

Financial Viability Assessment

Land at former Foxwood
School, 59 Seabrook Road,
Hythe

Prepared on Behalf of:
Ureco Property

24th November 2025

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General Caveat

The development appraisals included in this report are indicative and based on a wide range of variables which are subject to change as and when scheme designs are refined, and also in response to changes in market and economic conditions. The appraisal methodology is inherently sensitive to changes in the assumed inputs where small changes to the key variables could have a significant impact on the residual output.

The results should be interpreted with this caveat in mind and the appraisals should not be interpreted or relied upon as formal valuations prepared in accordance with the current RICS Valuation - Global Standards (the "Red Book").

In addition, we highlight the following:

Market Context

On 11th June 2025, the Chancellor of the Exchequer delivered the Government's Comprehensive Spending Review, setting out departmental budgets to 2028/9 and capital investment plans to 2029/30. With not much additional finance to be spread across all budgets, the big winners in terms of capital allocation were healthcare and defence, together with significant additional funding and financial support announced for housing. Nevertheless, the review was one of the tightest we have seen outside of the Austerity years and recent reversals on the Welfare bill mean that the Autumn budget will likely need to be tightened in the region of £30 billion.

The UK economy demonstrated greater resilience than anticipated in the second quarter of 2025. GDP grew by 0.3% in Q2, significantly outperforming both Bank of England and economist forecasts of just 0.1% growth. This followed the robust 0.7% expansion recorded in Q1 2025. Business confidence however remains relatively subdued, with Services PMI down slightly and manufacturing improving, if still in contraction territory. Similarly, consumer confidence remains low – falling to -19 for the month, and the Savings Index jumping to its highest level since 2007.

Market conditions are currently susceptible to the heightened geopolitical volatility relating to the ongoing conflicts in both Russia/Ukraine and the Middle East which risk disruption of supply chains and could affect energy supplies and prices throughout Europe and the UK. In addition, there are ongoing tensions over global trade. On 2nd April 2025, the US government announced 'reciprocal' tariffs against more than 180 countries, along with a baseline tariff. This was a much bigger intervention than expected. Since then, trade tensions have eased somewhat and trade agreements have been reached between the US and China, the US and the UK as well as the UK and India. However, there remains much uncertainty and the US Government announced on 8th July that pharmaceutical tariffs could reach 200%, while on 8th August, there was an announcement of upcoming 100% tariffs on semiconductors.

The most notable all-encompassing impact of increased tariffs could be a major drag to global and in turn, UK economic growth. The financial markets were initially heavily impacted by the tariffs announcements but have recovered since. While there are indirect impacts, direct real estate impacts are likely to be focused on manufacturing and the industrial sector. The sectors with the greatest exposure to US markets include aerospace, mechanical engineering and pharmaceuticals.

The unemployment rate has climbed to 4.7% and job vacancies fell by 44,000 in the three months to July, reflecting continued softness in the labour market. Company failures also remain historically high. Nevertheless, with 2,043 company insolvencies in June, this was 8% less than May, and 16% lower than the same month in 2024. In 2024, there had been 23,872 company insolvencies, down from the record 25,128 in 2023, but still high in historical context. For perspective, 2009 saw 24,035 insolvencies.

CPI rose unexpectedly by 3.6% in the 12 months to June 2025, up from 3.4% in the 12 months to March. CPIH rose by 4.1%, up from 4% in the month previous. Despite rising inflation, the MPC cut interest rates by 25 bps to 4% in its August 2025 meeting, reflecting growing concerns about

labour market deterioration, albeit the 5-4 vote split was closer than anticipated – and only reached after two rounds. The MPC revised its forecasts that inflation would likely rise further to around 4% in coming months before declining towards the 2% target by Q2 2027 – slightly later than previously forecast. This all points to a cautious rate-cutting cycle, and with a question mark on whether rates will be cut again this year.

We have seen bouts of bond volatility so far this year, making pricing risk difficult. Firstly, in January, then again in April. At present, 10-year gilts are running at ~4.6%. The 5-year SONIA at the time of writing was running at ~3.7%.

Amongst the changes proposed in the Devolution Bill (first reading 10 July 2025), the Government is looking to make changes to Business Tenancies under the Landlord and Tenant Act 1954, which includes a ban on upward only rent reviews. Whilst it is too early to assess the impact of the proposals on property yields, investor sentiment has been negatively impacted.

In recognition of the potential for property market conditions to change in response to wider political and economic changes and uncertainty, and the impact that such could have on development appraisal variables, we highlight the importance of the date of our assessment and the market context in which it has been prepared.

Build Costs

Inflationary pressures affecting build costs have eased to some extent with the BCIS forecasting an increase in tender prices of 15% over the next five years. Nevertheless, the build costs and any inflationary assumptions that have been applied in this appraisal/assessment remain susceptible to changes which could have a material bearing on viability and/or residual land values.

Further, the build costs in the appraisal assume that appropriate cost allowances have been made to reflect all statutory and construction regulations including, but not limited to Planning, Building regulations, The Building Safety Act 2022 and the Building Safety Levy (England) Regulations 2025.

Development Finance

Development finance costs have increased due to increases in interest rates, SONIA, swap rates and a tightening in lending by the banking sector. The higher cost of development finance is impacting on viability and residual land values which could be exacerbated by any further increases in the cost of debt.

Development Programme

The development programme in the viability appraisal is indicative only and assumes that all regulatory approvals, including amongst others, Planning and Building Control and specifically the additional approvals required under the Building Safety Act 2022, will all be achieved within the assumed programme period. Any changes to the development programme could have a material impact on scheme viability and/or residual land values.

Data Centres

We highlight the growth in demand for data centres, largely being driven by AI and emerging evidence of land values which are materially higher than employment and in some cases, other uses. Unless we make specific reference to data centres, we have expressly disregarded this use in our appraisals and highlight that should the property/site attract such a use, this could have a very significant impact on the residual value. We further highlight that data centre use is regarded by some Local Authorities as falling within B8 Use Class, whilst by others it is regarded as Sui Generis.

Sensitivity Analysis

As a matter of prudence, we recommend that where not already provided, sensitivity analyses should be carried out to test the effects of variations to key inputs including but not necessarily limited to Gross Development Value/Net Development Value, build costs, development finance and development programme to inform risk and decision making, prior to any investment commitments.

Given the wider market volatility, it is also recommended that changes in costs, values and programme are closely monitored and the impacts on development viability are kept under frequent, ongoing review.

FINANCIAL VIABILITY ASSESSMENT

1. Executive Summary

- 1.1. Cushman & Wakefield ('C&W') has been commissioned by Ureco Property ('the applicant') to prepare an independent financial viability assessment ('FVA') of the proposed development at the Former Foxwood School, 59 Seabrook Road, Hythe ('the subject site') based on all relevant national and local planning policy requirements.
- 1.2. This FVA is prepared for planning purposes to test the financial viability of the proposed scheme, as part of the applicant's justification for the level of affordable housing provision and other planning obligations that can be viably supported by the proposed development. The FVA has been prepared in accordance with latest industry guidance and recommended best practice.
- 1.3. The Planning Practice Guidance for Viability ('PPGV') states that an executive summary of an FVA is to be made publicly available to promote greater transparency and accountability in the viability assessment process. The RICS Professional Standard *Financial Viability in Planning: Conduct and Reporting* (1st Edition, May 2019, republished April 2023) also states that all FVAs must be accompanied by non-technical summaries to assist non-specialists in better understanding the report.
- 1.4. Accordingly, an executive summary has been prepared to present the findings of this FVA in a clear and concise manner. This executive summary should however not be considered in isolation from the full report.
- 1.5. We summarise the key findings in the table below:

Applicant	Ureco Property
Site	Land at former Foxwood School, 59 Seabrook Road, Hythe
Proposed Scheme	'Hybrid application comprising of - a full planning application for the erection of 60 dwellings together with retained and enhanced green infrastructure framework, open space, parking and all associated engineering operations, together with an outline application (all matters reserved except access) for up to 90 residential units.'
Gross Development Value	£86.68 million
Total Development Costs (excluding Developer's Profit)	£70.6m
Developer's Profit	£17.33m
Residual Site Value	(£2.557m)
Benchmark Land Value	£1,000,000
Viability Surplus / Deficit (Rounded)	(£3.557 million)
Proposed Developer Contributions	Affordable Housing: Nil S106 Contributions: Nil

- 1.6. The following sections of this report explain the proposed scheme in further detail and how each of the value and cost inputs have been determined. We firstly provide a brief summary of the approach to the FVA, the proposed development, the key viability issues and the conclusions drawn from this FVA under the sub-headings below.

Approach to Site-Specific FVA

- 1.7. In preparing this FVA, we have adopted the residual approach which is an accepted methodology for assessing site viability and accords with the recommended approach in the PPGV and the RICS Professional Standard *Assessing Viability in Planning Under the National Planning Policy Framework 2019 for England* (March 2021, republished April 2023).
- 1.8. The residual method involves subtracting the total development costs required to deliver the scheme (including an allowance for the developer's profit), from the assumed Gross Development Value ('GDV') of the scheme to arrive at a residual land value. No allowance is made for underlying inflation throughout the duration of the scheme. The residual land value is then compared to the Benchmark Land Value (BLV) to determine the surplus or deficit position, and thus the viability of the proposed development.
- 1.9. Our residual appraisals have been prepared using Argus Developer software which is extensively used by key practitioners across the industry to ensure a robust and consistent approach to the cash flow modelling.

Site Location and Description of Proposed Development

- 1.10. The subject site is located (1km) to the west of Hythe High Street and is positioned between Seabrook Road to the south and Cliff Road to the north. The site lies within the defined urban area of Hythe. The site covers approximately 6.3 hectares, with the site featuring a steep gradient rising from south to north.
- 1.11. The site is situated within a well-established residential neighbourhood, surrounded on all sides by a mixture of detached and semi-detached houses and apartment blocks.
- 1.12. The site was previously occupied by Foxwood School, a Special Educational Needs (SEN) institution, which was vacated in 2016 following its amalgamation with Highview School. Since then, the site has remained vacant and unmanaged, with several derelict buildings and overgrown vegetation.
- 1.13. In March 2022, planning permission was granted for the redevelopment of the site to deliver 150 dwellings and apartments, with associated on-site concierge together with retained and enhanced green infrastructure framework, open space, parking and all associated engineering operations. However, this application has since lapsed, and therefore the new owners are seeking hybrid planning permission for the site.
- 1.14. The new planning application is seeking hybrid planning permission for:
- 'Hybrid application comprising a full planning application for the erection of 60 dwellings together with retained and enhanced green infrastructure framework, open space, parking and all associated engineering operations, together with an outline application (all matters reserved except access) for up to 90 residential units.'*

- 1.15. The scheme would deliver 102 apartments, across 4 blocks, and 48 new homes, ranging in size from 3 bed, 4 bed and 5 beds.

Relevant Local Planning Policy

- 1.16. The adopted development plan for Folkestone & Hythe District comprises the Core Strategy Review (2022) and the Places and Policies Local Plan (2020), along with the St Mary in the Marsh Neighbourhood Plan (2019); and the Kent Minerals and Waste Local Plan (2016).

- 1.17. Below we summarise the key planning policies relating to viability in the adopted Local Plan.

Affordable Housing

- 1.18. The Core Strategy Review was adopted in 2022. The affordable housing policies are outlined in CSD1, and state that on developments of 15 or more units 22% affordable housing provision would be required with a tenure split of 70% affordable rented and 30% intermediate housing. The policy then goes on to state that the 'provision at 22% is considered to be realistic and deliverable'.

- 1.19. However, the policy does state 'Where a site-specific viability assessment is provided with an individual planning application and it can be demonstrated to the reasonable satisfaction of the Council that the proposed development would not be viable with the full affordable housing requirement, the Council will give consideration to allowing an appropriate level of relaxation of the requirements.

Developer Contributions

- 1.20. Policy SS5 identifies that development should provide, contribute to or otherwise address the district's current and future infrastructure needs.

- 1.21. The Policy stipulates that a CIL Charging Schedule has been introduced, alongside Section 106 contributions. 'CIL charges will be applicable to all qualifying forms of development across the district. Developer contributions through specific legal agreements will continue to be negotiated taking appropriate account of the development's viability for required local infrastructure'.

Local Plan Viability Assessment and Justification for Site-Specific FVA

- 1.22. The PPGV (Paragraph 21) states that the Executive Summary of an FVA should refer back to the viability assessment that informed the Local Plan and summarise what has changed since then. The PPGV (Paragraph 6) also requires the applicant to demonstrate whether particular circumstances justify the need for an FVA at the application stage.

- 1.23. In Hythe, we understand that the LPVA comprises the Viability Assessment of the Shepway District Places And Policies Local Plan – Preferred Options (September 2017). We set out the key assumptions adopted in the LPVA in Section 8 of this report. We note however that the LPVA was prepared before the introduction of the revised NPPF and PPGV in July 2018, meaning that the LPVA is in effect "out of date" and the assumptions may not be consistent with the requirements set out in the updated national policy and guidance, whilst market conditions have also changed since the date of the assessment. This justifies the need for this site-specific FVA and in accordance with Paragraph 8 of the PPGV, we explain and justify any deviation from the figures used in the LPVA.

- 1.24. There are also technical constraints affecting the site which have resulted in additional site-specific abnormal / extra over development costs to deliver the proposed scheme. These circumstances further necessitate the need for this site-specific FVA as explained in the main body of this report.

Summary of Key Viability Inputs

- 1.25. We have assessed a total GDV of £86.68m for the proposed scheme, which reflects an average sales value of £488 per sqft for the houses and £543 per sqft for the apartments.
- 1.26. The GDV has been derived by utilising up-to-date, market evidence from existing developments as well as re-sale values within the locality. We believe our assessment of GDV is robust based on the relevant evidence.
- 1.27. We have relied upon the cost information provided by the applicant's cost consultant, relevant market evidence, as well as our extensive market knowledge gained through previous viability work, Red Book valuations, expert witness instructions and the disposal of numerous residential development sites on behalf of both public and private sector clients.
- 1.28. We have adopted a developer's profit of 20% of market housing GDV which, in our opinion, is fully justifiable to bring forward the proposed scheme having regard to the level of market and development risk, particularly in the current challenging economic conditions and weaker market climate. Full detailed justification for the adopted profit (and all other key inputs) is provided in the main body of this report.
- 1.29. We have adopted a BLV of £1,000,000 which has been assessed using the EUV+ approach in accordance with the requirements of the PPGV and the aforementioned RICS Professional Standard. We believe that this represents a balance between the appropriate minimum incentive required for the landowner to release their site for development whilst allowing a sufficient contribution to fully comply with policy requirements and reflecting the implications of the site-specific development costs.

Scheme Viability and Key Conclusions

- 1.36. Based on our assessment of GDV and total scheme costs, we have prepared a viability appraisal for a scheme including CIL contributions totalling £3.00 million, but no S106 or affordable housing contributions. This appraisal projects a negative residual land value of circa £2.55 million. This FVA therefore demonstrates the need for the LPA to consider flexing their policy requirements to support the delivery of the proposed scheme at the subject site.
- 1.30. The applicant is committed to delivering the proposed development at the subject site notwithstanding the findings of this FVA, which would make a clear positive contribution in meeting local housing need and in enhancing the quality of the residential offer in the locality. The proposals would thus bring a range of social, economic and environmental benefits.
- 1.31. However, this FVA highlights the viability constraints affecting the site and that, in viability terms, there is no scope for any affordable housing provision or other S106 contributions from the proposed scheme, on the basis that CIL payments are fixed and non-negotiable. It is possible for the deficit to be eliminated/absorbed and for development to come forward if the applicant and/or landowner were to flex their expectation of return below that which is demonstrable as a minimum acceptable level, and/or if the applicant is able to achieve cost efficiencies in delivering the scheme, and/or if revenue growth was to exceed build cost inflation over time. The commercial decision as to whether to proceed with the scheme at risk would be at the discretion of the applicant.

- 1.32. The findings do however indicate that it will also be necessary for the LPA to consider flexing their policy requirements in order to support the delivery of the proposed scheme. Viability aims to strike a balance between the aspirations of the landowner, developer and the LPA as noted in the PPGV (Paragraph 10). The development would be undertaken at the applicant's risk and the requirement to comply with additional policy requirements relating to affordable housing and/or other S106 contributions would further increase the viability deficit and the risk of compromising scheme delivery.

2. Introduction

Instructions and Purpose of Report

- 2.1. Cushman & Wakefield ('C&W') has been commissioned by Ureco Property ('the applicant') to prepare an independent financial viability assessment ('FVA') of the proposed development at the Former Foxwood School, Seabrook Road, Hythe ('the subject site') based on all relevant national and local planning policy requirements.
- 2.2. This FVA is prepared for planning purposes to test the financial viability of the proposed scheme, as part of the applicant's justification for the level of affordable housing provision and other planning obligations that can be viably supported by the proposed development.
- 2.3. We have prepared this FVA in accordance with all relevant industry guidance and recommended best practice for undertaking site-specific FVAs. We have had full regard to the need to ensure objectivity and professional integrity in the viability process (RICS Professional Standard: *Assessing Viability in Planning Under the National Planning Policy Framework 2019 for England*, March 2021, republished April 2023).
- 2.4. C&W is an RICS regulated firm with a considerable track record of assessing financial viability, informed by extensive experience in the development industry working for developers, housebuilders, Registered Providers ('RPs'), landowners, local authorities and other public sector bodies. This FVA is based on an accepted industry methodology utilising the residual approach and uses up-to-date, local information.

Assumptions and Information Relied On

- 2.5. In preparing this FVA for planning purposes, we have relied on information made available to us by the applicant and its professional consultant team as detailed in this report, including:
 - Site Layout Plan (Holloway Architects)
 - Design and Access Statement (Holloway Architects)
 - Cost Estimate – 21st November 2025 (Spider Projects)
 - Accommodation Schedule - 21st November 2025 (Holloway Architects)
- 2.6. If there are changes to the proposed scheme during the planning process and/or the information relied on, and/or any of the information proves to be inaccurate, this could impact on the assumptions adopted in the FVA and the resultant conclusions. We request that any changes are made known to us for review at the earliest opportunity and we reserve the right to amend our assumptions in the event of such changes.
- 2.7. We have assumed that all matters likely to affect the FVA have been disclosed to us, where it would not be reasonable for us to establish such facts during the course of our normal investigations.
- 2.8. If any of the assumptions adopted and referred to in this report and/or the viability appraisal are incorrect, the relevant matter(s) should be referred back to us for review, and we reserve the right to amend our opinions in such circumstances.

Report Status

- 2.9. This FVA has been prepared based on information available as at the date of publication stated on the cover of this report in the context of prevailing economic and property market conditions. The input assumptions and conclusions are valid at the date of publication.

- 2.10. Should there be a material change to economic and/or property market conditions, and/or legislative or policy changes prior to determination of the planning application, the FVA assumptions and conclusions should be reviewed and updated as necessary.

Report Structure

- 2.11. The remainder of this report is structured as follows:
- Section 3 – sets out the mandatory reporting requirements in the RICS Professional Standard *Financial Viability in Planning: Conduct and Reporting* (1st edition) (May 2019, republished April 2023);
 - Section 4 – sets out the other relevant national planning and viability guidance, the justification for, and the approach to the FVA;
 - Section 5 – provides details of the subject site location, description and the applicant's development proposals;
 - Section 6 – summarises relevant local planning policy and planning history;
 - Section 7 – sets out the national and local residential market analysis;
 - Section 8 – sets out the value and cost assumptions adopted in the FVA;
 - Section 9 – sets out the approach to, and assessment of benchmark land value; and
 - Section 10 – presents the results and conclusions of the FVA.

Report Authors

- 2.12. This FVA has been prepared by:

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3. Financial Viability in Planning: Conduct and Reporting (May 2019) – RICS Professional Standard

- 3.1. C&W is a firm regulated by the RICS. In line with RICS requirements, we have had regard to the relevant RICS professional standards and guidance in preparing this FVA. We summarise the relevant standards and guidance in Sections 3 and 4 of this report.

RICS Professional Standard

- 3.2. This FVA has been prepared in accordance with the RICS Professional Standard *Financial Viability in Planning: Conduct and Reporting* (1st edition) (May 2019, republished April 2023). This document sets out mandatory requirements on conduct and reporting in relation to FVAs for planning in England to demonstrate how a reasonable, objective and impartial outcome should be arrived at. It also aims to support the government's reforms to the planning process announced in July 2018 and any subsequent updates.

- 3.3. Sections 2.1 to 2.14 of the Professional Standard set out the fourteen mandatory reporting and process requirements for all FVAs prepared on behalf of, or by applicants, reviewers, decision-makers and plan-makers. We confirm that this FVA has been carried out in accordance with Sections 2.1 to 2.14. The mandatory reporting requirements are set out under the sub-headings below and expanded on where relevant in this FVA.

Section 2.1: Objectivity, Impartiality and Reasonableness Statement

- 3.4. We confirm that this FVA has been carried out by RICS members and that we have acted with objectivity, impartially, without interference and with reference to all appropriate available sources of information.
- 3.5. We further confirm that the RICS members are suitably qualified practitioners, and Jonathan Turner is a RICS Registered Valuer with sufficient skills, expertise and knowledge to provide a robust and objective FVA. The RICS members have extensive experience in advising on FVAs across the UK and up-to-date knowledge of the planning system gained through previous viability experience and work alongside our local and national Planning Teams.

Section 2.2: Confirmation of Instructions and Absence of Conflicts of Interest

- 3.6. The terms of engagement for this instruction are appended to the rear of this report.
- 3.7. We confirm that we have no current, anticipated or previous recent involvement with the subject site or the parties to the instruction. We confirm that, to the best of our knowledge, no conflict of interest, or risk of conflict of interest, arises in preparing the advice requested.
- 3.8. If any of the parties in this FVA identified a conflict of interest, we would immediately stand down from the instruction or assess if the conflict could potentially be robustly managed.

Section 2.3: No Contingent Fee Statement

- 3.9. In preparing this FVA, no performance-related or contingent fees have been agreed.
- 3.10. This FVA has been prepared in full knowledge that it may be made publicly available in the future. Where we believe that there is information which is commercially sensitive that we have relied upon in preparing the FVA, we have stated so in the report.
- 3.11. We request that permission is obtained prior to this report being made public to ensure commercially sensitive and/or personal information does not infringe other statutory regulatory requirements.

Section 2.5: Confirmation Where the RICS Member is Acting on Area-Wide and Scheme-Specific FVAs

3.12. We confirm that we are not advising and have not previously advised the applicant or the LPA on a site-specific FVA in relation to any other planning applications.

3.13. We confirm that we have not undertaken an area-wide FVA concerning existing or future planning policies against which the proposed scheme could be assessed in future.

Section 2.6: Justification of Evidence

3.14. All inputs into this FVA have been reasonably justified as explained in further detail throughout this report. We have aimed to provide thorough detail regarding our approach and assumptions to limit the need for clarifications and subsequent negotiations with the LPA's appointed reviewer following submission of this report.

3.15. It is noted that where the appointed reviewer disagrees with elements of the submitted FVA, the parties should always seek to resolve differences of opinion where possible.

Section 2.7: Benchmark Land Value

3.16. We have assessed the benchmark land value ('BLV') in accordance with Section 2.7 of the Professional Standard in that we have reported the following:

- Current Use Value (referred to as Existing Use Value ('EUUV'))
- Premium
- Market evidence (as adjusted in accordance with the Planning Practice Guidance)
- All supporting considerations, assumptions and justifications adopted
- Alternative Use Value (as appropriate)

3.17. Full justification for the adopted BLV is provided in Section 9 of this report.

Section 2.8: FVA Origination, Reviews and Negotiations

3.18. We acknowledge a clear distinction between this FVA and any subsequent negotiations.

Section 2.9: Sensitivity Analysis

3.19. A sensitivity analysis on key appraisal inputs is provided in Section 10 of this report, together with accompanying explanation and interpretation of the results. This enables the applicant and decision-maker to consider how changes to key variables impact on viability having regard to scheme risks and an appropriate return, and to assist in arriving at appropriate conclusions.

Section 2.10: Engagement

3.20. We confirm that we will advocate reasonable, transparent and appropriate engagement between the parties at all stages of the viability process.

Section 2.11: Non-technical Summaries

3.21. A non-technical summary is provided at the beginning of this report which includes the key figures and issues that support the conclusions drawn from this FVA.

Section 2.13: Inputs to Reports Supplied by Other Contributors

3.22. We believe that all contributors to this report are regarded as competent and we understand that they are aware of the RICS mandatory requirements and that they must comply with the requirements.

Section 2.14: Timescales

3.23. We confirm that adequate time has been allowed to produce this FVA having regard to the scale of this particular project.

- 3.24. We further confirm that this FVA has been carried out in accordance with Section 4 – Duty of Care and Due Diligence of the Professional Standard and that full consideration has been given to the matters referenced in Section 4.

4. Viability Guidance and Approach to Financial Viability Assessment

- 4.1. Further to the mandatory RICS reporting requirements, within this section we summarise the other key national standards and guidance pertaining to viability and how we have approached the FVA for the subject site in light of this guidance.

Current Viability Standards and Guidance

- 4.2. In July 2018, the government published a revised National Planning Policy Framework ('NPPF') and Planning Practice Guidance for Viability ('PPGV') which have since been updated on several occasions, most recently the NPPF in December 2023. These documents set out the key principles which should be considered when assessing the viability of development at the plan-making and decision-taking stages.
- 4.3. In response, the RICS has published two documents; the aforementioned RICS Professional Standard (May 2019, republished April 2023) and the RICS Professional Standard: *Assessing Viability in Planning Under the NPPF 2019 For England* (March 2021, republished April 2023) ('the RICS standards'). The former sets out the mandatory FVA requirements on conduct and reporting as covered in Section 3. The latter primarily provides best practice and guidance for carrying out and interpreting the results of FVAs under the NPPF and PPGV.
- 4.4. We have had regard to the relevant national guidance and RICS standards in preparing this FVA. It is noted, however, that despite the recent updates to the guidance and standards, there still remains some ambiguity and subjectivity in terms of the assessment of key inputs in the FVA, such as the BLV.
- 4.5. The most pertinent aspects of the guidance and standards are summarised under the sub-headings below and expanded on where relevant in this FVA.

Application of the Red Book and Related RICS Guidance

- 4.6. The RICS standards confirm that FVAs are not valuations as such but contain significant valuation content which is within the jurisdiction of the RICS Valuation – Global Standards ('the Red Book') and other RICS mandatory statements / professional guidance. All RICS members carrying out FVAs must therefore adhere to these provisions.
- 4.7. The RICS standards further advise that all FVAs for planning purposes are carried out under the NPPF / PPGV which is regarded as the 'authoritative requirement' in the Red Book. This means that the government's technical requirements on the assessment of viability take precedence over any other RICS professional standards and guidance, including any valuation-based requirements in the PPGV which take precedence over any other valuation basis or approach set out in the standards, however Red Book professional standards still apply.
- 4.8. RICS members undertaking FVAs for planning purposes must therefore adhere to:
- Statutory and other authoritative requirements (including the NPPF and the PPGV);
 - The RICS Professional Standard *Financial Viability in Planning: Conduct and Reporting*; and
 - PS 1 and PS 2 of the Red Book.
- 4.9. We confirm that we have complied with these requirements in preparing this FVA for planning purposes.
- 4.10. With regards to PS 1 and PS 2 of the Red Book, we acknowledge in summary the following points of compliance in respect of this FVA:

- This FVA is prepared for assessing the viability of development to assist with planning matters, either plan/policy making, or decision taking. The FVA therefore constitutes an exception from valuation technical and performance standards ('VPS') 1 – 5 of the Red Book, and is not a formal valuation and should not be relied upon as such;
 - We confirm that all individuals who have contributed to this FVA have acted in accordance with the RICS Rules of Conduct;
 - We have had full regard to the need to act independently and objectively at all times, in a professional and ethical manner free from any undue influence, bias or conflict of interest; and
 - We collectively have sufficient professional qualifications, current knowledge of the relevant markets, and the experience, skills and understanding to undertake the FVA competently.
- 4.11. In accordance with the requirements of PS 2 of the Red Book relating to disclosures where the public has an interest, we confirm that:
- Relationship with client and previous involvement in this specific asset or mandate: Not applicable.
 - Rotation policy: we do not have a rotation policy applied to the production of FVAs
 - Period of time as signatory: Not applicable, we do not have a continued role as a signatory for this client.
- 4.12. The production of an FVA for planning purposes is excluded from VPS 1 – 5 of the Red Book under two of the identified exceptions, Performing a Statutory Function and Preparing to Act as an Expert Witness. This FVA and the advice provided do not constitute a formal valuation and should not be relied upon as such.
- 4.13. As well as the above requirements, there are other RICS guidance/standards which are relevant to preparing FVAs and which we have had regard to where appropriate, including *Valuation of Development Property* (October 2019) and *Comparable Evidence in Real Estate Valuation* (October 2019).

Viability Principles

- 4.14. As set out in the RICS Professional Standard (March 2021 as updated in April 2023), LPAs will have objectives to secure appropriate contributions from development to meet the community and infrastructure needs within their local area. The RICS standards further state that other stakeholder expectations need to be considered as part of the viability process; namely developers who will expect to make a suitable return, and landowner expectations which are crucial in ensuring the voluntary release of land for development.
- 4.15. The purpose of an FVA is to estimate whether a proposed development, when accounting for policy compliant levels of developer contributions, can provide:
- A minimum reasonable return to the landowner (defined as the EUV plus a premium); and
 - A suitable return to the developer.
- 4.16. If the FVA illustrates that the scheme is not viable with full policy requirements, the decision-maker will need to consider whether to adjust the developer contributions, having regard to all the particular circumstances in the individual case.
- 4.17. The RICS standard (March 2021 as updated in April 2023, paragraph 2.3.14) advises that the decision-maker will need to:

“make their judgements bearing in mind the two major policy imperatives of ensuring maximum development contributions and the delivery of land for development”.

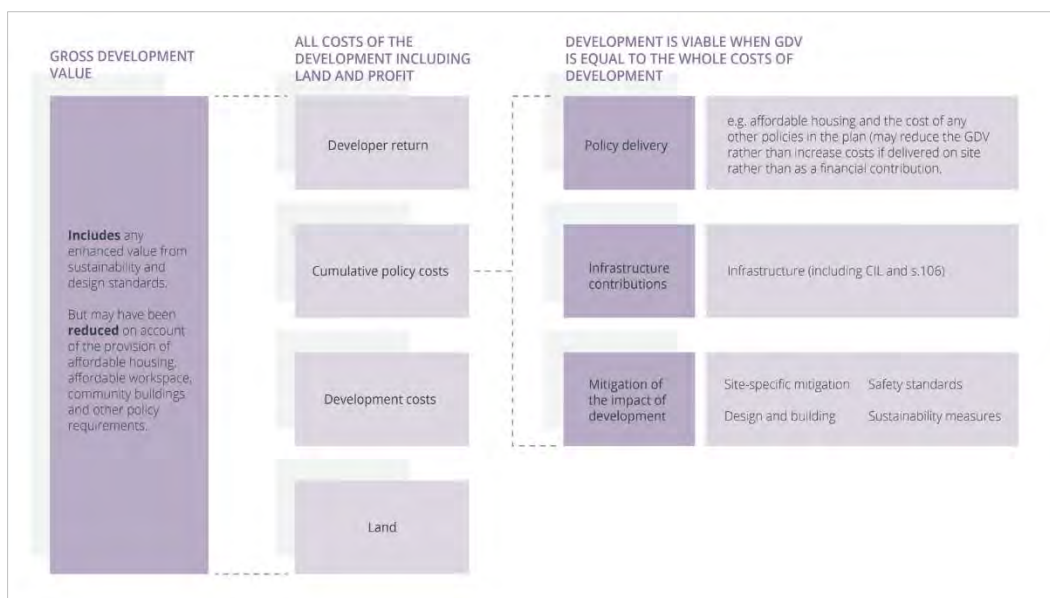
- 4.18. The RICS standard (March 2021 as updated in April 2023, paragraph 2.4.6) further states that a proper understanding of viability is essential to ensure that:
- Land is realistically priced and released for development to achieve plan delivery;
 - All reasonable costs of construction related to the development have been accounted for; and
 - Developers can obtain appropriate market risk-adjusted returns for delivering development.

Viability Framework

- 4.19. The PPGV (Paragraph 10) defines an FVA 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’.

- 4.20. The FVA process reflects a residual appraisal framework as shown in the diagram below and further explained in the *Valuation of Development Property* (October 2019, republished April 2023) RICS Professional Standard:



Source: RICS Professional Standard *Assessing Viability in Planning Under the National Planning Policy Framework 2019 for England* (March 2021)

FVA Methods and Inputs

- 4.21. Section 4 of the RICS Professional Standard sets out the methods which can be adopted when preparing an FVA, based on two variations of the residual method; the basic residual and the discounted cash flow model. Detailed guidance on the application of both variations is contained in the *Valuation of Development Property* (October 2019, republished April 2023) RICS Professional Standard. The method utilised should be proportionate to the complexity of the site and the quality of evidence underpinning the inputs.

- 4.22. In preparing this FVA, we have adopted the residual approach which is an accepted methodology for assessing site viability and is the standard approach adopted by developers when preparing appraisals/bids to acquire sites for development. The residual methodology also accords with the recommended approach in the PPGV.
- 4.23. The residual method involves subtracting the total development costs required to deliver the scheme (including an allowance for the developer's profit), from the assumed Gross Development Value ('GDV') of the scheme to arrive at a residual land value. No allowance is made for underlying inflation throughout the duration of the scheme¹. The residual land value is then compared to the BLV to determine the surplus or deficit position, and thus the viability of the proposed development.
- 4.24. Our residual appraisals have been prepared using Argus Developer software which is extensively used by key practitioners across the industry to ensure a robust and consistent approach to the cash flow modelling.
- 4.25. Where the basic residual method is adopted, the RICS standards still recommend that the return on cost and the IRR of every financial appraisal should be reported to increase transparency, in addition to the primary metric of return on GDV as set out in the PPGV.

Local Plan Viability Assessment

- 4.26. When preparing a site-specific FVA, the PPGV states that this should be based upon and refer back to the viability assessment that informed the Local Plan (Paragraph 8). We have therefore had regard to the Local Plan Viability Assessment ('LPVA') when preparing this site-specific FVA.
- 4.27. The subject site is within the jurisdiction of Folkestone and Hythe District Council and we understand that the LPVA (Viability Assessment Of The Shepway District Places And Policies Local Plan – Preferred Options) was prepared by Chilmark Consulting Ltd and published in September 2017.
- 4.28. We note however that the LPVA was prepared before the introduction of the revised NPPF and PPGV in July 2018, meaning that the assumptions may not be consistent with the requirements set out in the updated national policy and guidance, whilst market conditions have also changed since the date of the assessment. In accordance with Paragraph 8 of the PPGV, we explain and justify any deviation from the figures used in the LPVA.

Standardised Inputs to FVA

- 4.29. The NPPF and PPGV (Paragraphs 10 – 19) outline how an FVA should be approached and advocate the use of 'standardised inputs' when preparing FVAs. These inputs include the GDV, build costs, the total cost of all relevant policy requirements, developer's profit and the BLV.
- 4.30. It follows that when assessing site viability, one key principle is that the nature of the applicant should be disregarded and the assumptions should reflect a "typical" market-based position, not the applicant's specific circumstances or assumptions (if these differ from a perceived "typical" position). This is further confirmed in Section 5.1 of the RICS Professional Standard (May 2019, republished April 2023) and paragraph 4.2.7 of the RICS Professional Standard (March 2021, republished April 2023).
- 4.31. We follow these principles within this FVA and maintain a market-facing approach to assessing viability using inputs which are based on robust evidence and our extensive market experience. This is to ensure that the FVA is realistic and aims to reflect market principles at the assessment date.

¹ The approach to using present day costs and values without any forecasted growth is endorsed in the appeal decision relating to the Cuba Street Site (May 2025) (ref: APP/E5900/W/24/3356375)

- 4.32. The PPGV provides some guidance on assessing each of the ‘standardised inputs’ in the FVA. Additional guidance and suggested sources of evidence for each input are provided in the RICS Professional Standard (March 2021 as updated in April 2023, section 4.2) as well as the *Valuation of Development Property Professional Standard*.
- 4.33. To inform our GDV assessment, we have utilised up-to-date, market evidence from existing developments as endorsed by the PPGV (Paragraph 11) and the RICS Professional Standard (paragraph 4.2.11). In determining the development costs, we have adopted the costs for the specific scheme, as prepared by Spider Quantity Surveying, the information provided by the applicant, as well as assumptions adopted in relevant planning appeal decisions, expert witness decisions and area-wide and site-specific FVAs undertaken by a wide range of other private practitioners.
- 4.34. We have also used our extensive market experience gained across previous viability, valuation, expert witness and land agency work. By way of example, as at December 2023, the North West team had prepared, negotiated and/or assessed in excess of 170 FVAs over recent years for a total of approximately 46,400 units and equating to a total GDV in the order of £10.4 billion. The team also has a strong track record in submitting detailed viability representations to emerging LPVAs, SPDs etc on behalf of landowner and developer clients.
- 4.35. In respect of developer’s profit, the PPGV (Paragraph 18) suggests a suitable return for the purposes of viability testing at the plan-making stage in the range of 15 – 20% of GDV (excluding overheads) but is silent on developer’s profit for site-specific FVAs. We regard this as an appropriate approach, as the minimum acceptable return for each site should reflect site-specific risks which will not all be known at the plan-making stage, and which will also depend on market conditions at the date of the FVA.
- 4.36. The RICS standard suggests that the requirement to refer back to the LPVA when preparing a site-specific FVA implies that a ‘similar test’ regarding developer’s profit should be used at the application stage. The PPGV (Paragraph 18) does however state that alternative figures can be applied where justified based on the type, scale and risk profile of the planned development. Ultimately, the adopted developer’s profit will need to fully reflect the site-specific and market risks.

Benchmark Land Value

- 4.37. Paragraphs 13 – 17 of the PPGV and Section 5 of the RICS Professional Standard specify the framework and approach to determine the BLV. The primary approach to assess the BLV is the ‘Existing Use Value Plus’ (‘EUUV+’) method.
- 4.38. The BLV may be based on Alternative Use Value (‘AUV’) where appropriate. The PPGV (Paragraph 17) states that plan-makers can set out the circumstances in which the AUV can be used. If this approach is adopted, the criteria in Paragraph 17 of the PPGV must be satisfied including that there is market demand for that use and an explanation as to why the alternative use has not been pursued, particularly if the AUV suggests greater viability and returns.
- 4.39. One key aim of the revisions to the PPGV in 2018 was to remove any element of ‘circularity’ from the viability process, whereby previously in some instances, developers were utilising the price paid for land as justification for negotiating down policy requirements.
- 4.40. It is now clearly stated in the PPGV (Paragraph 2) that:

“The price paid for land is not a relevant justification for failing to accord with relevant policies in the plan. Landowners and site purchasers should consider this when agreeing land transactions”.

4.41. Under the guidance, the BLV should be assessed using EUV+ (or AUV where relevant) and should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land, while allowing a sufficient contribution to fully comply with policy requirements (PPGV, Paragraph 13) and reflecting the implications of abnormal costs, site-specific infrastructure costs and professional fees (PPGV, Paragraph 14).

4.42. We have followed these requirements when assessing the BLV for the subject site. We set out the full relevant guidance pertaining to the assessment of BLV in Section 9 of this report, together with our adopted approach.

Justification for Site-Specific FVA

4.43. Finally, both the NPPF and the PPGV clearly state that where up-to-date planning policies set out contributions expected from development, planning applications which comply with these policies are assumed to be viable and therefore no further viability testing is required. If a site-specific FVA is put forward, the applicant should demonstrate whether particular circumstances justify the need for an FVA at the application stage.

4.44. The PPGV (Paragraph 7) outlines circumstances which could justify a site-specific FVA, including where development is proposed on unallocated sites of a wholly different type to those used in the viability assessment that informed the Local Plan; where further information on infrastructure or site costs is required; where particular types of development are proposed which may significantly vary from standard models of development for sale; or where a recession or similar significant economic changes have occurred since the Local Plan was brought into force. The RICS standards further expands on these situations in Section 3.8 of the Professional Standard (March 2021, as updated in April 2023).

4.45. The PPGV (Paragraph 8) also states that the weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the underpinning viability evidence is up to date, site circumstances including any changes since the plan was brought into force, and the transparency of assumptions behind evidence submitted as part of the FVA.

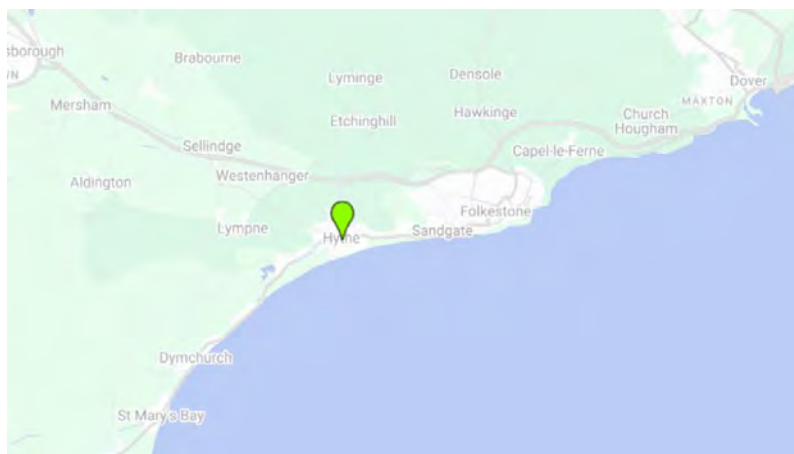
4.46. Having reviewed the proposed development and all relevant information, we believe that in this instance, there are particular circumstances which justify the requirement for an FVA at the application stage. The principal circumstances include the significant economic changes since the Local Plan was brought into force and current macro-economic volatility, the additional site-specific abnormal / extra over development costs required to deliver the proposed scheme which are not accounted for in the LPVA and that the LPVA pre-dates the revised NPPF and PPGV. Even if putting other reasons to one side, the fact that the LPVA is out of date means that significant weight should be attributed to this FVA.

4.47. This FVA demonstrates the need for the LPA to consider flexing their policy requirements to support the delivery of the proposed scheme at the subject site.

5. Subject Site and Description of Proposed Development

Subject Site Location

- 5.1. The subject site is situated off Seabrook Road in Hythe. Hythe is an old market town and civil parish on the edge of Romney Marsh in Kent, England. The town had a population of 14,604 people according to the 2021 Census.
- 5.2. The nearest major settlement to Hythe is the town of Folkestone which is located approximately 5 miles to the east. The other, more proximate nearby settlements are predominantly smaller villages including Sandgate, Dymchurch and St Mary's Bay.
- 5.3. The map below shows the location of the subject site in the wider local context:



Source: Google Maps

Transport Links

- 5.4. Hythe is well connected via the A259, which runs along the coast and links the town to Folkestone, Sandgate, and Dymchurch. The M20 motorway is nearby, providing fast access to Ashford, Maidstone, and London, as well as connections to the Channel Tunnel and Dover Port for international travel. The site itself is positioned between Seabrook Road to the south and Cliff Road to the north, with the main access point to the site being located off Seabrook Road.
- 5.5. The site is not currently served directly by public transport links; the local bus service has stops located within the town centre, approximately 1 mile from the site.
- 5.6. In terms of rail connections, there is a train station in Sandling which is located approximately 2.7 miles from the subject site and another at Folkestone. The station is located on the Southeastern Line which provides direct services to Ashford International, Canterbury, London Charing Cross, London Victoria and Dover Priory.

Local Amenities and Facilities

- 5.7. Hythe's High Street is one of the longest in England and is known for its independent shops, boutiques, and artisan stores.
- 5.8. There are other general day to day services and amenities including a medical practice, pharmacy, bank and post office whilst there are various restaurants and places to eat in the town centre. All of these amenities are within an approximate 20 - 25 minute walking distance of the subject site depending on the specific amenity to be accessed.

- 5.9. There are three primary schools and one secondary school in the town, all of which have an Ofsted rating of “Good” based on the most recent assessment. There are other “Good” rated primary schools in the surrounding villages but no other secondary schools; the next closest secondary schools are in Folkestone.

Subject Site Description

- 5.10. The subject site is located off Seabrook Road and comprises a parcel of brownfield land which is irregular in shape and extends to approximately 6.3 ha in size. There is currently vehicular access into the site provided from Seabrook Road via a gated access point.
- 5.11. The site is bound by existing residential dwellings to the north, east and west and is bound by the A259 to the south. The wider surrounding land uses include residential development, open fields and the Hythe Golf Club.
- 5.12. Located to the south of the site are The Black Cottage, a Grade II listed building, and the Royal Military Canal, a scheduled monument.
- 5.13. The site falls within the Kent Downs Area of Outstanding Natural Beauty, the Seabrook Road area and the Royal Military Canal Local Wildlife Site and therefore the nature of these areas are to be preserved.
- 5.14. The image below provides further context of the location of the subject site (demarcated in red line) and the wider surrounding land uses:



Source: LandStack

Note: Red line is for illustrative purposes only.

Description of Proposed Development

- 5.15. We understand that the applicant is intending to submit a hybrid planning application for a proposed development at the subject site as follows:

‘Hybrid application comprising a full planning application for the erection of 60 dwellings together with retained and enhanced green infrastructure framework, open space, parking and all associated engineering operations, together with an outline application (all matters reserved except access) for up to 90 residential units.’

- 5.16. The applicant has provided a copy of the site layout for the proposed development, which is shown below:



Source: The Applicant

- 5.17. As the layout plan illustrates, the proposed scheme will be accessed from Seabrook Road at the southern boundary with a central estate road serving the development and various roads splitting off to the left and right to serve the dwellings. There are several areas of open space throughout the scheme, with a large proportion of the site remaining unhindered by development, protecting the TPO's and biodiversity that already exists on site.
- 5.18. A full description of the proposed development is included in the Design and Access Statement submitted with the planning application.
- 5.19. The applicant has also provided a schedule of accommodation for the proposed scheme which we have relied upon for the purposes of this FVA; however, we do note that the unit sizes attributed to the outline planning application are indicative and subject to change as this portion of the application progresses. A full copy of the schedule of accommodation is provided at Appendix A. This is summarised in the table below:

Schedule of Accommodation

Hybrid / Outline	Flats / Houses	Beds	Units	Average Unit Size (sqft)	Total (sqft)
Full	Flats	2B4P	27	952	25,704
		3B6P	6	1,339	8,034
	Houses	3B6P	11	1,668	18,344
		4B8P	14	2,045	28,635
		5B10P	2	2,862	5,723

Outline	Flats	1B2P	17	547	9,292
		2B4P	50	854	42,682
		3B6P	2	1,112	2,224
	Houses	3B5P	5	1,121	5,605
		4B7P	16	1,342	21,472
		TOTAL	150	1,118	167,715

- 5.20. The table illustrates that the proposed scheme comprises a mix of houses and apartments. Apartments range in size from 1 to 3 bedrooms, whilst the housing units range in size from 3 bed to 5 bed units. The houses are split across terraced, semi-detached and detached property types.
- 5.21. For the purposes of this FVA, we have assumed that the proposed scheme will be delivered to a reasonable level of specification and in line with specifications provided at other standard new build residential schemes within the local area.
- 5.22. This FVA further assumes that full planning permission has been secured for the development proposals for the site.

Services

- 5.23. Unless otherwise stated, we have assumed that all required services are available to be connected to the site. We have further assumed that any abnormal / extra over costs associated with infrastructure / service works are sufficient to provide all required service connections and have been reflected in the costs provided to us.
- 5.24. If any costs have been excluded from the provided costs, we reserve the right to review the cost assumptions should we be provided with further information in respect of site constraints and additional costs.

Environmental Issues / Ground Conditions

- 5.25. We have not carried out any investigations into the environmental or ground conditions for the subject site. As such, we cannot confirm that satisfactory environmental / ground conditions exist for the proposed development. Similarly, we are not able to guarantee that the site is not contaminated and has never been subject to contaminative uses.
- 5.26. We have assumed that any abnormal / extra over costs associated with any abnormal environmental and/or ground conditions have been reflected in the costs provided to us. We have further assumed that the total development costs adopted in the FVA include all standard and site-specific abnormal / extra over development costs required to deliver the assumed scheme and address any constraints affecting the site.
- 5.27. If any costs have been excluded from the provided costs, we reserve the right to review the cost assumptions should we be provided with further information in respect of site constraints and additional costs.

Flood Risk

- 5.28. We have made enquiries of the Environment Agency website and are advised that the subject site falls outside of the extreme flood risk zone. The subject site is characterised as lying within 'Flood Zone 1 - Low Probability' which is defined as having a less than 1 in 1,000 annual probability of river or sea flooding.
- 5.29. We have assumed that any abnormal / extra over costs associated with any abnormal drainage requirements and/or flood risk have been reflected in the costs provided to us.
- 5.30. If any costs have been excluded from the provided costs, we reserve the right to review the cost assumptions should we be provided with further information in respect of site constraints and additional costs.

Highways

- 5.31. We have assumed that the subject site will have the benefit of appropriate rights of way and an acceptable form of access which will be an adopted or private highway. We have further assumed that roads constructed as part of the proposed development will be built to an adoptable standard and included in the total development costs adopted in the FVA.

Title / Tenure

- 5.32. We have not been provided with a Report on Title or any information in relation to title. For the purposes of this FVA, we have assumed that the site is held Freehold with vacant possession and that the site has a good and marketable title.

6. Planning Policy and Planning History

Adopted Local Plan

- 6.1. The adopted development plan for Folkestone & Hythe District comprises the Core Strategy Review (2022) and the Places and Policies Local Plan (2020), along with the St Mary in the Marsh Neighbourhood Plan (2019); and the Kent Minerals and Waste Local Plan (2016).
- 6.2. Below we summarise the key planning policies relating to viability in the adopted Local Plan.

Affordable Housing

- 6.3. The Core Strategy Review was adopted in 2022. The affordable housing policies are outlined in CSD1, and state that on developments of 15 or more units 22% affordable housing provision would be required with a tenure split of 70% affordable rented and 30% intermediate housing. The policy then goes on to state that the 'provision at 22% is considered to be realistic and deliverable'.
- 6.4. However, the policy does state 'Where a site-specific viability assessment is provided with an individual planning application and it can be demonstrated to the reasonable satisfaction of the Council that the proposed development would not be viable with the full affordable housing requirement, the Council will give consideration to allowing an appropriate level of relaxation of the requirements'.

Developer Contributions

- 6.5. Policy SS5 identifies that development should provide, contribute to or otherwise address the district's current and future infrastructure needs.
- 6.6. The Policy stipulates that a CIL Charging Schedule has been introduced, alongside Section 106 contributions. 'CIL charges will be applicable to all qualifying forms of development across the district. Developer contributions through specific legal agreements will continue to be negotiated taking appropriate account of the development's viability for required local infrastructure'.

Planning History

- 6.7. A previous application was submitted for the site (Ref 20/0015/FH), designed by Hollaway, and was approved in March 2022. The site included 150 new homes, in line with the original allocation. The approved scheme comprised 23 houses and 127 apartments, distributed across 8 apartment blocks. This application has since lapsed.

7. Residential Market Commentary

- 7.1. In order to determine the GDV of the proposed scheme to be developed at the subject site, we have analysed the national and local residential markets as detailed in the following sub-sections. This analysis is based on data collected as at the date of this Report.

The National Residential Market

- 7.2. Below we summarise some of the key takeaways from the national market commentary and our wider market research:

MORTGAGE APPROVALS

- 7.3. In terms of mortgage approvals, the wider market signals a shift from the modest improvement previously reported in the first half of 2025. Whereas earlier commentary highlighted rising approvals supported by falling mortgage rates and stronger wage growth, the latest survey indicates that this momentum has weakened. Buyer demand has fallen again, with new enquiries declining for the third consecutive month. The combination of subdued sentiment and economic uncertainty—particularly ahead of the Autumn Budget—suggests that many potential purchasers are holding back. As a result, although affordability had shown signs of gradual improvement earlier in the year, the current market climate points to renewed caution among borrowers and a softening in overall mortgage activity.

SALES & PRICING

- 7.4. Residential sales activity has slowed noticeably since the mid-year rebound. The October RICS Residential Market Survey shows that new buyer enquiries have fallen to their weakest level since April, with a net balance of -24%, compared with -21% previously. Agreed sales have also decreased, recording a net balance of -24%, down from -17%. The supply side has similarly weakened, as new instructions declined for the third month in a row, reaching a net balance of -20%—the softest reading since 2021. House prices continue to face modest downward pressure, with the national price balance slipping to -19% from -17%. Despite this, respondents remain cautiously optimistic about the medium-term outlook. Near-term price expectations remain negative at -12%, however, 12-month expectations have turned positive, with survey participants anticipating a return to modest price growth over the year ahead.

SUPPLY & DEMAND

- 7.5. Conditions in the supply-demand balance are shifting once again. After a period earlier in the year when demand and supply appeared to be moving towards greater equilibrium, the October RICS data shows tenant demand softening slightly, recording a net balance of -4% over the three months to October, down from +5% in the previous quarter. At the same time, landlord instructions continue to fall sharply, with a net balance of -33%, marking the weakest level since April 2020. This sustained decline in the number of landlords entering or remaining in the market reflects ongoing pressures including changing regulation, rising operating costs, and uncertainty around future policy direction. While the reduction in supply might ordinarily place upward pressure on rents, there has been a simultaneous cooling in tenant demand.

RENTAL VALUES

- 7.6. Rental values no longer show the clear upward trajectory seen at the beginning of 2025. Overall sentiment points towards only modest increases in rents in the near term. Near-term rental expectations stand at a net balance of +15%, reflecting a moderate degree of anticipated uplift. However, the fall in tenant demand combined with the drop in landlord instructions suggests that rental movements are likely to remain muted, with regional variations driven by local supply constraints rather than national momentum. While structural undersupply will continue to support rents in some areas, particularly those with chronic shortages of housing, the softening in overall demand signals a more subdued rental market than earlier forecasts suggested.

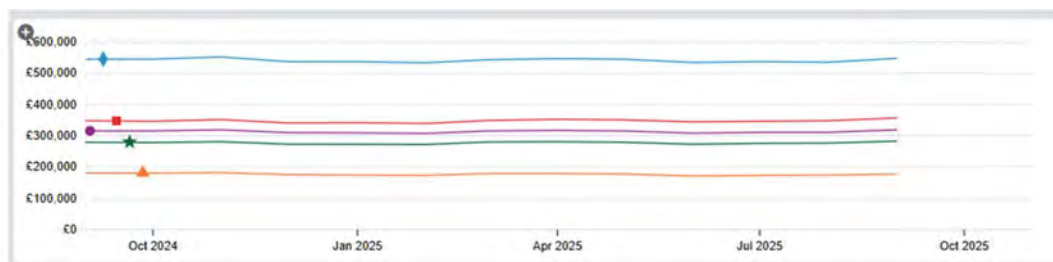
The Local Residential Market

- 7.7. Before presenting the new build and second hand evidence that is relevant to the subject site, we first provide a broader overview of local market trends based on the latest Land Registry data.
- 7.8. When analysing the Land Registry data and house price trends, we have treated the most recent evidence and the suggested levels of pricing (including growth rates) with some caution as we understand that the latest House Price Index ('HPI') data releases are volatile particularly at smaller geographies, primarily due to the time lag in achieved sales being registered as completions at the Land Registry, with the most recent data and suggested growth rates based on partial/incomplete samples and subject to revisions as set out in the Land Registry guidance (the first estimate for each month is typically based on only 40% of sales that occurred in that month for example)². For this reason, we have treated the latest Land Registry data with some caution.
- 7.9. For these reasons, the Land Registry reported average prices for the most recent months will likely be revised over the coming period as more completions are registered. We have considered these potential limitations associated with the recent Land Registry data in terms of the weight attributed to this evidence, particularly in the analysis when considering potential house price growth for slightly older transactions as explained where relevant throughout this section.

Folkestone and Hythe – Average Values and Sales Volumes

- 7.10. According to the latest available Land Registry data (September 2025), annual house price growth was positive at c. 1% within the Folkestone and Hythe Local Authority Area, with the average house price across all property types increasing from £313,363 to £316,783 over the 12 month period to September 2025. Pricing has levelled out slightly recently, with the highest increase in price across this period being in November 2024, where average house prices achieved values of £317,340.
- 7.11. On an overall basis, the data suggests that the impacts of the market headwinds have filtered through into the local market and the subsequent Land Registry data to some extent. However, the most recent months of data are not yet available to further reinforce this trend.
- 7.12. The recent price trends across all property types in Folkestone and Hythe are illustrated in the graph below.

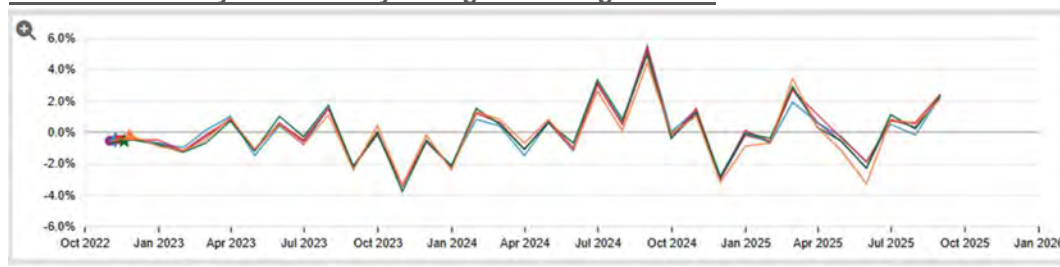
² <https://www.gov.uk/government/publications/about-the-uk-house-price-index/about-the-uk-house-price-index#monthly-revision>



Source: Land Registry

- 7.13. This illustrates that all property types have tended to follow similar patterns of growth, with detached properties commanding the highest values and flats/maisonettes the lowest as would be expected.
- 7.14. By way of further analysis, below we present the monthly growth rates for Folkestone and Hythe which demonstrate the fluctuation throughout the year, and the recent dips into negative territory, again with similar trends across all house types over the past 12 months.

Folkestone and Hythe – Monthly Change in Average Values



Source: Land Registry

- 7.15. The above Land Registry data relates to average figures for the broader Folkestone and Hythe local authority boundary, which is large and diverse in character, whilst providing useful wider context and evidence of softening market performance, the data may not reflect specific local market characteristics in Hythe and the location of the subject site.
- 7.16. For a more specific analysis relevant to the subject site locality, we have firstly reviewed the latest Rightmove data for Hythe which states that overall average prices in the area over the past 12 months equated to £412,793. This is significantly higher than the average for the Folkestone and Hythe local authority average notwithstanding differences in sample methodologies between Rightmove and the ONS, albeit Rightmove states that overall, sold prices in Hythe over the last year were 6% up from the previous year.
- 7.17. Rightmove further states that:
- The majority of sales in Hythe during the last year were semi-detached properties, selling for an average price of £388,442;
 - Detached properties sold for an average of £645,068;
 - Terraced properties sold for an average of £339,242.

New Build Comparable Evidence

- 7.18. To thoroughly inform our assessment of potentially achievable sales values for the proposed development, we have considered relevant market evidence from new build housing schemes in the local residential market.

- 7.19. We have identified five new build apartment schemes within the local (CT21) area, plus four small housing developments.
- 7.20. We have considered these schemes in determining potentially achievable values for the proposed development at the subject site. Throughout the analysis presented below, we will identify key similarities and differences between the new build schemes and the subject site, and how this may affect any difference in value.

New Build Achieved Prices

- 7.21. At Appendix 2a we set out the transactional evidence from the identified new build schemes. We have considered evidence since January 2023 however owing to a lack of recent data (which is part reflective of the aforementioned Land Registry time lag), we have extended the search back to 2021 for a small number of schemes as explained later in this section.
- 7.22. We have relied on the floor area information obtained from the EPC Register to calculate the achieved pricing on a rate £/sqft basis. We are therefore reliant on the accuracy of the Land Registry and EPC data for this analysis and note for example that there are sometimes anomalies/discrepancies in the floor area data from EPCs. Where possible, we have sought to identify any such anomalies and seek the floor areas from the planning layout plans where relevant however we cannot guarantee the accuracy of the stated floor areas from either source. We have no direct involvement with the transactions on the Land Registry and we are unable to guarantee the accuracy of this information and thus reserve the right to amend our analysis and conclusions if it is subsequently established that any of the information is inaccurate.
- 7.23. We have excluded any transactions which appear to be for affordable housing from our analysis as the lower values would distort the overall average market pricing figures. We further note that the figures at Appendix 2a represent the achieved values as stated on the Land Registry and are therefore before any adjustment to account for any non-cash incentives and extras which may have been offered by developers and are not captured in the stated prices.
- 7.24. Below we summarise the average achieved values at each scheme with transactional evidence.

Figure 7.3: New Build Achieved Sales – Apartments Summary

Scheme	No. of Sales	Average Property Size (sq. ft.)	Lowest Value	Highest Value	Land Registry Average Achieved Price (£ / £ psf)	
Dearman Crescent	22	677	£227,995	£262,995	£249,792	£368.97
Hopkins Way	9	595	£174,995	£235,000	£215,310	£361.86
Maycock Place	24	608	£176,995	£ 253,995	£224,005	£368.43
Naildown Road	6	994	£550,000	£820,000	£605,000	£608.65
Seabrook Road	2	914	£375,000	£380,000	£377,500	£413.01

Figure 7.4: New Build Achieved Sales – Houses Summary

Scheme	No. of Sales	Average Property Size (sq. ft.)	Lowest Value	Highest Value	Land Registry Average Achieved Price (£ / £ psf)	
Bennett Close	4	1031	£343,995	£438,495	£370,496	£359.35
Hayles Walk	2	1049	£352,995	£477,995	£415,495	£396.08
Hopkins Way	6	1088	£254,995	£380,995	£352,162	£323.68
Wilkinson Drive	3	951	£207,908	£466,445	£343,116	£360.79

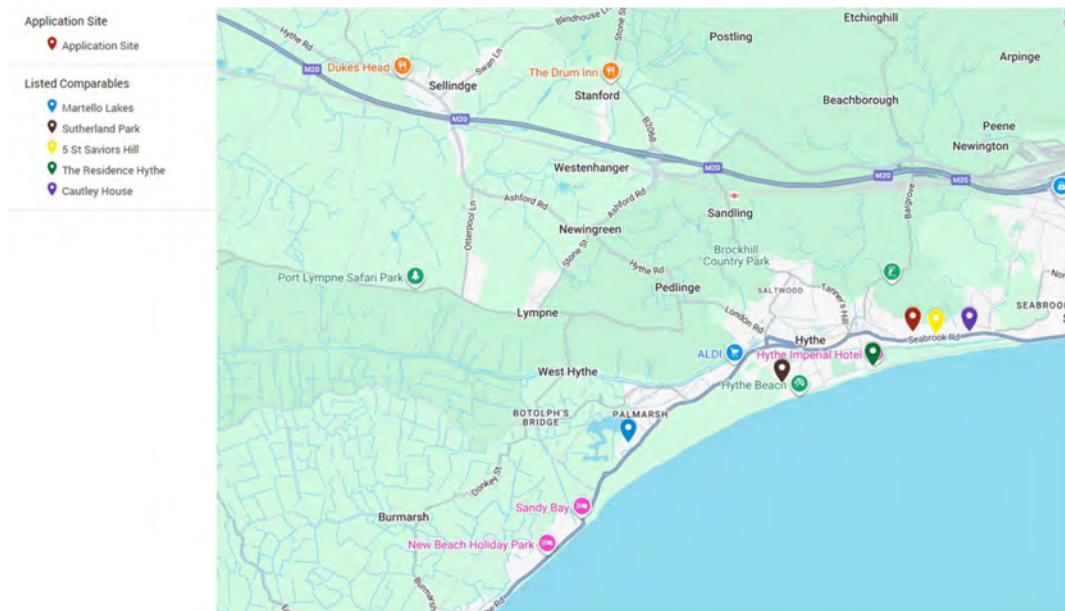
Source: Land Registry & EPC Data

- 7.25. The average achieved values across the schemes on both a capital value and a rate psf basis, reflect differences in key factors including unit sizes, specification, scheme-specific characteristics, date of the sales and of course the location.
- 7.26. The highest average achieved values on a capital value basis for apartments are at Naildown Road in Hythe. The scheme at Naildown Road, referred to as the Coastlands, is a scheme of 8 luxury apartments that were delivered by Wedgewood Homes over 2022 and 2023. The scheme has now fully sold, with the exception of 1 remaining apartment which is currently reserved. Apartments range in size from 904 sqft up to 1259 sqft. Whilst these properties are achieving high values due to their high quality and incredible views over the coastline, the absorption period for these units has been somewhat extended, suggesting that the values are too high for the market. It is important to note that this is also a small scheme, with only 8 apartments being bought to market, significantly smaller than the proposals at the subject site.
- 7.27. When removing the Naildown Road comparable evidence, the overall Land Registry achieved values for the apartments had an average capital value £237,971, reflecting a £/sqft rate of £370.49. we note that this is significantly lower than the values achieved at Naildown Road.
- 7.28. The highest average achieved values on a capital value basis for houses were at Hayles Walk in Hythe. The scheme at Hayles Walk however only consisted of two new build houses. Reviewing the new build sales data generally across Hythe, there has not been any housing development of scale over the past two years, and therefore it is difficult to get an idea of sales values using solely this data.
- 7.29. Whilst pricing patterns may not have changed materially over the past 18-24 months, in order to obtain a better understanding of “current” values, in particular given a relative lack of new build achieved values on comparable housing properties, we have therefore had due regard to current new build asking prices as detailed below.

New Build Asking Prices

- 7.30. Further to the achieved new build sales evidence, at Appendix 2b we provide details of currently available new homes at the active schemes in the local area. As noted in industry guidance, asking prices should be treated with caution, with achieved sales transactions providing more reliable evidence of value (*RICS Comparable Evidence in Real Estate Valuation*, 2019). Nevertheless, given the difficulties in obtaining recent sold price data due to the Land Registry time lag (which we understand is longer for new build properties) and the limited recent new build evidence within the locality, we have analysed available new build schemes in order to provide greater evidence upon which to base our assessment of sales values.

Figure 7.4 Location of Asking Price comparable schemes



Source: Google MyMaps

- 7.31. Details of comparable schemes being marketed are set out below.
- 7.32. The Sutherland Park scheme consists of 86 newly built 1-,2-, 3- & 4-bedroom houses and apartments. The scheme being delivered by Roddy New Homes, will deliver all of the houses to be 100% fossil fuel free, creating a net zero development. Details of the properties currently available on this development are as follows:

Sutherland Park					
Homes					
PlotNo.	Property Type	Size (SQM)	Size (SQFT)	Asking Price	Asling Price per SQFT
86	4 bedroom detached	125	1345	£ 600,000.00	£ 446.10
38	3 bedroom semi-detached	132	1418	£ 550,000.00	£ 387.87
84	3 bedroom detached	116	1248	£ 550,000.00	£ 440.71
83	2 bedroom detached	93	1001	£ 500,000.00	£ 499.50
85	2 bedroom detached	107	1151	£ 500,000.00	£ 434.40
41	2 bedroom semi-detached	99	1069	£ 480,000.00	£ 449.02
Burmarsh	3 bedroom semi-detached	98	1058	£ 400,000.00	£ 378.07
Burmarsh	3 bedroom semi-detached	98	1058	£ 375,000.00	£ 354.44
Postling	2 bedroom terrace	79	850	£ 325,000.00	£ 382.35
	Average =	105	1133	£ 475,555.56	£ 419.16
Apartments					
PlotNo.	Property Type	Size (SQM)	Size (SQFT)	Asking Price	Asling Price per SQFT
63	2 bedroom apartment	69	747	£ 270,000.00	£ 361.45
64	1 bedroom apartment	51	549	£ 220,000.00	£ 400.73
	Average =	98	1052	£ 437,129.63	£ 412.82

- 7.33. The Martello Lakes scheme is a major mixed-use project on the former Nickolls Quarry site, consists of over 1,000 new units in total. At present, the Barratts and Linden Homes phases of the scheme is available on the market, with later phases of the total development still in the planning stage. Details of the properties currently available on this development are as follows:

Martello Lakes (Barrat Homes)					
Plot No.		Size (SQM)	Size (SQFT)	Asking Price	Asking Price per SQFT
377	4 bedroom detached	99.51	1070.73	£ 469,995.00	£ 438.95
355	3 bedroom semi-detach	108.3	1165.31	£ 374,995.00	£ 321.80
351	3 bedroom semi-detach	108.3	1165.31	£ 382,995.00	£ 328.66
348	3 bedroom semi-detach	108.3	1165.31	£ 389,995.00	£ 334.67
349	3 bedroom semi-detach	99.72	1072.99	£ 399,995.00	£ 372.79
358	3 bedroom semi-detach	99.72	1072.99	£ 404,995.00	£ 377.45
Average =		103.975	1118.773333	£ 403,828.33	£ 362.39

Martello Lakes (Linden Homes)					
Plot No.	Property Type	Size (SQM)	Size (SQFT)	Asking Price	Asking Price per SQFT
56	3 bedroom detached	97	1040	£ 414,995.00	£ 399.03
63	2 bedroom terrace	83	890	£ 329,995.00	£ 370.78
60	3 bedroom detached	88	949	£ 384,995.00	£ 405.68
94	4 bedroom semi-deta	104	1122	£ 409,995.00	£ 365.41
61	3 bedroom detached	97	1040	£ 414,995.00	£ 399.03
95	4 bedroom detached	107	1152	£ 439,995.00	£ 381.94
96	4 bedroom detached	135	1448	£ 519,995.00	£ 359.11
Average =		101	1092	£ 416,423.57	£ 383.00

- 7.34. The Residence is a development of 20 2- and 3-bedroom apartment located on the seafront in Hythe. In comparison to the unit sizes on the proposed site, those at the Residence are smaller. The current listing prices across the scheme is as follows.

The Residence

Plot No.	Property Type	Size (SQM)	Size (SQFT)	Asking Price	Asking Price per SQFT
15	3 bedroom apartment		115	1236 £ 575,000.00	£ 465.21
	2 bedroom apartment		69	743 £ 400,000.00	£ 538.36
19	2 bedroom apartment		67	720 £ 390,000.00	£ 541.67
18	2 bedroom apartment		57	610 £ 325,000.00	£ 532.79
14	2 bedroom apartment		55	593 £ 300,000.00	£ 505.90
Average=			72.6	780.4 £ 398,000.00	£ 516.78

- 7.35. 5 St Saviours Hill is located 0.2 miles to the east of the proposal site. The units comprise a mix of 50 1-, 2-, and 3-bedroom apartments which have been designed by the same architects as the proposal site. The current listings are as follows, we note that due to the stage of the project, there are a minimal number of units listed for sale we therefore consider that the average psf value reported will not be representative of the full scheme.

5 St Saviours Hill

Plot No.	Property Type	Size (SQM)	Size (SQFT)	Asking Price	Asking Price per SQFT
Penthouse	3 bedroom apartment		154	1660 £ 1,150,000.00	£ 692.77
Block 2 Groundfloor	2 bedroom apartment		96	1031 £ 580,000.00	£ 562.56
Block 4 First Floor	2 bedroom apartment		72	766 £ 490,000.00	£ 639.36
Block 3 Lower	1 bed Apartment		60	649 £ 340,000.00	£ 523.88
Ground Floor					
Average =			95.45	1027 £ 640,000.00	£ 604.64

- 7.36. Finally, we have identified listings at Cautley House. The scheme comprises a mix of 14 1-, 2-, and 3-bedroom units which are completed to a high specification. Cautley House is located 0.5 miles to the east of the proposal site and is situated on the same road. Listing prices at the scheme are as follows:

Cautley House					
Plot No.	Property Type	Size (SQM)	Size (SQFT)	Asking Price	Asking Price per SQFT
14	3 bedroom apartment	182	1963	£ 925,000.00	£ 471.22
13	3 bedroom apartment	174	1872	£ 899,995.00	£ 480.77
1	1 bedroom apartment	55	593	£ 220,000.00	£ 370.99
Average =		137	1476	£ 681,665.00	£ 440.99

7.37. Whilst the schedules above provide sales data for a range of schemes, we note that there are multiple developments located within the vicinity of the subject property which we consider to be comparable, our assessment of GDV has been based on consideration of these units.

Second Hand Comparable Evidence

7.38. Further to the new build evidence, we have also analysed recent transactions of second hand properties within the vicinity of the subject site in order to provide additional data to inform our assessment of sales values and to further assess the value profile of the immediate local market and nature of the stock which will exert an influence on achievable new build pricing at the subject site.

7.39. We mention that a limitation of second hand evidence is that the properties are not homogeneous and can vary significantly in age, condition, size, layout, specification / quality and individual location which is reflected in the wide range of achieved prices. This makes it more difficult to analyse the values.

7.40. Having said this, the re-sale data still provides useful indication of current pricing levels within the local market and the nature of the housing stock. Based on our market experience, we would typically expect new build properties to command a premium over the average values for second hand housing (of a similar size, type and location) in most markets, with a larger premium over more dated and lower quality re-sale stock and vice versa.

7.41. This is however dependent on factors including the age and quality of the existing re-sale stock, current levels of supply and ceiling values in the local market. In particular, it is important to have regard to the value profile of the local area and ceiling values in the local market, and that the new build premium does not result in capital values which breach affordability in a given location and become prohibitive to buyers. If new build properties are priced at too great a premium relative to local re-sale values, ceiling values could be breached and there would be a risk that the properties may not sell (at least at an acceptable sales rate) as purchasers could choose to buy the perceived more affordable second hand stock in the local area.

7.42. This is particularly the case for more modern and better quality re-sale properties where any new build premium would be more limited when compared to older, poorer quality stock. In some instances, depending on the nature of the local market, supply levels and quality of the existing housing, new build properties may be priced equal to, or at a discount to local re-sale stock.

7.43. We have obtained recent re-sale transactions within a ½ mile radius of the subject site over the previous 12 months, reflecting the latest available data, and we have again relied on the information obtained from the Land Registry and EPC register. This evidence is set out at Appendix 2c. The recent average achieved values for flats are set out in the table below.

Figure 7.5 Second Hand Achieved Flat Sales – Summary

Property Type	Average Size SQFT	Average Price per SQFT
Flat	624	£366.43
3 Bed	1,200.60	£553.69
4 Bed	1,466.25	£338.89

5 Bed	2,173.50	£324.69
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Sources: Land Registry, EPC Register

- 7.44. The first key message arising from the second hand analysis is that the sample of transacted properties is relatively diverse, in terms of its age, condition and quality. The mix of properties includes fairly modern re-sales of bespoke properties, through to lower value properties.
- 7.45. This is reflected in the collated data where the prices for second hand properties within the local area range from £225,000 to £1,212,500 for houses on a unit basis and £126 to £616 on a £/sqft basis which represents a wide range of achieved values and reflects the very varied nature of the housing within the sample of evidence.
- 7.46. On a £psf rate, the prevailing range of values sits around the £300 - £400/sqft range. However, we note that the proposed scheme will be of a high specification. As such, we have adopted psf values which sit at the upper end of the comparable analysis undertaken.
- 7.47. It is important to consider this evidence of the general value profile and tone of pricing in the local estate housing market to inform the realistic achievable values at the subject site and to ensure that there is not a material disconnect from the underlying pricing benchmarks and indicative ceiling values. We would expect the subject scheme to achieve higher values when compared to the overall average across the second hand pricing, reflecting the new build premium. Notwithstanding this, we would note the levels of value achieved for the better quality and unique properties in the sample and the importance of ensuring that the values at the subject development are not breaching affordability levels and ceiling values having regard to prevailing affluence and purchasing power in this market.

Subject Scheme Market Housing Sales Values – Conclusion

- 7.48. We have considered the transactional and asking price evidence, and the key characteristics of each new build development in order to determine potentially achievable sales values for the proposed scheme. We have also had regard to the re-sale comparable evidence to inform our assessment of values.
- 7.49. Based on the analysis presented above and when considering the specific characteristics of the subject site and the proposed development, we believe that in current market conditions, the maximum overall average achievable net sales values would be in the order of c. £410-550 psf, after all cash and non-cash incentives have been accounted for and to achieve the pace of sale which we have assumed.
- 7.50. We have reflected these assumptions in determining the GDV of the proposed scheme as below

		Units	Average Unit Size (sqft)	£/sqft	Average Unit Capital Value (£)	Total (sqft)	Total £
Full	Flats	2B4P	952	545	£518,840	25,704	£14,008,680
		3B6P	1339	530	£709,670	8,034	£4,258,020
	Houses	3B6P	1668	500	£833,818	18,344	£9,172,000
		4B8P	2045	460	£940,864	28,635	£13,172,100
		5B10P	2862	410	£1,173,215	5,723	£2,346,430
Outline	Flats	1B2P	547	540	£295,157	9,292	£5,017,680
		2B4P	854	545	£465,233	42,682	£23,261,690
		3B6P	1112	540	£600,480	2,224	£1,200,960
	Houses	3B5P	1121	550	£616,550	5,605	£3,082,750

		4B7P	1342	520	£697,840	21,472	£11,165,440
	TOTAL	150	1118.1	£516	£577,905	167,715	£86,685,750

8. Financial Viability Assessment – Appraisal Assumptions

- 8.1. The NPPF and PPGV advocate the use of “standardised inputs” in respect of the key cost and value elements in an FVA prepared using the residual approach. As stated in Section 4 of this report, we follow this principle whilst maintaining a market-facing approach to assessing viability utilising inputs which are based on robust evidence and our extensive market experience.
- 8.2. In accordance with the PPGV, we have referred back to the LPVA when preparing this site-specific FVA, where a similar residual approach was adopted to assess site viability. In line with recommended guidance for viability testing, the assumptions adopted in this FVA reflect market-based assumptions for the proposed development rather than assumptions which are necessarily specific to the applicant’s circumstances.
- 8.3. The table below sets out the key inputs adopted in the LPVA and the Cushman & Wakefield FVA:

Appraisal Input	Local Plan Viability Assessment (September 2017)	C&W Assumption
Gross Development Value	The Local Plan Viability Assessment identified the Foxwood School site as a specific site being tested and applied a value of £3,600 p/m ² .	£86,685,750 /£5,563 psm
Base Build Costs	<p>The appraisals adopt a base build cost of £1,175 per sq. m for houses and £1,350 per sq. m for apartments.</p> <p>The 'Policy Layers' to be tested, as set out in Table 2.2, attract an additional cost allowance. The following additional costs attributed to the identified draft policies have been adopted:</p> <ul style="list-style-type: none"> - Policies CC1 & CC2 – Additional £15 per sqm on base build costs - Policy CC3 – Additional £1,500 per dwelling - Policy T2: Additional £1,750 - Policy T5 – Additional £200 per bedroom - Policies HB1 & C1 – Additional 4.5% of base build costs 	<p>Apartments - £194.16 / sqft</p> <p>Houses - £188.59 / sqft</p> <p>Plus, Landscaping & Infrastructure costs of £4,495,066 <i>(As per the cost plan prepared by Spider Quantity Surveying)</i></p>
Plot External Works, Standard Estate Roads and Sewers, Plot Connections	Included in the base build cost outlined above.	
Abnormals	In addition to the base build costs, an allowance has been made for infrastructure and site works. This figure has been applied at an average cost of 15% of base build costs. It should be noted however that such costs can vary from site to site depending on scheme layout, connectivity to existing services, site characteristics and ground conditions	<p>Our appraisal makes the following abnormal allowances based on the cost plan provided:</p> <p>Apartment Abnormals – £4,279,935</p> <p>Housing Abnormals – £796,112</p> <p>Landscaping and infrastructure Abnormals - £1,627,000</p>
Contingency	To mitigate the impact of unforeseen costs and cost inflation, the appraisals include a 5% build cost contingency	5%
Professional Fees	Typically, professional fees can range between approximately 8% to 12% of build costs, depending on the complexity of the proposed development	8.5%
Marketing, Sales Costs and Legal Fees	Marketing and sales fees for the completed dwellings equivalent to 3% of the GDV plus legal fees of £750 per private dwelling. A fee of 0.5% of capital value is attributed to the transfer of the affordable homes to a Registered Provider.	<p>Marketing and Sales Costs – 3.0% of GDV</p> <p>Legal Fees – £750 per unit</p>

Appraisal Input	Local Plan Viability Assessment (September 2017)	C&W Assumption
Finance	The appraisals assume that development finance can be secured at a rate of 7%, inclusive of arrangement and exit fees, reflective of current funding conditions	7.5% (including all entry and exit fees)
Developer's Profit	For the purpose of undertaking a viability assessment the average acceptable profit level is adopted at 20% of private housing gross development value, reducing to 6% for the affordable housing.	20% of Market Housing GDV
CIL	Each of the appraisals makes an allowance for the relevant adopted CIL contribution, as set out in the CIL Charging Schedule, ranging from £0 per sq. m to £125 per sq. m, depending on the location of the residential site in the district.	Zone C rate - £138.65 per sqm / £12.88 per sqft
S106 Contributions	With regard to S106 contributions, information provided by Kent County Council indicates that the County would seek typical contributions of approximately £9,957 for each house and £2,716 for each flat built. This is to cover the cost of providing primary and secondary education as well as contributions towards social services, libraries, youth services and community services.	Nil
Land Acquisition Costs	An allowance for site acquisition fees of 1% of the site acquisition price	SDLT plus 1.8% for legal and agents fees inc. VAT

8.4. As the table illustrates, we have adopted different assumptions in respect of certain appraisal inputs when compared to the LPVA. We provide clear reasoning to justify our assumptions under the sub-headings below.

Gross Development Value

8.5. Our assessment of the GDV of the proposed scheme is based on comprehensive analysis of the residential market as set out in the preceding section. Based on our assumed sales values, we have provided our assessment of total scheme GDV as summarised in the table below.

8.6. We have not currently accounted for any affordable housing provision to be included within the scheme; however this will be tested as a sensitivity analysis later in this document. As such, all units have been assumed as market value sales.

8.7. On this basis, our assessment of the overall scheme GDV is as follows:

		Units	Average Unit Size (sqft)	£/sqft	Average Unit Capital Value (£)	Total (sqft)	Total £
Full	Flats	2B4P	952	545	£518,840	25,704	£14,008,680
		3B6P	1339	530	£709,670	8,034	£4,258,020
	Houses	3B6P	1668	500	£833,818	18,344	£9,172,000
		4B8P	2045	460	£940,864	28,635	£13,172,100

		5B10P	2862	410	£1,173,215	5,723	£2,346,430
Outline	Flats	1B2P	547	540	£295,157	9,292	£5,017,680
		2B4P	854	545	£465,233	42,682	£23,261,690
		3B6P	1112	540	£600,480	2,224	£1,200,960
	Houses	3B5P	1121	550	£616,550	5,605	£3,082,750
		4B7P	1342	520	£697,840	21,472	£11,165,440
	TOTAL	150	1118.1	£516	£577,905	167,715	£86,685,750

- 8.8. Based on our revenue assumptions for the proposed scheme, our assessment of the total GDV equates to **£86,685,750** reflecting an average sales value of **£516psf**.

Standard Build Costs

- 8.9. We have relied upon the build costs prepared by Spider Quantity Surveying (dated 21st November 2025). We have not verified these figures. If these costs vary there will be an impact on our residual appraisals.
- 8.10. A copy of the cost plan relied upon has been provided at Appendix 3.
- 8.11. The base build costs equate to a total figure of £44,793,129, reflecting a build cost of £192.25 per sqft.
- 8.12. In addition to the standard base build costs for the construction of the residential units, the scheme includes a significant amount of open space, significantly more than a typical housing scheme would usually include, due to the nature of the site and TPO's in place. As such, a base build cost allowance for landscaping has been included in the cost plan prepared by Spider Quantity Surveying. The landscaping and infrastructure base build cost equates to a total of £4,495,066.

Contingency and Professional Fees

- 8.13. We have made appropriate market-facing allowances for contingency and professional fees of 5% and 8.5% respectively.
- 8.14. These allowances have been determined having regard to the size and nature of the proposed scheme, our understanding of the allowances typically made by developers for similar sized and types of residential scheme and the allowances we have seen adopted in other site-specific and area-wide FVAs, as well as wider work across Red Book valuations and expert witness instructions.
- 8.15. The professional fee allowance is assumed to cover the cost of professionals including:
- Architect
 - Landscape architect
 - Engineer (civil and structural)
 - Traffic engineer
 - Legals (draft S106 agreement etc.)
 - Topographical survey
 - Site investigations
 - Ecological reports
 - NHBC or other building warranty costs
 - Planning application fee
 - Building regulations application fee
- 8.16. The above list is not exhaustive and represents an example of some of the professional fees that would be incurred in developing the subject site.

Marketing, Sales Costs and Legal Fees

- 8.17. We have assumed appropriate market-facing costs to dispose of the completed housing units which include marketing, sales costs and legal fees.
- 8.18. In order for the housing units to be sold at the pace of sale we have assumed, it is imperative that appropriate full marketing is undertaken. All housebuilders sell new homes on a similar basis, using show homes, a marketing suite and full-time sales staff.

- 8.19. Typical examples of marketing costs include but are not limited to:
- Sales office
 - Salaries and commission for sales staff
 - Cars / travel / mobile phones
 - Show home(s) and related costs
 - Advertising / media / promotion
 - Site signage / boards
 - Brochure design and production
- 8.20. We have made an allowance of 3% of market housing GDV for marketing and sales costs, which is in line with the WPV study. In our experience, having regard to the allowances made in other area-wide and site-specific FVAs, developer land bids, expert witness submissions and Red Book valuations, this is a reasonable figure to assume will be spent on marketing and sales costs for a site of this size to maintain a realistic pace of sale.
- 8.21. Legal fees on completion of sales of all units are set at £750 per plot. This is a standard allowance for a scheme of this nature.

Finance

- 8.22. We have adopted a market-facing finance rate of 7.5% which is assumed to be inclusive of all arrangement, monitoring and exit fees.
- 8.23. In our opinion, this reflects a robust assumption in current market conditions based on our experience of assessing a wide range of residential development sites for valuation, viability and expert witness purposes, on behalf of numerous local, regional and national housebuilders and developers.
- 8.24. We would however note that the market remains volatile and the bank base rate may continue changing over the coming months which may alter the cost of finance and as such, this assumption should be kept under frequent review by the applicant. We reserve the right to amend this assumption should there be continued material changes to the economic climate and/or the bank base rate.

Site-Specific Abnormal and Extra Over Development Costs

- 8.25. The total 'all in' standard build costs assessed above exclude any non-standard site-specific abnormal and extra over development costs required to deliver the proposed scheme. These costs must be included in the FVA to determine the total development costs. Site-specific abnormal / extra over costs are, by their nature, specific to this particular development and therefore cannot be benchmarked to other schemes for comparison purposes.
- 8.26. The applicant's cost consultant, Spider Quantity Surveying, has provided the site-specific abnormal / extra over costs which we have relied upon for the purpose of this FVA. We understand that the costs are supported by extensive technical due-diligence and documentation. Further supporting information to substantiate the abnormal costs can be provided by the applicant as necessary. We have not verified the provided figures and if the costs vary, this would impact on the residual appraisals.
- 8.27. There are a range of technical constraints affecting the subject site which require specific design solutions and associated abnormal costs in order to enable and bring forward residential development at the site. There are significant costs relating to mine workings and remediation in particular.

8.28. The table below sets out the abnormal / extra over costs included in this FVA:

Abnormal / Extra Over Cost Element	Cost Input
Housing Abnormals	£796,112.00
Apartment Abnormals	£4,279,935.00
Landscaping and Infrastructure Abnormals	£1,627,000.00
Total	£6,703,047.00

8.29. The abnormal / extra over costs equate to a total of £6,703,047 which breaks back to £1,063,975 per hectare.

8.30. We have applied a contingency allowance of 5% and a professional fee allowance of 8.5% to the provided abnormal / extra over costs. This is above the allowances adopted for the standard build costs to reflect the greater risk, uncertainty and complexity associated with the abnormal works in comparison to the standard build.

Community Infrastructure Levy

8.31. Folkestone and Hythe District Council adopted a CIL charging schedule in March 2023. The CIL rate index is updated annually on 1st January each year, and therefore the latest CIL charging schedule is dated 1st January 2025. The CIL Charging schedule provides a figure of £138.65 per sqm / £12.88 per sqft for residential dwellings in Zone C (which the subject site is situated within).

8.32. On this basis, the total CIL payment for the scheme will be £3,000,937.

S106 Contributions

8.33. To date we are not aware of any Heads of Terms for Section 106 that will be required as part of the development. Should discussions with the Local Authority find contributions are required this will affect the viability of the proposal and in this instance C&W reserve the right to amend this report and accompanying appraisals. For clarity, no cost allowance has been made for any financial contributions required by the scheme at the time of writing.

Development Period

8.34. We have assessed a total development period of 43 months for the proposed scheme. This is based on the assumption of a 6 month pre-construction period for activities including the requisite site set-up and enabling works to prepare the site for the main construction period. This is followed by a 24 month initial build period to construct the houses, with the apartments blocks taking 6 months each to deliver. The commencement of each apartment block does not take place until the preceding block is completed. As such, Block A will commence first, take a period of 6 months to build and then Block B will commence.

8.35. For the purposes of this FVA, we have assumed that the proposed development will achieve an average sales rate of circa. 4 to 5 unit sales per calendar month.

8.36. The assumptions result in a total sales period of approximately 30 months. We have paced the sales to commence after 6 months of construction, with sales continuing throughout the build period. This results in a total development period of 43 months.

Developer's Profit

- 8.37. A significant factor in undertaking FVAs for development purposes is the level of return which a developer might reasonably require from undertaking the development and on what basis the proposed scheme could be funded and financed. The developer's profit margin is a reflection of risk and will depend on both the prevailing market conditions including macro-economic and political risks, and also the site-specific risks in respect of development and sales including the location, scheme size and complexity, market competition, development timescales and demand for the completed scheme.
- 8.38. For the purposes of this FVA, we have adopted a developer's profit of 20% of market housing GDV. This profit level is considered to be fully justifiable having regard to the risk profile of the subject scheme and the scale of the residential market in Hythe.

Land Acquisition Costs

- 8.39. We have calculated Stamp Duty Land Tax in accordance with the latest statutory rates. We have assumed a standard allowance for legal fees and agent's fees totalling 1.8% inclusive of VAT.

Residual Land Value

- 8.40. Based on our assumed inputs and adopting the full policy requirements in the appraisal, this generates a residual land value of **-£2.55m** according to the appraisal calculations. A copy of our financial viability appraisal is attached to this report (Appendix 4).
- 8.41. The final element of the FVA is to compare the calculated residual land value to the BLV to assess the viability of the proposed development. We explain our approach to determining the BLV in the following section.

9. Assessment of Benchmark Land Value

Approach

- 9.1. We have assessed the Benchmark Land Value in accordance with the PPGV and RICS standards. The RICS Professional Standard (March 2021 as updated in April 2023, Section 5) suggests that as part of the BLV assessment, two “cross-checks” of the primary EUV+ method can be undertaken as follows:
- Policy compliant site value assessed by the residual method; and
 - Policy compliant site value assessed by the comparative method.
- 9.2. Under the RICS standards, the assessment of BLV therefore requires five components to be calculated and separately reported to the decision-maker as set out below:
- EUV;
 - Premium;
 - AUV, where appropriate;
 - Policy compliant site value assessed by the residual method; and
 - Policy compliant site value assessed by the comparative method.
- 9.3. The RICS Professional Standard (paragraph 2.3.4) states that “*landowner expectations are a very important element in the voluntary release of land for development*”. At the same time, the PPGV and RICS standard (paragraph 2.1.5) are clear that the BLV should not be assumed to equate to Market Value, and should instead reflect the ‘minimum return’ at which a reasonable landowner would be willing to sell their land for development.
- 9.4. The PPGV (Paragraph 14) further states that:
- “There may be a divergence between BLVs and market evidence; and plan-makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners”.*
- 9.5. Recognising this possible divergence between BLV for planning purposes and prices paid in the market, the PPGV (Paragraph 6) states that “*under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan*”. The PPGV (Paragraph 6) further emphasises the importance for landowners and developers “*to have regard to the total cumulative cost of all relevant policies when agreeing a land price*”.
- 9.6. As set out in Section 4 of this report, the PPGV essentially requires that the BLV should account for the following factors:
- A minimum return to a reasonable landowner;
 - The site-specific development costs including abnormal and infrastructure costs; and
 - A sufficient contribution to fully comply with policy requirements.
- 9.7. The guidance also recognises that the developer needs to make a minimum reasonable risk-adjusted return and as such there is evidently potential for tension and trade-offs in seeking to achieve the aspirations of landowner, developer and LPA, as the return of one party affects the ability to achieve the desired return of the others. There is, therefore, a need to “strike a balance”. Where viability is constrained, the reality is that a site cannot deliver the return requirements of all three parties whilst also reflecting the full site abnormal costs in the BLV. In such circumstances, the BLV assessment and the appropriate level of landowner premium is arguably even more challenging to establish.

- 9.8. In determining the BLV, we have applied our professional judgement and we have considered relevant market evidence to inform the assessment. We have allowed what we consider to represent a sufficient premium to incentivise a reasonable landowner to release their land for development whilst also allowing a sufficient contribution to fully comply with policy requirements as required by the PPGV.
- 9.9. We have also had regard to the site-specific costs including the abnormal and extra over costs required to deliver the proposed scheme and we have reflected the implications of these costs in the calculation of the BLV in accordance with the guidance. It is however important to note that for all sites, there remains in the market a minimum value below which a landowner will not be incentivised to release their site for development. If deducting the full abnormal costs tips the BLV past the point of providing a sufficient incentive and leads to low land values which mean landowners will not sell, then this conflicts with the PPGV.
- 9.10. This approach accords with the recent appeal decision relating to Land at Pennpark, Modbury, Devon (ref: APP/K1128/W/24/3347514) (January 2025) whereby the Inspector considered how the PPGV (Paragraph 14) requirement to “reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees” when establishing BLV should be approached.
- 9.11. The Inspector (paragraph 60) stated that:
- “It is correct that the PPG does not explicitly state that abnormal costs should be deducted from the BLV figure, but it does require that these costs should be reflected in the BLV. To reflect the abnormal costs it is reasonable to deduce that there should be some reduction to BLV as a consequence”*
- 9.12. He went on to state that (paragraph 61):
- “It is my view that the choice of demolition costs to be deducted from the BLV is arbitrary from the Council, with no clear reasoning as to why this was the abnormal cost used rather than others possible. To ensure an incentive for the owner of the site to sell for the proposed development, a lesser deduction could have been chosen, so that the net BLV is sufficiently greater than the EUV”.*
- 9.13. The Inspector therefore clearly recognised that whilst abnormal costs should be reflected in a reduced BLV, the costs cannot be deducted if this tips the BLV to a level that is too close to the EUV and not sufficient to incentivize a sale.
- 9.14. We believe that our methodology supports the approach to viability advocated in the PPGV, which aims “to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission” (PPGV, Paragraph 10). If this balance is not maintained and landowners are not sufficiently incentivised to bring land forward, they may choose to withhold their land to retain the existing use or pursue another alternative use, and/or wait for a change in planning policy where requirements are deemed as less onerous for example. The BLV must equate to a landowner’s reasonable expectation of value and should not be unduly driven by the aforementioned cross-check methodologies.

Existing Use Value

- 9.15. For the first stage of assessment, we have sought to assess the lowest Existing Use Value associated to the land.
- 9.16. In this case the site accommodates a redundant school site, and does not have an existing use value.

Alternative Use Value

- 9.17. At this stage, a formal appraisal of potential alternative uses which would be acceptable under current planning policy and which could be delivered on the subject site has not been undertaken by C&W or the applicant.
- 9.18. Therefore, an assessment of AUV has currently not been considered as part of this FVA. However, we reserve the right to analyse and prepare assessments of AUV as deemed necessary following submission of this FVA.

Policy compliant site value assessed by the residual method

- 9.19. The third test that the PPG sets out is a policy compliant site value by the residual method. The site has a negative land value at policy compliance regarding affordable housing. As set out in Section 4 of this report, the PPGV essentially requires that the BLV should account for the following factors:
- a. A minimum return to a reasonable landowner;
 - b. The site-specific development costs including abnormal and infrastructure costs; and
 - c. A sufficient contribution to fully comply with policy requirements.
- 9.20. So whilst BLV should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land, while allowing a sufficient contribution to fully comply with policy requirements (PPGV, Paragraph 13) and reflecting the implications of abnormal costs, site-specific infrastructure costs and professional fees (PPGV, Paragraph 14), clearly the landowner must still be incentivised to sell its land. There is a need to "strike a balance" (PPGV, Paragraph 10). If this balance is not maintained and landowners are not sufficiently incentivised to bring land forward, they may choose to withhold their land to retain the existing use or pursue another alternative use, and/or wait for a change in planning policy where requirements are deemed as less onerous for example.
- 9.21. The BLV must equate to a landowner's reasonable expectation of value and should not be unduly driven by the aforementioned cross-check methodologies.

Policy compliant site value assessed by the comparative method

- 9.22. In this case, therefore, we have referenced a policy compliant site value assessed by undertaking the comparative method.
- 9.23. We would typically seek to analyse relevant market evidence of policy compliant residential land values based on local land transactional evidence. The approach of utilising policy compliant market evidence to inform the landowner premium is consistent with the PPGV and RICS standard, and has been adopted by many other viability consultants in both site-specific and area-wide FVAs we have seen and reviewed since the changes to the national viability guidance in 2018. This is to ensure that the adopted premium is fair and realistic, rather than simply applying an arbitrary uplift.
- 9.24. According to our enquiries, however, there are no recent, nearby comparable new build schemes in the local market which have delivered full policy requirements and for which full land transactional data is available to enable robust analysis. As such, in this particular instance, we have had to consider other market evidence.

- 9.25. Appendix D of the RICS Professional Standard sets out detailed commentary and guidance on the use and application of market evidence to inform the landowner premium. Key points include:
- If using BLVs from other FVAs and/or if analysing land transactions, assessors need to have knowledge of, and explain, the factors / circumstances underpinning the assessment of EUV and premium in each comparator. If assumptions concerning information about comparables have been made, these must be clearly stated. The use of assumptions reduces the weight which can be attributed to the evidence;
- 9.26. When defining the premium, the PPGV (Paragraph 16) further states that:
- Market evidence can include BLVs from other viability assessments;
 - Land transactions can be used but only as a cross check to the other evidence; and
 - Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners.
- 9.27. In this case, consistent with the Guidance, we searched for FVAs for sites in proximity to the subject site with regard to the agreed benchmark land values. This revealed the FVA for the Land to the North of Station Road, Hythe, CT21 5PW, which was carried out for the Local Planning Authority by Dixon Searle Partnership (DSP) in May 2022.
- 9.28. The 1.43 hectare (3.53 acre) site is just over three quarters of a mile west of the subject site, and comprised of bare land previously used as a Paddock. DSP agreed with the applicant (represented by BPC) that the Benchmark Land Value for the site was £350,000, based on a rate of c. £250,000 per hectare.
- 9.29. Given that the subject site and the comparison site are in the same value area “sub market” (Residential Zone C for the purposes of CIL charging), and arguably the subject site occupies a more attractive location, we consider the rate of £250,000 per gross hectare (circa £100,000/gross acre) adopted for the Land North of Station Road to be an appropriate value rate for the benchmark land value for the subject site to be based on.
- 9.30. Clearly a number of works will be required at the site prior to it being in the same developable condition as the Land North of Station Road, as follows, amounting to £924,000:
- Removal and disposal of spoil heaps, £324,000
 - Demolition of existing buildings, £500,000
 - Asbestos Removal, £100,000
- 9.31. The gross land value of the 6.3 hectare site, based on the £250,000/hectare benchmark, is £1.575 million (£250,000/ha or £100,000/acre).
- 9.32. Adjusting for the £924,000 abnormal costs, above, the benchmark land value of the site adopting this method is thus £651,000 (£103,300/ha or £41,580/acre).

- 9.33. The RICS standard (paragraph 5.7.9) states:
- “There is no guidance in the PPG (and therefore in this [guidance note]) as to what that minimum return is, nor should there be. It is a feature of real estate markets that each typology and site is unique. The balance between premium and contributions is also unique and fixed amounts would be inappropriate”.*
- 9.34. In determining the Benchmark Land Value, whilst it must allow for full compliance with policy requirements and also reflect the implications of all site-specific costs in accordance with the PPGV and RICS standard, ultimately it must incentivise a reasonable landowner to release their site for development, otherwise they may choose to withhold their land and in this case wait for a change in planning policy where requirements are deemed as less onerous for example,
- 9.35. The subject site previously benefitted from full planning permission for residential development. This indicates that the principle of residential development would be acceptable in planning terms which would enhance a reasonable landowner’s expectation of value.
- 9.36. Further, the subject site is located in an existing settlement area and would accordingly have development expectations as an extension to the existing residential neighbourhood. Again, this would increase landowner expectations of value in comparison to an isolated site with no realistic prospect of development in the short to medium term.
- 9.37. Fundamentally, it is crucial to have regard to the actual end BLV generated which needs to be judged as to whether this meets the likely minimum return requirement, and which the reasonable landowner would have regard to. This is inferred in the RICS Professional Statement which sets out a requirement to “stand back” and apply a viability judgement to the BLV to reach a rational, reasonable and realistic conclusion.
- 9.38. This approach is also endorsed by the Inspectors in the examinations of the Bassetlaw Local Plan and the Bassetlaw CIL Charging Schedule in February 2024 (PINS/A3010/429/4 and PINS/A3010/429/5) where the Shinfield approach was adopted in the LPVA/CIL VA (prepared by Nationwide CIL Service) to determine the BLV, by applying 50% of the uplift between the EUV and the gross residual value of alternative use with planning permission (the gross residual value is the maximum potential value of land assuming planning permission but with no planning policy, affordable housing, S106 or CIL cost impacts) to generate BLVs. The applied BLVs reflected a premium of c. 46 x EUV for greenfield land and c. 265% of EUV for brownfield land.
- 9.39. In justifying their approach, Nationwide CIL Service advised that:
- “In determining the appropriate premium to the landowner above existing use value in the ‘EUV+’ approach, we have concluded that adopting a fixed % over existing value is inappropriate because the premium is tied solely to existing value – which will often be very low - rather than balancing the reasonable return aspirations of the landowner to pursue a return based on alternative use as required by the NPPF. Landowners are generally aware of what their land is worth with the benefit of planning permission. Therefore a fixed % uplift over EUV will not generally be reflective of market conditions and may not be a realistic method of establishing threshold land value”.*
- “In our view the % share of uplift method is more realistic to market circumstances than the application of a fixed premium over EUV”.*
- 9.40. Within the Inspectors’ reports (February 2024) on both the Local Plan and CIL Charging Schedule, the Inspectors endorsed the adopted approach, specifically in the CIL Examination report it is stated that:
- “In effect, the increase in the value of the land resulting from permission for development is shared equally between the landowner and the local authority/community, in the form of*

CIL and other developer contributions. This is in line with guidance in PPG which puts forward EUV+ as an appropriate means of establishing BLV. I have been presented with no cogent evidence that the 50% share is not soundly based and I conclude that it represents an appropriate balance between the desirability of funding infrastructure through CIL and the potential impact on the viability of development”.

- 9.41. Whilst in the case of the subject site, it does not have an existing use value, the principles remain the same in having regard to the actual end BLV generated which needs to be judged as to whether this meets the likely minimum return requirement, and which the reasonable landowner would have regard to.
- 9.42. In this case the land cost at £651,000 (£103,300/ha or £41,580/acre; refer to 9.32, above) would be just 0.75% of the GDV, whilst in the case of the Land to the North of Station Road, the agreed land cost of £350,000 (£250,000/ha or c. £100,000 /acre) represented 1.16% of the assessed GDV.
- 9.43. Calculating the land benchmark land value for subject site on this comparative basis (as a % of the GDV of 1.16%) would produce a land value of £1,005,554, say £1,000,000 (£159,000 /ha or £64,500 / acre).
- On a per plot basis, the BLV for Land to the North of Station Road equates to £8,750 per unit. The BLV we have adopted equates to £6,666 per unit which is considered to be reasonable.

Conclusion

- 9.44. In summary, having regard to the above evidence and analysis, the subject site characteristics, planning status and location within a residential neighbourhood, the assumed sales values, the abnormal / extra over costs and the policy requirements, we consider that a benchmark land value of 1,005,554, say £1,000,000 (£159,000 /ha or £64,500 / acre) is fully justifiable.
- 9.45. Whilst on a comparative basis with the agreed benchmark land value rate at Land to the North of Station Road, then adjusting for site clearance and demolition costs at the subject site, the land value would be lower at £651,000 (£103,300/ha or £41,580/acre), we have then stood back and applied a viability judgement to arrive at rational and reasonable opinion as required by the RICS Professional Statement, carefully considering the overall end value generated
- 9.46. On this basis, we consider that the adopted Benchmark Land Value is very reasonable:
- First, having investigated and assessed the Existing Use Value plus, Alternative Use Value, Policy Compliant Residual Value approaches, as being unsuitable
 - Second, adopting the “comparative” approach, applying the gross £/acre rate agreed at a site in proximity to the application site to calculate a gross land value for the subject site, based on (£250,000/ha or c. £100,000 /acre)
 - Third, discounting by £900,000 from the £/acre rate agreed at Land to the North of Station Road to take direct account of the abnormal costs of demolition and clearance that would apply at the subject site (their not being required at Station Road), to arrive at a land value of £651,000 (£103,300/ha or £41,580/acre)

- Fourth, having then stood back and applied a viability judgement to arrive at rational and reasonable opinion as required by the RICS Professional Statement, we have carefully considering the overall end value generated having regard to the overall end value generated by the assumptions. In this case, we noted that the land cost of £651,000 after site clearance costs (above) would be just 0.75% of the GDV, whilst in the case of the Land to the North of Station Road, the agreed land cost of £350,000 (£250,000/ha or c. £100,000 /acre) represented 1.16% of the assessed GDV. We have thus made a small upwards adjustment to ensure that the local residential value tone is suitably reflected in the Benchmark Land Value after having adjusted for the costs of demolition and clearance.

9.47. Based on the above assumptions, we summarise our BLV calculation as follows:

Area (Hectares)	Area (acres)	£/ha	£/acre	Total BLV
6.3	15.57	£159,000	£64,500	£1,000,000

9.48. On this basis, our assessment of the total BLV equates to £1,000,000. As noted above, when standing back, this is considered to be a fair and reasonable assessment.

9.49. We believe that the assumed BLV strikes an appropriate balance between reflecting the impact of the subject site abnormal and extra over costs, a sufficient contribution to fully comply with policy requirements and a minimum reasonable return to incentivise a reasonable landowner to sell.

9.50. In light of the above evidence, and when standing back and applying professional judgement to arrive at a fair, reasonable and balanced outcome, this level of value does not provide a sufficient incentive for a reasonable landowner to sell their land for development. For this reason, we have not adopted this figure as the BLV. We believe that the BLV arrived at through the EUV+ method represents the minimum acceptable uplift in this instance.

9.51. As noted above, we have not been able to obtain any policy compliant comparable land transactions for which full site information is available to make the necessary adjustments which are required to utilise this evidence in accordance with the PPGV and RICS standards. As such, in this instance, we cannot report the policy compliant site value based on the comparable method to cross-check the BLV.

9.52. We believe that the assumed BLV strikes an appropriate balance between reflecting the impact of the subject site abnormal and extra over costs, a sufficient contribution to fully comply with policy requirements and a minimum reasonable return to incentivise a reasonable landowner to sell.

Alternative Use Value

9.53. At this stage, a formal appraisal of potential alternative uses which would be acceptable under current planning policy and which could be delivered on the subject site has not been undertaken by C&W or the applicant.

9.54. Therefore, an assessment of AUV has currently not been considered as part of this FVA. However, we reserve the right to analyse and prepare assessments of AUV as deemed necessary following submission of this FVA.

10. Results and Conclusions of Financial Viability Assessment

- 10.1. This FVA has been commissioned by the applicant to assess the viability of the proposed development at the subject site, as part of their justification for the level of affordable housing provision and other planning obligations that can be viably supported by the proposed scheme.
- 10.2. As stated in Section 4 of this report, we believe the particular circumstances relating to the proposed development justify the need for an FVA at the application stage. In this instance, these circumstances include the significant economic changes since the Local Plan was brought into force and current macro-economic volatility, the additional site-specific abnormal / extra over development costs required to deliver the proposed scheme which are not accounted for in the LPVA, and the fact that the LPVA pre-dates the revised NPPF and PPGV. Even if putting all other reasons to one side, the fact that the LPVA is out of date means that significant weight should be attributed to this FVA.
- 10.3. This FVA has been undertaken with reference to all relevant national policy and industry guidance. We have also drawn on our extensive knowledge of the residential development market and viability process gained through appraising a wide range of sites for viability purposes, as well as wider work across Red Book valuations, expert witness and open market land disposals.
- 10.4. As demonstrated in this report, we have produced a robust FVA which is based on up-to-date, market-facing evidence and assumptions. We have clearly justified the key assumptions adopted in the FVA and we have calculated a residual land value of **-£2.55m** for the proposed scheme before any affordable housing or s106 contributions are included.
- 10.5. We have utilised relevant market evidence to assess the BLV which we have deducted from the residual land value to assess the overall scheme viability position. This is summarised in the table below:

Viability Results

Residual Land Value	Benchmark Land Value	Viability Deficit (Rounded)
-£2,557,067	£1,000,000	-£3,557,067

- 10.6. This FVA indicates that the proposed scheme cannot support the cumulative policy burden as the residual land value is approximately **-£3,557,067** below the BLV. This FVA therefore demonstrates the need for the LPA to consider flexing their policy requirements to support the delivery of the proposed scheme at the subject site.
- 10.7. The applicant is committed to delivering the proposed development at the subject site notwithstanding the findings of this FVA, which would regenerate a significant brownfield site and would make a clear positive contribution in meeting local housing need and in enhancing the quality of the residential offer in the locality. The proposals would thus bring a range of social, economic and environmental benefits.
- 10.8. However, this FVA highlights the viability constraints affecting the site and that, in viability terms, there is no scope for any affordable housing provision or other S106 contributions from the proposed scheme, on the basis that the BNG contribution and CIL payment are fixed and non-negotiable. It is possible for the deficit to be eliminated/absorbed and for development to come forward if the applicant and/or landowner were to flex their expectation of return below that which is demonstrable as a minimum acceptable level, and/or if the applicant is able to achieve cost efficiencies in delivering the scheme, and/or if revenue growth was to exceed build cost inflation over time. The commercial decision as to whether to proceed with the scheme at risk would be at the discretion of the applicant.

- 10.9. The findings do however indicate that it will also be necessary for the LPA to consider flexing their policy requirements in order to support the delivery of the proposed scheme. Viability aims to strike a balance between the aspirations of the landowner, developer and the LPA as noted in the PPGV (Paragraph 10). The development would be undertaken at the applicant's risk and the requirement to comply with additional policy requirements relating to affordable housing and/or other S106 contributions would further increase the viability deficit and the risk of compromising scheme delivery.
- 10.10. It is recognised that in some instances, certain S106 contributions are deemed as essential to make the development acceptable in planning terms and are thus "non negotiable" irrespective of viability. Should this be the case for any S106 items identified by the Council, the applicant would need to consider the extent of any such contributions and whether it is prepared to make concessions to offer any sum. The commercial decision as to whether to proceed with the scheme at risk would remain at the discretion of the applicant.

Sensitivity Analysis

- 10.11. The FVA generates a deficit position when compared to the assumed BLV as documented earlier in this section. In order to fully assess the overall conclusions and the viability of the scheme, we have undertaken a sensitivity analysis to explore how changes to the assumed inputs impact on the appraisal outputs.
- 10.12. The residual appraisal methodology is inherently sensitive to changes in the assumed inputs where small changes to the key variables could have a significant impact on the residual output. A developer will also have regard to the potential for variance in the assumptions and will assess the risks of the project in light of these sensitivities.
- 10.13. In addition, the RICS Professional Statement *Financial Viability in Planning – Conduct and Reporting* (1st Edition) sets out mandatory requirements for sensitivity testing and indeed this forms part of recommended best practice when undertaking residual appraisals.
- 10.14. We have therefore undertaken a sensitivity analysis to assess how the viability of development could be impacted by changes to the assumed inputs and have considered the results of the FVA in light of this further analysis. The sensitivity analysis can be undertaken on a wide range of variables however we have selected the sales values and the build costs as these represent two key inputs which significantly impact the residual land value output and are sensitive to changes in sales and construction market conditions.
- 10.15. We have undertaken the sensitivity analysis utilising the Argus Developer software and the results are shown below:

		Base Build Cost (£ psf)				
		- 5%	- 2.5%	0%	+ 2.5%	+ 5%
Sales Value (£ psf)	- 5%	-3,334,162	-4,760,834	-6,188,961	-7,624,440	-9,063,015
	- 2.5%	-1,527,507	-2,945,373	-4,369,585	-5,796,257	-7,229,809
	0%	268,334	-1,139,202	-2,557,067	-3,978,335	-5,405,007
	+ 2.5%	2,031,456	647,312	-750,896	-2,168,762	-3,587,086
	+ 5%	3,784,862	2,409,209	1,026,289	-364,296	-1,780,457














- 10.16. It can be seen that the viability of the proposed scheme is highly sensitive to the assumed sales values and build costs, and viability improves if sales values increase and/or base build costs decrease and vice versa, as would be expected. Despite some of the values improving, the scheme still produces a negative residual land value under each of the scenarios.
- 10.17. Notwithstanding the above, we believe that our assessment of values and costs is robust having regard to the market evidence and justification presented within this report.
- 10.18. The sensitivity scenarios would also carry risk and should be treated with caution, as it represents one potential future outcome only and should therefore not be relied on for decision-making purposes.



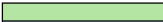









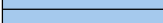


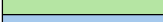


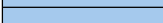

11. Disclaimer

- 11.1. We have prepared this FVA having regard to the requirements of PS 1 and PS 2 of the current RICS Valuation – Global Standards (the “Red Book”). However, the FVA and the advice provided do not constitute a formal valuation and should not be relied upon as such.
- 11.2. The FVA is for the purpose of assessing the viability of the planning application proposals only to inform the applicant’s negotiations with the Local Planning Authority regarding levels of affordable housing and other planning contributions. The FVA and the advice provided constitute an exception from VPS 1 – 5 of the Red Book.
- 11.3. This report is for the purpose of the client and, with the exception of the Executive Summary, its contents should not be reproduced in part or in full without our prior consent. No responsibility is accepted to any other party in respect of the whole or any part of its contents.
- 11.4. Some of the data referenced in this report has been obtained from third party sources. We have sought to verify information relied upon to the best of our ability and we have utilised our experience of the property markets. Some information may be unavailable at the time of writing and/or has been provided to us on a verbal or informal basis. We cannot guarantee the accuracy of any data and/or information obtained from other parties. Cushman & Wakefield shall not be liable for any indirect or consequential damages arising from the use of this report.
- 11.5. This report should not be relied upon as a basis for entering into transactions without seeking specific, qualified, professional advice. Whilst facts have been rigorously checked, Cushman & Wakefield can take no responsibility for any damage or loss suffered as a result of any inadvertent inaccuracy within this report.
- 11.6. The assumptions herein are specific to the proposed development and may not be applicable to other developments.

APPENDIX 1: ACCOMMODATION SCHEDULE

FOXWOOD - SCHEDULE OF ACCOMMODATION

Date of Accommodation Schedule	TYPE	OCCUPANCY	SQM	SQFT	TOTAL	total sqft	RATIO	No. Storeys	Car Port	Plot No.
HOUSES										
11/18/2025		3	3B - 6P	147.6	1588	6	9528	22%	2	21.9
11/18/2025		4	3B - 6P	163.3	1757	2	3514	7%	2	0.0
11/18/2025		5	4B - 8P	197.5	2125	4	8500	15%	2	34.0
11/18/2025		6	3B - 6P	132.7	1428	1	1428	4%	2	32.0
11/18/2025		7	5B - 10P	301.6	3245	1	3245	4%	2	40.0
11/18/2025		8	5B - 10P	230.3	2478	1	2478	4%	2	55.8
11/18/2025		9	3B - 6P	180	1937	2	3874	7%	2	33.3
11/18/2025		10	4B - 8P	222.60	2395	2	4790	7%	3	48.5
11/18/2025		11	4B - 8P	164.5	1770	3	5310	11%	2	5.5
11/18/2025		12	4B - 8P	186.5	2007	5	10035	19%	2	5.9
(B - BED) (P - PERSON)										
APARTMENTS										
BLOCK D/BLOCK A IN DPA										
		2B - 4P	85.1	916	18	16488		55%	5	
		2B - 4P	95.2	1024	9	9216		27%	5	91-123
		3B - 6P	124.4	1339	6	8034		18%	5	
					33					
					60					

Date of Accommodation Schedule	TYPE	OCCUPANCY	SQM	SQFT	TOTAL	RATIO	No. Storeys	Car Port	Plot No.	
HOUSES										
8/27/2025		1	3B - 5P	104.2	1121	5	5605	19%	2	
8/27/2025		2	4B - 7P	123.4	1342	16	21472	59%	2	21.6
					21					
APARTMENTS										
BLOCK A										
		1B - 2P	50.4	542	6	3252	30%	4		
		2B - 4P	72	775	10	7750	50%	4		
		2B - 4P	77.8	837	2	1674	10%	4	22-41	
		3B - 6P	103.3	1112	2	2224	10%	4		
					20					
BLOCK B										
		1B - 2P	50.4	542	5	2710	21%	5		
		1B - 2P	51.6	555	2	1110	8%	5		
		2B - 4P	72	775	3	2325	13%	5		
		2B - 4P	83.5	898	1	898	4%	5		
		2B - 4P	70.3	756	5	3780	21%	5	42-65	
		2B - 4P	82.8	891	3	2673	13%	5		
		2B - 4P	79.8	859	2	1718	8%	5		
		2B - 4P	96.9	1043	2	2086	8%	5		
		2B - 4P	129.9	1398	1	1398	4%	5		
					24					
BLOCK C										
		1B - 2P	51.6	555	4	2220	16%	5		
		2B - 4P	82.8	891	6	5346	24%	5		
		2B - 4P	70.3	756	10	7560	40%	5	66-90	
		2B - 4P	94.7	1019	4	4076	16%	5		
		2B - 4P	129.9	1398	1	1398	4%	5		
					25					
					90	167715				

APPENDIX 2A: NEW BUILD TRANSACTIONAL EVIDENCE

Property Name	Address	Postcode	Sold Price	Date Sold	Unit Size (SQM)	Unit Size (SQFT)	Price per SQM	Price per SQFT
The Glen	Cliff Road, Hythe	CT21 5XQ	£ 725,000.00	2/8/2024	156	1679.98	£ 4,645.18	£ 431.55
Edlunda	Cliff Road, Hythe	CT21 5XQ	£ 1,250,000.00	27/03/2024	185	1990.98	£ 6,757.91	£ 627.83
Long Reach	Cliff Road, Hythe	CT21 5XQ	£ 845,000.00	1/12/2023	192	2070.98	£ 4,391.88	£ 408.02
PINNOCCCHIO	Cliff Road, Hythe	CT21 5XJ	£ 615,000.00	9/30/2021	87	936.46	£ 7,068.97	£ 656.73
Sunways (Now Hythe House)	Cliff Road, Hythe	CT21 5XQ	£ 1,339,500.00	16/08/2021	262	2815.97	£ 5,120.16	£ 475.68
MERRYFOLD	Cliff Road, Hythe	CT21 5XJ	£ 720,000.00	10/1/2020	200	2152.78	£ 3,600.00	£ 334.45
Greenacre	Cliff Road, Hythe	CT21 5XQ	£ 725,000.00	20/07/2018	136	1458.99	£ 5,348.80	£ 496.92
FLETTONS	Cliff Road, Hythe	CT21 5XJ	£ 625,000.00	10/27/2017	137	1474.65	£ 4,562.04	£ 423.83
THE COTTAGE IN THE DELL	Cliff Road, Hythe	CT21 5XJ	£ 351,000.00	3/14/2016	171	1840.63	£ 2,052.63	£ 190.70
BRIDGE HOUSE	Cliff Road, Hythe	CT21 5XJ	£ 1,410,000.00	6/6/2016	389	4187.16	£ 3,624.68	£ 336.74
Denton House	Cliff Road, Hythe	CT21 5XJ	£ 1,410,000.00	6/6/2016	265	2849.97	£ 5,325.35	£ 494.74
MOORINGS	Cliff Road, Hythe	CT21 5XJ	£ 610,500.00	10/2/2015	213	2292.71	£ 2,866.20	£ 266.28
The Willows	Cliff Road, Hythe	CT21 5XQ	£ 735,000.00	15/10/2015	231	2489.98	£ 3,177.33	£ 295.18
1 Haverfield House	Cannongate Road	CT21 5PX	£ 835,000.00	16/05/2021	209	2249.66	£ 3,995.22	£ 371.17
2 Haverfield House	Cannongate Road	CT21 5PX	£ 725,000.00	25/09/2020	186	2002.09	£ 3,897.85	£ 362.12
3 Haverfield House	Cannongate Road	CT21 5PX	£ 790,000.00	26/02/2021	176	1894.45	£ 4,488.64	£ 417.01
APARTMENT 1	PIDDOCK COURT, CT21 4DU		£ 246,995.00	8/30/2023	60	645.83	£ 4,116.58	£ 382.44
APARTMENT 2	PIDDOCK COURT, CT21 4DU		£ 183,995.00	8/25/2023	43	462.85	£ 4,278.95	£ 397.53
APARTMENT 3	PIDDOCK COURT, CT21 4DU		£ 236,995.00	3/31/2023	63	678.13	£ 3,761.83	£ 349.49
APARTMENT 4	PIDDOCK COURT, CT21 4DU		£ 226,995.00	4/24/2023	60	645.83	£ 3,783.25	£ 351.48
APARTMENT 5	PIDDOCK COURT, CT21 4DU		£ 182,995.00	3/5/2023	43	462.85	£ 4,255.70	£ 395.37
APARTMENT 6	PIDDOCK COURT, CT21 4DU		£ 249,995.00	3/30/2023	63	678.13	£ 3,968.17	£ 368.66
APARTMENT 7	PIDDOCK COURT, CT21 4DU		£ 229,995.00	4/6/2023	60	645.83	£ 3,833.25	£ 356.12
APARTMENT 8	PIDDOCK COURT, CT21 4DU		£ 185,995.00	4/18/2023	43	462.85	£ 4,325.47	£ 401.85
APARTMENT 9	PIDDOCK COURT, CT21 4DU		£ 236,995.00	6/29/2023	63	678.13	£ 3,761.83	£ 349.49
APARTMENT 1	HARRIS COURT, 2 CT21 4EF		£ 230,995.00	6/29/2023	63	678.13	£ 3,666.59	£ 340.64
APARTMENT 2	HARRIS COURT, 2 CT21 4EF		£ 179,995.00	8/17/2023	43	462.85	£ 4,185.93	£ 388.89
APARTMENT 3	HARRIS COURT, 2 CT21 4EF		£ 223,995.00	3/31/2023	60	645.83	£ 3,733.25	£ 346.83
APARTMENT 4	HARRIS COURT, 2 CT21 4EF		£ 222,995.00	5/26/2023	63	678.13	£ 3,539.60	£ 328.84
APARTMENT 5	HARRIS COURT, 2 CT21 4EF		£ 182,995.00	6/29/2023	43	462.85	£ 4,255.70	£ 395.37
APARTMENT 6	HARRIS COURT, 2 CT21 4EF		£ 226,995.00	3/30/2023	60	645.83	£ 3,783.25	£ 351.48
APARTMENT 7	HARRIS COURT, 2 CT21 4EF		£ 236,995.00	10/6/2023	63	678.13	£ 3,761.83	£ 349.49
APARTMENT 8	HARRIS COURT, 2 CT21 4EF		£ 176,995.00	6/22/2023	43	462.85	£ 4,116.16	£ 382.40
APARTMENT 9	HARRIS COURT, 2 CT21 4EF		£ 229,995.00	3/30/2023	60	645.83	£ 3,833.25	£ 356.12
APARTMENT 1	HOBBS COURT, 3 CT21 4EQ		£ 234,500.00	10/30/2023	58	624.31	£ 4,043.10	£ 375.62
APARTMENT 2	HOBBS COURT, 3 CT21 4EQ		£ 246,995.00	6/12/2023	58	624.31	£ 4,258.53	£ 395.63
APARTMENT 3	HOBBS COURT, 3 CT21 4EQ		£ 249,995.00	5/25/2023	61	656.60	£ 4,098.28	£ 380.74
APARTMENT 4	HOBBS COURT, 3 CT21 4EQ		£ 243,750.00	8/29/2023	61	656.60	£ 3,995.90	£ 371.23
APARTMENT 5	HOBBS COURT, 3 CT21 4EQ		£ 253,995.00	6/9/2023	61	656.60	£ 4,163.85	£ 386.83
APARTMENT 6	HOBBS COURT, 3 CT21 4EQ		£ 253,995.00	5/25/2023	61	656.60	£ 4,163.85	£ 386.83
APARTMENT 2	SEABROOK HEIGHTS, CT21 5QW		£ 375,000.00	2/3/2023	82	882.64	£ 4,573.17	£ 424.86
APARTMENT 3	SEABROOK HEIGHTS, CT21 5QW		£ 380,000.00	2/2/2024	88	947.22	£ 4,318.18	£ 401.17
APARTMENT 1	COASTLANDS, 19 CT21 5TD		£ 565,000.00	11/24/2023	91	979.51	£ 6,208.79	£ 576.82
APARTMENT 3	COASTLANDS, 19 CT21 5TD		£ 550,000.00	1/25/2024	84	904.17	£ 6,547.62	£ 608.29
APARTMENT 4	COASTLANDS, 19 CT21 5TD		£ 565,000.00	8/17/2023	91	979.51	£ 6,208.79	£ 576.82
APARTMENT 5	COASTLANDS, 19 CT21 5TD		£ 565,000.00	8/17/2023	87	936.46	£ 6,494.25	£ 603.34
APARTMENT 6	COASTLANDS, 19 CT21 5TD		£ 565,000.00	10/11/2024	84	904.17	£ 6,726.19	£ 624.88
APARTMENT 7	COASTLANDS, 19 CT21 5TD		£ 820,000.00	10/27/2023	117	1259.38	£ 7,008.55	£ 651.12
1 BENNETT CLOSE	CT21 4FH		£ 351,500.00	6/27/2023	108	1162.50	£ 3,254.63	£ 302.37
2 BENNETT CLOSE	CT21 4FH		£ 343,995.00	3/30/2023	77	828.82	£ 4,467.47	£ 415.04
3 BENNETT CLOSE	CT21 4FH		£ 347,995.00	3/30/2023	77	828.82	£ 4,519.42	£ 419.87
4 BENNETT CLOSE	CT21 4FH		£ 438,495.00	4/24/2023	121	1302.43	£ 3,623.93	£ 336.67
APARTMENT 1	TURNER COURT, CT21 4FB		£ 231,995.00	7/27/2023	63	678.13	£ 3,682.46	£ 342.11
APARTMENT 2	TURNER COURT, CT21 4FB		£ 174,995.00	12/4/2023	43	462.85	£ 4,069.65	£ 378.08
APARTMENT 3	TURNER COURT, CT21 4FB		£ 234,995.00	7/27/2023	60	645.83	£ 3,916.58	£ 363.86
APARTMENT 4	TURNER COURT, CT21 4FB		£ 234,995.00	8/4/2023	63	678.13	£ 3,730.08	£ 346.54
APARTMENT 5	TURNER COURT, CT21 4FB		£ 186,995.00	12/14/2023	43	462.85	£ 4,348.72	£ 404.01
APARTMENT 6	TURNER COURT, CT21 4FB		£ 226,995.00	9/5/2023	60	645.83	£ 3,783.25	£ 351.48
APARTMENT 7	TURNER COURT, CT21 4FB		£ 235,000.00	8/25/2023	63	678.13	£ 3,730.16	£ 346.54
APARTMENT 8	TURNER COURT, CT21 4FB		£ 189,995.00	9/15/2023	43	462.85	£ 4,418.49	£ 410.49
APARTMENT 9	TURNER COURT, CT21 4FB		£ 221,825.00	10/20/2023	60	645.83	£ 3,697.08	£ 343.47
2 HOPKINS WAY	CT21 4FB		£ 382,995.00	6/29/2023	106	1140.97	£ 3,613.16	£ 335.67
4 HOPKINS WAY	CT21 4FB		£ 367,995.00	6/29/2023	106	1140.97	£ 3,471.65	£ 322.53
6 HOPKINS WAY	CT21 4FB		£ 362,995.00	6/29/2023	107	1151.74	£ 3,392.48	£ 315.17
8 HOPKINS WAY	CT21 4FB		£ 254,995.00	6/29/2023	60	645.83	£ 4,249.92	£ 394.83
10 HOPKINS WAY	CT21 4FB		£ 362,995.00	6/29/2023	107	1151.74	£ 3,392.48	£ 315.17
12 HOPKINS WAY	CT21 4FB		£ 380,995.00	6/27/2023	108	1162.50	£ 3,527.73	£ 327.74

APPENDIX 2B: NEW BUILD SCHEMES CURRENTLY BEING MARKETED

Sutherland Park**Homes**

PlotNo.	Property Type	Size (SQM)	Size (SQFT)	Asking Price		Asking Price per SQFT
86	4 bedroom detached		125	1345	£ 600,000.00	£ 446.10
38	3 bedroom semi-detached		132	1418	£ 550,000.00	£ 387.87
84	3 bedroom detached		116	1248	£ 550,000.00	£ 440.71
83	2 bedroom detached		93	1001	£ 500,000.00	£ 499.50
85	2 bedroom detached		107	1151	£ 500,000.00	£ 434.40
41	2 bedroom semi-detached		99	1069	£ 480,000.00	£ 449.02
Burmarsh	3 bedroom semi-detached		98	1058	£ 400,000.00	£ 378.07
Burmarsh	3 bedroom semi-detached		98	1058	£ 375,000.00	£ 354.44
Postling	2 bedroom terrace		79	850	£ 325,000.00	£ 382.35
Average =			105	1133	£ 475,555.56	£ 419.16

Apartments

PlotNo.	Property Type	Size (SQM)	Size (SQFT)	Asking Price		Asking Price per SQFT
63	2 bedroom apartment		69	747	£ 270,000.00	£ 361.45
64	1 bedroom apartment		51	549	£ 220,000.00	£ 400.73
Average =			98	1052	£ 437,129.63	£ 412.82

Martello Lakes (Barrat Homes)

Plot No.	Property Type	Size (SQM)	Size (SQFT)	Asking Price		Asking Price per SQFT
377	4 bedroom detached	99.51	1070.73	£ 469,995.00	£ 438.95	
355	3 bedroom semi-detached	108.3	1165.31	£ 374,995.00	£ 321.80	
351	3 bedroom semi-detached	108.3	1165.31	£ 382,995.00	£ 328.66	
348	3 bedroom semi-detached	108.3	1165.31	£ 389,995.00	£ 334.67	
349	3 bedroom semi-detached	99.72	1072.99	£ 399,995.00	£ 372.79	
358	3 bedroom semi-detached	99.72	1072.99	£ 404,995.00	£ 377.45	
Average =		103.975	1118.773333	£ 403,828.33	£ 362.39	

Martello Lakes (Linden Homes)

Plot No.	Property Type	Size (SQM)	Size (SQFT)	Asking Price		Asking Price per SQFT
56	3 bedroom detached		97	1040	£ 414,995.00	£ 399.03
63	2 bedroom terrace		83	890	£ 329,995.00	£ 370.78
60	3 bedroom detached		88	949	£ 384,995.00	£ 405.68
94	4 bedroom semi-detached		104	1122	£ 409,995.00	£ 365.41
61	3 bedroom detached		97	1040	£ 414,995.00	£ 399.03
95	4 bedroom detached		107	1152	£ 439,995.00	£ 381.94
96	4 bedroom detached		135	1448	£ 519,995.00	£ 359.11
Average =		101	1092	£ 416,423.57	£ 383.00	

The Residence

Plot No.	Property Type	Size (SQM)	Size (SQFT)	Asking Price		Asking Price per SQFT
15	3 bedroom apartment		115	1236	£ 575,000.00	£ 465.21
	2 bedroom apartment		69	743	£ 400,000.00	£ 538.36
19	2 bedroom apartment		67	720	£ 390,000.00	£ 541.67
18	2 bedroom apartment		57	610	£ 325,000.00	£ 532.79
14	2 bedroom apartment		55	593	£ 300,000.00	£ 505.90
Average=		72.6	780.4	£ 398,000.00	£ 516.78	

5 St Saviours Hill

Plot No.	Property Type	Size (SQM)	Size (SQFT)	Asking Price		Asking Price per SQFT
Penthouse	3 bedroom apartment		154	1660	£ 1,150,000.00	£ 692.77
Block 2	2 bedroom apartment		96	1031	£ 580,000.00	£ 562.56
Groundflo or						
Block 4	2 bedroom apartment		72	766	£ 490,000.00	£ 639.36
First Floor						
Block 3	1 bed Apartment		60	649	£ 340,000.00	£ 523.88
Lower Ground Floor						
Average =		95.45	1027	£ 640,000.00	£ 604.64	

Cautley House

Plot No.	Property Type	Size (SQM)	Size (SQFT)	Asking Price		Asking Price per SQFT
14	3 bedroom apartment		182	1963	£ 925,000.00	£ 471.22
13	3 bedroom apartment		174	1872	£ 899,995.00	£ 480.77
1	1 bedroom apartment		55	593	£ 220,000.00	£ 370.99
Average =		137	1476	£ 681,665.00	£ 440.99	

APPENDIX 2C: SECONDHAND SALES EVIDENCE

Average Sa Terraced Semi-detache Detached Flat Bungalow Overall Average Sales Price
 455000 347500 695150 231667 662500 £572,325.00

Address	Post Code	Transaction D	Building Ty	Bedrooms	Sale Price	Asking Pric	Status	Size (SQFT)	Price per SQFT	Property Ty	Average Siz	Average Price per SQFT
HORIZON, I	CT21 5QP	13/11/2024	Flat		£240,000.00		Sold	753	£318.73			
15 Blackho	CT21 5UL	20/03/2025	Detached		£625,000.00		Sold	1786	£349.94			
15 Naildow	CT21 5TA	29/05/2025	Terraced		£455,000.00		Sold	1044	£435.82			
TREE TOPS	CT21 5PT	5/3/2025	Detached		£825,000.00		Sold	1894	£435.64			
SCHLUPF V	CT21 5PX	22/11/2024	Bungalow		£550,000.00		Sold	968	£568.18	3 Bed	1,200.60	£553.69
15 Sene Pa	CT21 5XB	2/9/2024	Bungalow	3	£775,000.00	£825,000.00	SSTC	1377	£562.82	4 Bed	1,466.25	£338.89
128 Seabro	CT21 5QN	27/08/2024	Detached	5	£570,000.00	£650,000.00	SSTC	2152	£264.87	5 Bed	2,173.50	£324.69
20 Sene pa	CT21 5XB	8/7/2024	Bungalow	3	£675,000.00	£695,000.00	SSTC	1108	£609.21			
10 Ferguso	CT21 5QL	4/10/2024	Detached	4	£510,000.00	£520,000.00	SSTC	1356	£376.11			
3 Cannong	CT21 5PZ	17/10/2024	Detached	4	£625,000.00	£650,000.00	SSTC	1313	£476.01			
51 Earlsfiel	CT21 5PF	12/12/2024	Detached	3	£595,000.00	£595,000.00	SSTC	1173	£507.25			
13 Twiss Rc	CT21 5NY	23/07/2024	Detached	3	£610,000.00	£640,000.00	SSTC	1291	£472.50			
PINECROF	CT21 5XH	18/09/2024	Bungalow	3	£650,000.00	£660,000.00	SSTC	1054	£616.70			
14B Seabrc	CT21 5NA	17/02/2025	Flat	2	£205,000.00	£219,950.00	SSTC	495	£414.14			
15 Seabroo	CT21 5NB	11/7/2024	Semi-detac	4	£225,000.00	£440,000.00	Sold	1776	£126.69			
32 Earlsfiel	CT21 5PE	15/11/2024	Detached	5	£844,000.00	£850,000.00	SSTC	2195	£384.51			
7 Cliff Road	CT21 5XE	23/07/2024	Detached	4	£535,000.00	£569,000.00	SSTC	1420	£376.76			
63 Seabroo	CT21 5QW	13/09/2024	Detached	6	£1,212,500.00	£1,250,000.00	SSTC	2604	£465.63			
THE GATE C	CT21 5PX	19/11/2024	Semi-detac	2	£470,000.00	£475,000.00	SSTC	925	£508.11			

Average = £435.24

APPENDIX 3: COST PLAN

A New Level of Construction Consultancy



Cost Estimate

Foxwood

SPIDER
PROJECTS

Kent Office

Spider Projects
2nd Floor Foundation House,
Coach and Horses Passage,
Tunbridge Wells
TN2 5NP

www.spiderprojects.co.uk

SCOPE OF REPORT



INTRODUCTION

Spider Quantity Surveying have been appointed by **URECO Property Ltd** to produce a **Stage 2 Cost Estimate** for the construction of Foxwood residential scheme.

This report is provided for the sole use of the named client and, where we are so notified, their lenders. This report is confidential to the client, their lenders and their respective professional advisors. The contents are not to be disclosed to, nor made use of, by any third party without our express prior written consent. Without such consent Spider Projects will not be liable to any third party. Neither the whole nor any part of this report, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way, without Spider Project's written approval of the form and content in which it may appear.

PROJECT SUMMARY

The planning application demonstrates a Detailed Planning Application area and an Outline Planning Application area as part of an overall Hybrid submission. This cost estimate reflects all the Hybrid Application with both the Detailed and Outline areas included.

In the Detailed Planning Application there is a construction planned for 9 x 3 bed houses, 17 x 4 bed houses and 1 x 5 bed house as well as an apartment block of 33 units with undercroft parking. In the Outline Planning Application there is construction proposed for 5 x 3 bed houses, 16 x 4 bed houses and three apartment blocks, providing 69 units with undercroft parking. All properties are proposed to be a medium level of specification to aid affordability and containment of the construction costs.

The site is situated on a slope which is attracting budget allowances for earth movement, piling and retaining walls. The project is focussed on delivering community and working with the natural habitat so is sympathetic in creating soft landscaping, softer approaches to hard landscaping and ecological areas.

The client has preferred to keep contingency and risks outside of this cost estimate.

COST BASIS

The pricing within this report is based on the qualifications detailed within Appendix A. Please refer to detailed costing for the full pricing analysis. Any clarifications made within the detailed costing take precedence over the qualifications within Appendix A.

The pricing is accurate at the date of issue of this report and should the project be revisited at a later date, the pricing should be re-based to reflect this.

The pricing included in this report is based on historical data from projects of a similar nature from both in-house sources and nationally published data sources. Lump sum assessments have been made to provide a cost allowance for required works where insufficient design information is available. Where specific cost data has been received from specialists within the market, this has been stated.

If inflation has been included within the pricing, the allowances have been made for tender and construction price inflation based on the latest programme information available. These allowances have been calculated as a percentage uplift of the estimated construction rates based on the latest BCIS Indices.

The quantities for each element of construction work presented within this report are approximate quantities measured from the available design information.

The preliminaries have been priced as a percentage of the estimated construction cost, based on the anticipated procurement strategy and project complexity.

The pricing within this report is based on a traditional procurement route. A number of procurement routes and forms of contract are available. We recommend this is discussed at an early stage as the decisions made can materially affect the programme and risk profile of the project.

The pricing within this report is based upon the scope of works shown within the drawings listed below.

DRAWINGS

25.0010_Foxwood_Design Document
25015_ExA_Foxwood_Hard Landscape Strategy Page
25015_ExA_Foxwood_WVIP 1-500 A0
E9386D-BRL-00-XX-DR-X-1001 C05 E9386D Pile Layout IFC
20274_VWP06_PSK1001_Rev0
HC-4358-501-A2
25.0010_Foxwood_Design Document Rev 16.06.2025
25.0010_Foxwood_Design Document Rev 22.06.2026_compressed
25.0010 - Foxwood - Site Masterplan_25-07-2025
022 House Type 02 - Floor Plans & Elevations

Enscape_2025-07-29-12-03-31
Enscape_2025-07-29-12-20-37
Enscape_2025-07-29-12-21-12
20274_VWP06_PSK901_Rev0
20274_VWP06_PSK1002_Rev0
20274 - Herrington Indicative Drainage Strategy Review_Rev00
HC-4358-501-A1
021 Proposed Site Masterplan

The above documents were used to give context of the design work, the following accommodation schedule has been used for the over number of units.

25.0010 - Foxwood School - Schedule of Accommodation - 25.11.18
25.0010_Foxwood_CIL Document
25.0010_Foxwood_DAS_V2
Hybrid Accommodation schedule

CONTENTS



PART 1 SCOPE OF REPORT

PART 2 COST SUMMARY

APPENDICES

APPENDIX A QUALIFICATIONS

APPENDIX B DETAILED COSTING

CONTROL ISSUE SHEET

RIBA STAGE	REVISION	PREPARED BY	ISSUE DATE	COMMENTS
2	0	Spider Quantity Surveying	03/07/2025	Stage 2 - Initial budget
2	1	Spider Quantity Surveying	08/07/2025	Stage 2 - Initial budget - Updated following Client review
2	3	Spider Quantity Surveying	04/08/2025	Stage 2 - Initial budget - Updated following release of early Stage 3 design information
2	4	Spider Quantity Surveying	18/08/2025	Stage 2 - Initial budget update based on updated accomodation schedule
2	4a	Spider Quantity Surveying	22/08/2025	Stage 2 - Indicative costing for the Lower Plateau Alternative based on Client sketch plan
2	4b	Spider Quantity Surveying	09/09/2025	Stage 2 - Indicative costing for the Lower Plateau Alternative based on Hollaway updated accomodation schedule
2	4c	Spider Quantity Surveying	30/09/2025	Stage 2 - Includes consultant fee update and apartment adjustment to reflect 3a cost estimating exercises.
2	4d	Spider Quantity Surveying	14/10/2025	Stage 2 - Adjusted to remove 5% Lead Contractor OH&P
2	5	Spider Quantity Surveying	18/11/2025	Stage 2 - update to 150 units, maintain spec decisions from Rev 4a, 4b, 4c and 4d as requested
2	5	Spider Quantity Surveying	21/11/2025	As per revision 5 using Hybrid SoA

COST SUMMARY



Ref	Description		£	£/m2
1	Detailed Planning Application Housing Mix		£ 10,955,835	£ 1,975
2	Detailed Planning Application Housing Abnormals		£ 499,069	£ 90
3	Outline Planning Application Housing Mix		£ 4,089,313	£ 1,639
4	Outline Planning Application Housing Abnormals		£ 297,043	£ 119
Sub-Total			£ 15,841,261	£ 1,970
5	Detailed Planning Application Apartments		£ 10,496,289	£ 2,104
6	Detailed Planning Application Apartments Abnormals		£ 904,510	£ 181
7	Outline Planning Application Apartments		£ 19,251,692	£ 2,082
8	Outline Planning Application Apartments Abnormals		£ 3,375,425	£ 365
Sub-Total			£ 34,027,916	£ 2,391
5	Landscaping and Infrastructure		£ 4,495,066	£ 112
6	Landscaping and Infrastructure Abnormals		£ 1,627,000	£ 41
Sub-Total			£ 6,122,066	£ 152
Building Sub-Total			£ 55,991,243	£ 2,514
7	Project & Design Team Fees RIBA 4 - 6	8.5%	£ 4,759,256	
8	Other Project Costs		Excl.	
Sub-Total			£ 4,759,256	
9	Design Development Risk		Excl.	
10	Construction Risk		Excl.	
11	Tender Price Inflation - 3Q26	2.73%	£ 1,528,561	
12	Construction - 3Q27	3.14%	£ 1,758,125	
Sub-Total			£ 3,286,686	
Project Total (Excl. VAT)			£ 64,037,184	£ 2,875

KEY NOTES AND OBSERVATIONS

The deposition on site from St. Saviours has been estimated and treated as needing to be disposed.

The Hard Landscaping has been split into the types with an assumed construction build up until depths of construction build up are known throughout the site and design information is available. Abnormals arising from the conversations at the DTM on 2nd July 2025 and the design presentations from Hollaway and Exterior Architecture on 30th June 2025 have been listed and initial budgets allowed until more information becomes available in the developing design.

Demolition estimate included from Goody's Demolition.

Design Development and Construction Risk have both been removed as requested by the Client. We would recommend atleast 10% at this stage.

COST SUMMARY

QUALIFICATIONS



EXCLUSIONS

Value Added Tax (VAT)
Marketing and PR costs
Finance costs and insurances in connection with the funding of the project
Legal Fees
Land acquisition costs
Effects of party wall agreements, building regulations and planning consent/conditions
Local authority charges, permitting and road closures
Civil Infrastructure Levy (CIL) or other planning fees
Planning contributions (i.e. section 106 and section 278 connections in the UK)
Adoption charges in connection with highways and services
Decanting and relocation costs
Compensation
Biodiversity net gains contributions
Building Guarantee
Insurance (the Preliminaries include for Main Contractor's Third Party and Works insurance only)
Maintenance costs
Warranty costs
Inflation beyond the dates stated within the cost estimate
Out of hours working

BREEAM

Environmental improvement works
Ecology investigations or associated works
Rights of Light (RoL) surveys & fees
Extraordinary site investigations; i.e. Archaeological investigations
Unexploded ordnance investigations or associated works
Archaeological fieldwork
Other specialist fieldwork
Requirements as a result of any additional surveys
Works outside the site boundaries
Temporary or permanent diversion of existing services and any works or fees associated with upgrading the current services supplies
Specialist groundworks; i.e. lowering of water levels on the site
Works in connection with abnormal ground or drainage conditions; i.e. excessive excavation due to poor ground conditions
Works associated with obstructions in the ground
Land remediation or removal of toxic / contaminated / hazardous materials
Renewable technologies other than those expressly stated
Temporary support works
Works to existing buildings
Specialist AV equipment
Bespoke or Feature lighting
Fuel installations
Lift and Conveyor installations
Services (Catering) Equipment
Loose Furniture, Fittings, Furnishings and Equipment other than where specified
IT and Telecommunications equipment
Bespoke wall, floor and ceilings finishes
Treatment of Japanese Knotweed

ASSUMPTIONS & CLARIFICATIONS

All access requirements and temporary surfaces deemed included as part of Main Contractor Preliminaries.
The rates used for the houses are deemed to include the private gardens and driveways. The private gardens including a small patio and turf only. Does not include decking.
Disposal from site has been estimated at 80% inert and 20% contaminated.
No allowance has been made for craneage or associated requirements.
The contiguous piling wall has not been included in the costs as the current expectation from the Structures team is that it is not needed
It has been indicated that further surveys and monitoring of the slope is required to determine the extent of mitigation that will be required.
Asbestos is allowed as a budget but surveys and quotations will be needed.
One finish specification has been allowed for across all units of an 'obtainable' spec as requested by Client
The total m2 area of the site has been measured from plan which does not take account of the slopes which will alter the area of the landscaping. This will need to be reviewed if and when data is available for this.
We have currently included 8.5% for the RIBA 4-6 design fees.
We understand the blue roofs to the apartment blocks have now been omitted and have been replaced with green roofs, so this has been reflected in this updated cost estimate
For the solar panel allowances, we have had indicative suggestions from the Architects of what area coverage will be required. This will require further review once an M&E contractor is appointed.

DETAILED COSTING



Ref	Typology	Designation	Nr	M2 / Per Plot	Quantity	Unit	Rate	Total
1 Detailed Planning Application Housing Mix								
Detailed Planning Application								
	House Type 3 - 3 Bed Semi-Detached	Obtainable	6	147.6	885.6	m2	1,652.24	1,463,220.21
	House Type 3 - E/O for Car Port	Obtainable	6	21.9	131.4	m2	1,050.00	137,970.00
	House Type 4 - 3 Bed Semi-Detached	Obtainable	2	163.3	326.6	m2	1,652.24	539,620.28
	House Type 5 - 4 Bed Detached	Obtainable	4	197.5	790	m2	2,273.99	1,796,454.81
	House Type 5 - E/O for Car Port Canopy with Steel Column	Obtainable	4	34	136	m2	500.00	68,000.00
	House Type 6 - 3 Bed Detached	Obtainable	1	132.7	132.7	m2	2,273.99	301,758.93
	House Type 6 - E/O for Car Port	Obtainable	1	32	32	m2	1,100.00	35,200.00
	House Type 7 - 5 Bed Detached	Obtainable	1	301.6	301.6	m2	2,273.99	685,836.42
	House Type 7 - E/O for Car Port	Obtainable	1	40	40	m2	1,100.00	44,000.00
	House Type 8 - 5 Bed Detached	Obtainable	1	230.3	230.3	m2	2,273.99	523,700.69
	House Type 8 - E/O for Car Port	Obtainable	1	55.8	55.8	m2	1,100.00	61,380.00
	House Type 9 - 3 Bed Detached	Obtainable	2	180	360	m2	2,273.99	818,637.64
	House Type 9 - E/O for Car Port	Obtainable	2	33.3	66.6	m2	1,100.00	73,260.00
	House Type 10 - 4 Bedroom Detached	Obtainable	2	222.6	445.2	m2	2,273.99	1,012,381.88
	House Type 10 - E/O for Car Port	Obtainable	2	48.5	97	m2	1,100.00	106,700.00
	House Type 11 - 4 Bedroom Detached	Obtainable	3	164.5	493.5	m2	2,273.99	1,122,215.76
	House Type 12 - 4 Bedroom Detached	Obtainable	5	186.5	932.5	m2	2,273.99	2,120,498.88
	House Type 12 - E/O for Car Port Canopy with Steel Column	Obtainable	5	18	90	m2	500.00	45,000.00
Sub-Total					5546.80			10,955,835.49
2 Detailed Planning Application Housing Abnormals								
	E/O for Screw Piling to Houses				430	Nr	1,000.00	430,069.17
	E/O for Bike Sheds (doors excluded)				5	Nr	3,000.00	15,000.00
	Solar Panels to Roofs				108	m2	500.00	54,000.00
	Retaining wall to House Type to the east of the Luxury Apartment Block - Not currently shown in Master Plan / Accommodation Schedule.							Excl.
Sub-Total								499,069.17
3 Outline Planning Application Housing Mix								
Outline Planning Application								
	House - 3 Bed Semi-Detached	Obtainable	5	104.2	521	m2	1,638.74	853,783.80
	House - 4 Bed Semi-Detached	Obtainable	16	123.4	1974.4	m2	1,638.74	3,235,529.24
Sub-Total					14132.07			4,089,313.04
4 Outline Planning Application Housing Abnormals								
	E/O for Screw Piling to Houses				282	Nr	1,000.00	282,042.90
	E/O for Bike Sheds (doors excluded)				5	Nr	3,000.00	15,000.00
	Solar Panels to Roofs							Excl.
	Retaining wall to House Type to the east of the Luxury Apartment Block - Not currently shown in Master Plan / Accommodation Schedule.							Excl.
Sub-Total								297,042.90
5 Detailed Planning Application Apartments								
Detailed Planning Application								
<u>Upper Terrace - Woodland - Block D (Block A in DAS)</u>								
	2 Bed	Obtainable	9	95.2	856.8	m2	2,082.16	1,783,998.46
	2 Bed	Obtainable	18	85.1	1531.8	m2	2,082.16	3,189,459.43
	3 Bed	Obtainable	6	124.4	746.4	m2	2,082.16	1,554,127.51
	Party Walls GIA	Obtainable			193.8	m2	2,082.16	403,523.46
	Circulation Areas -Core - Variation I	Obtainable	3	18.1	54.3	m2	1,978.06	107,408.45

DETAILED COSTING

DETAILED COSTING



Ref	Typology	Designation	Nr	M2 / Per Plot	Quantity	Unit	Rate	Total
	Circulation Areas -Core - Variation 2	Obtainable	12	33.7	404.4	m2	1,978.06	799,925.92
	Circulation Areas - Undercroft	Obtainable	1	1200.5	1200.5	m2	1,964.05	2,357,846.01
	Circulation Areas - Lifts (3 passenger lifts, 5 Stops)	Obtainable	15			stops	20,000.00	300,000.00
Sub-Total					4988			10,496,289.24
6 Detailed Planning Application Abnormals								
	E/O for green roofs to Apartment Blocks				857	m2	140.00	119,980.00
	Retaining wall to rear of luxury apartment block - assumed Gabion Baskets				106	m	205.00	21,730.00
	Ragstone Walls to Bunding				1	£	125,000.00	125,000.00
	Solar Panels to roofs				144	no.	1,200.00	172,800.00
	Angled soffit and balcony separators with timber cladding				1	psum	240,000.00	240,000.00
	Fixed, metal balcony planters				1	psum	225,000.00	225,000.00
Sub-Total								904,510.00
7 Outline Planning Application Apartments								
<u>Outline Planning Application</u>								
<u>Lower Terrace - Glade - Block A</u>								
	Proposed apartment block; indicatively 20 units; including undercroft parking	Obtainable			2571	m2	2,082.16	5,353,244.67
<u>Lower Terrace - Woodland - Block B</u>								
	Proposed apartment block; indicatively 24 units; including undercroft parking	Obtainable			3160	m2	2,082.16	6,579,639.50
<u>Lower Terrace - Woodland - Block C</u>								
	Proposed apartment block; indicatively 25 units; including undercroft parking	Obtainable			3515	m2	2,082.16	7,318,807.87
Sub-Total					9,246.00			19,251,692.04
4 Apartment Abnormals								
	E/O for green roofs to Apartment Blocks				1806	m2	140.00	252,840.00
	Sheet Piled retaining wall to rear of affordable and obtainable apartment blocks				253	m	3,805.00	962,665.00
	Bunding to front of Affordable and Obtainable Apartment Blocks				2096	m3	20.00	41,920.00
	Ragstone Walls to Bunding				1	£	375,000.00	375,000.00
	Solar Panels to roofs				365	no.	1,200.00	438,000.00
	Additional lifts and compartments to comply with new building regulations				1	£	520,000.00	520,000.00
	Fixed, metal balcony planters				1	£	335,000.00	335,000.00
	Angled soffit with timber cladding				1	psum	450,000.00	450,000.00
Sub-Total								3,375,425.00
5 Landscaping & Infrastructure								
	Surface Type 01 - Brown Permeable Tegula Block Paving					m2	190.00	-
	Surface Type 02 - Grey Permeable Block Paving				454	m2	190.00	86,260.00



DETAILED COSTING



DETAILED COSTING
 DET

Ref	Typology	Designation	Nr	M2 / Per Plot	Quantity	Unit	Rate	Total
	Surface Type 03 - Permeable Coloured Tarmace Type 1				873	m2	170.00	148,410.00
	Surface Type 04 - Permeable Coloured Tarmac Type 2				1764	m2	170.00	299,880.00
	Surface Type 05 - Stone Mastic Asphalt				556	m2	150.00	83,400.00
	Surface Type 06 - Grasscrete					m2	180.00	-
	Surface Type 07 - Reinforced Gravel				3979	m2	90.00	358,110.00
	Surface Type 08 - Flag Paving Riven Sandstone Appearance				199	m2	145.00	28,855.00
	Surface Type 09 - Millboard					m2	200.00	excl.
	Surface Type 10 - Self Binding Gravel				1659	m2	80.00	132,720.00
	Threshold Points				7	nr		incl.
	Woodland - Vegetation clearance, new planting				7064	m2	7.00	49,448.00
	Soft Landscaping				9004	m2	35.00	315,140.00
	Raingardens				548	m2	150.00	82,200.00
	Natural Play Features in Play Area				481	m2	80.00	38,480.00
	Sculptured Play Feature				1	item	25,000.00	25,000.00
	Architectural Features Within Landscape				1	item	20,000.00	20,000.00
	Ecology Zone; Habitat Creation				2055	m2	45.00	92,475.00
	Drainage/Site Infrastructure				7054	m2	200.00	1,410,800.00
	Attenuation				240	m3	800.00	192,000.00
	Excavation for cut & fill				24416	m3	18.00	439,488.00
	Deposition of cut material on site				10400	m3	15.00	156,000.00
	Disposal off site of cut material balance (bundling m3 allowance deducted from measure)				11920	m3	45.00	536,400.00
	Sub-Total							4,495,066.00
6	Landscaping Abnormals							
	E/O for gradient across site				1	item	500,000.00	500,000.00
	Removal and disposal of spoil heaps from neighbouring development				4500	m3	72.00	324,000.00
	Demolition of existing buildings				1	item	403,000.00	403,000.00
	Asbestos Removal				1	item	100,000.00	100,000.00
	New crossing on public road to the south of the site				1	item	50,000.00	50,000.00
	Retaining Walls to Roads				1	item	250,000.00	250,000.00
	Sub-Total							1,627,000.00

APPENDIX 4: FINANCIAL VIABILITY ASSESSMENT

Foxwood Appraisal - 251123
FVA Assessment

Development Pro Forma
Cushman & Wakefield
November 24, 2025

**Foxwood Appraisal - 251123
FVA Assessment**

Project Pro Forma for Phase 1

Currency in GBP

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Houses	48	79,779	488.08	811,223	38,938,720
Apartments	<u>102</u>	<u>87,936</u>	542.97	468,108	<u>47,747,030</u>
Totals	150	167,715			86,685,750

NEGATIVE LAND ALLOWANCE

Residualized Price	2,557,067	2,557,067
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TOTAL PROJECT REVENUE

89,242,817

DEVELOPMENT COSTS

ACQUISITION COSTS

Negative Land Allowance	(2,557,067)
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CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Houses	79,779	188.59	15,045,148
Apartments	<u>153,213</u>	194.16	<u>29,747,981</u>
Totals	232,992 ft²		44,793,129

Contingency	5.00%	2,799,562	2,799,562
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Other Construction Costs

Housing Abnormals	796,112
Apartment Abnormals	4,279,935
Landscaping & Infrastructure	4,495,066
Landscaping Abnormals	1,627,000
	11,198,113

Section 106 Costs

CIL	232,992 ft ²	12.88	3,000,937	3,000,937
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PROFESSIONAL FEES

Professional Fees	8.50%	4,759,256	4,759,256
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DISPOSAL FEES

Sales and Marketing Fee	3.00%	2,600,573	
Sales Legal Fee	150 un	750.00 /un	112,500
		2,713,073	

**Foxwood Appraisal - 251123
FVA Assessment****TOTAL COSTS BEFORE FINANCE** **69,264,069****FINANCE**

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)

Construction

2,313,951

Other

327,647

Total Finance Cost

2,641,598

TOTAL COSTS**71,905,667****PROFIT****17,337,150****Performance Measures**

Profit on Cost%

24.11%

Profit on GDV%

20.00%

Profit on NDV%

20.00%

IRR% (without Interest)

36.83%

Profit Erosion (finance rate 7.500)

2 yrs 11 mths

