CBRE

Land North-East of Baldock, North Hertfordshire

Financial Viability Statement

CBRE Limited | National Planning & Development report for:

Urban&Civic Baldock Limited

March 2026

Contents

Appendices

Declaration

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

Instruction and Purpose of Report

In accordance with an instruction and our appointment dated 9th September 2025, CBRE has been instructed by Urban&Civic Baldock Limited ('the Applicant') to objectively assess, and report upon, the financial viability of a proposed development at land north-east of Baldock, North Hertfordshire ('the Site') for up to 3,200 dwellings ('the Proposed Development').

The purpose of this viability assessment ('VA') is to test the financial viability of the Proposed Development at the Site, considering the policy requirements set by North Hertfordshire Council ('NHC' or 'the Council') as well as national planning policy and guidance.

The Site is of a scale ('super-strategic') and complexity such that no single housebuilder developer would undertake delivery in their own right. It is therefore intended that the Site is brought forward under a Land Trader Master Developer ('LTMD') delivery model, whereby the master developer delivers site-wide primary network infrastructure and strategic amenity and coordinates involvement of multiple housebuilders to maximise housing outputs rates.

The VA is prepared on this basis, with the Applicant assembling the land at Existing Use Value plus an appropriate premium (EUV+), funding and delivering site-wide strategic infrastructure, satisfying all Section 106 obligations and disposing of serviced parcels to housebuilders in accordance with an optimal delivery trajectory.

Under this model, the Internal Rate of Return ('IRR') represents the primary performance metric for assessing the upfront, long dated investment associated with large scale infrastructure-led/ super-strategic development sites. The IRR appropriately captures the time-weighted impact of cash flows over the duration of the development programme, ensuring extended delivery timeframes are appropriately accounted for when assessing financial performance[2].

Objectivity, impartiality and reasonableness

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

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

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

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

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

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[1] *RICS (May 2019) Financial viability in planning: conduct and reporting, 1st Edition*

[2] *RICS (2021) Assessing viability in planning under the National Planning Policy Framework 2019 for England RICS guidance note, England 1st edition, March 2021 (effective from 1 July 2021) ('RICS Viability Guidance') para. 4.1.2-4.1.3 p.39 & p.72*

Conflict(s) of interest

CBRE confirms, to the best of its knowledge, that no conflict or risk of conflict of interest exists in carrying out this viability assessment on behalf of the Applicant(s) and in respect of the site.

Contingent Fee

In preparing this report, no performance related or contingent fees have been agreed with the Applicant(s).

Status

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

This report provides a guide for feasibility in line with the purpose for which the assessment is required, in accordance with the National Planning Policy Framework ('NPPF')[3] and national Planning Practice Guidance for Viability ('PPGV')[4], and as stated within the relevant guidance published by the RICS[5].

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

Publication

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

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

Personnel

This report has been prepared and approved by the following personnel:

Project Name:	Land North-East of Baldock, North Hertfordshire		
Project Number:	**Date:**	**Prepared By:**	**Verified By:**
	February 2026	Geoff Machen *Assistant Surveyor* Alex Grindrod MRICS *Associate Director*	Matt Spilsbury | MRICS MRTPI *Senior Director*
CBRE, Henrietta House, Henrietta Place, London W1G 0NB			
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[3] *MHCLG (2024) National Planning Policy Framework (NPPF)*

[4] *MHCLG (2025) National Planning Practice Guidance – Viability*

[5] *RICS (2021) Assessing viability in planning under the National Planning Policy Framework 2019 for England RICS guidance note, England 1st edition, March 2021 (effective from 1 July 2021) ('RICS Viability Guidance')*

Executive Summary

CBRE has been appointed by Urban&Civic Baldock Limited ('the Applicant') to objectively assess, and report upon, the financial viability of the proposed development at land north-east of Baldock, North Hertfordshire ('the Site') for up to 3,200 dwellings ('the Proposed Development').

The purpose of this viability assessment ('VA') is to test the financial viability of the Proposed Development at the Site, taking into account the policy requirements set by North Hertfordshire Council ('NHC' or 'the Council') as well as national planning policy and guidance.

The Site is of a scale ('super-strategic') and complexity such that no single housebuilder developer would undertake delivery in their own right. It is therefore intended that the Site is brought forward under a Land Trader Master Developer ('LTMD') delivery model, whereby the master developer delivers site-wide primary network infrastructure and strategic amenity and coordinates involvement of multiple housebuilders to maximise housing outputs rates.

The VA is prepared on this basis, with the Applicant assembling the land at Existing Use Value plus an appropriate premium (EUV+), funding and delivering site-wide strategic infrastructure, satisfying all Section 106 obligations and disposing of serviced parcels to housebuilders in accordance with an optimal delivery trajectory.

Under this model, the Internal Rate of Return ('IRR') represents the primary performance metric for assessing the upfront, long dated investment associated with large scale infrastructure-led/ super-strategic development sites. The IRR appropriately captures the time-weighted impact of cash flows over the duration of the development programme, ensuring extended delivery timeframes are appropriately accounted for when assessing financial performance[6].

Assessment Methodology

There are two individual viability assessments produced within this assessment being:

1. the individual plot housebuilder/developer viability appraisals conducted on a residual basis to determine a serviced land value of each parcel; and

2. the LTMD cash flow analysis, incorporating all LTMD incurred costs and including the serviced land value outputs of 1) above (with the latter reflecting revenue).

Both assessments utilise a bespoke MS Excel financial appraisal and cash flow model and the integrated housebuilder serviced land appraisals have been cross checked using industry standard Argus Developer software. A cashflow is provided for full transparency.

CBRE has considered the inputs and assumptions used in the viability assessment that formed the basis of the relevant plan[7]. In this instance, the adopted Development Plan for the application Site comprises the NHLP (2011).

The key viability modelling input assumptions adopted by CBRE for the policy compliant viability appraisal of the Proposed Development are summarised in Table ES1 and ES2. Further information on CBRE's inputs are detailed in Section 4 and 5.

[6] *RICS (2021) Assessing viability in planning under the National Planning Policy Framework 2019 for England RICS guidance note, England 1st edition, March 2021 (effective from 1 July 2021) ('RICS Viability Guidance') para. 4.1.2-4.1.3 p.39 & p.72*

[7] *MHCLG (2025) National Planning Practice Guidance – Viability (Paragraph: 009 Reference ID: 10-009-20251216)*

Table ES1: LTMD Viability Assessment Inputs Summary | Policy Compliant Scheme

Input	Rate	Comment
Serviced Land Values: Residential	£1.44m/acre	Blended rate (before purchaser's costs), informed by housebuilder appraisals (as appended) and inclusive of 40% affordable housing.
Serviced Land Values: Employment	£1.00m/acre	Based on market comparable evidence collated by CBRE.
Strategic Infrastructure Cost	£120,355,630	Based on a Cost Estimate produced by specialist technical cost consultancy Arcadis, dated 16 February 2026.
Section 106 Financial Contributions	£129,848,358	Estimated cost of Section 106 financial contribution/ deliverables.
Direct Project Resourcing Cost	3.00%	Estimated rate as a percentage of total LTMD costs, representing professional management and oversight (provided in-house or externally) of servicing, delivering and disposing of development parcels across the strategic site.
Purchaser's Costs	SDLT + 1.80%	Standard industry allowance (on land purchase)
Disposal Costs	1.80%	Standard industry allowance (on serviced land sales)
Developer's Return (Project)	12.00%	Minimum target unlevered and ungrown internal rate of return (IRR), reflecting the time-weighted impact of cash flows over the duration of the development programme. This approach ensures that the extended delivery timeline is appropriately accounted for when assessing financial performance of the project.

Table ES2: Residential Serviced Land Values (i.e. Housebuilder) Viability Assessment Inputs Summary

Input	Rate	Comment
Open Market Sales Values	£466/ft²	Blended rate. Based on local market comparable evidence collated by CBRE.
Affordable Housing Values	£111/ft² - £301/ft²	Calculated using industry benchmarks and relevant market information. Reflects a tenure provision comprising 65% affordable rent (c. 7.7% as Social Rent units) and 35% intermediate housing.
On-Plot Construction Costs: Houses	£150.41/ft²	BCIS data for '2 Storey Estate Housing – Generally', rebased to North Hertfordshire.
On-Plot Construction Costs: Apartments	£170.01/ft²	BCIS data for 'Flats – Generally', rebased to North Hertfordshire.
On-Plot Externals	15.00%	Of housing construction costs.
	10.00%	Of apartment construction costs.
Garages	£7,500	Per integrated single garage. Applied to 25% of 3-bed dwellings and 50% of 4-bed dwellings. Rate benchmarked against current housebuilder estimates.
	£15,000	Per single garage. Applied to 25% of 3-bed dwellings and 50% of 4-bed dwellings. Rate benchmarked against current housebuilder estimates.

Input	Rate	Comment
	£21,500	Per proposed double garage. Applied to 100% of 5-bed dwellings. Rate benchmarked against current housebuilder estimates.
Electric Vehicle Charging Points ('EVCP')	£880	Per house. Benchmarked against current housebuilder estimates.
	£220	Per apartments. Benchmarked against current housebuilder estimates.
Building Reg's Part M4(2)	£1,012	Average cost per unit. Applied to 50% of total proposed units.
Building Reg's Part M4(3)	£14,600	Average cost per unit. Applied to approximately 10% of affordable housing units/ 4% of total units.
Building Safety Levy ('BSL')	£6,562,314	Adopted based on the anticipated introduction of the BSL from Autumn 2026. The 'Non-Previously Developed Land' levy rate for North Hertfordshire, at £36.9/m², has been applied to all open market units (GIA). It is assumed that social housing relief will be applicable to the affordable housing units.
Building Reg's Part L&F	£4,981	Per dwelling (average)
Future Homes Standard (FHS)	£4,418	Per dwelling (average). Index-adjusted cost in addition to the Part L & F uplift.
Professional Fees & Insurances (Dwellings)	6.00%	Estimated as a % of total dwelling build costs (comprising base construction cost, garage costs, and uplifts). Incorporating all surveys, statutory fees and professional fees.
Contingency (Dwellings)	3.00%	Estimated as a % of total dwelling build costs (comprising base construction cost, garage costs, and regulatory uplifts).
Sales & Marketing Fees	2.50%	Of GDV (Open Market)
Sales Legal Fees	£1,000/unit	Applied to open market GDV
Affordable Housing Conveyancing Fee	£750/unit	Applied to Affordable Housing GDV
Cost of Land Acquisition	-	SDLT (HMRC rate), agent's fee (1.00%) and legal fees (0.80%).
Finance	7.50%	Minimum cost of capital for financing the residential development plots via the market, which takes into account arrangement, monitoring and related fees/credits. Assumes the housebuilder plots are 100% debt funded.
Developer's Return	17.50%	Of open market GDV, reflecting the acquisition of serviced parcels and commensurate with the construction and sales risk involved in the delivery of the Proposed Development in the current market.
	6.00%	Of affordable housing GDV

Benchmark Land Value ('BLV')

By way of analysis set out within chapter 5 of this document, the BLV for the Site has been determined based on the Existing Use Value ('EUV') plus premium approach. The BLV represents CBRE's conclusion as to the minimum level of value at which the landowner would be suitably incentivised to release the Site.

It is CBRE's professional opinion that the minimum BLV for the Site equates to £52.70m.

Viability Assessment Results & Conclusion

The policy compliant viability appraisal demonstrates that, when incorporating a 40% affordable housing provision and the estimated S106 financial contributions (outlined within this report), the outturn residual profit (excluding finance costs) is -£33.10m. This is loss-making.

The delivery of the Proposed Development on a basis in compliance with the Council's adopted development plan fails to generate a profit margin sufficient to meet the minimum target master developer return (i.e. an unlevered and ungrown project IRR of 12%), and the Proposed Development is not financially viable on this basis.

CBRE has subsequently run a scenario test to determine the necessary reduction in the affordable housing provision in order to return a viable scheme.

The scenario test demonstrates that when reducing the affordable housing provision to 9.81%, the combined residential serviced land value increases to £391.49m (£2.10m per net acre), with the project generating an unlevered IRR of 12.00%. This meets the minimum target master developer return of an unlevered IRR of 12.00% and the Proposed Development is considered viable on this basis.

The commercial decision whether to proceed with the Proposed Development will therefore be at the discretion of the Applicant.

Any concessions to provide affordable housing (through on-site provision or a financial contribution in lieu) or to offer payments towards planning obligations beyond what is demonstrably viable would be undertaken entirely at the Applicant's own commercial risk.

1 Introduction

Instruction

1.1 CBRE has been appointed by Urban&Civic Baldock Limited ('the Applicant') to objectively assess, and report upon, the financial viability of the proposed development at land north-east of Baldock, North Hertfordshire ('the Site') for up to 3,200 dwellings ('the Proposed Development').

1.2 The purpose of this viability assessment ('VA') is to test the financial viability of the Proposed Development at the Site, considering the policy requirements set by North Hertfordshire Council ('NHC' or 'the Council') as well as national planning policy and guidance.

1.3 The Site is of a scale ('super-strategic') and complexity such that no single housebuilder developer would undertake delivery in their own right. It is therefore intended that the Site is brought forward under a Land Trader Master Developer ('LTMD') delivery model, whereby the master developer delivers site-wide primary network infrastructure and strategic amenity and coordinates involvement of multiple housebuilders to maximise housing outputs rates.

1.4 The VA is prepared on this basis, with the Applicant acquiring the land at Existing Use Value plus an appropriate premium (EUV+), funding and delivering site-wide strategic infrastructure, satisfying all Section 106 obligations and disposing of serviced parcels to housebuilders in accordance with an optimal delivery trajectory.

1.5 Under this model, the Internal Rate of Return ('IRR') represents the primary performance metric for assessing the upfront, long dated investment associated with large scale infrastructure-led/ super-strategic development sites. The IRR appropriately captures the time-weighted impact of cash flows over the duration of the development programme, ensuring extended delivery timeframes are appropriately accounted for when assessing financial performance[8].

Context

Subject Site, Description, Location & Access

1.6 Baldock is located in North Hertfordshire, approximately 33 miles north of London with nearby towns including Stevenage and Letchworth Garden City.

1.7 The Site comprises a total area of 213 gross ha (527 gross acres) immediately north east of Baldock town centre and comprises mostly agricultural land. The Site can be broken down into 4 individual parcels as identified in the NHLP as BA1, BA2, BA3 and BA10 (collectively referred to as 'the Site').

1.8 Baldock is well connected with immediate access on the A1(M) and Royston Road/A505. Baldock train station provides direct train services to London King Cross, Cambridge and Brighton.

1.9 A site location plan is provided within **Appendix A**.

[8] *RICS (2021) Assessing viability in planning under the National Planning Policy Framework 2019 for England RICS guidance note, England 1st edition, March 2021 (effective from 1 July 2021) ('RICS Viability Guidance') para. 4.1.2-4.1.3 p.39 & p.72*

Planning History and Status

1.10 There is a previous planning application at the Site (ref: 17/04420/OP), submitted in January 2018, for a mixed-use development including *"up to 2,800 dwellings…"* (see full description set out below). However, this application was subsequently withdrawn.

"Mixed use development comprising up to 2,800 dwellings, a new local centre, two primary schools and a secondary school, a healthcare hub, up to 1,900sqm of 'A' Class land uses (including a supermarket), open space, nature conservation, recreation, landscaping and associated facilities, following demolition of existing structures and vehicular access - outline planning application with all matters reserved other than access."

1.11 CBRE in not aware of the circumstances that led to the withdrawal of this application, and it is referenced for completeness only.

1.12 CBRE understands that the Applicant has already submitted an outline application for the Proposed Development at the Site under planning reference 25/02571/OP.

Date of Appraisal

1.13 The date of appraisal is the stated date on the cover of this report.

Document Structure

1.14 The viability assessment report is structured as follows:

Section 2: presents the relevant planning policy context for the undertaking of this viability assessment.

Section 3: confirms the approach and methodology to this viability assessment together with a brief review of the relevant current guidance for undertaking viability assessments.

Section 4: sets out the **residential serviced land value** assumptions and evidence used within this financial viability assessment.

Section 5: sets out the **non-residential serviced land value** assumptions and evidence used within this financial viability assessment.

Section 6: sets out the **land trader master developer** ('LTMD') assumptions and evidence used within the financial viability assessment.

Section 7: derives the benchmark land value ('BLV') or 'Site Value'.

Section 8: summarises the results of viability assessment.

Section 9: sets out concluding recommendations arising from the results of the viability assessment, in accordance with the National Planning Policy Framework ('NPPF')[9] and national Planning Practice Guidance ('PPG')[10].

[9] MHCLG (2025) National Planning Policy Framework

[10] MHCLG (2025) National Planning Practice Guidance – Viability

2 Planning Policy Context

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

National Planning Policy Framework

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

2.3 The NPPF states that planning law requires planning applications to be determined in accordance with the development plan unless material considerations indicate otherwise. The NPPF, along with emerging plans, are material considerations that must be accorded weight within planning decision-making.

Sustainable Development

2.4 The presumption in favour of sustainable development is at the heart of the NPPF and is to be pursued positively in both decision-making and plan-making.

Deliverability & Viability

2.5 The NPPF confirms that it is the applicant's responsibility to demonstrate whether the circumstances affecting the development justify the requirement for the submission of a viability assessment at the application stage.

2.6 The LPA, as decision maker, must determine the weight to be given to the submitted viability assessment having regard to all the circumstances in the case including the following:

- whether the Plan and viability evidence underpinning it is up to date; and
- whether there have been any changes in site circumstances since the Plan was brought into force.

2.7 All viability assessments, including those undertaken at plan-making stage, should reflect the recommended approach in national planning guidance[11].

Planning Practice Guidance for Viability ('PPGV')

2.8 The Government's national planning guidance for understanding viability in both plan making and decision taking is set out within PPGV[12].

2.9 Detailed guidance is provided regarding viability assessment in decision-taking upon individual schemes at the application stage. Firstly, it is the responsibility of the applicant to demonstrate the circumstances justifying the need for viability assessment. Whilst not stated as exhaustive, examples stated in PPGV are:

- where development is proposed on unallocated sites of a wholly different type to those used in viability assessment that informed the plan;
- where further information on infrastructure or site costs is required;

[11] MHCLG (2024) National Planning Policy Framework (NPPF): Paragraph: 59

[12] *MHCLG (2025) Planning Practice Guidance: Viability*

- where particular types of development are proposed which may significantly vary from standard models of development for sale (for example BTR or housing for older people); or
- where a recession or similar significant economic changes have occurred since the plan was brought into force.

2.10 Paragraph 21 confirms that the inputs and findings of any viability assessment should be set out in a way that aids clear interpretation and interrogation by decision makers. Reports and findings should clearly state what assumptions have been made about costs and values (including gross development value, benchmark land value ('BLV') including the landowner premium, developer's return and costs).

Adopted Local Policy

North Hertfordshire Local Plan (NHLP) (Adopted 2022)

2.11 The Site is identified within the NHLP as a strategic housing site (BA1, BA2, BA3 and BA10) of up to 3,200 dwellings together with a new employment area to the north of Royston Road.

2.12 The NHLP outlines (but is not limited to) the following planning and master planning requirements for the strategic site:

- A new mixed-use local centre of c.500m^2 (net) convenience retail provision and 1,400m2 (net) of comparison retail and food and beverage floorspace;
- Landscaping and a defense of Green Belt boundary to the north and east;
- A new link road connecting the A507 North Road to the A505 Baldock bypass including a new bridge across the railway;
- Sustainable transport measures to include a secondary rail crossing for pedestrians and cyclists in the vicinity of Ashville Way and safe access routes to / from, and upgrades to, Baldock station;
- At least 28 serviced plots for self-build development;
- Provision of an appropriate site for a care home for older people in Use Class C2 in accordance with the locational criteria in Policy HS4;
- A community hall and GP surgery;
- Up to 6 forms of entry (FE) of additional primary-age education provision and up to 8 forms of entry (FE) of additional secondary-age education provision.

Sustainable Development

2.13 Policy SP1 (Sustainable Development in North Hertfordshire) sets out a clear statement of the presumption in favour of sustainable development.

2.14 New developments should deliver an appropriate mix of housing and contribute to high quality design and provide the necessary infrastructure. The policy emphasises the need to protect the environment, including biodiversity, landscape and heritage assets, and encourages mitigation against climate change.

Housing

2.15 Policy SP8 (Housing) acknowledges the requirement to release sufficient land to deliver at least 11,600 net new homes for North Hertfordshire's own needs.

2.16 The policy also identifies the Site will deliver dwellings across the 4 individual parcels as follows:

- BA1 (North of Baldock) for 2,800 homes;

- BA2 (Land southwest of Clothall Road) for 200 homes
- BA3 (Land south of Clothall Common) for 245 homes.

Employment

2.17 Policy SP3 (employment) identifies BA10 as a 19.6ha allocated employment site to support the sustainable economic growth for new and existing businesses in North Hertfordshire.

Developer Contributions

2.18 Policy SP7 requires developments to make provision for the infrastructure necessary to accommodate the demands arising from the Proposed Development. Developers will be required to fund or contribute to funding of on-site and/or off-site improvements which includes the following:

- Provision of facilities and infrastructure for new residents;
- Contribute toward addressing cumulative impacts;
- Avoid placing unreasonable additional burdens on the existing community or existing infrastructure;
- Mitigate adverse impacts where appropriate;
- Enhance critical assets or make good their loss or damage; and
- Cover maintenance costs of any such new provision.

Affordable Housing

2.19 Policy SP8 states that new development should support a range of housing tenures, types and sizes, with 33% of all homes as Affordable Housing with targets to deliver up to 40% affordable housing (where viable).

2.20 Policy HS2 sets out that the Council expects that 65% of the affordable housing required will be rented and 35% will provide other forms of affordable housing and will meet the housing needs of the area.

2.21 This should be broadly split evenly across smaller dwellings (1 and 2 beds) and larger (3, 4 and 5+ beds) subject to housing need.

Developer Contributions SPD 2023

2.22 The developer contributions SPD 2023 details guidance on the type and scale of developers contributions to be sought for new development in North Hertfordshire.

2.23 The report confirms for large sites (25 dwellings or more), the affordable housing target is 40%.

2.24 Where off-site provision of affordable housing is required, for large sites the off-site equivalent is 67% of market homes.

2.25 Further details on the requirements for affordable rented properties within the district are also provided to ensure affordability. The following requirements are set for each unit type, capped at the local housing allowance ('LHA') rate:

- 1 & 2 bed properties: No more than 80% of market rent
- 3 bed properties: No more than 70% of market rent
- 4 bed properties: Social rents

2.26 The report also sets expectations for shared ownership units, stating that households should be able to purchase an initial equity share of between 25% and 75%, and the rent on unsold equity will be capped at 2.75%.

Developer Contributions SPD 2023

2.27 The North Hertfordshire and Stevenage SHMA Part II Update Including Impact of First Homes November 2023 outlines an overall need for market and affordable dwellings (including social and affordable renting) by property size and type in North Herts 2022-31 as outlined in Table 2.1.

Table 2.1: NHC SHMA | Overall need for market and affordable dwellings (2022-31)

Unit Type	Social Rent	Affordable Rent	Affordable Home Ownership	Open Market
1-2 Bed House	422	108	277	319
3 Bed House	1,036	252	131	2,142
4 Bed House	199	38	-	1,021
5 Bed House	51	10	-	319
1 Bed Apartment	162	26	145	336
2 Bed Apartments	188	48	96	408
Total	**2,058**	**482**	**649**	**4,545**
% of Overall	**26.61%**	**6.23%**	**8.39%**	**58.77%**
% of Affordable Housing	**65.87%**	**15.43%**	**20.77%**	**-**

Baldock, Bygrave and Clothall Neighbourhood Plan

2.28 The Neighbourhood Plan was made on June 2021 and forms part of the Development Plan for North Hertfordshire.

2.29 The Neighborhood Plan supports development of the Site and outlines key policies under the development plan as follows:

- Improving access and parking – provision of additional parking and improved pedestrian and cycle access to Baldock Railway station and Baldock town centre
- Creating well-designed places – all applications to demonstrate high standard of design in line with relevant Design Guidelines in the plan.
- Sustainable Design – all new development to feature high levels of energy efficiency including the use of renewable energy (for instance Solar PV)
- Transport and air quality – to ensure the wider neighbourhoods are not negatively impacted by residential developments
- Green infrastructure and outdoor recreation – All developments should provide an appropriate amount and range of publicly accessible green infrastructure which complies with or exceeds North Hertfordshire District Council's standards (including spaces for children and young people, outdoor sport, allotments and informal recreation).
- Building strong communities – all developments should demonstrate they have been informed by a process of active engagement with local people, and should include measures to encourage and support the creation of strong and inclusive communities.

- Ensure that new development is well designed, maintains and reflects important features of Baldock and its surroundings, and is resilient to climate change.
- Secure the right infrastructure and facilities needed to serve the expanded town, and to avoid unacceptable impacts from new development.
- Ensure that Baldock grows in a way that builds strong connections between all parts of the town (and maintains good connections with neighbouring villages and countryside); and which provides homes, services and job opportunities that cater for both existing and new residents.

2.30 Additionally relating to BA1, the development should:

- maintain a clear visual and physical gap between the expanded edge of Baldock and Lower Bygrave, of sufficient size to integrate development into the surrounding landscape and ensure a sympathetic transition towards Lower Bygrave30;
- incorporate appropriate planting at the periphery of the new development (using a suitable variety of native species, with the mix and density of planting being varied to create a natural appearance);
- minimise adverse visual impacts on longer-distance views towards Baldock from Bygrave31, by giving careful consideration to the positioning and height of development, as well as to appropriate screening;
- relate sensitively to the edges of existing residential areas where the site abuts them, reflecting section 3.3 in the accompanying Design Guidelines;
- retain and incorporate existing landscape and built features that contribute to the site's history and character, including Bygrave Road/Ashwell Road and trees and hedgerows (while safeguarding the habitat value of the Bygrave Road local wildlife site);
- make provision for improved pedestrian and cycle access between Bygrave and Baldock, through a new footpath and cycleway using the route of Bygrave Road/Ashwell Road, designed in a way that maintains as much as possible of its rural character and habitat value;
- minimise the potential for increased traffic flows through Lower and Upper Bygrave, by providing for an appropriate package of measures such as: suitable access arrangements (including restrictions on heavy vehicles); physical features such as gateways and appropriate road surfaces; speed limits and signage); and
- make provision within the site for indoor community facilities suitable for meetings of local groups, and for additional indoor recreation facilities to serve the expanded town, with sufficient capacity to meet the additional needs generated by the development.

Community Infrastructure Levy (CIL)

2.31 CIL was introduced under the Planning Act 2008 and is legislated by the CIL Regulations 2010 (as amended). Local authorities in England and Wales can elect to charge CIL on new development to assist in funding infrastructure associated with planned growth.

2.32 The Council is yet to adopt a CIL Charging Schedule and therefore CIL is not currently applicable to the viability assessment.

3 Approach & Methodology

The Role of Viability Assessment in Planning

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

RICS Financial Viability in Planning: Conduct and Reporting (1st edition, May 2019)

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

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

RICS Guidance Note: Assessing viability in planning under the National Planning Policy Framework 2019 for England (1st edition, March 2021)

3.4 The RICS Viability Guidance[13], effective from 1st July 2021, supplements the RICS Professional Statement and gives added guidance to RICS members and other stakeholders in the planning process on undertaking and understanding FVAs in both a plan-making and decision-taking context.

3.5 The RICS Viability Guidance, which replaces the earlier 2012 publication, provides best practice guidance for practitioners in carrying out and interpreting the results of viability assessments under the NPPF and PPGV.

PPGV

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

> *'Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return'.* [14]

[13] *RICS (2021) Assessing viability in planning under the National Planning Policy Framework 2019 for England RICS guidance note, England 1st edition, March 2021*

14 MHCLG (2025) National Planning Practice Guidance – Viability: Paragraph: 011

3.7 PPGV confirms that the minimum landowner's return should be referred to as the 'benchmark land value' ('BLV'), which should be established on the basis of the existing use value ('EUV') of the land, plus a premium for the landowner ('+'). This approach is referred to as the 'existing use value plus' ('EUV+').

3.8 PPGV also confirms that alternative uses can be used in establishing the BLV. For the purposes of viability assessment the AUV refers to:

'...the value of land for uses other than its existing use.'[15]

3.9 Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. PPGV confirms the Government's position that valuation based on AUV includes the premium to the landowner (i.e. the AUV is equal to the EUV+ as a BLV)[16].

Methodology

3.10 The viability assessment utilises a bespoke MS Excel financial appraisal and cash flow model. A full appraisal and cashflow is provided for full transparency.

3.11 There are three primary individual components as outlined below.

Residential Serviced Land Viability Appraisals ('Housebuilder Appraisals')

3.12 The methodology for undertaking the Housebuilder Appraisals follows the residual appraisal method, which is that accepted by the RICS and recommended within RICS Viability Guidance[17]. The methodology is also consistent with the Government's recommended approach as set out in PPGV[18].

3.13 The assessment calculates the cost to construct and deliver the capital costs associated with housebuilding on each individual plots (excluding site wide infrastructure and section 106). This is set against the value of the development on the assumption it is completed in the current market. No allowance is made for underlying inflation.

3.14 This method is an industry standard approach for developers in calculating an appropriate bid to acquire land and premises for development. The residual land value ('RLV') represents the sum available following the deduction of all costs, including allowance for developer's profit, from the net achievable revenue which can be derived from the proposed scheme.

3.15 The outturn residential serviced land value is then inserted as a revenue input into the LTMD appraisal cashflow.

Commercial Serviced Land Value

3.16 Serviced land values for commercial (revenue generating) land parcels are adopted, based on market comparable evidence collated by CBRE. The value per developable acre (assuming disposal to commercial developers on a serviced basis) is inserted as a revenue input into the LTMD appraisal cashflow.

LTMD Viability Appraisal ('LTMD Appraisal')

3.17 The Applicant is to deliver the site as a LTMD, whereby bare (input) land is assembled and acquired at EUV+ (see Section 6), undertakes site wide strategic infrastructure works and meets all required Section

15 MHCLG (2025) National Planning Practice Guidance – Viability: Paragraph: 018

16 MHCLG (2025) National Planning Practice Guidance – Viability: Paragraph: 018

17 RICS (2021) Assessing viability in planning under the National Planning Policy Framework 2019 for England RICS guidance note, England 1st edition, March 2021

18 MHCLG (2025) National Planning Practice Guidance – Viability

106 contributions and subsequently sells individual serviced land to housebuilders and commercial developers[19].

3.18 As outlined above, the outturn serviced residential and commercial land values represent the adopted revenue for the LTMD within the financial viability cashflow model, with serviced land sold at a set trajectory reflective of optimum market absorption rates.

Benchmark Land Value ('BLV')

3.19 As set out above, both the Government's PPGV and RICS Guidance set out a requirement for viability assessment to compare the RLV of the Proposed Development, as derived through the viability assessment, with the BLV (i.e. minimum return at which it is considered a reasonable landowner would be willing to sell their land) in order to determine whether the proposed development is viable or unviable.

3.20 As is accepted practice within the relevant guidance, CBRE has incorporated the BLV as a fixed input land assembly cost within the viability model. As a result, the viability testing residualises to an outturn project return measured on the basis of unlevered IRR.

[19] *As advised by the Applicant, these figures do not take account of any sum which may be sought by Network Rail by way of "shared value" or otherwise in connection with the provision of the Multi-Modal Bridge.*

4 Residential Serviced Land Viability Assessment Assumptions

4.1 This section presents the principal assumptions used in the residential serviced land viability appraisals in order to determine serviced land values to insert into the LTMD cashflow model.

Development Outputs

Land Analysis

4.2 The gross site area associated with the Proposed Development is understood to be approximately 213 gross hectares (527 gross acres).

Phasing & Delivery

4.3 The Proposed Development of the Site remains at outline application stage, with the Applicant seeking planning permission for the erection of up to 3,200 dwellings with associated employment land, infrastructure and open space(s).

4.4 Discussions focussing on the provision of a new secondary school on the Site remain on-going with NHC, with the 3 options for discussion including:

1. Open a smaller new secondary school on Site;
2. Relocate and expand Knights Templar School (KTS);
3. Expand KTS on its existing site.

4.5 On the basis of the recommendation of the Applicant, and the provisional agreement of the Council, CBRE has adopted Option 1 above within this assessment, and as a result have assumed a housing scheme of **3,100 no. (Use Class C3) dwellings (for testing purposes)** due to the loss of net developable area for the inclusion of a new secondary school.

4.6 Should this provision change, CBRE reserves the right to reassess the viability of the scheme on the relevant basis.

4.7 An indicative plot by plot breakdown for a 3,100 dwelling scheme is provided in Table 4.1 below. This is reflective of the parameter plans supporting the outline planning application.

4.8 A copy of a parameters plan is provided at **Appendix B**.

Table 4.1: Residential Plot by Plot Breakdown (by Phase)

Phase	Plot/ Parcel	Net Area	DPH	DPA	Total Dwellings
BA1	Parcel 1	14.44	41.43	16.77	242
BA1	Parcel 2	9.38	41.43	16.77	157
BA1	Parcel 3	12.38	41.43	16.77	208
BA1	Parcel 4	6.85	41.43	16.77	115
BA1	Parcel 5	20.28	41.43	16.77	340
BA1	Parcel 6	17.34	41.43	16.77	291
BA1	Parcel 7	5.51	41.43	16.77	92
BA1	Parcel 8	13.75	41.43	16.77	231
BA1	Parcel 9	8.40	41.43	16.77	141
BA1	Parcel 10	9.58	41.43	16.77	161
BA1	Parcel 11	11.46	41.43	16.77	192
BA1	Parcel 12	8.86	41.43	16.77	149
BA1	Parcel 13	8.6	41.43	16.77	144
BA1	Parcel 14	9.2	41.43	16.77	154
BA1	Parcel 15	8.3	41.43	16.77	139
BA2	Parcel 16	16.5	37.53	15.19	250
BA3	Parcel 17	5.7	41.47	16.78	95
Total		**186.4**	**41.09**	**16.63**	**3,100**

4.9 An indicative housing trajectory, illustrating the velocity at which the Proposed Development could be delivered, is presented in Table 4.2 (overleaf). This has been adopted within the viability appraisal of the Proposed Development.

4.10 A proposed maximum (all tenures) delivery rate of 250 no. dwellings per annum, via multiple outlets, has been adopted for viability testing[20].

4.11 This is considered an appropriate current rate of delivery in this location based on the expertise and experience of the Applicant and CBRE's dialogue with housebuilders active in the market, and is representative of recent delivery rates in the area.

[20] *CBRE has not presently adjusted the trajectory to reflect an increase in market sales units being delivered under scenarios providing less than a policy complaint level of (40%) affordable housing. Given this will require a higher absorption rate, which is considered optimistic under current market conditions, CBRE reserves the right to review this if deemed necessary.*

Table 4.2: Indicative Dwelling Delivery Trajectory | Policy Compliant Appraisal (40% Affordable Housing)

Date	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Open Market	75	131	150	144	144	145	143	150	150	145	146	129	125	81	2
Affordable	50	88	100	96	96	97	95	100	100	97	97	86	83	54	1
Total	**125**	**219**	**250**	**240**	**241**	**241**	**238**	**250**	**250**	**241**	**243**	**214**	**208**	**136**	**4**
Cumulative	**125**	**344**	**594**	**834**	**1,074**	**1,316**	**1,554**	**1,804**	**2,054**	**2,295**	**2,538**	**2,752**	**2,961**	**3,096**	**3,100**

Source: CBRE / The Applicant

Residential Accommodation Schedule

4.12 Due to the planning application being in outline, no detailed scheme layout and accommodation schedule will be submitted for approval beyond the maximum application and land use parameters.

4.13 CBRE has had regard to the relevant planning polices as set out in Section 2, and a Memorandum provided to the Applicant from the Council setting out the affordable housing target for the Site, inclusive of advice regarding dwelling and tenure mix.

4.14 A copy of the Council's Memorandum is provided in **Appendix C**.

4.15 As a starting point for preparing a 'policy compliant' viability appraisal, the accommodation schedule incorporates 40% affordable housing provision with the following split in tenures:

- 65% affordable rented units (including Social Rent)
- 35% intermediate units

4.16 Both the Council's Developer Contributions SPD and Memorandum set out the relevant affordability targets for the affordable rented products, which are as follows:

- 1 and 2-bed dwellings: the lower of LHA or 80% of Market Rent
- 3-bed dwellings: the lower of LHA or 70% of Market Rent
- 4-bed dwellings: the lower of LHA or Social Rent

4.17 On that basis, CBRE has assumed that the target split in affordable rented products requires that all 4+ bed units are social rent tenure, and the remaining are affordable rent (restricted to LHA rates).

4.18 Units have also been sized in accordance with Nationally Described Space Standards ('NDSS').

4.19 The policy compliant scheme mix, by tenure, adopted for the viability assessment of the Proposed Development is summarised in Tables 4.3 – 4.6 below.

Table 4.3: Summary Policy Compliant Accommodation Schedule | Open Market Units

Type	Beds	Units	Units (%)	Avg NIA (m²)	Avg NIA (ft²)	N:G	Avg GIA (m²)	Avg GIA (ft²)	Total NIA (ft²)	Total GIA (ft²)
House	2-bed	249	13%	70	753	100%	70	753	187,632	187,632
House	3-bed	877	47%	93	1,001	100%	93	1,001	877,508	877,508
House	4-bed	418	22%	115	1,238	100%	115	1,238	517,216	517,216
House	5-bed	131	7%	134	1,442	100%	134	1,442	188,297	188,297
Apartment	1-bed	84	5%	50	538	85%	59	633	45,208	53,186
Apartment	2-bed	102	5%	70	753	85%	82	886	76,854	90,417
Total:		**1,860**	**100%**	**95**	**1,018**		**96**	**1,029**	**1,892,717**	**1,914,257**

Source: CBRE

Table 4.4: Summary Policy Compliant Accommodation Schedule | Affordable Rent Units

Type	Beds	Units	Units (%)	Avg NIA (m²)	Avg NIA (ft²)	N:G	Avg GIA (m²)	Avg GIA (ft²)	Total NIA (ft²)	Total GIA (ft²)
House	2-bed	218	12%	70	753	100%	70	753	164,234	164,234
House	3-bed	202	11%	93	1,001	100%	93	1,001	201,710	201,710
House	4-bed	-	-	-	-	-	-	-	-	-
House	5-bed	-	-	-	-	-	-	-	-	-
Apartment	1-bed	145	8%	50	538	85%	59	633	78,206	92,008
Apartment	2-bed	145	8%	70	753	85%	82	886	109,489	128,811
Total:		**710**	**100%**	**72**	**780**	**-**	**77**	**826**	**553,639**	**586,762**

Source: CBRE

Table 4.5: Summary Policy Compliant Accommodation Schedule | Social Rent Units

Type	Beds	Units	Units (%)	Avg NIA (m²)	Avg NIA (ft²)	N:G	Avg GIA (m²)	Avg GIA (ft²)	Total NIA (ft²)	Total GIA (ft²)
House	2-bed	-	-	-	-	-	-	-	-	-
House	3-bed	-	-	-	-	-	-	-	-	-
House	4-bed	80	4%	115	1,238	100%	115	1,238	99,531	99,531
House	5-bed	16	1%	134	1,442	100%	134	1,442	22,357	22,357
Apartment	1-bed	-	-	-	-	-	-	-	-	-
Apartment	2-bed	-	-	-	-	-	-	-	-	-
Total:		**96**	**100%**	**118**	**1,271**		**118**	**1,271**	**121,887**	**121,887**

Source: CBRE

Table 4.6: Summary Policy Compliant Accommodation Schedule | Shared Ownership Units

Type	Beds	Units	Units (%)	Avg NIA (m²)	Avg NIA (ft²)	N:G	Avg GIA (m²)	Avg GIA (ft²)	Total NIA (ft²)	Total GIA (ft²)
House	2-bed	187	10%	70	753	100%	70	753	140,876	140,876
House	3-bed	86	5%	93	1,001	100%	93	1,001	86,309	86,309
House	4-bed	-	-	-	-	-	-	-	-	-
House	5-bed	-	-	-	-	-	-	-	-	-
Apartment	1-bed	96	5%	50	538	85%	59	633	51,616	60,725
Apartment	2-bed	65	3%	70	753	85%	82	886	48,905	57,535
Total:		**434**	**100%**	**70**	**755**	**-**	**74**	**796**	**327,706**	**345,445**

Source: CBRE

Development Value

Residential | Open Market Sales Values

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

SAVILLS | MARKET UPDATE REPORT

4.21 The Applicant commissioned Savills to prepare an independent Market Update Report, dated January 2026, which provides transactional evidence of new-build residential sales proximate to the site. A copy of the report is enclosed within **Appendix D**.

4.22 CBRE has summarised the comparable data that has been reported on by Savills, as follows:

Table 4.7: Summary of Savills Current Sales Comparables Evidence | January 2026

Development	Housebuilder/ Developer	Distance from Subject Site	Current Avg. Sales Price (£/ft²)	Current Avg. Asking Price (£/ft²)
Bell Mews	Aldenham Residential	4.0km	£514/ft²	-
Arlesey Gate	Miller Homes	5.3km	-	£418/ft²
Granary & Chapel	Durkan	-	-	-
Hazel Park	Redrow	6.5km	-	£576/ft²
Fairfield Meadows	Campbell Buchanan	-	-	£414/ft²
Senuna Park	Matthew Homes	-	-	£489/ft²
Meridian Gate	Linden	-	-	£450/ft²

Source: Savills' Market Report Update Savills, January 2025

NEW-BUILD SALES COMPARABLES ANALYSIS

4.23 CBRE has conducted a more detailed residential sales market pricing analysis of current new-build housing development sites local to the subject site to inform the estimated sales values for the open market units in the Proposed Development.

4.24 A summary of key comparable developments within proximity to the Site is summarised below.

Fairfield Meadows

4.25 Located approximately 3.5km west of the Site, at Fairfield Park, Fairfield Meadows is a Campbell Buchanan development which comprises 2, 3, and 4 bedroom homes.

4.26 Details of the properties presently being marketed (at the time of writing) are summarised in Table 4.8.

Table 4.8: Fairfield Meadows | Marketed Properties

Beds	Type	Available Units	Average NSA (ft²)	Average Asking Price (£)	Average Asking Value (£/ft²)
2-Beds	Semi-detached	1	904	£417,500	£462
3-Beds	Terraced	5	1,190	£491,390	£413
	Townhouse	2	1,389	£504,750	£364

Beds	Type	Available Units	Average NSA (ft²)	Average Asking Price (£)	Average Asking Value (£/ft²)
	Semi-detached	4	1,189	£504,000	£424
	Detached	1	1,130	£529,500	£468
4-Beds	Semi-detached	1	1,778	£699,950	£394
Summary:		**14**	**1,158**	**£509,243**	**£412**

Source: Rightmove

4.27 Land Registry data identifies 12 new-build sales transactions that have completed since January 2025. A summary of these transactions is provided in the following table.

Table 4.9: Fairfield Meadows | Sales Data

Type	Sales	Min. Date	Max. Date	Average NSA (ft²)	Average Sold Price (£)	Average Sold Price (£/ft²)
Flat	1	27/01/2025	27/01/2025	915	£320,000	£350
Semi-detached	11	07/01/2025	13/05/2025	1,149	£501,300	£436
Summary:	**12**	**07/01/2025**	**13/05/2025**	**1,129**	**£486,192**	**£431**

Source: Land Registry

Arlesey Gate

4.28 Located approximately 5.25km north-west of the Site, Arlesey Gate is a new development by Miller Homes, comprising 2, 3, 4 and 5 bedroom properties.

4.29 The development is currently at the marketing stage, with no sales transactions recorded on Land Registry. Details of the properties being marketed are summarised in Table 4.10.

Table 4.10: Arlesey Gate | Marketed Properties

Beds	Type	Available Units	Average NSA (ft²)	Average Asking Price (£)	Average Asking Value (£/ft²)
3-beds	Semi-detached	2	947	£447,500	£473
	Detached	6	1,086	£493,333	£454
4-beds	Detached	11	1,404	£622,909	£444
5-beds	Detached	2	2,088	£800,000	£383
Summary:		**21**	**1,335**	**£586,048**	**£439**

Source: Rightmove; Miller Homes

Senuna Park

4.30 Located approximately 5.25km north-east of the Site, in Ashwell, Senuna Park is a Matthew Homes development comprising 28 dwellings, which includes an open market mix of 3, 4 and 5 bedroom homes.

4.31 The development is currently at the marketing stage, with no open market sales transactions recorded on Land Registry. Details of the properties being marketed are summarised in Table 4.11.

Table 4.11: Senuna Park | Marketed Properties

Beds	Type	Available Units	Average NSA (ft²)	Average Asking Price (£)	Average Asking Value (£/ft²)
3-beds	Semi-detached	2	1,113	£525,000	£472
4-beds	Detached	3	1,585	£791,667	£499
5-beds	Detached	2	2,114	£975,000	£461
Summary:		**7**	**1,601**	**£767,857**	**£479**

Source: Rightmove; Matthew Homes

Lewin Park

4.32 Located approximately 7.25km north-west of the Site, in Langford, Lewin Park is a Crest Nicholson development comprising a collection of 3, 4 and 5 bedroom homes.

4.33 Details of the properties presently being marketed are summarised in Table 4.12.

Table 4.12: Lewin Park | Marketed Properties

Beds	Type	Available Units	Average NSA (ft²)	Average Asking Price (£)	Average Asking Value (£/ft²)
3-beds	Detached	1	997	£475,000	£477
4-beds	Semi-detached	3	1,127	£461,667	£410
	Detached	5	1,382	£627,000	£454
5-beds	Detached	2	1,718	£687,500	£400
Summary:		**11**	**1,338**	**£579,091**	**£433**

Source: Rightmove; Crest Nicholson

4.34 Land Registry data identifies 7 new-build sales transactions that have completed since January 2025. A summary of these transactions is provided in the following table.

Table 4.13: Lewin Park | Sales Data

Type	Sales	Min. Date	Max. Date	Average NSA (ft²)	Average Sold Price (£)	Average Sold Price (£/ft²)
Semi-detached	2	28/03/2025	28/03/2025	1,130	£475,000	£420
Detached	5	03/02/2025	26/03/2025	1,468	£581,000	£396
Summary:	**7**	**03/02/2025**	**28/03/2025**	**1,372**	**£550,714**	**£402**

Source: Land Registry

Forster Park

4.35 Located approximately 7.5km south of the Site, north of Stevenage, homes at Forster Park are being developed by Miller Homes and Bellway, and will comprise 2, 3, 4 and 5 bedroom dwellings.

4.36 Details of the properties currently being marketed, disaggregated by housebuilder, are summarised in Tables 4.14 and 4.15.

Table 4.14: Forster Park | Bellway Marketed Properties

Beds	Type	Available Units	Average NSA (ft²)	Average Asking Price (£)	Average Asking Value (£/ft²)
3-beds	Semi-detached	2	N/A	£516,250	N/A
4-beds	Detached	2	N/A	£597,500	N/A
5-beds	Detached	2	N/A	£875,000	N/A
Summary:		**4**	**N/A**	**£662,917**	**N/A**

Source: Rightmove; Miller Homes; Bellway

Table 4.15: Forster Park | Miller Homes Marketed Properties

Beds	Type	Available Units	Average NSA (ft²)	Average Asking Price (£)	Average Asking Value (£/ft²)
3-beds	Semi-detached	14	1,075	£482,286	£449
	Detached	10	1,027	£519,600	£506
4-beds	Detached	7	1,454	£657,143	£452
5-beds	Detached	3	1,883	£828,333	£440
Summary:		**34**	**1,210**	**£559,794**	**£463**

Source: Rightmove

4.37 Land Registry data identifies 3 new-build sales transactions that have completed since January 2025. A summary of these transactions is provided in the following table (note: CBRE is not able to determine if these dwellings are Bellway or Miller Homes properties).

Table 4.16: Forester Park | Sales Data

Type	Sales	Min. Date	Max. Date	Average NSA (ft²)	Average Sold Price (£)	Average Sold Price (£/ft²)
Detached	3	24/03/2025	30/05/2025	983	£462,133	£470
Summary:	**3**	**24/03/2025**	**30/05/2025**	**983**	**£462,133**	**£470**

Source: Land Registry

Hazel Park

4.38 Located approximately 9.0km south of the Site, east of Stevenage, Hazel Park is a Redrow development comprising a mix of 2, 3 and 5 bedroom homes.

4.39 Details of the properties currently being marketed are summarised in Table 4.17.

Table 4.17: Hazel Park | Marketed Properties

Beds	Type	Available Units	Average NSA (ft²)	Average Asking Price (£)	Average Asking Value (£/ft²)
3-beds	Semi-detached	1	N/A	£475,000	N/A
	Detached	11	N/A	£660,000	N/A

Beds	Type	Available Units	Average NSA (ft²)	Average Asking Price (£)	Average Asking Value (£/ft²)
5-beds	Detached	1	N/A	£860,000	N/A
Summary:		**13**	N/A	£661,154	N/A

Source: Rightmove; Redrow

4.40 Land Registry data identifies 9 new-build sales transactions that have completed since January 2025. A summary of these transactions is provided in the following table.

Table 4.18: Hazel Park | Sales Data

Type	Sales	Min. Date	Max. Date	Average NSA (ft²)	Average Sold Price (£)	Average Sold Price (£/ft²)
Detached	9	21/02/2025	23/05/2025	1,442	£655,434	£454
Summary:	**9**	**21/02/2025**	**23/05/2025**	**1,442**	**£655,434**	**£454**

Source: Land Registry

Apartment Sales Evidence

4.41 There is limited new-build evidence of apartment sales values proximate to the Site. A single apartment sale at Fairfield Meadows, completed in January 2025, achieved a sold price of £320,000, equating to £350/ft².

4.42 CBRE has obtained sales data for Taylor Wimpey's Orchard Chase development, located in Biggleswade. The development is now complete and Taylor Wimpey are no longer marketing units. However, Land Registry comprises a record of nine sales transactions for apartments at this development that have occurred since January 2025. Details are presented in Table 4.19 below.

Table 4.19: Orchard Chase, Biggleswade | Apartment Sales Data

Address	Type	Sold Date	NSA (ft²)	Sold Price (£)	Sold Price (£/ft²)
19 Hollyhock Way	Flat	28/03/2025	840	£242,250	£289
9 Hollyhock Way	Flat	28/03/2025	840	£255,000	£304
17 Hollyhock Way	Flat	28/03/2025	840	£242,250	£289
7 Hollyhock Way	Flat	28/03/2025	689	£237,500	£345
3 Hollyhock Way	Flat	28/03/2025	689	£237,500	£345
25 Hollyhock Way	Flat	28/03/2025	840	£247,000	£294
15 Hollyhock Way	Flat	28/03/2025	818	£256,500	£314
1 Hollyhock Way	Flat	27/03/2025	689	£237,500	£345
5 Hollyhock Way	Flat	21/03/2025	818	£245,000	£299
Summary:			**785**	**£244,500**	**£312**

Source: Land Registry

4.43 It is CBRE's understanding that the above transactions do not constitute affordable housing sales, as, according with the Committee Report associated with the Reserved Matters approval (CB/19/02032/RM), the development provided offsite affordable housing provision, comprising "*over 40% affordable housing in the form of an Extra Care scheme at Sorrell Way*".

4.44 CBRE has compared the achieved sales values for apartments with those for houses at Orchard Chase. The analysis indicates that new-build apartment values (at £312/ft²) achieved approximately 86% of the corresponding housing values (£361/ft²).

ADOPTED OPEN MARKET SALES VALUES

4.45 Drawing on the above/ attached data, and reflecting on the wider context of a generally sluggish sales market driven by the challenging inflationary environment, which has increased mortgage costs considerably and reduced purchaser affordability, CBRE has adopted market-facing open market sales values considered an appropriate and reasonable reflection of current achievable market values at the Site, reflective of the overall proposed mix and [average] size of units, and the anticipated steady rate of sales (linked to the trajectory set out in Table 4.2).

4.46 The adopted average open market sales value equates to a blended average of approximately £466/ft².

4.17 CBRE's adopted residential open market pricing schedule is summarised in Table 4.20.

Table 4.20: Summary Open Market Pricing Schedule | Policy Compliant Appraisal

Type	Beds	Units	Avg. NIA (ft²)	Total NIA (ft²)	Avg. Unit Price (£/Unit)	GDV (£)	GDV (£/ft²)
House	2-bed	249	753	187,632	£361,667	£90,063,448	£480
House	3-bed	877	1,001	877,508	£470,490	£412,428,799	£470
House	4-bed	418	1,238	517,216	£575,600	£240,505,630	£465
House	5+bed	131	1,442	188,297	£670,699	£87,558,265	£465
Flat	1-bed	84	538	45,208	£228,733	£19,213,562	£425
Flat	2-bed	102	753	76,854	£320,226	£32,663,055	£425
Total:		**1,860**	**1,018**	**1,892,717**	**£474,426**	**£882,432,758**	**£466**

Source: CBRE

Residential | Affordable Housing Values

4.47 The policy compliant viability appraisal incorporates 40% affordable housing provision as outlined earlier in this report, with a split of 65% Affordable Rent and 35% shared ownership (further split 57% affordable rent, 8% social rent and 35% shared ownership based on affordability caps stipulated in local planning policy).

4.48 The values attributable to each affordable housing tenure product have been calculated as follows:

- Affordable Rent units - CBRE has identified the latest published Local Housing Allowance ('LHA') data to determine maximum affordable rent per week for the Affordable Rented units (which is capped at no more than 70%/80% open market rent as appropriate). The maximum affordable rent is then run through CBRE's Affordable Rent calculator, which makes allowances for outgoings, management repairs and maintenance, to determine the capital value of each proposed unit type.
- Social Rent units - CBRE has had regard to Regulator of Social Housing data for Registered Provider social housing to inform rents for the Social Rent units. The average net weekly rents are run through

CBRE's Social Rent calculator, which makes allowances for outgoings, management repairs and maintenance, to determine the value (capitalised yield) of each proposed unit type.

– Shared Ownership units - CBRE has modelled the shared ownership units on the basis an initial 35% share with a 2.75% equity rent due on the remaining unsold share and £750 outgoings per annum. The assessed capital values equate to approximately 65% open market value. This is at the upper end of the range of pricing expected, with lower initial share equity acquisition resulting in reduced capital values.

4.49 Each of the affordable rented products (affordable rent and social rent) are capped at no higher than LHA as outlined within the Developer Contributions SPD.

4.50 The affordable housing values adopted for the policy compliant appraisal of the Proposed Development are presented in Tables 4.21 - 4.23.

Table 4.21: Summary Affordable Rent Pricing Schedule

Type	Beds	Units	Avg. NIA (ft²)	Total NIA (ft²)	Avg. Unit Price (£/Unit)	GDV (£)	GDV (£/ft²)
House	2-bed	218	753	164,234	£196,528	£42,836,992	£261
House	3-bed	202	1,001	201,710	£216,546	£43,634,015	£216
House	4-bed	-	-	-	-	-	-
House	5+bed	-	-	-	-	-	-
Flat	1-bed	145	538	78,206	£152,314	£22,133,110	£283
Flat	2-bed	145	753	109,489	£196,528	£28,557,995	£261
Total:		**710**	**780**	**553,639**	**£193,161**	**£137,162,112**	**£248**

Source: CBRE

Table 4.22: Summary Social Rent Pricing Schedule

Type	Beds	Units	Avg. NIA (ft²)	Total NIA (ft²)	Avg. Unit Price (£/Unit)	GDV (£)	GDV (£/ft²)
House	2-bed	-	-	-	-	-	-
House	3-bed	-	-	-	-	-	-
House	4-bed	80	1,238	99,531	£137,806	£11,080,493	£111
House	5+bed	16	1,442	22,357	£158,088	£2,450,365	£110
Flat	1-bed	-	-	-	-	-	-
Flat	2-bed	-	-	-	-	-	-
Total:		**96**	**1,271**	**121,887**	**£141,084**	**£13,530,858**	**£111**

Source: CBRE

Table 4.23: Summary Shared Ownership Pricing Schedule

Type	Beds	Units	Avg. NIA (ft²)	Total NIA (ft²)	Avg. Unit Price (£/Unit)	GDV (£)	GDV (£/ft²)
House	2-bed	187	753	140,876	£235,437	£44,019,318	£312

Type	Beds	Units	Avg. NIA (ft²)	Total NIA (ft²)	Avg. Unit Price (£/Unit)	GDV (£)	GDV (£/ft²)
House	3-bed	86	1,001	86,309	£317,488	£27,373,456	£317
House	4-bed	-	-	-	-	-	-
House	5+bed	-	-	-	-	-	-
Flat	1-bed	96	538	51,616	£143,649	£13,776,826	£267
Flat	2-bed	65	753	48,905	£206,823	£13,424,088	£274
Total:		**434**	**755**	**327,706**	**£227,174**	**£98,593,688**	**£301**

Source: CBRE

Development Costs

Strategic Infrastructure & Abnormals Costs

4.51 All strategic infrastructure costs associated with the Site are assumed to be paid for by the LTMD as outlined earlier in this report. Details are provided in section 6.

Residential On-Plot Construction Costs

4.52 The adopted on-plot residential construction costs (including prelims) are summarised in the following table.

4.53 The costs draw upon the lower-quartile BCIS data reweighted to North Hertfordshire, which accords with PPGV[21].

Table 4.24: On-plot Residential Development Costs

Base Build Cost Build Up: RICS BCIS - Lower Quartile	Base Unit Cost (£/ft²)
2 Storey Estate Housing - Generally	150.41
Flats - Generally	170.01

Source: BCIS

On-Plot External Works

4.54 On-plot external works including tertiary highways, drives, sewers, plot connections, boundary treatments and landscaping are assumed to be delivered by the housebuilders.

4.55 CBRE has adopted a cost based on a proportion of base build, of 15% for housing and 10% for apartments. This arrives at a total on-plot external works budget of £64,286,702, which breaks back to £20,738/unit. CBRE considers this reflects an appropriate allowance, when considered in conjunction with the application of BCIS base construction costs.

Garage Provision

4.56 The adopted costs for garage provision have been benchmarked against elemental cost estimates provided to CBRE by housebuilders.

4.57 Table 4.25 below summarises the adopted garage provision and costs for the Proposed Development.

[21] *MHCLG (2024) PPGV: Paragraph: 012 (ref. ID: 10-012-20240214)*

Table 4.25: Garage Provision & Cost Summary

Garage Type	Unit Types	Qty	Total Units	Avg Unit Cost (£)
Integrated Garage	3-beds	25% of units	291	7,500
Single Garage	3-beds	25% of units	291	15,000
Integrated Garage	4-beds	50% of units	249	7,500
Single Garage	4-beds	50% of units	249	15,000
Double Garage	5+ beds	100% of units	146	21,500

Source: CBRE

Building Regulations Part M4(2) and Part M4(3)

4.58 NHLP, Policy HS5 (accessible and adaptable housing) states that "*planning permission for major residential development will be granted provided that: a) applicants demonstrate that at least 50% of homes can be built to the M4(2) Accessible and Adaptable standard; and b) on schemes where 10 or more affordable units will be delivered, 10% of these can additionally be built to the M4(3) wheelchair user standard.*"

4.59 The assumed costs for compliance are based upon 'Table 45 – Access Costs Summary' within the DCLG's Housing Standards Review: Cost Impacts report[22]. These figures directly informed the publication of the DCLG's Housing Standards Review – Final Implementation Impact Assessment (March 2015). This is extracted below for clarity.

Table 45 – Access costs summary

	1B Apartment	2B Apartment	2B Terrace	3B Semi-detached	4B Detached
Cost all dwellings (extra over current industry practice)					
Category 1	-	-	-	-	-
Category 2	£940	£907	£523	£521	£520
Category 3 Adaptable	£7,607	£7,891	£9,754	£10,307	£10,568
Category 3 Accessible	£7,764	£8,048	£22,238	£22,791	£23,052

4.60 Due to passage of time since this evidence-based analysis was published, CBRE has indexed the costs from a base date of March 2015 to Q1 2026, utilising the BCIS All-in TPI. The adopted costs are presented in Tables 4.26 and 4.27.

Table 4.26: Part M4(2) Cost Summary

Unit Type	Base Rate (£)	Indexed Rate (£)	Applicable to (% of All Units)	Total Cost (£)
2-Bed House	£523	£808	50.00%	264,231
3-bed House	£521	£805	50.00%	468,638
4-Bed House	£520	£803	50.00%	200,158

[22] *EC Harris (September 2014), Department for Communities and Local Government: Housing Standards Review – Costs Impacts (https://assets.publishing.service.gov.uk/media/5a7ebf1bed915d74e33f228b/021c_Cost_Report_11th_Sept_2014_FINAL.pdf)*

Unit Type	Base Rate (£)	Indexed Rate (£)	Applicable to (% of All Units)	Total Cost (£)
5+Bed House	£520	£803	50.00%	58,672
1-Bed Flat	£940	£1,452	50.00%	236,175
2-Bed Flat	£907	£1,401	50.00%	218,774
Total:				**1,446,648**

Source: CBRE

Table 4.27: Part M4(3) Cost Summary

Unit Type	Base Rate (£)	Indexed Rate (£)	Applicable to (% of AH Units)	Total Cost (£)
2-Bed House	£9,754	£15,071	10.00%	1,121,285
3-bed House	£10,307	£15,925	10.00%	452,343
4-Bed House	£10,568	£16,329	10.00%	283,467
5+Bed House	£10,568	£16,329	10.00%	62,641
1-Bed Flat	£7,607	£11,754	10.00%	-
2-Bed Flat	£7,891	£12,192	10.00%	310,878
Total:				**2,230,614**

Source: CBRE

Building Regulations Part L/F

4.61 CBRE has been informed by RICS BCIS (latest response dated July 2025) that BCIS construction cost analyses do not currently appropriately capture the additional costs associated with conformity with Building Regulations Part L, F, & S (2022), which only became enforceable from July 2023, due to the backwards facing nature of the data.

4.62 The written response from BCIS confirms that it would be prudent to make an extra-over allowance to meet these costs. A copy of the correspondence is provided within **Appendix E**.

4.63 The BCIS Publication titled "*When are changes in building regulations reflected in the average prices studies?*" (dated August 2025) confirms that BCIS construction cost analyses are likely to contain samples from older building regulation regimes, due to the time lag between implementation of new regulations and reflection of this in sampled projects.

4.64 CBRE has had regard to the Department for Levelling Up, Housing & Communities (DLUHC) 2021 Final Stage Impact Assessment[23], which provides estimations the cost impact on the Part L & F changes to Building Regulations. The extract below from Table 8 (page 34) of the Impact Assessment provides a breakdown by dwelling type.

[23] Department for Levelling Up, Housing & Communities (December 2021), 2021 changes to the energy efficiency requirements of the Building Regulations for domestic buildings – Final Stage Impact Assessment (https://www.gov.uk/government/publications/2021-uplift-to-energy-efficiency-standards-improved-ventilation-and-new-overheating-requirement)

Table 8: Additional Capital Costs for Routes to Compliance compared to Counterfactual

	Gas Boiler and Solar PV	AS Heat Pump
Detached house	£4,840	£3,750
Semi-detached house	£3,800	£4,360
Mid-Terraced house	£3,760	£4,320
Flats	£2,090	£4,090
Average (based on build mix)	£3,660	£4,070

*Gross Undiscounted Costs

4.65 CBRE has indexed the costs provided within the DLUHC report using the BCIS All-in TPI. The indexed costs are presented in the following tables and a copy of the BCIS All-in TPI is provided within **Appendix F.**

Table 4.28: Building Regulations Part L & F Cost Indexation

Part L&F	As at Q4 2021		As at Q1 2026	
Index	344		411	
Unit Type	Gas boiler and Solar PV	Air Source Heat Pump	Gas boiler and Solar PV	Air Source Heat Pump
Detached House	£4,840	£3,750	£5,783	**£4,480**
Semi-Detached House	£3,800	£4,360	£4,540	**£5,209**
Mid-Terraced House	£3,760	£4,320	£4,492	**£5,161**
Flats	£2,090	£4,090	£2,497	**£4,887**

4.66 CBRE has adopted the indexed cost uplifts associated with attaining the energy efficiencies of 'Air Source Heath Pumps'. The respective rates [in the above table] are applied as follows:

- 'Mid-Terraced House' rate: applied to 2-bed houses
- 'Semi-Detached House' rate: applied to 3-bed houses
- 'Detached House' rate: applied to 4 & 5+ bed houses
- 'Flats' rate: applied to all flats/ apartments

Future Homes and Buildings Standards ('FHS')

4.67 As part of the Government's commitment to achieving net zero emissions by 2025 and as one of a series of interim targets, the Future Homes and Buildings Standards is proposed to introduce more ambitious requirements for energy efficiency and low-carbon heating in new dwellings and non-domestic buildings, going beyond the 2021 uplift(s) to Part L. Compliance with these enhanced standards will introduce additional capital costs for development.

4.68 Buildings constructed to the FHS will be designed to achieve zero operational carbon emissions as the electricity grid continues to decarbonise. Under the FHS, dwellings are expected to benefit from lower running costs relative to existing housing stocks and, alongside previous improvements to ventilation and energy efficiency standards, will experience reduced risks of damp, mould, excess cold and heat, and improved air quality.

4.69 The Government published the *Future Homes and Buildings Standards: consultation response*[24] on 24 March 2026. This confirms that the FHS will come into force on 24 March 2027 for non-Higher-Risk Building (non-HRB) work, followed by a 12-month transition period. For such building work to be completed under existing Part L standards, relevant documents will need to have been submitted by 24 March 2027, and construction will need to commence on the relevant building by 24 March 2028 (unless other transitional provisions apply).

4.70 For Higher-Risk Buildings, the amending regulations will come into force for Higher-Risk Building work (including a stage of HRB work) or work to an existing HRB on 24 September 2027. A valid Gateway 2 application must have been submitted before that date for such work to be completed to 2021 version of Part L (the application must not have been rejected before that date or be rejected or lapse on or after that date).

4.71 The updated Consultation Stage Impact Assessment[25] accompanying the latest consultation response provides estimates of the additional capital costs associated with FHS compliance at 2025 prices (see Table 15, p. 57), relative to continued application of existing Part L 2021 standards. Supporting commentary notes that *"over the longer-term, it is estimated that the costs associated with both heat pumps and solar PV will fall, as supply chains mature and become more integrated, and learning rates take effect. By the end of the first 10-years of the policy period, it is assumed that the cost of a heat pump will be around 70% of the initial cost, whilst for Solar PV they will be around 60% of the initial cost."*

4.72 CBRE has considered the additional capital costs set out within the consultation response (assumed accurate at Q2 2025) together with the anticipated cost reductions over a 10-year period. Drawing on BCIS All-in TPI data, CBRE has evaluated the current cost implications of achieving compliance with the FHS for the Proposed Development.

4.73 A summary of the adopted costs are presented in Table 4.29.

Table 4.29: Future Homes Standard | Index-Adjusted Cost

	Additional Capital Cost (Q2 2025)	Indexed-Adjusted Cost (Q1 2026)
Detached House	£5,160	**£4,170**
Semi-Detached House	£5,600	**£4,525**
Mid-Terraced House	£5,690	**£4,600**
Low Rise Flats (<11m)	£5,300	**£4,285**
Mid-High Rise Flats (>11m)	£2,210	**£1,785**

Source: CBRE; DLUHC

4.74 Based on the FHS being applicable for construction from 24 March 2028, the index-adjusted costs have been applied to the construction of all units within the Proposed Development.

4.75 CBRE reserves the right to review this basis in light of further information being published by Government.

[24] *Department for Levelling Up, Housing & Communities (March 2026), The Future Homes and Buildings Standards: Consultation Response (https://www.gov.uk/government/consultations/the-future-homes-and-buildings-standards-2023-consultation/the-future-homes-and-buildings-standards-2023-consultation)*

[25] *Department for Levelling Up, Housing & Communities (March 2026), Future Buildings Standard Impact Assessment (https://www.gov.uk/government/publications/the-future-homes-and-buildings-standards-impact-assessments)*

Electric Vehicle Charging Points ('EVCP')

4.76 The provision of an electric vehicle charging point and charging connections to each plot is a requirement of Part S of the Building Regulations (2022). As confirmed within the response from BCIS as per **Appendix G**, the cost associated with this provision is not yet accounted for within BCIS average cost data and therefore, an additional extra over allowance is necessary.

4.77 Based on CBRE's experience across other residential development sites of this nature, an allowance for the provision of EVCP at £880 per house and £220 per apartment unit is suitable (inclusive of preliminaries). This assumes a charging point is shared between four apartments. This equates to a total cost of £2,307,291.

4.78 CBRE considers that this represents a plot build cost, rather than an abnormal allowance given it now features as part of the Building Regulations. As such, CBRE has included this as a standalone cost item within the viability appraisal.

Biodiversity Net Gain ('BNG')

4.79 Under the statutory framework introduced by Schedule 7A of the Town and Country Planning Act 1990[26], every grant of planning permission from February 2024 (with exceptions) is deemed to have been granted subject to the condition that the biodiversity gain objective is met.

4.80 The BNG objective requires developments to deliver at least a 10% increase in biodiversity value relative to the pre-development biodiversity value of the on-site habitat. This can be achieved through on-site gains, registered off-site gains, or statutory biodiversity credits.

4.81 At this juncture, due to the outline nature of proposals, a Biodiversity Net Gain ('BNG') Assessment has not been undertaken.

4.82 It is assumed that there is potential for the development of the Site to incorporate mitigation measures to minimise the loss of habitat units and, potentially, to increase them. Mitigation measures might include retention of any existing high value features (e.g. hedgerows), landscape maintenance management to improve the condition of any existing grassland, green roof integration [over new buildings] and SUDS that support biodiversity, etc.

4.83 The viability appraisal presently excludes any financial contributions towards BNG.

4.84 CBRE reserves the right to revisit this should additional information come to light.

Building Safety Levy ('BSL')

4.85 The Building Safety Act 2022 introduced powers to impose a levy on new residential buildings requiring certain building controls in England, with the purpose of raising revenue to address building safety.

4.86 Following an initial public consultation in early 2023[27], and a subsequent technical consultation in early 2024[28], the Government has confirmed that the policy proposals presented will be pursued, with the introduction of the levy stated to come into effect in Autumn 2026.

4.87 Government has confirmed that the levy will be charged on all new dwellings and purpose-built student accommodation in England which require a building control application, based on the gross internal

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[26] *As inserted by the Environment Act 2021*

[27] *DLUHC (2024), The Building Safety Levy: consultation (https://www.gov.uk/government/consultations/the-building-safety-levy-consultation/the-building-safety-levy-consultation)*

[28] *DLUHC (2025), Building Safety Levy: Technical consultation response (https://www.gov.uk/government/consultations/building-safety-levy-technical-consultation/outcome/building-safety-levy-technical-consultation-response#introduction)*

floorspace of the development. Certain residential buildings, including affordable housing, benefit from exemption from the levy charge.

4.88 Within the technical consultation response, it is confirmed the levy rates per sqm of chargeable floorspace per local authority for works on previously developed land ('PDL') and non-previously developed land, with proposals on PDL benefit from a discounted levy rate of 50%.

4.89 The BSL rates for North Hertfordshire are as follows:

- Previously Developed Land: £18.45/m^2
- Non-Previously Developed Land: £36.90/m^2

4.90 In accordance with the information published to date, CBRE has undertaken an initial calculation of BSL arising from the Proposed Development, factoring a policy compliant provision of affordable housing and in anticipation of BSL coming into effect in September 2026.

4.91 A summary of the BSL calculation is presented in Table 4.30.

Table 4.30: Estimated Building Safety Levy Liability | Proposed Development

Input	Value
Total Chargeable Floorspace (Excluding Affordable Housing) (sqm)	1,914,257
Units Delivered from September 2026 (%)	100%
Non-PDL Rate (£/m²)	£36.90
Non-PDL Rate (£/ft²)	£3.43
Total BSL Liability (£)	**£6,562,314**

Source: CBRE

4.92 CBRE has adopted this cost within the viability appraisal(s).

Other Development Costs

4.93 Other key development costs incorporated within the viability appraisal of the Proposed Development at the Site are summarised in Table 4.31 below.

Table 4.31: Other Appraisal Assumptions

Input	Rate	Comments
Professional Fees & Insurances (Dwellings)	6.00%	Estimated as a % of total dwelling build costs (comprising base construction cost, garage costs, and uplifts). Incorporating all surveys, statutory fees and professional fees.
Contingency (Dwellings)	3.00%	Estimated as a % of total dwelling build costs (comprising base construction cost, garage costs, and regulatory uplifts).
Sales & Marketing Fees	2.50%	Of GDV (Open Market)
Sales Legal Fees	£1,000/unit	Applied to open market GDV
Affordable Housing Conveyancing Fee	£750/unit	Applied to Affordable Housing GDV
Cost of Land Acquisition	-	SDLT (HMRC rate), agent's fee (1.00%) and legal fees (0.80%).

Input	Rate	Comments
Finance	7.50%	Minimum cost of capital for financing the residential development plots via the market, which takes into account arrangement, monitoring and related fees/credits. This assumes the housebuilder plots are 100% debt funded.
Developer's Return	17.50%	Of open market GDV, reflecting the acquisition of serviced parcels and commensurate with the construction and sales risk involved in the delivery of the Proposed Development in the current market.
	6.00%	Of affordable housing GDV

Source: CBRE

5 Non-Residential Serviced Land

Non-residential Land

5.1 The Proposed Development includes approximately 16 ha (39.5 acres) of employment land to be delivered alongside the wider residential development.

5.2 CBRE presently understands that the employment land may deliver up to 84,000m² of employment uses, comprising the following outline mix:

- up to 20,000m² **office** (E, g) i));
- up to 5,000m² **indoor sport and recreation** (E, d);
- up to 26,500m² **research and development** (E, g) ii)) and/or **light industrial** (Class E, g), iii));
- up to 26,500m² **industrial** (B2); and
- up to 6,000m² **Health Hub** (E, e).

5.3 A waste recycling facility will occupy approximately 3.7 ha (9.5 acres) of the employment site, with the residual 12.3 ha (30 acres) to be sold by the LTMD as employment land.

5.4 CBRE has not attributed any value to the waste recycling facility, based on the Applicant's recommendation that this will not be revenue generating to the Applicant.

5.5 For the purposes of this viability assessment, CBRE has assumed that the proposed *indoor sport and recreation* and *health hub* uses/land will be delivered and operated on a not-for-profit basis, with any income being nominal and/ or reinvested. These uses are therefore treated as non-value generating.

5.6 Furthermore, CBRE has obtained professional opinion from CBRE's National Office Investment Properties team, who have advised on the proposed allocation for offices. They have advised that, in the current market, they would not attribute any value to the proposed office land (i.e. it should be cost/revenue neutral). This is due to a lack of established market in this locality and a generally limited development market for speculative offices in the South East. CBRE has therefore also assumed the allocation of employment land for an office (E, g) i)) use is treated as non-value generating.

5.7 The proposed industrial (B2) and R&D (Class E(g)(ii)/ light industrial (E(g)(iii) employment land uses are expected to be revenue-generating.

5.8 There is limited available transactional evidence for these land uses in the immediate locality, however, CBRE's Industrial Advisory & Transaction Services team has provided comparative data from nearby urban centres (e.g. Luton, Harlow). A summary is presented in the following table.

Table 5.1: Summary of Industrial Land Transactions | Comparables

Transaction Date	Site/ Property	Size (Acres)	Price (£/Acre)	Purchaser	Comments
Q1 2025	Sundon Park Industrial Estate, Luton	15.7	£1,350,000	Hillwood	SKF Headquarters site dating from the 1950s
Q1 2025	Horizon, Braintree	24	£1,400,000	Panattoni	Capable of providing 750,000 sqft. of industrial floorspace

Transaction Date	Site/ Property	Size (Acres)	Price (£/Acre)	Purchaser	Comments
Q3 2024	Howard Way, Harlow	4.5	£1,880,000	Gratnells & Canmoor	5 new units 14,600 - 37,530 sqft. to PC Q2 2026
H2 2024	Milton Keynes 100	5	£1,300,000	Panattoni	Detailed planning submitted for a single-unit of 100,000 sq ft

Source: CBRE

5.9 The comparable evidence presented in the above table includes entries from stronger and/ or established locations, which would attract a premium over an assumed transaction at the Site.

5.10 CBRE's Industrial Advisory & Transaction Services team has advised that they would expect industrial land at the Site to attract in the region of £1m per acre (developable). CBRE has therefore assumed that the employment land, proposed for a mix of industrial, R&D and light industrial uses, could attract a value in this region.

5.11 On the above basis, the assumed value-generating industrial/ R&D/ light industrial employment land has been attributed a value of £1,000,000 per acre (developable), which is considered an optimistic assumption in the current market and for this location.

5.12 CBRE has applied the proportion of proposed industrial, R&D/ light industrial floorspace (53,000m² out of a total 84,000m²) to the assumed net developable employment land area of 12.3 hectares. Using this ratio, CBRE derives an indicative land area of approximately 7.77 hectares (19.2 acres) for the value-generating proposed employment uses, to which the adopted land value of £1m per acre is attributed.

6 LTMD Appraisal Assumptions

6.1 This section sets out the principal assumptions adopted within the LTMD financial appraisal and cash flow analysis.

Residential Serviced Land Revenue

6.2 The output residual residential serviced land values represents the revenue (or 'GDV') generated for the LTMD when disposing of the serviced residential land to housebuilders.

6.3 The residual land appraisals are provided in **Appendix H** and a summary is provided in Table 6.1 below.

Table 6.1: Residential Serviced Land Values | by Plot/ Parcel

Plot/ Parcel Name	Site Net Area (Acres)	Total Dwellings	Serviced Land Value (£m)	Serviced Land Value (£/acre)	Serviced Land Value (£/unit)
BA1 | Parcel 1	14.44	242	£21.25m	£1,471,266	£87,753
BA1 | Parcel 2	9.38	157	£13.43m	£1,431,915	£85,406
BA1 | Parcel 3	12.38	208	£18.03m	£1,456,093	£86,848
BA1 | Parcel 4	6.85	115	£9.67m	£1,411,501	£84,188
BA1 | Parcel 5	20.28	340	£30.44m	£1,500,821	£89,515
BA1 | Parcel 6	17.34	291	£25.81m	£1,488,577	£88,785
BA1 | Parcel 7	5.51	92	£7.71m	£1,399,386	£83,465
BA1 | Parcel 8	13.75	231	£20.15m	£1,465,758	£87,424
BA1 | Parcel 9	8.40	141	£11.96m	£1,423,683	£84,915
BA1 | Parcel 10	9.58	161	£13.74m	£1,433,912	£85,525
BA1 | Parcel 11	11.46	192	£16.60m	£1,448,145	£86,374
BA1 | Parcel 12	8.86	149	£12.65m	£1,427,768	£85,158
BA1 | Parcel 13	8.6	144	£12.25m	£1,425,717	£85,036
BA1 | Parcel 14	9.2	154	£13.15m	£1,429,835	£85,281
BA1 | Parcel 15	8.3	139	£11.80m	£1,421,667	£84,794
BA2 | Parcel 16	16.5	250	£21.99m	£1,335,865	£87,953
BA3 | Parcel 17	5.7	95	£7.94m	£1,403,028	£83,591
Total	**186.4**	**3,100**	**£268.56m**	**£1,440,449**	**£86,631**

6.4 The timing of residential serviced land receipts, as advised by the Applicant, assumes annual payments of approximately £6m, commencing 12 months in advance of the delivery of each plot/ parcel, and continuing until the total plot/ parcel value is paid full. This staged payment structure is viewed as commercially advantageous by enhancing serviced land values (but in practice may not always be possible).

Non-Residential Land

6.5 As set-out in Section 5, the Proposed Development includes approximately 16 ha (39.5 acres) of employment land to be delivered alongside the wider residential development. A waste recycling facility will occupy approximately 3.7 ha (9.5 acres) of the employment site, with the residual 12.3 ha (30 acres) available to be sold by the LTMD as employment land.

6.6 The proposed industrial (B2) and R&D (Class E(g)(ii)/ light industrial (E(g)(iii) employment land uses are expected to be revenue-generating. CBRE has therefore attributed a value of £1,000,000 per acre (developable) to these uses.

6.7 CBRE has applied the proportion of proposed industrial, R&D/ light industrial floorspace (53,000m² out of a total 84,000m²) to the assumed net developable employment land area of 12.3 hectares. Using this ratio, CBRE derives an indicative land area of approximately 7.77 hectares (19.2 acres) for the value-generating employment uses, to which the adopted land value of £1m per acre is attributed.

6.8 This land value represents revenue (or 'GDV') generated for the LTMD when disposing of the serviced land to commercial developers.

Strategic Infrastructure, Section 106 and Plot Abnormals

6.9 The LTMD will deliver the site wide strategic infrastructure including spine roads, drainage, utilities and landscaping (but excluding on-plot costs as outlined in Section 5) alongside meeting all required Section 106 obligations such as education, outdoor and recreation, community and other local authority buildings and all associated fees.

6.10 The Applicant has instructed specialist cost consultant Arcadis to prepare a cost plan and cash flow to determine the cost to provide all the cost items above. The forecast cash flow is aligned to the dwelling trajectory presented in Table 4.2.

6.11 The full cost plan and cash flow can be found in **Appendix I** and a summary is provided in Table 6.3, reflecting a total overall cost of £250.20m, reflecting a rate per proposed dwelling of c. £80,711. This has been disaggregated between infrastructure and S106 cost items.

Table 6.3: Arcadis Cost Plan Summary

Cost Item	Total Cost	Cost/Unit
Site Preparation Works	£27,705,815	£8,937
Site Infrastructure (S38)	£37,921,016	£12,233
SW Drainage and SUDs	£5,985,344	£1,931
Foul Water Drainage	£9,926,543	£3,202
Open Space (S106)	£7,948,702	£2,564
Off-site highways (S106)	£35,256,057	£11,373
Utilities	£13,955,335	£4,502
Abnormals / Others	£200,000	£65
Professional Fees	£14,554,579	£4,695
Local Authority Fees	£10,106,998	£3,260
Schools (S106)	£73,500,000	£23,710

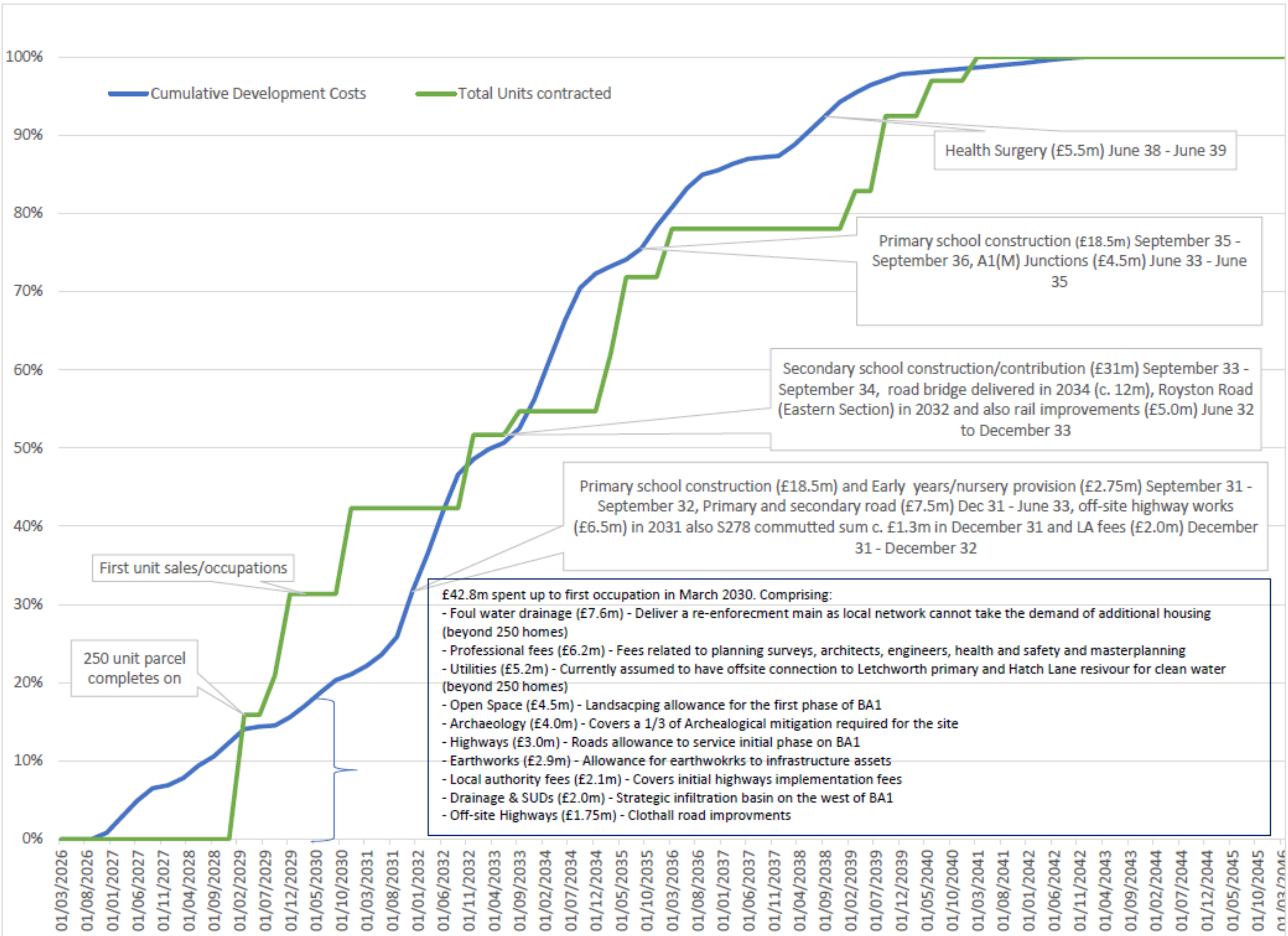
Cost Item	Total Cost	Cost/Unit
Other S106	£13,143,599	£4,240
Total:	**£250,203,988**	**£80,711**
Sub-total: Direct Works and Fees	**£120,355,630**	**£38,824**
Sub-total: S106 Items	**£129,848,358**	**£41,887**

Source: Arcadis

6.12 The expected Section 106 costs, as summarised in Table 6.3 above, are comparatively high for a development of this type and scale and represent a significant cost to the development, placing material pressure on overall viability.

6.13 Figure 1, below, illustrates the proposed profiling of strategic infrastructure expenditure, including targeted delivery timeframes for specific elements (e.g. key social infrastructure), relative to the contracting out of housing units to housebuilders over the lifetime of the Proposed Development. The graph demonstrates a broadly proportionate relationship between the two components (when viewed on a percentage complete basis) and supports that optimistic assumptions have been adopted in respect of the programme/ cash flow timings, within viability testing.

FIGURE 1: CUMULATIVE DEVELOPMENT COSTS VS UNITS CONTRACTED



Source: The Applicant

Other LTMD Costs

6.14 Other LTMD costs have been summarised in Table 6.4 below.

Table 6.4: Other LTMD Costs

Cost Item	Total Cost	Comments
Direct Project Resourcing Cost	3.00%	Estimated minimum rate as a percentage of total LTMD costs, representing professional management and oversight of servicing, delivering and disposing of development parcels.
Purchaser's Costs	SDLT + 1.80%	Standard industry allowance (on bare land purchase)
Disposal Costs	1.80%	Standard industry allowance (on serviced land sales)

Source: CBRE

LTMD Target Return

6.15 LTMDs typically incur substantial upfront costs, including strategic land acquisition, site remediation, enabling works, utilities installation, and placemaking. In most cases, these initial expenditures are followed by a significant time lag before any revenue is generated from serviced plot sales.

6.16 To compensate the LTMD for the level of risk assumed and the capital committed over the duration of the project, a risk-adjusted return is required.

6.17 This is separate and additional to the housebuilder profit allowances referenced in Section 4, and the two should not be conflated.

6.18 Housebuilder profit targets are typically assessed on a profit on GDV or profit on cost basis and are generally achieved within relatively short delivery cycles (often fewer than five years). The LTMD delivery model differs fundamentally from standard housebuilder-led development, given the longer timeframes and greater upfront investment. As such, applying conventional housebuilder profit benchmarks to an LTMD delivery structure is inappropriate.

6.19 To reflect the extended delivery horizon (15+ years), substantial early capital outlay, and the period required for the LTMD to break-even (i.e. when cumulative cash flow becomes positive), CBRE has adopted an IRR based target return. This approach is consistent with RICS guidance[29], which acknowledges that for larger, long-term development projects, IRR may be the preferred method of assessing viability when compared with profit-on-cost or profit-on-GDV metrics[30].

6.20 In determining an appropriate IRR benchmark for the Proposed Development, CBRE has considered several relevant precedents from strategic site viability assessments where an LTMD approach was adopted:

- **Gilston Villages 1–6, East Herts:** a minimum ungrown, unlevered IRR of 12.50% was agreed between the parties and incorporated within the executed Section 106 Agreement.
- **Otterpool Park, Kent:** BPS, acting for the LPA, identified an appropriate ungrown IRR range of 10–15% for LTMD-type delivery.
- **Wychavon New Town (formerly Worcestershire Parkway):** Aspinall Verdi assessed the scheme on a LTMD basis and adopted a 12.00% ungrown, unlevered IRR target.

[29] *RICS (2021) Assessing viability in planning under the National Planning Policy Framework 2019 for England RICS guidance note, England 1st edition, March 2021 (effective from 1 July 2021) ('RICS Viability Guidance') para. 4.1.2-4.1.3 p.39 & p.72*

[30] *RICS (2019) Performance metrics, required returns and achieved returns for UK real estate development*

6.21 Several major long-term London developments have also recently been assessed using IRR-based returns in a planning determination context. Recent examples include High Road West, Tottenham (where a 12% ungrown IRR was accepted) and the Silvertown Quays Masterplan (where a 13% ungrown IRR was accepted).

6.22 The benchmarks above remain consistent with CBRE's understanding from master developers targeting IRRs across various large scale strategic sites in the region of 12% unlevered and ungrown IRR, which has been adopted for the Proposed Development.

6.23 CBRE's wider experience, including advisory roles to Homes England on strategic sites and shortlisted New Town proposals, indicates that an acceptable LTMD IRR typically falls within the range of 12% to 15% on an unlevered and ungrown (i.e. present-day) basis.

6.24 Growth should be excluded from baseline modelling for the purpose of determination. Investors will require schemes to be viable from the outset.

7 Site Value (or 'Benchmark Land Value')

7.1 Establishing the minimum level of financial return at which a reasonable landowner would be willing to release their land for development represents a critical component of a viability assessment. It must represent a premium over the existing use value ('EUV') and a reasonable incentive, in comparison with other options available, for the landowner to sell land for development, whilst allowing a sufficient contribution to comply with policy requirements.

7.2 Whilst not directly featuring as a cost in an appraisal conducted on a residual basis, this 'minimum return' forms the BLV against which the RLV derived from the appraisal is tested to determine the viability of the Proposed Development and scope for planning obligations (including affordable housing).

7.3 The Government's PPGV requires that the BLV should:

'...be informed by market evidence including current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value... This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.'[31]

7.4 Paragraph 016 of PPGV provides further elaboration. It states:

'Market evidence can include benchmark land values from other viability assessments. Land transactions can be used but only as a cross check to the other evidence. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners.'[32]

7.5 The approach adopted for arriving at an appropriate BLV for the Site follows that set out within Chapter 3 of this document and accords with the relevant RICS Guidance, PPGV and the NPPF (2021). It considers:

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

Existing Use Value ('EUV')

7.6 The EUV is defined in PPGV paragraph 015 as the value of land in its existing use.

[31] *MHCLG (2025) National Planning Practice Guidance – Viability: Paragraph: 015*
[32] *MHCLG (2025) National Planning Practice Guidance – Viability: Paragraph: 017*

7.7 The Site extends to approximately of 213 gross hectares (527 gross acres) and is located immediately north-east of Baldock town centre. The land is predominantly in agricultural use.

7.8 The RICS published the RICS/RAU Farmland Market Report on an annual basis. The latest published report, dated September 2025, confirms that, for H1 2025, the weighted average national value per hectare was £31,247 (£12,646 per acre). This is further disaggregated to the regional scale. Table 9 on page 8 of the report confirms that the weighted average farmland prices for the East of England region equated to £24,635 per hectare (£9,970 per acre) for large scale transactions of >200 acres.

7.9 Savills GB Farmland Summer 2025 research indicates that the average agricultural land value across Great Britain is £8,200 per acre, with prime arable land values being £10,000 per acre.

7.10 Given the geographical proximity, edge of settlement location, and the subject site's use and suitability as amenity land, CBRE has taken the reasonable stance of applying an EUV of £10,000 per acre (£24,711 per hectare). This average closely aligns with the RICS/RAU H1 2025 weighted average farmland price for the East of England region, which therefore appears a logical market sense-check.

7.11 On this basis, it is CBRE's conclusion that the EUV for the Site would equate to a minimum of £5.27m.

Alternative Use Value ('AUV')

7.12 An AUV has not been calculated for the Site at this stage, on the basis that it is allocated for residential use within the adopted Local Plan - as per the Proposed Development.

Comparable Land Transactions & Purchase Price

7.13 CBRE has had regard to any available land transactional evidence in the current market. This is limited to the following data:

- **Redhill, Buntingford**: approximately 7.07 hectares (17.48 acres) of triangular-shaped amenity land, located to the south of Redhill, Rushland, is marketed for sale by private treaty at an asking price of £185,000, or £26,166 per hectare (c.£10,590/acre). According to marketing particulars, the land is located in green belt and is to be sold subject to a restrictive covenant preventing any residential development for 15 years.
- **Chapel Street, Hinxworth**: approximately 9.6 hectares (24 acres) of arable land, located north of Hinxworth, is marketed for sale at 'offers in excess of' £260,000, which equates to c. £27,083/ha (c.£10,965/acre).
- **High Street, Stotfold**: a 37 acre site with the benefit of outline planning consent for 100 dwellings, located in Stotfold, Hitchin. The land was marketed at a guide price of £13m and has been sold subject to contract. The asking price equates to £868,189 per hectare, or £130,000 per approved dwelling.

7.14 The agricultural and amenity land comparables (excluding the benefit of planning consent), referenced above, indicate land values per hectare that are consistent with the adopted EUV.

7.15 CBRE is not aware of any other relevant recent major land transactions of equivalent scale in the current local market. CBRE reserves the right to revisit this should such information come to light.

Premium ('EUV+')

7.16 The premium should represent the minimum return that would persuade a reasonable landowner to release the land for development, rather than exercise the option to wait or any other options available to the landowner.

7.17 PPGV Paragraph 008 confirms that, where a viability assessment is submitted to accompany a planning application this should be based upon and refer back to the viability assessment that informed the Local Plan. PPGV Paragraph 016 subsequently confirms that market evidence can be used, including benchmark land values from other viability assessments.

Published Benchmarks

7.18 CBRE has also had regard to published Government research of minimum land values for greenfield strategic land[33], which states:

> *"… required levels of premium are routinely protected by way of minimum land price provisions, usually contained within option or collaboration agreements and long-term conditional contracts… Levels vary, but typically, we expect to see figures of circa £100,000 to £150,000 per gross acre."*

7.19 Similarly, the HCA's (now Homes England) Area Wide Viability Model (Annex 1 Transparent Viability Assumptions) provided the following guidance on premiums[34]:

"For greenfield land, benchmarks tend to be in a range of 10 to 20 times agricultural value."

7.20 It is appropriate for the landowner to take into account the level of infrastructure and abnormal costs in setting their expectations of the premium over EUV required to incentivise release of the Site for development, albeit this should not be to the extent that release itself is disincentivised.

Local Plan Evidence

7.21 North Hertfordshire District Council's 'Local Plan Viability Assessment – Update', dated August 2016 and prepared by Dixon Searle Partnership ('DSP'), represents the latest available Local Plan viability evidence.

7.22 The study adopts a range of benchmark land values, from *"£370,000 to £500,000/ha (representing the assumed greenfield enhancement values range"* up to *"£2.4m/ha (PDL upper level – residential)."* Paragraph 2.4.3 of the study confirms that the strategic site appraisals assume the lower, £370,000 per gross hectare land value. This land value is understood to be applied to the testing of the subject site, which is included within the study and referred to as 'North of Baldock'.

7.23 CBRE is also aware of the *'Review of Addendum Viability Appraisal'* prepared by DSP in May 2023 on behalf of the Council, relating to the *'Addendum Viability Appraisal'* produced by Turner Morum LLP in March 2023 for a planning application seeking permission for 42 dwellings at Land East of Rhee Spring & Orwell View, Royston Road, Baldock. Given that this site adjoins the subject site, the adopted and agreed BLV is considered relevant and appropriate for benchmarking purposes.

7.24 DSP state the following in respect of the BLV:

> *"In this case, the submitted BLV is £925,000, equating to £202,000 per acre for the 4.57 acre site (£500,000 per hectare) which has been based on assumptions used in DSP's Local Plan Viability Study that discussed a range of £370,000 to £500,000 per hectare for greenfield BLVs. As noted in our original report, the submitted BLV is at the upper end of values usually seen for this type of site. TM have not commented on this. As part of our overall view of viability we have not adjusted the submitted BLV."*

7.25 CBRE is aware that the application of £500,000 per hectare utilised in arriving at the agreed BLV is applied to the gross site area.

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[33] *DCLG (2011) 'Cumulative impacts of regulations on house builders and landowners Research paper*

[34] *HCA Area Wide Viability Model (Annex 1 Transparent Viability Assumptions), August 2010,Transparent Assumptions v3.2 06/08/10*

7.26 Other evidence of adopted benchmark land values includes the Stevenage Borough Council Local Plan & CIL Review Viability Assessment, Main Report, dated October 2024 and prepared by Aspinall Verdi.

7.27 As confirmed within the following extract from the report, the adopted greenfield residential BLV is £170,000 per gross acre:

> *"For greenfield typologies, we adopt a bottom-up approach based on the net existing use value per acre / hectare of agricultural land. This EUV is 'grossed up' to reflect a net developable to gross site area ratio. Based on existing evidence, we have applied a BLV of £170,000 per gross acre across both value zones. Based on an EUV of between £10,000 - £12,000 per acre, this reflects a landowner premium of c. 15 – 17x EUV."*

7.28 It is CBRE's professional opinion that both the EUV and adopted premium uplift multiplier should be applied to the gross acreage of the site, particularly in the context of sites which do not suffer from poor net to gross site coverage.

7.29 CBRE has taken a cautious view on the BLV, adopting the minimum premium over EUV of 10x, which accords with evidence of minimum expectations and would be associated with larger, strategic sites of this nature.

7.30 This generates to a total BLV of £52,700,000 and suggests an uplift (premium) of 10x the EUV of £10,000 per gross acre (i.e. £5.27m*10).

7.31 Standing back, these figures sit at the lower end of the typical ranges outlined above and are considered representative of absolute minimum landowner expectations.

BLV

7.32 Reflecting on the above analysis, when assess consistently with the methodology of the NPPF / PPG, it is considered that if acting reasonably and when fully accounting for all relevant factors, for the purpose of this viability assessment the minimum 'premium' at which the landowner would be incentivised to dispose of the Site would generate a receipt equal to £52,700,000 (i.e. £100,000 per gross acre).

7.33 A BLV reflecting 10x EUV is generally regarded as being at the lower end of accepted market norms. Land values at this level are typically supported by a more front-loaded land payment profile and structured in annual tranches of up to c. 10 years. This approach is consistent with established market practice and reflects the requirement for early and comprehensive control of super-strategic sites in order to facilitate intrusive surveys, site preparation, and delivery of enabling infrastructure works

7.34 Reflecting the above, the appraisal modelling assumes a proportionate, phased land acquisition strategy, commencing at start on site, with land costs drawn down in equal annual tranches over a seven-year period. According with the Applicant's experience, this approach is considered to reflect the reasonable expectations of a landowner.

8 Appraisal Results

8.1 This chapter presents the results of the assessment of financial viability arising from the Proposed Development at the Site.

Viability Appraisal

8.2 A policy compliant viability appraisal has been undertaken for the Proposed Development at the Site.

8.3 By way of analysis set out in chapter 7, it is considered that, if acting reasonably and when fully accounting for adopted planning policy, guidance and all other relevant factors, including a minimum 'premium' at which the vendor would be incentivised to dispose of the Site, this results in a BLV of £52.70m.

8.4 The BLV has been adopted as a fixed input within the viability appraisal(s).

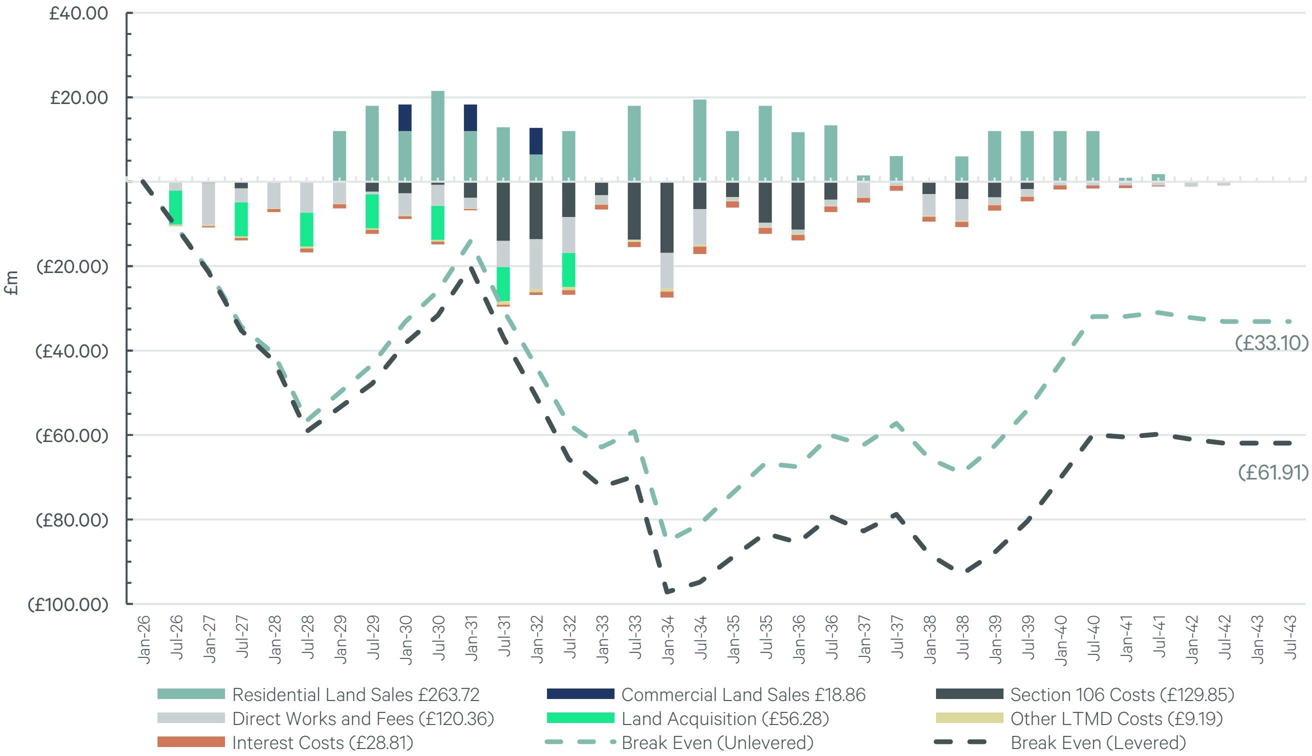
8.5 The policy compliant viability appraisal demonstrates that, when incorporating a 40% affordable housing provision and the estimated S106 financial contributions outlined within this report, the outturn residual project return (excluding finance costs) is *-£33.10m*.

8.6 A summary of the policy compliant viability appraisal is presented in Table 8.1 below. The associated cash flow overview is presented in Figure 2, overleaf. A copy of the appraisal is enclosed within **Appendix J**.

Table 8.1: Policy Compliant Viability Appraisal

	Policy Compliant (40% Affordable)
LTMD Revenue	
Residential Serviced Land Parcel Sales (incl. disposal costs)	£263,723,279
Serviced Land Values (£/net developable acre)	£1,414,824
Serviced Land Values (£/dwelling)	£85,072
Employment Serviced Land Sales	£18,855,718
Serviced Land Values (£/net developable acre)	£1,000,000
Total Master Developer Revenue	**£282,578,997**
LTMD Total Costs	
BLV (including purchaser's costs)	(56,283,600)
Section 106 Costs	(129,848,358)
Infrastructure Costs & Fees	(129,550,258)
Total Master Developer Costs	**(315,682,216)**
Master Developer Profit (excl. finance costs)	**(£33,103,219)**
Master Developer Unlevered IRR	**0.00%**
Total Interest Cost(s)	(£28,807,040)
Master Developer Profit (Incl. finance costs)	(£61,910,259)
Master Developer Levered IRR	N/A

FIGURE 2: PROJECT CASH FLOW | POLICY COMPLAINT APPRAISAL



Scenario Testing

8.7 CBRE has scenario tested the impact upon the financial viability of the Proposed Development when reducing the affordable housing provision.

8.8 The Scenario Test appraisal demonstrates that when reducing the affordable housing provision to 9.81%, the combined residential serviced land value increases to £391.49m (£2.10m per net acre), generating a project return of £94.66m reflecting an unlevered IRR of 12.00% to the master developer.

8.9 This meets the target master developer return of an unlevered IRR of 12% and the Proposed Development is considered viable on this basis.

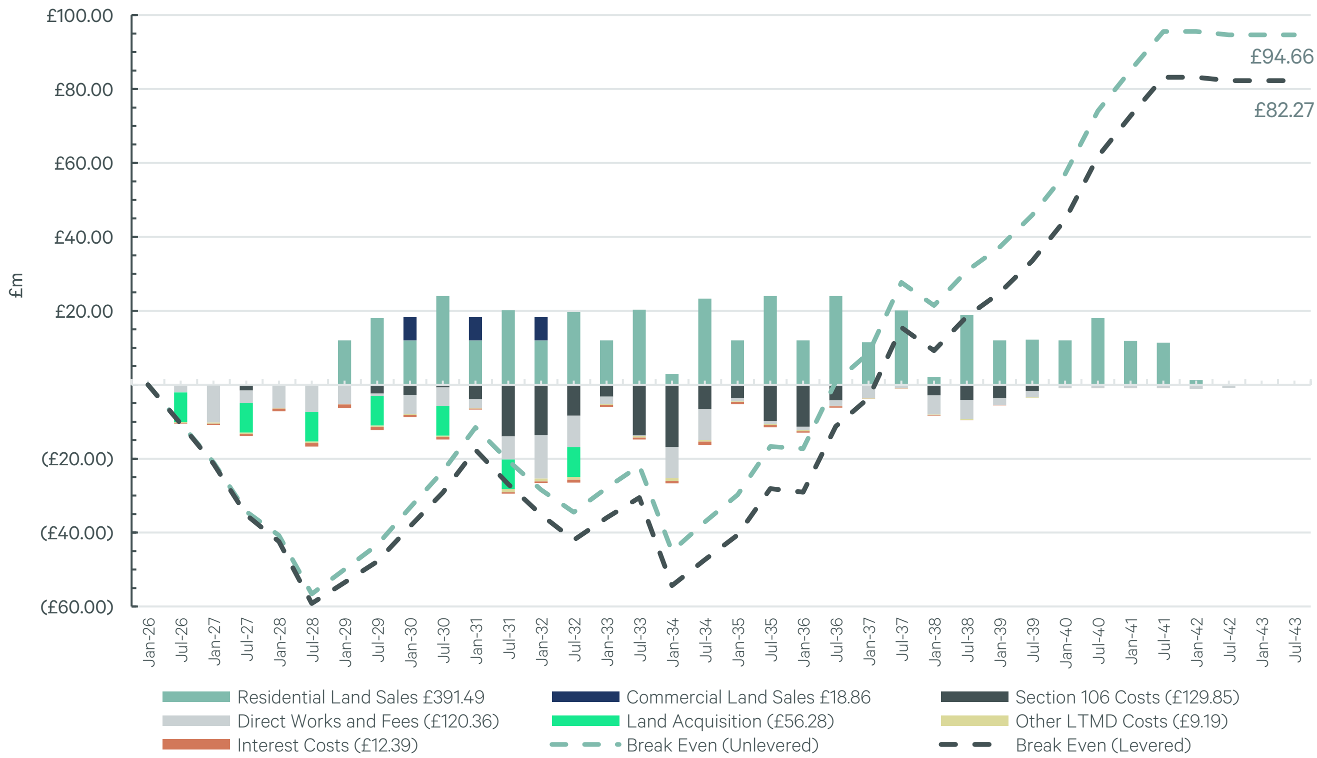
8.10 A summary of Scenario Test viability appraisal and project cash flow chart is presented below.

Table 8.2: Scenario Test Appraisal | 9.81% Affordable Housing Provision

	Scenario Test | 9.81% AH Provision
LTMD Revenue	
Residential Serviced Land Parcel Sales (incl. disposal costs)	£391,486,693
Serviced Land Values (£/net developable acre)	£2,100,250
Serviced Land Values (£/dwelling)	£126,286
Employment Serviced Land Sales	£18,855,718
Serviced Land Values (£/net developable acre)	£1,000,000
Total Master Developer Revenue	**£410,342,411**

	Scenario Test | 9.81% AH Provision
LTMD Total Costs	
BLV (including purchaser's costs)	(56,283,600)
Section 106 Costs	(129,848,358)
Infrastructure Costs & Fees	(129,550,258)
Total Master Developer Costs	**(315,682,216)**
Master Developer Profit (excl. finance costs)	**£94,660,195**
Master Developer Unlevered IRR	**12.00%**
Total Interest Cost(s)	(£12,386,671)
Master Developer Profit (Incl. finance costs)	£82,273,524
Master Developer Levered IRR	13.51%

FIGURE 3: PROJECT CASH FLOW | SCENARIO TEST APPRAISAL



Sensitivity Testing

8.11 CBRE has undertaken sensitivity testing of changes to key appraisal variables to demonstrate its impact upon the financial viability of the Proposed Development.

8.12 Utilising the Scenario Test appraisal as the baseline, sensitivity testing indicates that minor adjustments to housing sales vales (£/ft²) and dwelling construction costs (£/ft²), particularly when occurring simultaneously, have a material effect on the resulting unlevered IRR.

8.13 The results of the sensitivity test are presented in Table 8.3 below.

Table 8.3: Sensitivity Test Results | IRR Output

Sales Value (Blended):		**£440/sqft**	**£444/sqft**	**£449/sqft**	**£453/sqft**	**£458/sqft**
Cost (Blended):		-2.00%	-1.00%	0.00%	+1.00%	+2.00%
£151/sqft	-2.00%	11.20%	12.09%	12.94%	13.73%	14.49%
£153/sqft	-1.00%	10.68%	11.61%	12.47%	13.30%	14.07%
£154/sqft	0.00%	10.14%	11.10%	12.00%	12.85%	13.65%
£156/sqft	+1.00%	9.58%	10.58%	11.51%	12.38%	13.21%
£158/sqft	+2.00%	9.00%	10.03%	11.00%	11.90%	12.76%

Source: CBRE

8.14 Sensitivity scenarios carry significant risk and should therefore be considered with caution and attributed only limited weight.

9 Conclusions

9.1 CBRE has been appointed by the Applicant to objectively assess, and report upon, the financial viability of the Proposed Development at the Site.

9.2 The purpose of the viability assessment is to test the financial viability of the Proposed Development at the Site, taking into account the policy requirements set by the Council as well as national planning policy and guidance.

9.3 By way of analysis set out in chapter 5 of this document, it is considered that, if acting reasonably and when fully accounting for adopted planning policy, guidance and all other relevant factors, the 'premium' at which the vendor would be incentivised to dispose of the Site associated with the Proposed Development represents a total minimum BLV of £52.70m.

9.4 The BLV has been adopted as a fixed input land assembly cost within the viability appraisal.

9.5 The policy compliant viability appraisal demonstrates that, when incorporating a 40% affordable housing provision and the estimated S106 financial contributions (outlined within this report), the outturn residual project return (excluding finance costs) is *-£33.10m.*

9.6 The delivery of the Proposed Development on a basis in compliance with the Council's adopted development plan fails to generate a return sufficient to meet the minimum target project return to the master developer (i.e. an unlevered IRR of 12.00%), and the Proposed Development is not financially viable on this basis.

9.7 CBRE has subsequently run a scenario test to determine the necessary reduction in the affordable housing provision in order to return a viable scheme.

9.8 The Scenario Test appraisal demonstrates that when reducing the affordable housing provision to 9.81%, the combined residential serviced land value increases to £391.49m (£2.10m per net acre), generating a project return of £94.66m reflecting an unlevered IRR of 12.00% to the master developer.

9.9 This meets the target master developer return of an unlevered IRR of 12% and the Proposed Development is considered viable on this basis.

9.10 The commercial decision whether to proceed with the Proposed Development will therefore be at the discretion of the Applicant.

9.11 Any concessions to provide affordable housing (through on-site provision or a financial contribution in lieu) or to offer payments towards planning obligations beyond what is demonstrably viable would be undertaken entirely at the Applicant's own commercial risk.