and propensity to meet the full scope of Local Plan policy costs.
- 5.3 The LPEVA 2018 adopts BLVs for greenfield sites at either £150,000 per net acre, or £250,000 per net acre, depending upon which Affordable Housing Zone (1, 2 or 3) a site sits within.
- 5.4 The Haydock Green site sits within Affordable Housing Zone 2, where the LPEVA assesses average market sales values equating to £195/ft².
- 5.5 On the basis of comparable evidence attached at **Appendix 3**, the average market sale value within the proposed scheme is £229/ft². This level of value exceeds those adopted for Affordable Housing Zone 3 areas within the LPEVA, at £225/ft².
- 5.6 It is, therefore, determined as reasonable to assess the BLV for the Haydock Green site at £250,000 per net acre.
- 5.7 At this level, the BLV equates to only c.£103,500 per gross acre.
- 5.8 A greenfield BLV for strategic scale sites is frequently supported within a range of £100,000 per gross acre to £150,000 per gross acre within the Plan making process.
- 5.9 Of particular relevance, in the post-Hearing Letter issued by the Inspector of the North Essex Authorities Shared Strategic Section 1 Plan dated 15 May 2020, the Inspector concluded that a land price of approximately £100,000 per gross acre would provide sufficient incentive for a landowner to sell for delivery of development of a scale commensurate with a new settlement²³.
- 5.10 Alternatively, if referring to the Government's own published research²⁴, this states the following on page 8:

²³ PINS (15 May 2020) North Essex Authorities Shared Strategic (Section 1) Plan – Post-Hearing Letter p.44, para. 204

²⁴ DCLG (2011) 'Cumulative impacts of regulations on house builders and landowners Research paper'

“... required levels of premium are routinely protected by way of minimum land price provisions, usually contained within option or collaboration agreements and long-term conditional contracts...and in our experience it is now usual to find such protection by way of a minimum price threshold for landowners. Levels vary, but typically, we expect to see figures of circa £100,000 to £150,000 per gross acre.”

- 5.11 In summary, whilst not representing a ‘fixed price’, the figures referenced by the Inspector and in the Government’s own research remain credible and representative of landowner’s minimum expectations for minimum prices in Option Agreements for large strategic greenfield sites, and which frequently range from a minimum of £100,000 to £150,000 per gross acre (depending on site location and characteristics). This represents a suitable range for the setting of a BLV for this purpose.
- 5.12 Due to the very substantial gross land area of the Haydock Green site, with the net developable area equating to only 41.4% of the gross site area, it is Turley’s professional opinion that the minimum BLV will sit within a range of £100,000 - £150,000 per gross acre, with the LPVA assessment equating to c.£103,500 per gross acre representing a minimum allowance.
- 5.13 This results in a minimum BLV for Haydock Green of £8.3m.

6. Appraisal Results

- 6.1 This chapter presents the results of the assessment of financial viability arising from the Prospective Development of the Site.

Viability Appraisal

- 6.2 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(s) would be incentivised to dispose of the land required for Haydock Green, this results in a BLV of at least £103,500 per gross acre (£250,000 per net acre).
- 6.3 The viability appraisal attached at **Appendix 1** demonstrates that, for the proposed development of Haydock Green to generate a risk-adjusted developer's return of 20% (in accordance with the LPEVA) and hence be viable and deliverable, the residual output (i.e. RLV) generated is £12,614,236, equating to c.£157,300 per gross acre (c.£379,950 per net acre).
- 6.4 This represents a fully compliant 'policy on' assessment (excluding education S106 costs, which are not included within the LPEVA), inclusive of all expected costs arising from the Local Plan, with all assumptions in line with the LPVA.
- 6.5 The appraisal incorporates a 30% affordable housing provision. Of this, 33.33% of affordable housing is affordable rent tenure and 66.67% is shared ownership tenure. It also incorporates S106 planning obligations in line with those assumed within the Council's LPEVA evidence.
- 6.6 On this basis, as supported by national planning policy and guidance, it is clear that the proposed development generates a RLV sufficient to exceed the BLV, thus the Haydock Green scheme is demonstrable as being fully viable and deliverable.
- 6.7 For the purpose of transparency and ease of review, a summary of the Haydock Green viability assessment modelling is set out in Table 6.1 overleaf.

Table 6.1: Viability Assessment Outputs Summary | Haydock Green²⁵

Revenue	Totals (£)
Residential	£111.15m
Costs	Totals (£)
A49 Diversion	£4.01m
Abnormal/Opening Up	£1.67m
POS	£1.18m
S106	£0.53m
Build Costs	£53.2m
Fees & Contingency	£6.87m
Sales & Marketing	£3.38m
Finance	£4.55m
Developer's Return (Fixed)	£22.23m
Land Value (Residual) after purchase costs	£12.61m
Benchmark Land Value ('BLV')	£8.30m
Viability Surplus / Deficit (vs. BLV)	+£4.31m

Sensitivity Testing

Education S106

- 6.8 The LPVA determines that *“it is very unlikely the new development in zone 2 locations will be required to provide significant education contributions.”*
- 6.9 Education S106 contributions are not included within the LPEVA appraisals, but to provide a complete assessment, Turley has included the additional S106 costs within the Appraisal attached at **Appendix 6**.
- 6.10 Education contributions are assessed at £241,628 for primary and £135,836 for secondary, in line with the calculation set out in the LPVA.
- 6.11 This appraisal adopts the LPEVA construction costs and generates a RLV of £12,251,457, exceeding the BLV.

²⁵ Note: figures subject to rounding

Construction Costs

- 6.12 The construction costs adopted within the LPVA are regarded as insufficient to reflect national house builder expectations.
- 6.13 Turley regards costs in line with RICS BCIS lower quartile figures as a more appropriate minimum assessment, plus external works at a minimum 10% of base build (on the basis that POS is costed separately). BCIS lower quartile figures, rebased to the St Helens location equate to £97.51/ft² (£1,050/m²), producing a total base construction cost of £107.27/ft² (£1,155/m²) when assessed on the basis of 30% 2.5 storey units, and 65% 2 storey and 5% bungalows.
- 6.14 A revised appraisal has been completed on the basis of costs at the RICS BCIS RICS level, as attached at **Appendix 5**.
- 6.15 The sensitivity analysis report demonstrates that the increased construction costs reduce the RLV reduces to £8,739,581 equating to c.£108,972 per gross acre (c.£263,240 per net acre).
- 6.16 On the revised cost basis, the proposed development continues to generate a RLV that is sufficient to exceed the BLV, thus the Haydock Green Scheme is demonstrable as being fully viable and deliverable.
- 6.17 A further appraisal has been completed, to include S106 education contributions within the appraisal adopting RICS BCIS construction costs. This generates a RLV of £8,408,917, again exceeding the BLV.

7. Conclusions

- 7.1 Turley has been appointed by the Landowner objectively assess, and report upon, the financial viability of Haydock Green.
- 7.2 The purpose of this assessment is to test the deliverability and viability of a proposed development of Haydock Green taking into account the adopted and draft planning policy requirements of SHBC set out within the LPEVA, as well as national planning policy and guidance set out in the NPPF and PPGV.
- 7.3 This viability assessment of Haydock Green represents a full 'policy on' assessment, inclusive of all expected costs arising from St Helens Submission Draft Local Plan.
- 7.4 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(s) would be incentivised to dispose of the site, this results in a BLV of £103,500 per gross acre (£250,000 per net acre).
- 7.5 The viability appraisal attached at **Appendix 1** has been prepared in line with the LPEVA and demonstrates that, for the proposed development to generate the minimum risk-adjusted developer's return and hence be viable and deliverable, the residual output ('RLV') of £12,614,236 equates to c.£157,285 per gross acre (c.£379,947 per gross hectare)²⁶.
- 7.6 On this basis, as supported by national planning policy and guidance, it is clear that the proposed development generates an RLV sufficient to achieve the BLV, thus it is demonstrable as viable and deliverable.
- 7.7 Sensitivity tests have been provided, in order to assess the impact of S106 education contributions and increased construction costs.
- 7.8 The addition of a total of £377,464 of S106 education contributions reduces the RLV to £12,251,457, exceeding the BLV by £3,951,457.
- 7.9 The construction costs adopted in the LPVA are regarded as an absolute minimum provision, falling well below the cost that would be generated when adopting RICS BCIS lower quartile figures at £97.51/ft² (£1,050/m²) plus external works at a minimum 10% of base build (on the basis that POS is costed separately), producing a total base construction cost of £107.27/ft² (£1,155/m²).
- 7.10 Turley regards costs in line with RICS BCIS lower quartile figures as a more appropriate minimum assessment, and a sensitivity testing appraisal attached at **Appendix 5** generates a RLV of £8,982,746 equating to c.£108,972 per gross acre (c.£263,240 per net acre).

²⁶ Note: Figure rounded.

7.11 Again, the RLV exceeds the BLV and, as supported by national planning policy and guidance, it is clear that the proposed development generates an RLV sufficient to achieve the BLV, thus it is demonstrable as viable and deliverable. Site Location Plan.

Appendix 1: Appraisal and Cashflow (LPVA Assumptions)

Haydock Green
LPVA Construction Cost Assumption

**Haydock Green
LPVA Construction Cost Assumption**

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
Market Housing	368	412,537	228.78	256,473	94,382,000
Affordable Housing	<u>157</u>	<u>126,914</u>	132.12	106,803	<u>16,768,058</u>
Totals	525	539,451			111,150,058

NET REALISATION **111,150,058**

OUTLAY

ACQUISITION COSTS

Residualised Price			12,614,236		12,614,236
Stamp Duty			620,212		
Effective Stamp Duty Rate		4.92%			
Agent Fee		1.00%	126,142		
Legal Fee		0.50%	63,071		
					809,425

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost	
Market Housing	412,537	98.61	40,680,274	
Affordable Housing	<u>126,914</u>	98.61	<u>12,514,990</u>	
Totals	539,451 ft²		53,195,263	
Contingency		5.00%	2,749,099	
WSP A49 Diversion 2018 cost			4,008,697	
S106 Contributions	525 un	1,000.00 /un	525,000	
POS			1,181,382	61,659,441

Other Construction

Abnormal//Opening up Costs	525 un	3,183.28 /un	1,671,222	
Electric Charging Points	525 un	220.00 /un	115,500	
				1,786,722

PROFESSIONAL FEES

Professional Fees		7.50%	4,123,649	4,123,649
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DISPOSAL FEES

Sales Agent Fee & Marketing		3.50%	3,303,370	
Sales Legal Fee	157 un	500.00 /un	78,500	
				3,381,870

FINANCE

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)				
Land			3,774,734	
Construction			769,972	
Total Finance Cost				4,544,705

TOTAL COSTS **88,920,049**

PROFIT **22,230,009**

Performance Measures

Profit on Cost%	25.00%
Profit on GDV%	20.00%
Profit on NDV%	20.00%
IRR% (without Interest)	21.18%

**Haydock Green
LPVA Construction Cost Assumption**

Profit Erosion (finance rate 7.000)

3 yrs 3 mths

**Haydock Green
LPVA Construction Cost Assumption**

Project Timescale	
Project Start Date	Jun 2023
Project End Date	Sep 2031
Project Duration (Inc Exit Period)	100 months

Phase 1

	Start Date	Duration	End Date	Jun 23	Jun 28
Project	Jun 2023	100	Sep 2031		
Purchase	Jun 2023	0 Month(s)			
Pre-Construction	Jun 2023	0 Month(s)			
Construction	Jun 2023	100	Sep 2031		
Post Development	Oct 2031	0 Month(s)			
Letting	Oct 2031	0 Month(s)			
Income Flow	Oct 2031	0 Month(s)			
Sale	Jun 2024	88	Sep 2031		
Cash Activity	Jun 2023	98	Jul 2031		
				1	61

**Haydock Green
LPVA Construction Cost Assumption**

Detailed Cash flow Phase 1

Monthly B/F	001:Jun 2023	002:Jul 2023	003:Aug 2023	004:Sep 2023	005:Oct 2023
	0	(13,423,661)	(13,501,966)	(13,580,270)	(14,973,071)
Revenue					
Sale - Affordable Housing	0	0	0	0	0
Sale - Market Housing	0	0	0	0	0
Disposal Costs					
Sales Agent Fee & Marketing	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0
Unit Information					
Market Housing					
Affordable Housing					
Acquisition Costs					
Residualised Price	(12,614,236)	0	0	0	0
Stamp Duty	(620,212)	0	0	0	0
Agent Fee	(126,142)	0	0	0	0
Legal Fee	(63,071)	0	0	0	0
Construction Costs					
WSP A49 Diversion 2018 cost	0	0	0	(668,116)	(668,116)
Con. - Market Housing	0	0	0	(428,213)	(428,213)
Con. - Affordable Housing	0	0	0	(131,737)	(131,737)
Abnormal//Opening up Costs	0	0	0	(1,528)	(2,442)
Electric Charging Points	0	0	0	(1,216)	(1,216)
Contingency	0	0	0	(28,135)	(28,180)
S106 Contributions	0	0	0	0	0
POS	0	0	0	(12,436)	(12,436)
Professional Fees					
Professional Fees	0	0	0	(42,202)	(42,271)
Net Cash Flow Before Finance	(13,423,661)	0	0	(1,313,582)	(1,314,611)
Debit Rate 7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
Credit Rate 0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Finance Costs (All Sets)	0	(78,305)	(78,305)	(79,218)	(86,881)
Net Cash Flow After Finance	(13,423,661)	(78,305)	(78,305)	(1,392,801)	(1,401,492)
Cumulative Net Cash Flow Monthly	(13,423,661)	(13,501,966)	(13,580,270)	(14,973,071)	(16,374,563)

**Haydock Green
LPVA Construction Cost Assumption**

Detailed Cash flow Phase 1

006:Nov 2023 (16,374,563)	007:Dec 2023 (17,784,731)	008:Jan 2024 (19,240,987)	009:Feb 2024 (20,706,099)	010:Mar 2024 (22,180,052)	011:Apr 2024 (22,996,668)	012:May 2024 (23,818,196)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(668,116)	(668,116)	(668,116)	(668,116)	0	0	0
(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)
(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)
(3,338)	(4,215)	(5,074)	(5,915)	(6,736)	(7,540)	(8,325)
(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)
(28,225)	(28,269)	(28,312)	(28,354)	(28,395)	(28,435)	(28,475)
0	0	0	0	0	0	0
(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)
(42,338)	(42,404)	(42,468)	(42,531)	(42,593)	(42,653)	(42,712)
(1,315,619)	(1,352,512)	(1,353,478)	(1,354,424)	(687,232)	(688,136)	(689,019)
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(94,549)	(103,744)	(111,634)	(119,529)	(129,384)	(133,392)	(137,407)
(1,410,168)	(1,456,256)	(1,465,112)	(1,473,953)	(816,616)	(821,528)	(826,426)
(17,784,731)	(19,240,987)	(20,706,099)	(22,180,052)	(22,996,668)	(23,818,196)	(24,644,622)

**Haydock Green
LPVA Construction Cost Assumption**

Detailed Cash flow Phase 1

013:Jun 2024 (24,644,622)	014:Jul 2024 (24,704,194)	015:Aug 2024 (24,239,161)	016:Sep 2024 (23,771,445)	017:Oct 2024 (23,303,386)	018:Nov 2024 (22,832,611)	019:Dec 2024 (22,359,104)
194,977	194,977	194,977	194,977	194,977	194,977	194,977
1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465
(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)
(913)	(913)	(913)	(913)	(913)	(913)	(913)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)
(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)
(9,091)	(9,839)	(10,569)	(11,280)	(11,973)	(12,647)	(13,303)
(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)
(28,513)	(28,550)	(28,587)	(28,622)	(28,657)	(28,691)	(28,723)
(525,000)	0	0	0	0	0	0
(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)
(42,769)	(42,825)	(42,880)	(42,933)	(42,985)	(43,036)	(43,085)
76,648	600,807	599,986	599,186	598,407	597,648	596,911
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(136,221)	(135,774)	(132,269)	(131,128)	(127,632)	(124,142)	(122,889)
(59,573)	465,033	467,717	468,059	470,775	473,507	474,022
(24,704,194)	(24,239,161)	(23,771,445)	(23,303,386)	(22,832,611)	(22,359,104)	(21,885,083)

**Haydock Green
LPVA Construction Cost Assumption**

Detailed Cash flow Phase 1

020:Jan 2025 (21,885,083)	021:Feb 2025 (21,408,296)	022:Mar 2025 (20,928,727)	023:Apr 2025 (20,448,449)	024:May 2025 (19,965,357)	025:Jun 2025 (19,479,432)	026:Jul 2025 (18,992,602)
194,977	194,977	194,977	194,977	194,977	194,977	194,977
1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465
(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)
(913)	(913)	(913)	(913)	(913)	(913)	(913)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)
(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)
(13,940)	(14,559)	(15,159)	(15,741)	(16,304)	(16,849)	(17,376)
(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)
(28,755)	(28,786)	(28,816)	(28,845)	(28,874)	(28,901)	(28,927)
0	0	0	0	0	0	0
(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)
(43,133)	(43,179)	(43,224)	(43,268)	(43,310)	(43,351)	(43,391)
596,194	595,498	594,822	594,168	593,534	592,921	592,329
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(119,407)	(115,929)	(114,545)	(111,075)	(107,609)	(106,091)	(102,632)
476,787	479,569	480,277	483,093	485,925	486,830	489,697
(21,408,296)	(20,928,727)	(20,448,449)	(19,965,357)	(19,479,432)	(18,992,602)	(18,502,905)

**Haydock Green
LPVA Construction Cost Assumption**

Detailed Cash flow Phase 1

027:Aug 2025 (18,502,905)	028:Sep 2025 (18,010,325)	029:Oct 2025 (17,516,639)	030:Nov 2025 (17,020,035)	031:Dec 2025 (16,520,494)	032:Jan 2026 (16,019,645)	033:Feb 2026 (15,515,824)
194,977	194,977	194,977	194,977	194,977	194,977	194,977
1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465
(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)
(913)	(913)	(913)	(913)	(913)	(913)	(913)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)
(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)
(17,884)	(18,373)	(18,844)	(19,297)	(19,731)	(20,146)	(20,544)
(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)
(28,952)	(28,977)	(29,001)	(29,023)	(29,045)	(29,066)	(29,085)
0	0	0	0	0	0	0
(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)
(43,429)	(43,465)	(43,501)	(43,535)	(43,567)	(43,598)	(43,628)
591,757	591,207	590,677	590,167	589,679	589,211	588,765
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(99,177)	(97,521)	(94,072)	(90,627)	(88,830)	(85,391)	(81,953)
492,580	493,686	496,604	499,541	500,849	503,821	506,811
(18,010,325)	(17,516,639)	(17,020,035)	(16,520,494)	(16,019,645)	(15,515,824)	(15,009,013)

**Haydock Green
LPVA Construction Cost Assumption**

Detailed Cash flow Phase 1

034:Mar 2026 (15,009,013)	035:Apr 2026 (14,500,688)	036:May 2026 (13,989,336)	037:Jun 2026 (13,474,939)	038:Jul 2026 (12,958,818)	039:Aug 2026 (12,439,615)	040:Sep 2026 (11,917,311)
194,977	194,977	194,977	194,977	194,977	194,977	194,977
1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465
(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)
(913)	(913)	(913)	(913)	(913)	(913)	(913)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)
(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)
(20,922)	(21,283)	(21,624)	(21,948)	(22,253)	(22,539)	(22,807)
(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)
(29,104)	(29,122)	(29,140)	(29,156)	(29,171)	(29,185)	(29,199)
0	0	0	0	0	0	0
(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)
(43,657)	(43,684)	(43,709)	(43,734)	(43,756)	(43,778)	(43,798)
588,339	587,933	587,549	587,185	586,842	586,520	586,219
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(80,013)	(76,581)	(73,152)	(71,065)	(67,639)	(64,216)	(61,978)
508,325	511,352	514,397	516,121	519,203	522,304	524,240
(14,500,688)	(13,989,336)	(13,474,939)	(12,958,818)	(12,439,615)	(11,917,311)	(11,393,071)

**Haydock Green
LPVA Construction Cost Assumption**

Detailed Cash flow Phase 1

041:Oct 2026 (11,393,071)	042:Nov 2026 (10,865,692)	043:Dec 2026 (10,335,155)	044:Jan 2027 (9,802,465)	045:Feb 2027 (9,266,579)	046:Mar 2027 (8,727,476)	047:Apr 2027 (8,186,000)
194,977	194,977	194,977	194,977	194,977	194,977	194,977
1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465
(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)
(913)	(913)	(913)	(913)	(913)	(913)	(913)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)
(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)
(23,056)	(23,287)	(23,500)	(23,694)	(23,869)	(24,027)	(24,165)
(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)
(29,211)	(29,223)	(29,233)	(29,243)	(29,252)	(29,260)	(29,267)
0	0	0	0	0	0	0
(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)
(43,817)	(43,834)	(43,850)	(43,864)	(43,878)	(43,889)	(43,900)
585,938	585,678	585,439	585,221	585,023	584,846	584,690
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(58,559)	(55,141)	(52,749)	(49,334)	(45,920)	(43,371)	(39,959)
527,379	530,537	532,690	535,887	539,103	541,475	544,731
(10,865,692)	(10,335,155)	(9,802,465)	(9,266,579)	(8,727,476)	(8,186,000)	(7,641,269)

**Haydock Green
LPVA Construction Cost Assumption**

Detailed Cash flow Phase 1

048:May 2027 (7,641,269)	049:Jun 2027 (7,093,263)	050:Jul 2027 (6,542,660)	051:Aug 2027 (5,988,742)	052:Sep 2027 (5,431,488)	053:Oct 2027 (4,871,410)	054:Nov 2027 (4,307,956)
194,977	194,977	194,977	194,977	194,977	194,977	194,977
1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465
(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)
(913)	(913)	(913)	(913)	(913)	(913)	(913)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)
(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)
(24,285)	(24,387)	(24,470)	(24,535)	(24,581)	(24,609)	(24,619)
(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)
(29,273)	(29,278)	(29,282)	(29,285)	(29,287)	(29,289)	(29,289)
0	0	0	0	0	0	0
(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)
(43,909)	(43,916)	(43,923)	(43,928)	(43,931)	(43,933)	(43,934)
584,555	584,441	584,347	584,274	584,222	584,191	584,180
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(36,549)	(33,838)	(30,429)	(27,020)	(24,144)	(20,736)	(17,329)
548,006	550,603	553,918	557,254	560,078	563,454	566,852
(7,093,263)	(6,542,660)	(5,988,742)	(5,431,488)	(4,871,410)	(4,307,956)	(3,741,105)

**Haydock Green
LPVA Construction Cost Assumption**

Detailed Cash flow Phase 1

055:Dec 2027 (3,741,105)	056:Jan 2028 (3,171,198)	057:Feb 2028 (2,597,853)	058:Mar 2028 (2,021,048)	059:Apr 2028 (1,440,952)	060:May 2028 (857,355)	061:Jun 2028 (272,802)
194,977	194,977	194,977	194,977	194,977	194,977	194,977
1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465
(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)
(913)	(913)	(913)	(913)	(913)	(913)	(913)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)
(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)
(24,610)	(24,582)	(24,536)	(24,472)	(24,389)	(24,287)	(24,167)
(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)
(29,289)	(29,287)	(29,285)	(29,282)	(29,278)	(29,273)	(29,267)
0	0	0	0	0	0	0
(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)
(43,933)	(43,931)	(43,928)	(43,923)	(43,917)	(43,909)	(43,900)
584,190	584,221	584,273	584,346	584,439	584,553	584,688
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
(14,284)	(10,876)	(7,468)	(4,250)	(842)	0	0
569,907	573,345	576,805	580,096	583,598	584,553	584,688
(3,171,198)	(2,597,853)	(2,021,048)	(1,440,952)	(857,355)	(272,802)	311,886

**Haydock Green
LPVA Construction Cost Assumption**

Detailed Cash flow Phase 1

062:Jul 2028	063:Aug 2028	064:Sep 2028	065:Oct 2028	066:Nov 2028	067:Dec 2028	068:Jan 2029
311,886	896,730	1,481,750	2,066,967	2,652,402	3,238,076	3,824,010
194,977	194,977	194,977	194,977	194,977	194,977	194,977
1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465
(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)
(913)	(913)	(913)	(913)	(913)	(913)	(913)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)
(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)
(24,029)	(23,872)	(23,697)	(23,503)	(23,291)	(23,060)	(22,811)
(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)
(29,260)	(29,252)	(29,243)	(29,233)	(29,223)	(29,211)	(29,199)
0	0	0	0	0	0	0
(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)
(43,890)	(43,878)	(43,865)	(43,850)	(43,834)	(43,817)	(43,798)
584,844	585,020	585,217	585,435	585,674	585,933	586,214
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
0	0	0	0	0	0	0
584,844	585,020	585,217	585,435	585,674	585,933	586,214
896,730	1,481,750	2,066,967	2,652,402	3,238,076	3,824,010	4,410,223

**Haydock Green
LPVA Construction Cost Assumption**

Detailed Cash flow Phase 1

069:Feb 2029	070:Mar 2029	071:Apr 2029	072:May 2029	073:Jun 2029	074:Jul 2029	075:Aug 2029
4,410,223	4,996,738	5,583,575	6,170,754	6,758,296	7,346,223	7,934,555
194,977	194,977	194,977	194,977	194,977	194,977	194,977
1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465
(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)
(913)	(913)	(913)	(913)	(913)	(913)	(913)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)
(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)
(22,544)	(22,258)	(21,953)	(21,630)	(21,288)	(20,929)	(20,550)
(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)
(29,185)	(29,171)	(29,156)	(29,140)	(29,123)	(29,105)	(29,086)
0	0	0	0	0	0	0
(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)
(43,778)	(43,757)	(43,734)	(43,710)	(43,684)	(43,657)	(43,629)
586,515	586,837	587,179	587,543	587,927	588,332	588,757
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
0	0	0	0	0	0	0
586,515	586,837	587,179	587,543	587,927	588,332	588,757
4,996,738	5,583,575	6,170,754	6,758,296	7,346,223	7,934,555	8,523,312

**Haydock Green
LPVA Construction Cost Assumption**

Detailed Cash flow Phase 1

076:Sep 2029	077:Oct 2029	078:Nov 2029	079:Dec 2029	080:Jan 2030	081:Feb 2030	082:Mar 2030
8,523,312	9,112,516	9,702,187	10,292,346	10,883,014	11,474,212	12,065,960
194,977	194,977	194,977	194,977	194,977	194,977	194,977
1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465
(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)
(913)	(913)	(913)	(913)	(913)	(913)	(913)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)
(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)
(20,153)	(19,738)	(19,304)	(18,852)	(18,381)	(17,892)	(17,384)
(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)
(29,066)	(29,045)	(29,024)	(29,001)	(28,977)	(28,953)	(28,928)
0	0	0	0	0	0	0
(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)
(43,599)	(43,568)	(43,535)	(43,501)	(43,466)	(43,429)	(43,391)
589,204	589,671	590,159	590,668	591,198	591,748	592,319
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
0	0	0	0	0	0	0
589,204	589,671	590,159	590,668	591,198	591,748	592,319
9,112,516	9,702,187	10,292,346	10,883,014	11,474,212	12,065,960	12,658,279

**Haydock Green
LPVA Construction Cost Assumption**

Detailed Cash flow Phase 1

083:Apr 2030	084:May 2030	085:Jun 2030	086:Jul 2030	087:Aug 2030	088:Sep 2030	089:Oct 2030
12,658,279	13,251,190	13,844,713	14,438,871	15,033,682	15,629,168	16,225,350
194,977	194,977	194,977	194,977	194,977	194,977	194,977
1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465
(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)
(913)	(913)	(913)	(913)	(913)	(913)	(913)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)
(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)
(16,858)	(16,313)	(15,750)	(15,169)	(14,569)	(13,950)	(13,313)
(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)
(28,901)	(28,874)	(28,846)	(28,817)	(28,787)	(28,756)	(28,724)
0	0	0	0	0	0	0
(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)
(43,352)	(43,311)	(43,269)	(43,225)	(43,180)	(43,134)	(43,086)
592,911	593,524	594,157	594,811	595,486	596,182	596,899
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
0	0	0	0	0	0	0
592,911	593,524	594,157	594,811	595,486	596,182	596,899
13,251,190	13,844,713	14,438,871	15,033,682	15,629,168	16,225,350	16,822,249

**Haydock Green
LPVA Construction Cost Assumption**

Detailed Cash flow Phase 1

090:Nov 2030	091:Dec 2030	092:Jan 2031	093:Feb 2031	094:Mar 2031	095:Apr 2031	096:May 2031
16,822,249	17,419,885	18,018,279	18,617,452	19,217,424	19,818,218	20,419,852
194,977	194,977	194,977	194,977	194,977	194,977	194,977
1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465	1,097,465
(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)	(35,906)
(913)	(913)	(913)	(913)	(913)	(913)	(913)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)	(428,213)
(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)	(131,737)
(12,658)	(11,984)	(11,292)	(10,581)	(9,852)	(9,104)	(8,338)
(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)	(1,216)
(28,691)	(28,658)	(28,623)	(28,587)	(28,551)	(28,513)	(28,475)
0	0	0	0	0	0	0
(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)	(12,436)
(43,037)	(42,986)	(42,934)	(42,881)	(42,826)	(42,770)	(42,713)
597,636	598,394	599,173	599,973	600,793	601,634	602,496
7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
0	0	0	0	0	0	0
597,636	598,394	599,173	599,973	600,793	601,634	602,496
17,419,885	18,018,279	18,617,452	19,217,424	19,818,218	20,419,852	21,022,348

**Haydock Green
LPVA Construction Cost Assumption**

Detailed Cash flow Phase 1

097:Jun 2031	098:Jul 2031	099:Aug 2031	100:Sep 2031
21,022,348	21,625,727	22,230,009	22,230,009
194,977	194,977	0	0
1,097,465	1,097,465	0	0
(35,906)	(35,906)	0	0
(913)	(913)	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
(428,213)	(428,213)	0	0
(131,737)	(131,737)	0	0
(7,553)	(6,750)	0	0
(1,216)	(1,216)	0	0
(28,436)	(28,396)	0	0
0	0	0	0
(12,436)	(12,436)	0	0
(42,654)	(42,594)	0	0
603,379	604,282	0	0
7.000%	7.000%	7.000%	7.000%
0.000%	0.000%	0.000%	0.000%
0	0	0	0
603,379	604,282	0	0
21,625,727	22,230,009	22,230,009	22,230,009

Appendix 2: Masterplan

Proposed Residential Development at
Haydock Green, St Helens

May 2021
1:1250 @ A0



PEEL
NORTHSTONE
HOPE ARCHITECTS

Key	
	Residential Parcels
	Public Square
	Roads
	Site Boundary
	Footpath
	Roadside Amenities
	EV Charge Station
	Woodland
	Vegetation
	SUDS
	Existing Water

Appendix 3: Residential Market Report

Residential Market Report

Haydock Green, St. Helens

Prepared on behalf of:

Peel Holdings (Land and Property) Limited

May 2021

Contents

1.	Introduction	1
2.	Residential New-Build Market	2
3.	Conclusions	10

Client
Peel L&P Ltd

Date
May 2021

1. Introduction

Purpose

- 1.1 This report has been prepared by Turley on behalf of Peel Holdings (Land and Property) Limited. The report provides an independent residential market assessment relating to the land under promotion at Haydock Green, St. Helens (the 'Site').
- 1.2 The report will be utilised as a guide for pricing strategy within the Financial Viability Statement for the Site, to be submitted to St. Helens Council ('the Council' or 'SHC').

Site Description and Location

- 1.3 The Site comprises 32.4 hectares of existing agricultural/ grazing land located to the south-west of Junction 23 (roundabout) of the M6/A580, within the St Helens local authority area.
- 1.4 The Site is immediately bound by Lodge Lane and an area of woodland to the east, agricultural land to the south, the B5209 Vista Road and existing residential and commercial development to the west, and the A580 and the Haydock Industrial Estate to the north. Lyme and Wood Pits Country Park is also located beyond the western boundary of the Site (across the B5209 Vista Road), offering recreation and open space to the Haydock area.
- 1.5 The Ellams Brook runs through the Site within a set of established trees, which are to be retained. There is also a smaller brook towards the west of the Site.

Methodology

- 1.6 The report has been informed by a review of published market intelligence and local evidence, a review of housing market and transactional data, and also draws upon a market engagement exercise with local agents.
- 1.7 The data utilised within this report was gathered in May 2021.
- 1.8 This report is not plot specific, 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 (Red Book). It is to be used as price guidance only.
- 1.9 Some of the data incorporated in this report has been supplied by third party sources, the accuracy of which cannot be assured. Turley shall not be liable for any special, indirect or consequential damages arising from the use of this report, including loss of profit.

2. Residential New-Build Market

Commentary

- 2.1 In order to benchmark local market performance for new-build developments, and inform pricing at the Site, a review of comparable new-build housing sites has been undertaken.
- 2.2 Analysis has focused on sites located within an approximate 5km radius of the Site, which includes developments within the settlements of Newton-le-Willows, Lowton and Golborne.
- 2.3 The following report sets out details of available homes (where available) and achieved sales, based on evidence from the Land Registry, planning applications, EPC data, and online marketing material.
- 2.4 A total of five sites form the basis of this assessment.

Vulcan Village

- 2.5 Vulcan Village is a major development site (approx. 26 hectare) located approximately 1.75km south of the subject site at the southern tip of Newton-le-Willows. It is understood that the site is delivering over 640 dwellings, a local centre, a recreation area and sports club; and open space.
- 2.6 The residential development at the site is being delivered across a number of phases by three national housebuilders: St Modwen Homes; Jones Homes; and Persimmon Homes. St Modwen Homes are currently the only housebuilder actively marketing units, with 3 and 4-bed homes available on Phases 3 & 4 of their 'Tayleur Leas' site.
- 2.7 The original planning permission (ref: p/2003/1461) was granted at appeal in May 2007.

Availability & Asking Prices

- 2.8 As at May 2021 there were four properties being marketed by St Modwen Homes at the following asking prices:
- 3-bed semi-detached: £262,495 - £263,495 or £218 - £219/ft²
 - 3-bed detached: £265,495 or £256/ft²
 - 4-bed detached: £296,995 or £232/ft²
- 2.9 The full information on marketed homes is displayed within Table 2.1.
- 2.10 A 5% indicative discount has also been applied in analysis to illustrate anticipated incentives provided via negotiation upon sale. This is in line with market expectations.

Table 2.1: Vulcan Village / Tayleur Leas | Availability & Pricing Analysis

Accommodation Type	Beds	Size (ft ²)	Asking Price	£/ft ²	Asking Price at 5% Disc.	£/ft ² at 5% Disc.
Semi-detached	4	1,206	£262,995	£218	£249,845	£207
Detached	3	1,035	£265,495	£256	£252,220	£244
	4	1,282	£296,995	£232	£282,145	£220
Scheme Summary:		1,182	£272,120	£230	£258,514	£219

Source: Rightmove; St. Helens Planning Portal

Achieved Sales

- 2.11 Evidence of achieved sales has been obtained via Land Registry, which contains records of 76 transactions of terraced, semi-detached and detached units between January 2019 and September 2020. Achieved sold prices range from £123,996 - £298,995.
- 2.12 Terraced units achieved an average sales value of £197/ft²; semi-detached units achieved an average of £207/ft²; and detached units achieved an average of £221/ft². The current overall achieved sales average equates to £210/ft². This is summarised in Table 2.2, below.

Table 2.2: Vulcan Village | Achieved Sales Analysis

Date From	Date to	Accommodation Type	No. Sales	Avg. Size (ft ²)	Avg. Sold Price	Avg. Value (£/ft ²)
22/02/2019	04/03/2020	Terraced	11	840	£165,677	£197
25/01/2019	29/07/2020	Semi-detached	47	943	£195,112	£207
29/03/2019	28/08/2020	Detached	18	1,119	£246,884	£221
Scheme Summary:			76	969	£203,114	£210

Source: Land Registry; EPC

Comparison to Subject Site

- 2.13 The scheme is in close proximity to the Site, with good access to local amenities in Newton-le-Willows and the highway network. Dialogue with local agents who are actively marketing units at Vulcan Village (Tayleur Leas) suggest values at this development would be highly representative of achievable values at the Site. The agents confirmed that asking prices are currently above pre-COVID-19 levels and there is high demand for properties at Vulcan Village with prospective buyers offering above asking price in many instances, thus achievable values at the subject site may be higher than suggested by the achieved sales data from 2019/2020.
- 2.14 Considering the size, nature, and location of the Vulcan Village development, it is considered to represent high comparability to the Prospective Development at the Site.

Heathfields, Wainhomes

- 2.15 Heathfields is a development of 362 dwellings located on off Church Lane, Lowton, and comprises a mix of 2, 3, 4 and 5-bed dwellings.
- 2.16 The 13.1 hectare site is located approximately 3.5km to the east of the Site, and on the northern side of the A580 road. The area immediately to the north and east of the development is characterised by existing residential properties. The land to the south is a residential site being developed by Bloor Homes. To the west of the site, across Stone Cross Lane North is Stone Cross Park industrial estate.
- 2.17 The outline planning application (ref: A/12/77592) was granted back in April 2014 and the site is currently under construction and being actively marketed by Wainhomes.

Availability & Asking Prices

- 2.18 As at May 2021 there were six properties being marketed at the following asking prices:
- 3-bed semi-detached: £213,950 or £262/ft²
 - 4-bed detached: £246,950 - £323,950 or £222 - £247/ft²
- 2.19 The full information on marketed homes is displayed within Table 2.3.
- 2.20 A 5% indicative discount has also been applied in analysis to illustrate anticipated incentives provided via negotiation upon sale. This is in line with market expectations.

Table 2.3: Heathfields | Availability & Pricing Analysis

Accommodation Type	Beds	Size (ft ²)	Asking Price	£/ft ²	Asking Price at 5% Disc.	£/ft ² at 5% Disc.
Semi-detached	3	817	£213,950	£262	£203,253	£249
Detached	4	1,230	£292,650	£222	£278,018	£226
Scheme Summary:		1,161	£279,533	£222	£265,557	£229

Source: Rightmove; Wigan Planning Portal

Achieved Sales

- 2.21 Evidence of achieved sales has been obtained via Land Registry, which contains records of 37 transactions of terraced, semi-detached and detached units between January 2019 and August 2020. Achieved sold prices range from £144,950 - £344,950.
- 2.22 Terraced units achieved an average sales value of £229/ft²; semi-detached units achieved an average of £220/ft²; and detached units achieved an average of £220/ft². The current overall achieved sales average equates to £221/ft². This is summarised in Table 2.4, below.

Table 2.4: Heathfields | Achieved Sales Analysis

Date From	Date to	Accommodation Type	No. Sales	Avg. Size (ft ²)	Avg. Sold Price	Avg. Value (£/ft ²)
28/02/2019	26/06/2020	Terraced	5	685	£156,950	£229
18/01/2019	26/06/2020	Semi-detached	8	947	£208,075	£220
04/01/2019	03/07/2020	Detached	24	1,268	£279,117	£220
Scheme Summary:			37	1,120	£247,247	£221

Source: Land Registry; EPC

Comparison to Subject Site

- 2.23 The scheme is east of the Site, across the M6 motorway, but is located amongst existing residential development and areas of employment. The development also benefits from good access to the A580 and M6 road network(s).
- 2.24 Wainhomes brand themselves as an executive house builder, constructing luxurious, high quality homes, and their pricing is expected to reflect their standards.
- 2.25 Considering the size and density of this development; the surrounding characteristics; its location; and the house builder, it is considered that this scheme also represents a high degree of pricing comparability with the Prospective Development at the Site.

Lowton Heath, Bloor Homes

- 2.26 Bloor Homes is currently marketing units for the current phase of the Lowton Heath Development which comprises 69 dwellings of 3 and 4 bedrooms.
- 2.27 The development is located in Lowton, off Heath Lane, and is approximately 3.5km to the east of the Site. Immediately north is the Heathfields development, and to the east is an area of woodland and existing residential properties. To the south is Heath Lane and the A580 road and to the west, across Stone Cross Lane North is Stone Cross Park industrial estate.
- 2.28 The development site was formerly agricultural land occupying 2.87 hectares and the scheme was granted consent under planning application (ref: A/19/88228/MAJOR).

Availability & Asking Prices

- 2.29 As at May 2021 four properties were being marketed at the following asking prices:
- 3-bed detached: £254,995 or £301/ft²
 - 4-bed detached: £304,995 - £324,995 or £255 - £260/ft²
- 2.30 The full information on marketed homes is displayed within Table 2.5.
- 2.31 A 5% indicative discount has also been applied in analysis to illustrate anticipated incentives provided via negotiation upon sale. This is in line with market expectations.

Table 2.5: Lowton Heath | Availability & Pricing Analysis

Accommodation Type	Beds	Size (ft ²)	Asking Price	£/ft ²	Asking Price at 5% Disc.	£/ft ² at 5% Disc.
Detached	3	847	£254,995	£301	£242,245	£286
	4	1,224	£314,995	£257	£299,245	£245
Scheme Summary:		1,035	£284,995	£275	£270,745	£261

Source: Rightmove; Wigan Planning Portal

Achieved Sales

- 2.32 Evidence of achieved sales has been obtained via Land Registry, which contains records of 45 transactions of semi-detached and detached units between February 2019 and December 2020. Achieved sold prices range from £184,995 - £347,995.
- 2.33 Semi-detached units achieved an average sales value of £228/ft²; and detached units achieved an average of £234/ft². The current overall achieved sales average equates to £233/ft². This is summarised in Table 2.6, below.

Table 2.6: Lowton Heath | Achieved Sales Analysis

Date From	Date to	Accommodation Type	No. Sales	Avg. Size (ft ²)	Avg. Sold Price	Avg. Value (£/ft ²)
27/02/2019	17/11/2020	Semi-detached	9	849	£193,774	£228
28/02/2019	05/10/2020	Detached	36	1,138	£266,482	£234
Scheme Summary:			45	1,080	£251,940	£233

Source: Land Registry; EPC

Comparison to Subject Site

- 2.34 Similarly to the Heathfields development, the surrounding characteristics of the Lowton Heath scheme are comparable to the Site. It is considered that this scheme represents a high degree of pricing comparability with the Prospective Development at the Site, possibly at a marginal premium. Current asking prices are significantly in excess of achieved values and are regarded as highly speculative.

Rothwells Farm, Taylor Wimpey

- 2.35 Rothwells Farm is a development of approximately 453 dwellings on 18.65 hectares of land located at Lowton Road, Golborne. The development comprises a mix of 2, 3 and 4-bed dwellings.
- 2.36 The development is located approximately 3.25km to the north-east of the Site, towards the north of Golborne, on the eastern side of Wigan Road. The area is characterised by agricultural land to the north and east, existing residential development and Golborne High School to the south, and Golborne Park and an industrial site to the west.

2.37 The outline planning application (ref: A/13/78700) was granted in February 2015 with reserved matters subsequently approved (ref's: A/15/80743/RMMAJ and A/20/89339/MAJOR) and the site is currently under construction and being actively marketed by Taylor Wimpey.

Availability & Asking Prices

2.38 As at May 2021 there were seven properties being marketed at the following asking prices:

- 3-bed mews: £215,995 - £218,995 or £249 - £253/ft²
- 3-bed semi-detached: £218,995 or £252/ft²
- 4-bed detached: £279,995 - £315,995 or £243 - £249/ft²

2.39 The full information on marketed homes is displayed within Table 2.7.

2.40 A 5% indicative discount has also been applied in analysis to illustrate anticipated incentives provided via negotiation upon sale. This is in line with market expectations.

Table 2.7: Rothwells Farm | Availability & Pricing Analysis

Accommodation Type	Beds	Size (ft ²)	Asking Price	£/ft ²	Asking Price at 5% Disc.	£/ft ² at 5% Disc.
Mews	3	866	£217,495	£251	£206,620	£239
Semi-detached	3	869	£218,995	£252	£208,045	£239
Detached	4	1,210	£297,245	£246	£282,383	£233
Scheme Summary:		1,063	£263,281	£248	£250,117	£235

Source: Rightmove; Wigan Planning Portal

Achieved Sales

2.41 Evidence of achieved sales has been obtained via Land Registry, which contains records of 76 transactions of terraced, semi-detached and detached units between January 2019 and September 2020. Achieved sold prices range from £145,000 - £295,995.

2.42 Terraced units achieved an average sales value of £201/ft²; semi-detached units achieved an average of £207/ft²; and detached units achieved an average of £223/ft². The current overall achieved sales average equates to £215/ft². This is summarised in Table 2.4, below.

Table 2.8: Rothwells Farm | Achieved Sales Analysis

Date From	Date to	Accommodation Type	No. Sales	Avg. Size (ft ²)	Avg. Sold Price	Avg. Value (£/ft ²)
06/12/2019	06/12/2019	Terraced	1	721	£145,000	£201

28/01/2019	28/08/2020	Semi-detached	35	939	£193,853	£207
25/01/2019	06/07/2020	Detached	40	1,179	£263,020	£223
Scheme Summary:			76	1,062	£229,614	£216

Source: Land Registry; EPC

Comparison to Subject Site

- 2.43 Rothwells Farm shares similar characteristics to the Heathfields and Lowton Heath developments, except for its location further north of the A580 and proximity to the railway line. However, the site benefits from being built adjacent to a high school and employment uses.
- 2.44 Sales data suggests the development attracts a small discount from the aforementioned Heathfields and Lowton Heath schemes. It is thus considered that this scheme represents a high degree of pricing comparability with the Prospective Development.

The Willows, Persimmon Homes

- 2.45 The Willows is a development of approximately 328 dwellings located on approximately 11 hectares of land to the south of Earle Street, on the former Deacon Trading Estate in Newton-le-Willows. The development comprises a mix of 2, 3 and 4-bed dwellings and delivers a development density of 32 dph.
- 2.46 The locality of the site is generally characterised by existing residential development to the north and west, industrial/ commercial units to the east/ south-east, and agricultural land to the south. The railway line also bounds the site to the south.
- 2.47 The outline planning application (ref: P/2009/1016) was granted in June 2010 with reserved matters (ref: P/2014/0627) subsequently approved in July 2015. The site now fully constructed and Persimmon Homes are no longer marketing any properties.

Achieved Sales

- 2.48 Evidence of achieved sales has been obtained via Land Registry, which contains records of 74 transactions of terraced, semi-detached and detached units between January 2019 and October 2020. Achieved sold prices range from £120,995 - £237,995.
- 2.49 Terraced units achieved an average sales value of £186/ft²; semi-detached units achieved an average of £203/ft²; and detached units achieved an average of £207/ft². The current overall achieved sales average equates to £198/ft². This is summarised in Table 2.9, below.

Table 2.9: The Willows | Achieved Sales Analysis

Date From	Date to	Accommodation Type	No. Sales	Avg. Size (ft ²)	Avg. Sold Price	Avg. Value (£/ft ²)
31/01/2019	30/04/2020	Terraced	32	760	£141,152	£186
29/03/2019	30/09/2020	Semi-detached	15	792	£160,562	£203
08/02/2019	28/09/2020	Detached	27	1,045	£216,847	£207

Scheme Summary:	74	871	£172,705	£198
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Source: Land Registry; EPC

Comparison to Subject Site

- 2.50 The Willows integrates a compact area of public open space to the north-east of the site, and is otherwise bordered on all other sides by existing development (residential or commercial/ industrial) except for the south-west boundary, which comprises an embankment leading to open/ agricultural land.
- 2.51 The development is not located as close to the highway network of the M6 and A580 [in comparison to the Site], but is well linked for access. Although benefitting from proximity to Earlsseton train station, the railway line runs along the south-eastern boundary of the site, which is likely to subdue values for the properties close to this boundary.
- 2.52 It is considered that The Willows presents limited comparability to the Prospective Development at the Site, predominantly due to its location, and the sales data represents a discount to that achievable at the Site.

3. Conclusions

- 3.1 This report has been prepared by Turley on behalf of Peel Holdings (Land and Property) Limited. The report provides an independent residential market assessment relating to the land under promotion at Haydock Green, St. Helens (the 'Site').
- 3.2 The report will be utilised as a guide for pricing strategy within the Financial Viability Statement for the Site, to be submitted to St. Helens Council ('the Council' or 'SHC').
- 3.3 The report has been informed by a review of published market intelligence and local evidence, a review of housing market and transactional data, and also draws upon a market engagement exercise with local agents.
- 3.4 Transactional data includes sales since 2019 (pre-COVID-19), however, the housing market has performed strongly during 2020 – as confirmed by conversations with agents – and sales values have typically risen during this period. Across the five sites analysed, achieved sales values (£/ft²) have increased in 2020 (by up to 6.7%), as summarised in the figure 3.1, below.

Figure 3.1: Average Achieved Sales Values (£/ft²) | Comparable Sites



Source: Land Registry; EPC

- 3.5 It is expected that the achievable open market sales values at the Site will reflect, at a minimum, the levels achieved during 2020 (as opposed to the average values demonstrated since 2019) and account for further growth to current day.
- 3.6 Based on the market evidence contained within this report, an open market sales pricing strategy is recommended as set out in Table 3.1 overleaf. This is based on the opinion of Turley and is deemed to be reflective of the current sales market. The adopted values represent net achievable sales values.

3.7 No comparable evidence is available for bungalow sales, but a 10% premium has been applied, in line with the approach adopted in the St Helens Local Plan Economic Viability Assessment.

3.8 2.5 storey homes are priced at a discount in comparison to 2 storey homes, in line with purchaser expectations.

The Site – Pricing Recommendations | Open Market Sale

Accomm. Type	Beds	Storeys	Avg. size (ft ²)	Unit Value (£)	Value (£/ft ²)
Terraced/ Semi (bungalow)	2	1	693	191,000	275
Terraced/ Semi	2	2	651	163,000	250
Terraced/ Semi	2	2	768	188,000	245
Terraced/ Semi	3	2	866	217,000	250
Terraced/ Semi	3	2	974	239,000	245
Detached	3	2	1,050	263,000	250
Detached	3	2.5	1,151	240,000	208
Detached	4	2	1,195	293,000	245
Detached	4	2	1,277	303,000	237
Detached	4	2.5	1,251	264,000	211
Detached	4	2	1,370	315,000	230
Detached	4	2	1,435	316,000	220
Detached	4	2	1,591	342,000	215

Source: Turley analysis

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Appendix 4: WSP A49 Diversion Cost Estimate

HIGHWAYS DESIGN - HIGH LEVEL ESTIMATING SYSTEM**Client:- Highways England****Very Early Stage Indicative Costing**

Initial Costing Using basic plan drawing M6J23-WSP-HGN-00-CH-SK-0009 (P01)

**M6 J23/A580 Haydock Island****Option A Layout 1 - Diverted A49 Lodge Lane SW Quadrant**

Brief Work Content

unit

Approx all in
unit rate

Amount

Cost Base deemed Q3 2018

RoadWorks:-

Roadworks New Highway (assumed on Embankments/in cutting)	0	sq m	£340	£0
Roadworks New Highway (at Grade)	4,972	sq m	£220	£1,093,840
Upgraded Highways Part New/Part Reconstruction/Part Removed (at grade)	3,304	sq m	£135	£446,040
Existing Highways top layer reconstruction allowance	340	sq m	£50	£17,000
Existing Highways,footways/cycleways/paved areas to be abandoned/removed & made good	4,458	sq m	£54	£238,503

Items considered additional to content of all in Roadworks rates used above

Cycle/Footways/splitter islands (assumed at grade/minor fill)	3,467	sq m	£55	£190,685
Creating New verges	3,758	sq m	incl	£0
Vertical Concrete Safety Barrier	0	lm	£275	£0
traffic signal installation (per carriageway & pedestrian controlled leg) power etc	0	complete installation	£37,500	£0
(per carriageway controlled leg) power etc	0	complete installation	£30,000	£0
(per pedestrian controlled leg) power etc	0	complete installation	£20,000	£0

Contingencies (unmeasured/imprecise design details and specification undefined at this stage)**15.0%****£297,910****Sub-Total
Roadworks****£2,283,978****Structures:-**

None indicated at current early design stage	0	sq m	£0
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Items considered additional to content of all in Structures rates used above

None indicated at current early design stage	£0
--	----

Contingencies (unmeasured/imprecise design details and specification undefined at this stage)		5.0%	£0
		Sub-Total Structures	£0
		Sub Total Basic construction works costs	£2,283,978
Preliminaries ((incl OH&P) 20%. temp works 2.5%. TM 8.5%)		31.0%	£708,033
OTHER MAJOR ITEMS			
None identified at present			£0
WORKS for and BY STATUTORY and OTHER AUTHORITIES incl dealing with lighting and communications installations (5% allowed currently)	(allowance only at this stage, no exact details but likely to be complex)		£149,601
LAND COSTS including compensation	1.22	HA (rural)? £40,500.00	£49,398
Feasibility Studies, SURVEYS, INVESTIGATION & DATA COLLECTION, DESIGN DEVELOPMENT & DOCUMENT PREPARATION, PROCUREMENT, SCHEME SUPERVISION, MANAGEMENT AND ADMINISTRATION. Plus CLIENT COSTS and INTERESTED PARTIES.		16.0%	£510,562
GROSS SCHEME BASE ESTIMATE incl DESIGN (Excl. VAT)			£3,701,571
Scheme Risk's Allowance (Arbitrary % prior to producing a scheme specific QRA)	(allowance only at this stage)	10.0%	£370,157
GROSS SCHEME BASE ESTIMATE To Construct incl DESIGN & RISK (Excl. VAT)			£4,071,729
Current Design Stage Recommended OB Allowance (Roadworks as DfT guidance say stage 1)	(max applied at this early stage of estimating)	45%	£1,832,278
			<i>£4,071,729</i>
Current Design Stage Recommended OB Allowance (Structures as DfT guidance say stage 1)	(max applied at this early stage of estimating)	66%	£0
			<i>£0</i>
INITIAL HIGH LEVEL ESTIMATE TOTAL using indicative details (Excl. VAT)			£5,904,006
Forecast Future inflation to mid construction period			not indicated currently
NB exact scheme specific details or circumstances have not been assessed and have not been specifically considered at this stage of design and estimating but are deemed to be covered by rates used and allowances made			
Prepared and produced by Martyn G Whittaker for WSP w/c 03/12/2018			

HIGHWAYS DESIGN - HIGH LEVEL ESTIMATING SYSTEM

Client:- Highways England

Very Early Stage Indicative Costing

Initial Costing Using basic plan drawing M6J23-WSP-HGN-00-CH-SK-0010 (P01)

**M6 J23/A580 Haydock Island****Option A Layout 2 - Diverted A49 Lodge Lane NW Quadrant through Peel site**

Brief Work Content

unit

Approx all in unit rate

Amount

Cost Base deemed Q3 2018

RoadWorks:-

Roadworks New Highway (assumed on Embankments/in cutting)	0	sq m	£340	£0
Roadworks New Highway (at Grade)	12,483	sq m	£220	£2,746,260
Upgraded Highways Part New/Part Reconstruction/Part Removed (at grade)	4,909	sq m	£135	£662,715
Existing Highways top layer reconstruction allowance	320	sq m	£50	£16,000
Existing Highways, footways/cycleways/paved areas to be abandoned/removed & made good	3,650	sq m	£54	£195,275

Items considered additional to content of all in Roadworks rates used above

Cycle/Footways/splitter islands (assumed at grade/minor fill)	7,493	sq m	£55	£412,115
Creating New verges	1,646	sq m	incl	£0
Vertical Concrete Safety Barrier	0	lm	£275	£0
traffic signal installation (per carriageway & pedestrian controlled leg) power etc	2	complete installation	£37,500	£75,000
(per carriageway controlled leg) power etc	1	complete installation	£30,000	£30,000
(per pedestrian controlled leg) power etc	2	complete installation	£20,000	£40,000

Contingencies (unmeasured/imprecise design details and specification undefined at this stage)

15.0%

£626,605

Sub-Total Roadworks**£4,803,970****Structures:-**

None indicated at current early design stage	0	sq m	£0
--	---	------	----

Items considered additional to content of all in Structures rates used above

None indicated at current early design stage	£0
--	----

<u>Contingencies (unmeasured/imprecise design details and specification undefined at this stage)</u>		5.0%	£0
		Sub-Total Structures	£0
		Sub Total Basic construction works costs	£4,803,970
<u>Preliminaries (incl OH&P) 20%. temp works 2.5%. TM 6%</u>		28.5%	£1,369,131
<u>OTHER MAJOR ITEMS</u>			
None identified at present			£0
<u>WORKS for and BY STATUTORY and OTHER AUTHORITIES incl dealing with lighting and communications installations (5% allowed currently)</u>	(allowance only at this stage, no exact details but likely to be complex)		£308,655
<u>LAND COSTS including compensation</u>	2.16 HA (rural)?	£40,500.00	£87,569
<u>Feasibility Studies, SURVEYS, INVESTIGATION & DATA COLLECTION, DESIGN DEVELOPMENT & DOCUMENT PREPARATION, PROCUREMENT, SCHEME SUPERVISION, MANAGEMENT AND ADMINISTRATION. Plus CLIENT COSTS and INTERESTED PARTIES.</u>		13.5%	£886,859
		GROSS SCHEME BASE ESTIMATE incl DESIGN (Excl. VAT)	£7,456,184
<u>Scheme Risk's Allowance (Arbitrary % prior to producing a scheme specific QRA)</u>	(allowance only at this stage)	10.0%	£745,618
		GROSS SCHEME BASE ESTIMATE To Construct incl DESIGN & RISK (Excl. VAT)	£8,201,803
<u>Current Design Stage Recommended OB Allowance (Roadworks as DfT guidance say stage 1)</u>	(max applied at this early stage of estimating)	45%	£3,690,811
			<i>£8,201,803</i>
<u>Current Design Stage Recommended OB Allowance (Structures as DfT guidance say stage 1)</u>	(max applied at this early stage of estimating)	66%	£0
			<i>£0</i>
		INITIAL HIGH LEVEL ESTIMATE TOTAL using indicative details (Excl. VAT)	£11,892,614
<u>Forecast Future inflation to mid construction period</u>			not indicated currently
<u>NB exact scheme specific details or circumstances have not been assessed and have not been specifically considered at this stage of design and estimating but are deemed to be covered by rates used and allowances made</u>			
<i>Prepared and produced by Martyn G Whittaker for WSP w/c 03/12/2018</i>			

Appendix 5: Appraisal (BCIS Construction Costs)

Haydock Green
BCIS Cost Assumption

**Haydock Green
BCIS Cost Assumption**

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
Market Housing	368	412,537	228.78	256,473	94,382,000
Affordable Housing	<u>157</u>	<u>126,914</u>	132.12	106,803	<u>16,768,058</u>
Totals	525	539,451			111,150,058

NET REALISATION **111,150,058**

OUTLAY

ACQUISITION COSTS

Residualised Price			8,408,917		
				8,408,917	
Stamp Duty			409,946		
Effective Stamp Duty Rate		4.88%			
Agent Fee		1.00%	84,089		
Legal Fee		0.50%	42,045		
				536,080	

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost	
Market Housing	412,537	107.27	44,252,844	
Affordable Housing	<u>126,914</u>	106.57	<u>13,525,225</u>	
Totals	539,451 ft²		57,778,069	
Contingency		5.00%	2,978,240	
WSP A49 Diversion 2018 cost			4,008,697	
S106 Contributions	525 un	1,000.00 /un	525,000	
POS			1,181,382	
S106 Education			377,464	
				66,848,852
Other Construction				
Abnormal//Opening up Costs	525 un	3,183.28 /un	1,671,222	
Electric Charging Points	525 un	220.00 /un	115,500	
				1,786,722

PROFESSIONAL FEES

Professional Fees		7.50%	4,467,359	
				4,467,359

DISPOSAL FEES

Sales Agent Fee & Marketing		3.50%	3,303,370	
Sales Legal Fee	157 un	500.00 /un	78,500	
				3,381,870

FINANCE

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)				
Land			2,524,932	
Construction			965,278	
Total Finance Cost				3,490,210

TOTAL COSTS **88,920,009**

PROFIT **22,230,049**

Performance Measures

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

Haydock Green**BCIS Cost Assumption**

IRR% (without Interest)	23.98%
-------------------------	--------

Profit Erosion (finance rate 7.000)	3 yrs 3 mths
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**Haydock Green
BCIS Cost Assumption**

Project Timescale	
Project Start Date	Jun 2023
Project End Date	Sep 2031
Project Duration (Inc Exit Period)	100 months

Phase 1

	Start Date	Duration	End Date	Jun 23	Jun 28
Project	Jun 2023	100	Sep 2031		
Purchase	Jun 2023	0 Month(s)			
Pre-Construction	Jun 2023	0 Month(s)			
Construction	Jun 2023	100	Sep 2031		
Post Development	Oct 2031	0 Month(s)			
Letting	Oct 2031	0 Month(s)			
Income Flow	Oct 2031	0 Month(s)			
Sale	Jun 2024	88	Sep 2031		
Cash Activity	Jun 2023	98	Jul 2031		
				1	61

**Appendix 6: Appraisal (LPVA Assumptions
Including Education S106)**

Haydock Green
LPVA Construction Cost Assumption
Including S106 Education Contributions

Development Appraisal
Prepared by SCS
Turley
20 May 2021

**Haydock Green
LPVA Construction Cost Assumption
Including S106 Education Contributions**

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Market Housing	368	412,537	228.78	256,473	94,382,000
Affordable Housing	<u>157</u>	<u>126,914</u>	132.12	106,803	<u>16,768,058</u>
Totals	525	539,451			111,150,058

NET REALISATION **111,150,058**

OUTLAY

ACQUISITION COSTS

Residualised Price			12,251,457		
				12,251,457	
Stamp Duty			602,073		
Effective Stamp Duty Rate		4.91%			
Agent Fee		1.00%	122,515		
Legal Fee		0.50%	61,257		
				785,845	

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Market Housing	412,537	98.61	40,680,274
Affordable Housing	<u>126,914</u>	98.61	<u>12,514,990</u>
Totals	539,451 ft²		53,195,263
Contingency		5.00%	2,749,099
WSP A49 Diversion 2018 cost			4,008,697
S106 Contributions	525 un	1,000.00 /un	525,000
POS			1,181,382
Primary Education			241,628
Secondary Education			135,836
			62,036,905

Other Construction

Abnormal//Opening up Costs	525 un	3,183.28 /un	1,671,222
Electric Charging Points	525 un	220.00 /un	115,500
			1,786,722

PROFESSIONAL FEES

Professional Fees		7.50%	4,123,649
			4,123,649

DISPOSAL FEES

Sales Agent Fee & Marketing		3.50%	3,303,370
Sales Legal Fee	157 un	500.00 /un	78,500
			3,381,870

FINANCE

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)			
Land			3,722,272
Construction			831,328
Total Finance Cost			4,553,600

TOTAL COSTS **88,920,048**

PROFIT

22,230,010

Performance Measures

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

Haydock Green**LPVA Construction Cost Assumption****Including S106 Education Contributions**

Profit on NDV%	20.00%
IRR% (without Interest)	21.20%
Profit Erosion (finance rate 7.000)	3 yrs 3 mths

**Haydock Green
LPVA Construction Cost Assumption
Including S106 Education Contributions**

Project Timescale	
Project Start Date	Jun 2023
Project End Date	Sep 2031
Project Duration (Inc Exit Period)	100 months

Phase 1

	Start Date	Duration	End Date	Jun 23	Jun 28
Project	Jun 2023	100	Sep 2031		
Purchase	Jun 2023	0 Month(s)			
Pre-Construction	Jun 2023	0 Month(s)			
Construction	Jun 2023	100	Sep 2031		
Post Development	Oct 2031	0 Month(s)			
Letting	Oct 2031	0 Month(s)			
Income Flow	Oct 2031	0 Month(s)			
Sale	Jun 2024	88	Sep 2031		
Cash Activity	Jun 2023	98	Jul 2031		
				1	61

