



Valuation Office
Agency

DVS Property Specialists
for the Public Sector

Viability Review Report Land West of North Road South Molton Devon

Report for:
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North Devon Council

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1.0 Executive Summary

1.1 Proposed Development Details.

This report provides an independent review of a viability assessment in connection with:

Proposed Development	Notice of an application to modify a planning obligation under regulation 3 of the T & C P (modification & discharge of planning obligations) Regulations 1992 in respect of application 61953 to delete paragraphs 1.3 to 1.13 Schedule 2 and to modify paragraphs 3, 4 and 6 of Schedule 8.
Subject of Assessment:	Land West of North Road South Molton Devon
Planning Application Reference:	76106
Applicant / Developer:	Baker Estates Ltd.
Applicant's Viability Advisor:	Herridge Property Consulting Ltd.

1.2 Instruction

In connection with the above application North Devon Council Planning Department require an independent review of the viability arguments forwarded by the applicant in terms of the extent to which the accompanying appraisals are fair and reasonable and whether the assumptions made can be relied upon to determine financial viability in the light of a proposed variation of the originally consented scheme s106 agreement terms.

A site-specific viability assessment review has been undertaken, the inputs adopted herein are unique to this site and scheme and may not be applicable to other viability assessments undertaken or reviewed by DVS.

1.3 Viability Conclusion

It is my considered and independent opinion that:

Based on available information, the originally consented 220 unit scheme, when assessed on the basis of current costs and values and including an appropriate Benchmark Land Value is financially viable when including consented scheme planning requirements (original s106 agreement terms), including 20% affordable housing.

The scheme is well underway, and notwithstanding my conclusion in regard to the viability position of the original 220 unit scheme, the applicant has indicated that unless measures are taken to mitigate claimed financial viability issues, they will simply cease operations at 180 residential units, and thereby avoid the trigger for additional s106 contributions. This would leave a scheme of 180 units with 18 affordable units (10%), and in all likelihood no Gunswell Lane link, or the balance of required s106/s278 contributions. It is understood however that the roundabout is no longer required, and technically the Gunswell Lane link requirement would not be triggered as the consented scheme is 220 units and the trigger is

understood to be 225 units. The exclusion of these costs would materially increase the viability of the originally consented scheme.

In the light of the claimed lack of viability in completing the originally consented scheme, The applicant has previously tested 2 potential options. The first is to provide 40 more units beyond 180 to complete the 220 unit permitted scheme. It is contended that when including required balance s106 contributions, including an additional 26 affordable units, this option is not financially viable. Based on my earlier appraisal work (included in my earlier report dated 3 August 2022), I agreed with this conclusion. I did however conclude that a '40 unit to complete' scheme option would be financially viable with no additional affordable housing, but with a reduced s106/s278 contribution totalling £610,592.

The preferred developer option is to provide 20 more units beyond 180 to complete a reduced 200 unit scheme. It is implied that this option, when including the Gunswell Lane link only and no other s106/s278 contributions will result in a sufficient developer return to incentivise scheme completion. The applicant is therefore seeking to modify the original s106 agreement to confirm exclusion of the roundabout requirement and any additional affordable housing, however including the Gunswell Lane Link with a trigger at completion of 185 residential units.

In my assessment, a '20 units to complete' scheme option would be financially viable with no additional affordable housing, but with the Gunswell Lane link (at an indicative cost of £406,728) and reduced s106 contributions totalling £312,001.

I therefore disagree with the applicants that the original 220 unit scheme is not financially viable (on the basis of current costs and values) when providing full required s106 contributions, and 20% on-site affordable housing.

In regard to a '20 unit to complete' option, I also disagree with the applicants however in that my analysis suggests that a greater contribution than the Gunswell Land link alone is financially viable in the additional sum of £312,001 in this scenario.

This sum is in my opinion available for s106/s278 contributions or could be used to fund on or off-site affordable housing.

1.4 Non-Technical Summary of Viability Assessment Inputs

Inputs: original 220 unit scheme	Agent	DVS Viability Review	Agreed (Y/N)
Assessment Date	22 February 2022, and update October 2022	14 December 2022	-
Scheme, Gross Internal Area	18,901 m ²	19,397 m ²	N
Development Period	79 months	79 months	Y
Gross Development Value	£60,512,316	£64,134,308	N
Market Housing value	£56,026,234	£59,702,000	N
Affordable Housing	£4,486,092	£4,432,308	N

value			
S106/S278 contributions	£2,636,600	£2,320,356	N
Plot Construction Cost	£29,250,501	£29,020,668	N
External works, infrastructure etc.	£11,451,164	£12,280,792	N
Professional Fees %	8%	6%	N
Contingency %	5% build, 10% infrastructure	3%	N
Finance debit Interest	6.5%	7.5%	N
Marketing / Sales / Agency Fees	£209,900	2.5%	N
Legal Fees market unit sales	£600 / unit	£600 / unit	Y
Legal Fees affordable unit sales	£400 / unit	£400 / unit	Y
Profit Target % Market	Not stated	17.5%	N
Profit Target % Affordable	Not stated	6%	N
Benchmark Land Value	£2,500,000	£2,500,000	Y
EUV	None indicated	£326,000	N
Premium	N/A	£2,174,000	N
Residual Land Value	£0	£2,963,286	N
Viability Conclusion	Not viable	viable	Y
Deliverable Scheme	Yes	Yes	Y

A site-specific viability assessment review has been undertaken, the inputs adopted herein are unique to this site and scheme and may not be applicable to other viability assessments undertaken or reviewed by DVS.

2.0 Instruction and Terms

- 2.1 The Client is North Devon Council.
- 2.2 The Subject of the Assessment is Land West of North Road, South Molton, Devon.
- 2.3 The date of viability assessment is 14 December 2022. Please note that values change over time and that a viability assessment provided on a particular date may not be valid at a later date.
- 2.4 Instructions were originally confirmed on 13 July 2022. It is understood that North Devon Council require an independent updated opinion on the viability information provided by the applicants and their advisors Herridge Property Consulting Ltd., in terms of the extent to which the accompanying appraisals are fair and reasonable and whether the assumptions made are acceptable and can be relied upon to determine the viability of the scheme.

Specifically, DVS have been appointed to:

- Assess the Financial Viability Appraisals (FVA) submitted by / on behalf of the planning applicant / developer, principally an assessment of the original (whole) scheme in the light of an application to amend the s106 agreement. In addition, an amended option to complete the scheme with 20 units after 180, making a revised scheme of 200 units, taking in to account the planning proposals as supplied by you or available from your authorities planning website.
- Advise North Devon Council in writing on those areas of the applicant's appraisals which are agreed and those which are considered unsupported or incorrect, including stating the basis for this opinion, together with evidence. If DVS considers that the applicant's appraisal inputs and viability conclusions are incorrect, this report will advise on the cumulative viability impact of the changes and in particular whether any additional affordable housing and / or s106 contributions might be provided without adversely affecting the overall viability of the development.

2.5 Conflict of Interest Statement - In accordance with the requirements of RICS Professional Standards, DVS has checked that no conflict of interest arises before accepting this instruction. It is confirmed that DVS are unaware of any previous conflicting material involvement and is satisfied that no conflict of interest exists.

2.6 Inspection - The site has been inspected on 25 July 2022 by [REDACTED]. This was a partial inspection for valuation purposes and does not constitute a detailed site or building survey.

2.7 DVS/ VOA Terms of Engagement were issued on 18 July 2022. A redacted version will be attached in my subsequent, redacted report provided for publication.

3.0 Guidance and Status of Valuer

3.1 Authoritative Requirements

The DVS viability assessment review will be prepared in accordance with the following statutory and other authoritative mandatory requirements:

- The '**National Planning Policy Framework**', which states that all viability assessments should reflect the recommended approach in **the 'National Planning Practice Guidance on Viability'**. This document is recognised as the 'authoritative requirement' by the Royal Institution of Chartered Surveyors (RICS).
- RICS Professional Statement '**Financial viability in planning: conduct and reporting**' (effective from 1 September 2019) which provides the mandatory requirements for the conduct and reporting of valuations in the viability assessment and has been written to reflect the requirements of the PPG.
- RICS Professional Standards PS1 and PS2 of the '**RICS Valuation – Global Standards**'.

3.2 Professional Guidance

Regard will be made to applicable RICS Guidance Notes, principally the best practice guidance as set out in RICS GN '**Assessing viability in planning under the National Planning Policy Framework 2019 for England**' (effective 1 July 2021).

Other RICS guidance notes will be referenced in the report and include RICS GN '**Valuation of Development Property**' and RICS GN '**Comparable Evidence in Real Estate Valuation**'.

Valuation advice (see Note 1) will be prepared in accordance with the professional standards of the of the '**RICS Valuation – Global Standards**' and the '**UK National Supplement**', which taken together are commonly known as the RICS Red Book. Compliance with the RICS Professional Standards and Valuation Practice Statements (VPS) gives assurance also of compliance with the International Valuations Standards (IVS).

(Note 1) Whilst professional opinions may be expressed in relation to the appraisal inputs adopted, this consultancy advice is to assist you with your decision making for planning purposes and is not formal valuation advice such as for acquisition or disposal purposes. It is, however, understood that our review assessment and conclusion may be used by you as part of a negotiation.

The RICS Red Book professional standards are applicable to our undertaking of your case instruction, with PS1 and PS 2 mandatory. While compliance with the technical and performance standards at VPS1 to VPS 5 are not mandatory (as per PS 1 para 5.4) in the context of your instruction, they are considered best practice and have been applied to the extent not precluded by your specific requirement.

3.3 RICS 'Financial Viability in Planning Conduct and Reporting'

In accordance with the above RICS Professional Statement it is confirmed that:

- a) In carrying out this viability assessment review the valuer has acted with objectivity, impartiality, without interference and with reference to all appropriate sources of information.
- b) The professional fee for this report is not performance related and contingent fees are not applicable.
- c) DVS are not currently engaged in advising this local planning authority in relation to area wide viability assessments in connection with the formulation of future policy.
- d) The appointed valuer, [REDACTED] BSc MRICS is not currently engaged in advising this local planning authority in relation to area wide viability assessments in connection with the formulation of future policy.
- e) Neither the appointed valuer, nor DVS advised this local planning authority in connection with the area wide viability assessments which supports the existing planning policy.
- f) The DVS viability review assessment has been carried out with due diligence and in accordance with section 4 of this professional statement

- g) The signatory and all other contributors to this report, as referred to herein, has complied with RICS requirements.

3.4 Most Effective and Efficient Development

It is a mandatory requirement of the RICS 'Financial viability in planning: conduct and reporting' Professional Statement for the member or member firm to assess the viability of the most effective and most efficient development.

The DVS valuer has assessed the viability based upon the scheme and modifications as proposed and passes no comment on whether this is the most effective and most efficient development. The impact on viability of different scheme has not been appraised, however should this be pursued another viability assessment may be necessary.

3.5 Signatory

- a) It is confirmed that the viability assessment has been carried out by [REDACTED] BSc (Sp Hons) MRICS, Registered Valuer, acting in the capacity of an external valuer, who has the appropriate knowledge, skills and understanding necessary to undertake the viability assessment competently and is in a position to provide an objective and unbiased review.
- b) As part of the DVS Quality Control procedure, this report and the attached appraisals have been formally reviewed by [REDACTED] MRICS, Registered Valuer, who also has the appropriate knowledge, skills and understanding necessary to complete this task.
- c) DVS has provided viability assessment reviews for North Devon Council for more than 2 years.

3.6 Bases of Value

The bases of value referred to herein are defined in the Terms of Engagement and are sourced as follows:

- Benchmark Land Value is defined at Paragraph 014 of the NPPG.
- Existing Use Value is defined at Paragraph 015 of the NPPG.
- Market Value is defined at VPS 4 of 'RICS Valuation – Global Standards'
- Gross Development Value is defined in the Glossary of the RICS GN 'Valuation of Development Property' (February 2020).

4.0 **Assumptions, and Limitations**

4.1 Special Assumptions

As stated in the terms the following special assumptions have been agreed and will be applied:

- That your council's planning policy, or emerging policy, for affordable housing is up to date.

- There are no abnormal development costs in addition to those which the applicant has identified, and which have been independently assessed by the Council's cost consultant.
- That the development as proposed is complete on the date of assessment in the market conditions prevailing on the date.

4.2 General Assumptions

The site has been inspected on a partial basis. The below assumptions are subject to the statement regarding the limitations on the extent of our investigations, survey restrictions and assumptions, as expressed in the terms of engagement.

- a) Tenure - A report on Title has not been provided. The review assessment assumes that the site is held Freehold with vacant possession.
- b) Easements / Title restrictions - The advice is provided on the basis the title is available on an unencumbered freehold or long leasehold basis with the benefit of vacant possession. It is assumed the title is unencumbered and will not occasion any extraordinary costs over and above those identified by the applicant and considered as part of abnormal costs.
- c) Access / highways - The site is readily accessible by public highway and will not occasion any extraordinary costs over and above those identified by the applicant and considered as part of abnormal costs.
- d) Mains Services - It is assumed the site is or can be connected to all mains services will not occasion any extraordinary costs over and above those identified by the applicant and considered as part of abnormal costs.
- e) Mineral Stability - This assessment has been made in accordance with the terms of the agreement in which you have instructed the Agency to assume that the property is not affected by any mining subsidence, and that the site is stable and would not occasion any extraordinary costs with regard to Mining Subsidence. I refer you to the DVS Terms of Engagement for additional commentary around ground stability assumptions.
- f) Environmental Factors Observed and/or Identified - It is assumed the site will not occasion any extraordinary costs relating to environmental factors over and above those identified by the applicant and considered as part of abnormal costs.
- g) Flood Risk – DVS have referred to the Government's Flood Map for Planning tool which indicates the site is not identified as being in an area at risk of flooding.
- h) Asbestos - It is assumed any asbestos present will not occasion any extraordinary costs over and above any identified by the applicant and considered as part of abnormal costs.

5.0 Proposed Development

5.1 Location / Situation

The property is located on the Northern periphery of the town of South Molton, Devon. The site is currently part built out, and part under construction with a residential development scheme. The immediate area of the application site is a rural mix of residential property, a school, and agricultural land. Principal access is via the made up and adopted North Road.

5.2 Description

Prior to scheme commencement, the property is understood to have comprised agricultural land.

5.3 Site Plan and Area

The whole original 220 unit scheme site is understood to extend to 13.19 hectares (32.59 acres) or thereabouts.

5.4 Schedule of Accommodation/ Scheme Floor Areas

DVS make no comment about the density, design, efficiency, merit or otherwise, of the scheme. In respect of the original 220 unit scheme, the accommodation has been detailed by the applicants as follows:

Type	No.	Unit GIA m ²	Total GIA m ²
Flat (Affordable)	8	62.06	496.48
Flat (Affordable)	3	62.06	186.18
House (Affordable)	20	71.72	1434.42
House (Affordable)	11	84.08	924.85
House (Affordable)	2	121.61	243.22
Coach House	1	62.06	62.06
Bungalow	41	68.19	2795.83
House	3	73.67	221.02
House	23	79.99	1839.76
House	9	84.08	756.70
Bungalow	7	85.10	595.69
House	4	85.10	340.40
House	2	88.17	176.33
Bungalow	29	104.05	3017.49
House	1	104.70	104.70
Bungalow	10	106.37	1063.74
Bungalow	24	108.88	2613.18
House	15	113.62	1704.31
House	1	114.64	114.64
House	4	116.69	466.75
House	1	118.17	118.17
House	1	121.33	121.33
Totals:	220		19,397.25

For a proposed completion of the scheme after 180 units however, the applicants are proposing to construct a further 20 residential units comprising the following accommodation:

Type	No.	Unit GIA m ²	Total GIA m ²
2 Bed Bungalow	4	71.26	285.04
3 Bed Bungalow	4	104.61	418.44
3 Bed Bungalow	4	108.70	434.80
3 bed chalet bungalow	8	118.08	944.64
Totals:	20		2,082.82

Measurements stated are in accordance with the RICS Professional Statement 'RICS Property Measurement' (2nd Edition) and, where relevant, the RICS Code of Measuring Practice (6th Edition).

As agreed in the terms, any office and/or residential property present has been reported upon using a measurement standard other than IPMS, and specifically Gross Internal Area has been used. Such a measurement is an agreed departure from 'RICS Property Measurement (2nd Edition)'.

I understand that you requested this variation because this measurement standard is how the applicant has presented their data, is common and accepted practice in the construction/ residential industry, and it has been both necessary and expedient to analyse the comparable data on a like with like basis.

5.5 Planning

The site has extant planning consent for residential development and is part completed. Relevant planning policy is now contained in the North Devon and Torridge Local Plan adopted in October 2018.

Developments are expected to meet the policy provision as prescribed in the Local Plan.

5.6 Policy Requirements for the Scheme

It is understood that the current local plan policy ST18 requires 30% of the residential development in this location to be provided as affordable housing, with 75% of that to comprise social rent tenure, and 25% intermediate/shared ownership. Due to representations concerning scheme viability, it is understood that this requirement was reduced in this scheme to 20% (44 units) overall.

The applicants indicate that the following s106/s278 contributions are sought:

Education Contribution	£551,700
Off-Site POS Contribution	£78,875
Management Co. Set up	£20,000
MUGA	£100,000
LEAP	£50,000
On-Site POS Set Up	£100,000
Allotments	£15,000
Legals	£5,000

Install Toucan Crossing	£50,000
Orchard	£10,000
Travel Plan	£10,000
Roundabout	£400,000
Trunk Road Extra Over Size	£1,106,000
Indexation to 6.1.20	£139,725
	£2,636,300

The cost in respect of oversize trunk road has been updated by reference to the Royal Institution of Chartered Surveyors Build Cost Information Service (BCIS) all in Tender Price Index from the date of the original submission by the applicants dated February 2022. In addition, the roundabout requirement has been removed in accordance with latest advice. The net effect of these changes is a revised total sum of £2,320,356. Planning policy requirements should be factual and agreed between the LPA and the applicant. If the review assessment adopts an incorrect figure and/ or a (significantly) different figure is later agreed the viability conclusion should be referred back to DVS.

6.0 Summary of Applicant's Viability Assessment

6.1 Report Reference

DVS refer to the Financial Viability Assessment appraisal summaries and supporting notes prepared by Herridge Property Consulting Ltd. dated 22 February 2022, and a revised appraisal and supporting report in respect of a '20 unit to complete' scheme proposal dated October 2022.

6.2 Summary of Applicant's Appraisal

In summary the applicant's appraisals have been produced using Argus Developer software and follow established residual methodology. This is where the Gross Development Value less the Total Development Costs Less Profit, equals the Residual Land Value or profit, and the Residual Land Value or profit is then compared to the Benchmark Land Value or target developers return as defined in the Planning Practice Guidance, to establish viability.

The applicant outlines in their appraisals the following:

- The current 220 unit scheme with planning policy required s106 contributions including 20% affordable housing, and land value of £2,500,000 produces a sub-optimal residual profit of 10.82% of gross development value.
- The Benchmark Land Value is **£2,500,000**.
- To complete the scheme with 20 units after 180, with no planning policy required s106 contributions and no land value produces a sub-optimal residual profit of 5.54% against gross development value.

- The applicants appear to conclude that if they continue with their proposal to complete the scheme after 180 units with 20 units (making a total of 200 units), there is sufficient and acceptable residual profit on the assumption that no s106 contributions (triggered after 180 units) other than the Gunswell Lane link are made.
- In the alternative, they appear to indicate that they will leave the scheme incomplete at 180 units, and thereby avoid the trigger for remaining s106 obligations, including the Gunswell Lane link and the remaining 26 affordable housing units.

To review the rationale of these conclusions, the reasonableness of the Developer's appraisal inputs is considered in the next sections.

7.0 Development Period/ Programme

7.1 On the basis of an original 220 unit scheme, the development period adopted by the applicant's advisor is 79 months, comprising:

- 3 months for pre-construction preparation
- 75 months construction
- 71 months for sales starting at month 8

7.2 Taking into account current market circumstances, the development period adopted for the DVS viability review of the same scheme is also 79 months, comprising:

- 5 months for pre-construction preparation
- 69 months construction
- 67 months for sales starting at month 12

7.3 In my bespoke Microsoft Excel based appraisal toolkit, income and costs are profiled in a monthly cash flow.

8.0 Gross Development Value (GDV)

In respect of 220 whole scheme assessment, Herridge Property Consulting Ltd. have adopted a GDV of £60,512,326. This comprises:

Market Housing GDV	£56,026,234
Affordable Housing GDV	£4,486,092

I have reviewed the GDV proposed with regards to RICS Guidance Notes '**Assessing viability in planning under the National Planning Policy Framework 2019 for England**' and '**Comparable Evidence in Real Estate**' and my conclusions are set out below.

8.1 Market Value of Private Dwellings

The VOA database contains details of sales of residential properties including accommodation details, age of property number of bedrooms, reception rooms, age, floor areas and so forth as well as transactional information such as new build sales, part exchange shared ownership or connected party sales etc. We also

have access to Energy Performance Certificates which enables analysis. We have also considered sales information about current and forthcoming schemes. All of this enables the valuer to confirm or dispute the applicant's evidence.

Further to my investigations and research, particularly in regard to the most recently available sales data on this scheme, I have a differing view in regard to the projected completed values of the proposed residential units as detailed in the table below:

Type	Beds	GIA m ²	DVS value
Coach House	2	62.06	£195,000
Bungalow	2	68.19	£286,000
House	3	73.67	£221,000
House	3	79.99	£240,000
House	3	84.08	£252,000
Bungalow	3	85.10	£349,000
House	3	85.10	£255,000
House	3	88.17	£264,000
Bungalow	3	104.05	£427,000
House	4	104.70	£314,000
Bungalow	3	106.37	£436,000
Bungalow	3	108.88	£446,000
House	3	113.62	£341,000
House	3	114.64	£344,000
House	3	116.69	£350,000
House	4	118.17	£355,000
House	4	121.33	£364,000

In respect of a whole 220 unit scheme, my assessment of gross completed market housing (net of 20% affordable housing) amounts to **£59,702,000**. The applicant's assessment is £56,026,234, and therefore circa 6% lower.

In respect of an applicant preferred '20 unit to complete' scheme, the proposed accommodation schedule and my opinions of completed unit values are as follows:

Type	GIA m ²	DVS value
2 Bed Bungalow	71.26	£300,000
3 Bed Bungalow	104.61	£427,000
3 Bed Bungalow	108.70	£446,000
3 bed chalet bungalow	118.08	£355,000

The revised projected completed value of market housing in the latest Herridge Property Consulting assessment is £7,760,000. My assessment amounts to **£7,532,000**, or some 3% lower than the applicants.

8.2 Market Value of Affordable Housing Dwellings

In their assessment of a 220 unit scheme, the applicants have assessed the value of 20% affordable units as £4,486,092.

I have assumed a policy compliant split of required affordable housing as 75% social rent, and 25% intermediate (shared ownership). I have considered evidence from other schemes in the region and have carried out investment valuations. I am of the

view that a fair proportion of current private market value in respect of social rent tenure units equates on average to circa 35%. In respect of shared ownership units, I have assumed a rent on unsold equity of 2.75%, with analysis resulting in a proportion of private market value of 65%. On this basis, my comparative valuations are tabulated as follows:

Scheme	Applicant	DVS	Difference	% difference
220 unit scheme with 44 affordable units:	£4,486,092	£4,432,038	£54,054	1.2%

There is insufficient data or narrative available in the applicant's original appraisals to properly compare the respective valuations.

8.3 Other Revenue e.g., Grant Funding

In the absence of any evidence to the contrary, I have assumed that no grant funding to cross subsidise the affordable housing element of the scheme will be available. Should a Registered Provider become involved in this scheme at any point and obtain such funding, this would be a material factor and may alter my conclusions.

8.4 Total GDV

In respect of the original 220 unit scheme, my total for GDV is £64,134,318 which is £3,621,982 higher than the applicant.

In respect of the proposed '20 unit to complete' scheme, my total for GDV is £7,532,000 which is £228,000 lower than the applicant.

The impact on viability of higher and lower values of up to 5% are reflected upon as part of the sensitivity tests.

9.0 **Total Development Costs**

9.1 Summary of Costs

The schedule of costs adopted in both the Herridge Property Consulting Ltd. and my 220 unit assessments is summarised as follows:

Item	Herridge Property Consulting Ltd.	DVS
Plot Construction Cost	£29,250,501	£29,020,668
External works, infrastructure etc.	£11,451,164	£12,280,792
Professional Fees %	8%	6%
Contingency %	5% build, 10% infrastructure	3%
Finance debit Interest	6.5%	7.5%
Marketing / Sales / Agency Fees	£209,900	2.5%
Legal Fees market unit sales	£600 / unit	£600 / unit
Legal Fees affordable sales	£400 / unit	£400 / unit

9.2 Summary of Unagreed Costs

The following cost inputs have not been accepted as reasonable:

- Plot build costs
- external works and infrastructure
- Professional fees
- Contingency
- Marketing/Agency fees
- Finance interest debit and credit rates

9.3 Plot build costs

Herridge Property Consulting Ltd. has assessed plot construction costs on the basis of a range of rates per square metre GIA. It is understood that this is informed by both scheme construction cost data, and Royal Institution of Chartered Surveyors Build Cost Information Service (BCIS) data. It is also noted that the stated build cost in respect of the Coach House at £3,698 per square metre appears to be an error.

I have referenced BCIS, and based my assessment on the most recently available dataset. Given the size, quality, and circumstances of the proposed development, I have referenced median rates in respect of 2 storey flats and houses, and single storey bungalows. I have used default rates, and re-based figures to the North Devon location. Based on the most recently available data, this analysis results in the following projected plot build costs:

Type	GIA	Rate/ m ²	Plot build
flat build (plus 15% circulation)	856	£1,528	£1,316,325
House build	8,567	£1,352	£11,667,706
Single storey house build	10,086	£1,578	£16,036,637
Total:			£29,020,668

9.4 External works and infrastructure

The applicants have detailed a range of claimed external works, infrastructure and abnormal site works costs in their appraisal summary in respect of a 220 unit scheme. Whilst these costs are not supported by any narrative or quantities, they appear reasonable in the context of the scheme and known ground conditions, and I have therefore accepted them for the purposes of my assessment. It is noted however that these figures date from quarter 1 2022, and in the light of inflationary pressures, I have updated costs by reference to BCIS all in Tender Price Index, resulting in an overall current indicative cost of £12,280,792. I should caution that I am not a qualified Quantity Surveyor however, and in the event of any dispute, I would reserve the option of obtaining such specialised advice.

In respect of a '20 unit to complete' scheme however, Herridge Property Consulting Ltd. have included the following updated costs:

	Herridge	DVS
Plot Externals	£799,629	£398,120
Estate Road	£513,734	£510,850
Estate Landscaping	£50,671	£50,387
Gas Diversions	£146,080	£145,260

Soil Conditions RetWall/Excavations	£233,728	£232,416
Site Water Level as per Report	£175,296	£174,312
Attenuation	£116,864	£116,208
Radon Area	£10,800	£10,800
Ecology Mitigation	£21,600	£21,600
Management Company	£21,600	£21,600
Abnormal Trunk Road Extra Over Cost	£409,023	£406,728

The figures have not been supported by reference to quantities or detailed reports/narrative, and there are no quantities provided. Following a site visit, the indicated works are however considered to be reasonably required, and the extent of the costs as at quarter 1 2022 is also considered reasonable in my most recent experience. I have indexed the costs by reference to the BCIS all in Tender Price Index, and my comparative figures are detailed in the table above.

The external works costs (as updated) do not however appear to be reasonably stated. In their 220 unit scheme appraisal summary, Herridge Property Consulting Ltd. have indicated a gross plot external works cost of £3,763,320, equating to an average of £17,106 per plot. The allowance in their 40 unit appraisal was £738,979, equating to an average of £18,474 per plot. These assessments appear on average to be reasonable in my experience. In their 20 unit appraisal however, the same £738,979 (quarter 1 2022) figure has been used (equating to £36,951 per plot), and this appears to be erroneous. In my assessment of the '20 unit to complete' scheme, I have adopted an average rate per plot of £18,500 as at quarter 1 2022, indexed to date at £19,906 per plot, yielding an indicative current external works cost of £398,120.

9.5 Professional fees

The applicants have included professional fees totalling 8% of costs in their appraisals. Given the scale of the whole scheme, and elements of the work already undertaken, I am of the view that in the light of other recent assessments in the region, this is over stated. I have rather assessed professional fees at 6% of costs as adopted in other recent assessments in the region, and as recommended by our in-house QS expertise.

In addition to general professional fees, separately stated sums in respect of planning fees have been included in the applicant's appraisals. In my experience, such costs are either implicit in land value (being a promotion cost), and/or included in the professional fee allowance. Given the benchmark land value in this case, coupled with a 6% professional fees allowance, I have however included the indicated cost of £392,374 in my 220 unit whole scheme assessment. I have not allowed for further fees in respect of the '20 unit to complete' assessment on the basis that full planning permission is in place, and any costs in seeking variation should be reflected as risk in the development profit margin.

9.6 Contingency allowance

The applicants have included a contingency allowance of 5% of plot build costs in their assessments. In my recent experience, contingency allowances range from 3% to 5%, with the lower figure generally applied in the case of green field sites such as this one. In the light of this, I have rather adopted 3% in my assessments. The applicants have also adopted a greater contingency of 10% relating to

infrastructure costs. As I have not been provided with any detailed costings of the infrastructure elements, I am unable to confirm whether such contingency is already included. I have therefore allowed 3% in my 220 unit whole scheme and '20 unit to complete' schemes. This is due to the uncertainty as to potential double counting, and also that the scheme is well underway, and risk surrounding site conditions is already largely known.

9.7 Marketing and Agency costs

The applicants have included marketing sales and agency costs of £209,900 in respect of a whole 220 unit scheme and £200,000 in respect of a '20 unit to complete' scheme. In the light of my recent experience, I have included 1% of market unit value in respect of marketing, and 1.5% in respect of agency in my assessments.

9.7 Finance interest debit and credit rates

The applicants have included debit interest rates of 6.5% and no credit rate in their assessments. Whilst the debit rate was previously agreed, there has since been a material increase in bank base rate. In the light of this, I have used a debit rate of 7.5% in my appraisals. I have also used a credit rate of 2% on any positive cash flow balances as is good practise.

9.8 Summary Agreed Cost Inputs

The following cost inputs have been accepted as reasonable and adopted by DVS in the review assessment:

Cost	Agent	Comments
Legal Fees market unit sales	£600 / unit	This suggested per unit sum is considered reasonable and accepted for the purposes of my assessment.
Legal Fees affordable unit sales	£400 / unit	This suggested per unit sum is also considered reasonable and accepted for the purposes of my assessment.

The impact on viability of higher and lower costs of up to 5% are reflected upon as part of the sensitivity tests.

10.0 Developer's Profit

10.1 Herridge Property Consulting Ltd. have included developers return as a residual output in their assessments but have however not stated a target return. By implication, the indicative return in their '20 unit to complete' assessment of 16.46% of market gross development value is sufficient to incentivise completion of the scheme. In my most recent experience, developers target return has been set at a range of 15% to 20% of market GDV. The most recent government guidance also suggests an industry norm of between 15% and 20% on market GDV. An appropriate target rate of developers' return has been considered against this guidance, recent experience in the region, current market circumstances, and in the light of site-specific factors.

- 10.2 In the light of my most recent experience of development proposals of this nature, I have rather adopted 17.5% of market residential GDV in my assessment as a reasonable target profit level. In respect of affordable units, I have adopted a target profit level of 6% as is widely adopted and reflecting reduced risk on the basis of a forward sale to a Registered Provider.
- 10.3 To accord with the RICS Guidance Note '**Assessing viability in planning under the National Planning Policy Framework 2019**', I can report that the profit level I have adopted of 17.5% market GDV and 6% of affordable GDV is equivalent to 20.41% of Total Development Costs on the assumption of the original 220 unit scheme.

11.0 Benchmark Land Value (BLV)

11.1 Applicant's BLV

In respect of a whole 220 unit scheme, the applicant's surveyor has adopted a Benchmark Land Value of £2,500,000. No BLV has been included in the '20 units to complete' scheme. Additionally, no EUV or required premium is stated.

In forming my opinion of BLV I have followed the five-step process, which is detailed in RICS GN '**Assessing viability in planning under the National Planning Policy Framework 2019 for England**' (effective 1 July 2021).

11.2 Existing Use Value (EUV)

Step one is to undertake a valuation to determine EUV.

The Applicant has not stated an opinion of EUV.

My whole site EUV is £326,000 and has been approached by considering the market value of the former green field agricultural use. In the light of market evidence of agricultural land transactions, as well as published indices, and recent similar 'green field' assessments in the region, I am of the opinion that the (former) existing use of the land as agricultural lies in the region of £24,710 per hectare.

11.3 Alternative Use Value (AUV)

Step two is the assessment, where appropriate, of the AUV.

Clearly the site benefits from an extant planning permission for residential development, however this assessment relates back to this permission, and therefore an Alternative Use Value approach is not considered applicable in this case.

11.4 Cross Sector Collaboration Evidence of BLV and Premium

The RICS GN explains that Step three is to assess a premium above EUV based on the evidence set out in PPG paragraph 016, which is '*the best available evidence informed by cross sector collaboration. which can include benchmark land values from other viability assessments' comparisons with existing premiums above EUV*'.

The Benchmark Land Value tone for viability purposes adopted by applicants on similar green field sites in the District reflects the widely recognised significant

required premium over a low base agricultural value in order to incentivise release of the land for development (provided that they have met full policy to avoid circularity). It is noted in this regard that a typical range in respect of sites with varying degrees of abnormal development costs, is frequently based on a multiplier in the range of 5 to 10 over base agricultural land value.

In the light of my experience in other cases in the District and more widely, and in the particular circumstances of this site, I assess that a reasonably required premium in this case would be £2,174,000 over EUV (multiplier of circa 7.7 over EUV).

11.5 Residual Land Value

Step four is to determine the residual value of the site or typology, assuming actual or emerging policy requirements, and this assessment of land value can be cross checked against the EUV+.

Adopting the inputs described herein this report, the residual land value of the original consented whole 220 unit scheme is £2,963,286.

I have considered whether this is reasonable compared to the existing use and premium evidence reported above, and the additional evidence, reported below.

11.6 Adjusted Land Transaction Evidence

Step five is to cross-check the EUV+ approach to the determination of the BLV of the site by reference to (adjusted) land transaction evidence and can also include other BLV of compliant schemes (or adjusted if not compliant).

The applicants have not derived their opinion of BLV by reference to market evidence. Due to the heterogeneity of development sites and consequent difficulty in direct comparison as recognised by the RICS, I do not consider that such evidence is useful in this case. My assessment is based on established and recommended determinants of BLV in development viability testing.

11.7 Purchase Price

The NPPG on viability encourages the reporting of the purchase price to improve transparency and accountability, however it discourages the use of a purchase price as a barrier to viability, stating *the price paid for land is not a relevant justification for failing to accord with relevant policies in the plan. And under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.*

The PPG does not, however, invalidate the use and application of a purchase price, or a price secured under agreement, where the price enables the development to meet the policies in the plan.

I understand that the applicant has not disclosed the price secured for the site.

11.8 Benchmark Land Value Conclusion

The reasonableness of the applicant's original scheme £2,500,000 Benchmark Land Value has been considered against:

- The EUV of £326,000
- Alternative use value is not applicable
- Evidence of appropriate premium above the EUV £2,174,000 (7.7 x EUV)
- The RLV of the original planning compliant scheme £2,963,286
- Benchmark Land Values (BLV) adopted in the local plan study for this typology are not applicable
- Market evidence considered not applicable
- The purchase price is not applicable

In conclusion, having considered all of the above approaches, It is my balanced and professional opinion that an appropriate BLV in the case of the consented 220 unit scheme would be **£2,500,000**. This comprises an EUV £326,000 and a premium £2,174,000 (7.7 x EUV) as a minimum requirement to incentivise release for development.

12.0 DVS Viability Assessment

12.1 DVS Viability Appraisal 1 originally consented 220 unit Scheme

My viability review assessment has been produced using bespoke Microsoft Excel software.

Appraisal 1 can be found at **Appendix (i)** reflects the combined requirements of 20% on-site Affordable housing, and s106/s278 contributions totalling £2,320,356.

Based on the inputs I have outlined above the residual output presented as the amount available for land which is then compared to the valuer's opinion of the BLV to determine the viability of the scheme.

As detailed in this report, I have a difference of opinion regarding values and construction costs. The cumulative effect of these changes is that my viability appraisal, based on current costs and values, generates a residual land value of £2,963,286, which is above the BLV of £2,500,000.

It is my independent conclusion therefore that the originally consented scheme, with originally required s106 requirements (however excluding the roundabout cost), based on current costs and values, is financially viable.

12.2 DVS Viability Appraisal 2: potentially viable '20 unit to complete' scheme

Appraisal 2 can be found at **Appendix (ii)** reflects the applicant preferred '20 units to complete' after 180 units scenario, without any affordable housing, and a reduced balance s106/s278 contributions totalling £718,729 (including a cost of £406,728 in respect of the Gunswell Lane link works). Again, no land value is included as per the applicant's assessment, on the basis that the land has been acquired.

It is my independent conclusion therefore that the '20 units to complete' scheme, without affordable units, however with reduced s106/s278 contributions of £718,729, based on current costs and values, is financially viable.

13.0 Sensitivity Analysis

- 13.1 Further to mandatory requirements within the RICS Professional Statement **'Financial viability in planning: conduct and reporting'**, sensitivity tests are included to support the robustness of the viability conclusion described above.
- 13.2 I have varied two of the most sensitive appraisal inputs relating to sales revenue, construction costs. I have adjusted these in upward and downward steps of 2.5% from the original 220 unit scheme scenario as a base appraisal assumption. The appraisal includes s106/s278 requirements and 20% affordable housing, The output presented is the surplus or deficit generated with a fixed BLV of £2,500,000.
- 13.3 **Sensitivity Test 1 – Appraisal 1 – 220 unit scheme results:**

Sales revenue:					
Construction cost:	5.000%	2.500%	0.000%	-2.500%	-5.000%
-5.000%	£5,444,834	£3,841,476	£2,238,118	£634,761	-£968,597
-2.500%	£4,648,471	£3,045,113	£1,441,755	-£161,602	-£1,764,960
0.000%	£3,852,059	£2,248,701	£645,343	-£958,014	-£2,561,372
2.500%	£3,055,505	£1,452,147	-£151,210	-£1,754,568	-£3,357,926
5.000%	£2,258,951	£655,594	-£947,764	-£2,551,122	-£4,154,480

- 13.4 The base conclusion is shown in bold at the centre of the results table (white cell). The green cells indicate the combination of factors that would give way to a viable scheme, and the yellow cells indicate scheme financial deficits.
- 13.5 As can be seen from the sensitivity matrix, 13 of the 25 iterations indicate a scheme scenario where full required s106/s278 contributions (including 20% affordable housing) can be provided. This analysis indicates the robustness of the assessment.
- 13.6 If your council requires any additional or specific testing for future reports please let me know.

14.0 Recommendations

Summary of key issues and recommendations:

14.1 Viability Conclusion

I have concluded that based on available information, the originally consented 220 unit scheme, when assessed on the basis of current costs and values and including an appropriate Benchmark Land Value is financially viable when including consented scheme planning requirements, including 20% affordable housing. There is therefore in my view no financial viability justification to support an amendment to the original s106 requirement.

This conclusion is however arguably superfluous, as the applicant has indicated that unless measures are taken to mitigate claimed financial viability issues, they will simply cease operations at 180 residential units, and thereby avoid the trigger for additional s106 contributions. This would leave a scheme of 180 units with 18 affordable units (10%), and in all likelihood no Gunswell Lane link, Roundabout, or the balance of required s106/s278 contributions.

The expressed preferred developer option is to provide 20 more units beyond 180 to complete an ultimately reduced 200 unit scheme. It is implied that this option, when including the Gunswell Lane link only and no other s106/s278 contributions will result in a sufficient developer return to incentivise scheme completion.

In my assessment, a '20 units to complete' scheme option would be financially viable with no additional affordable housing, but with reduced s106/s278 contributions totalling £982,691.

I therefore agree with the applicants that notwithstanding my finding that the original 220 unit scheme is financially viable, the '20 unit to complete' option is the most financially viable. I disagree with the applicants however in that my analysis suggests that a sum of £406,728 is available to fund construction of the Gunswell Lane Link, and a balance sum of £312,001 in respect of balance s106 requirements is financially viable in this scenario.

The overall available sum is £718,729, and this in my opinion is available for s106/s278 contributions, or could be used to fund on or off-site affordable housing.

15.0 Engagement

- 15.1 The DVS valuer has conducted limited information discovery discussions with the applicant and their advisor. No negotiations have been undertaken.
- 15.2 Should the applicant disagree with the conclusions of our initial assessment; we would recommend that they provide further information to justify their position. Upon receipt of further information and with your further instruction, DVS would be willing to review the new information and reassess the schemes viability. Please note that this may incur an additional charge.
- 15.3 If any of the assumptions stated herein this report and/or in the attached appraisal are factually incorrect the matter should be referred back to DVS as a re-appraisal may be necessary.
- 15.4 Following any new information and discussions a Stage Two report may then be produced, however if the conclusion is unchanged, a redacted version of this report including reference to the discussions will be provided.

16.0 Disclosure / Publication

- 16.1 **This initial review report is not for publication.**
- 16.2 The report has been produced for North Devon Council only. DVS permit that this report may be shared with the applicant and their advisors as named third parties only.
- 16.3 The report should only be used for the stated purpose and for the sole use of your organisation and your professional advisers and solely for the purposes of the instruction to which it relates. Our report may not, without our specific written consent, be used or relied upon by any third party, permitted or otherwise, even if that third party pays all or part of our fees, directly or indirectly, or is permitted to see a copy of our report. No responsibility whatsoever is accepted to any third party (named or otherwise) who may seek to rely on the content of the report.

- 16.3 Planning Practice Guidance for viability promotes increased transparency and accountability, and for the publication of viability reports. However, it has been agreed that your authority, the applicant, and their advisors will neither publish nor reproduce the whole or any part of this initial assessment report, nor make reference to it, in any way in any publication. It is intended that a final report will later be prepared, detailing the agreed viability position or alternatively where the initial review report is accepted, a redacted version will be produced, void of personal and confidential data, and made available for public consumption.
- 16.4 As stated in the terms, none of the VOA employees individually has a contract with you or owes you a duty of care or personal responsibility. It is agreed that you will not bring any claim against any such individuals personally in connection with our services.
- 16.5 This report is considered Exempt Information within the terms of paragraph 9 of Schedule 12A to the Local Government Act 1972 (section 1 and Part 1 of Schedule 1 to the Local Government (Access to Information Act 1985) as amended by the Local Government (access to Information) (Variation) Order 2006 and your council is expected to treat it accordingly.

The DVS valuer assume that all parties will restrict this report's circulation as appropriate, given the confidential and personal data provided herein.

If the parties do not wish to discuss or contest this report, a redacted version suitable for publication can be issued following your formal request.

I trust that the above report is satisfactory for your purposes, however, should you require clarification of any point do not hesitate to contact me further.

Yours sincerely

██████████ BSc MRICS
Principal Surveyor
RICS Registered Valuer
DVS
Date: 14 December 2022

Reviewed by:

██████████ MRICS
RICS Registered Valuer
Principal Surveyor
DVS
Date: 14 December 2022

17.0 Appendices

- (i) Appraisal 1
- (i) Appraisal 2
- (ii) Redacted TOE

(i) Appendix 1: Appraisal summary; original 220 unit scheme

Valuation Office Agency		Property: Land West of North Road, South Molton, Devon		Appraisal Date: Full 220 unit scheme, 20% affordable 12 December 2022	
Ref: 1800756		Client: North Devon District		<div style="border: 1px solid black; padding: 5px; display: inline-block;"> DVS Property Specialists for the Public Sector </div>	
WITHOUT PREJUDICE		Appraisal by			
Receipts:					
		No. Units 220	Total GIA m2		
Private Residential	80%	176	16,112	£59,702,000	£59,702,000
Affordable Housing	20%				
	social rent	33	2,434	£2,688,683	
	shared ownership	11	851	<u>£1,743,625</u>	
		44	3285	<u>£4,432,308</u>	£4,432,308
TOTAL DEVELOPMENT VALUE					£64,134,308
Development Costs					
Acquisition Costs					
Benchmark Land Value	13.19 gross hectares 32.59 acres		£224,662 per gross ha £90,919.30 per gross acre	£2,963,286	
Stamp Duty			nil, 2% and 5% tranches	£137,664	
Agents and Legal Fees			1.75%	£51,858	
Planning fees				£392,374	£3,545,182
Construction Costs:					
		GIA	rate £/m		
flat build (plus 15% circulation)		856	1,537	£1,316,325	
House build		8,567	1,362	£11,667,706	
Single storey house build		10,086	1,590	<u>£16,036,637</u>	<u>£29,020,668</u>
Infrastructure	Plot external works		£18,406 per plot	£4,049,332	
	Estate Landscaping			256,604	
	Estate Road			2,601,553	
	BT Service Diversions			107,600	
	Water Diversion			107,600	
	Gas Diversions			134,500	
	Electrical Diversions			215,200	
	Off-Site Sewer Requisition Rear			257,714	
	Off-Site Sewer			107,600	
	Electrical Upgrades and Sub Stations			161,400	
	Soil Conditions - Retaining Walls			1,183,600	
	Site Water Level as per report			1,513,989	
	Tree Removal Clay Heave			355,080	
	Attenuation			591,800	
	Radon Area			275,000	
	Ecology Mitigation			100,000	
	Archaeology			50,000	
	Head Wall to Discharge			102,220	
	Management Company			110,000	
				<u>£12,280,792</u>	£41,301,461
Contingency		build 3%		£1,239,044	£1,239,044
Professional Fees:		6%		£2,478,088	£2,478,088
Planning Contributions					
	s106/s278 roundabout			£0	
	s106/s278 Trunk Road Extra Over Size (Gunswell Lane Link)			£1,190,056	
	s106 Education Contribution			£551,700	
	s106 Off-Site POS Contribution			£78,875	
	s106 Management Co Set up			£20,000	
	s106 MUGA			£100,000	
	s106 LEAP			£50,000	
	s106 On-Site POS Set Up			£100,000	
	s106 Allotments			£15,000	
	s106 Legals			£5,000	
	s106 Install Toucan Crossing			£50,000	
	s106 Orchard			£10,000	
	s106 Travel Plan			£10,000	
	s106 Indexation to 6.1.20			<u>£139,725</u>	<u>£2,320,356</u>
					£2,320,356
Disposal costs:					
	Marketing		1.00%	£597,020	
	Agency		1.50%	£895,530	
	legal costs market unit sales		£600 per unit	£105,600	
	legal sales fee affordable		£400 per unit	<u>£17,600</u>	£1,615,750
Finance:	Interest	credit rate 1.00%	debit rate 7.50%	<u>£920,639</u>	£920,639
Profit:	market residential	on GDV	17.50%	£10,447,850	
	affordable	on GDV	6.00%	<u>£265,938</u>	£10,713,788
TOTAL DEVELOPMENT COSTS					£64,134,308
PROFIT					
Surplus/Deficit					£0

(ii) Appendix 2: Appraisal summary: '20 unit to complete' scheme, full s106

Valuation Office Agency		Property: Land West of North Road, South Molton, Devon Ref: 1800756 Client: North Devon District Council WITHOUT PREJUDICE Appraisal by		Appraisal Date 20 unit to complete scheme, reduced s106 12 December 2022		DVS Property Specialists for the Public Sector	
Receipts:							
		No. Units 20	Total GIA m2				
Private Residential	100%	20	2,083	£7,532,000		£7,532,000	
Affordable Housing	0%						
	social rent	0	0			£0	
	shared ownership	0	0			£0	
		0	0			£0	£0
TOTAL DEVELOPMENT VALUE							£7,532,000
Development Costs							
Acquisition Costs							
Benchmark Land Value	gross hectares					£0	
	acres						
Stamp Duty			nil, 2% and 5% tranches			£0	
Agents and Legal Fees			1.75%			£0	
Planning fees						£100,000	£100,000
Construction Costs:							
		GIA	rate £/m				
flat build (plus 15% circulation)		0	0			£0	
House build		945	1,362			£1,286,600	
Single storey house build		1,138	1,590			£1,809,865	£3,096,465
More infra/abnormals	Plot Externals		£19,906 per plot			£398,120	
	Estate Road					£510,850	
	Estate Landscaping					£50,387	
	Gas Diversions					£145,260	
	Soil Conditions RetWall/Excavations					£232,416	
	Site Water Level as per Report					£174,312	
	Attenuation					£116,208	
	Radon Area					£10,800	
	Ecology Mitigation					£21,600	
	Management Company					£21,600	£1,681,553
							£1,681,553
Contingency		3%				£143,341	£143,341
Professional Fees:		6%				£286,681	£286,681
Planning Contributions							
	s278 Trunk Road Extra Over Size (Gunswell Lane Link)					£406,728	
	s278 roundabout					£0	
	s106 Education Contribution					£0	
	s106 Trim Trail					£0	
	s106 Management Co Set up					£0	
	s106 MUGA					£0	
	s106 LEAP					£0	
	s106 On-Site POS Set Up					£0	
	s106 Allotments					£0	
	s106 Legals					£0	
	s106 Install Toucan Crossing					£0	
	s106 Orchard					£0	
	s106 Travel Plan					£0	
	s106 Indexation to 6.1.20					£0	
	Balance available for s106 financial contribution					£312,001	£718,729
Disposal costs:							
	Marketing		0.50%			£37,660	
	Agency		1.50%			£112,980	
	legal costs market unit sales		£600 per unit			£12,000	
	legal sales fee affordable		£400 per unit			£0	£162,640
Finance:							
Interest	credit rate 1.00%		debit rate 7.50%			£24,492	£24,492
Profit:							
market residential		on GDV	17.50%			£1,318,100	
affordable		on GDV	6.00%			£0	£1,318,100
TOTAL DEVELOPMENT COSTS							£7,532,000
PROFIT							
Surplus/Deficit							£0



Valuation Office
Agency

DVS Property Specialists
for the Public Sector

Valuation Office Agency (VOA)
Wycliffe House
Green Lane
Durham
DH1 3UW

Please note that this is our national postal centre, contact by digital channels preferred

Roger Bagley
Senior Planning Officer
North Devon District Council

Our Reference: 1800756/[REDACTED]
Your Reference: 74948

Please ask for: [REDACTED]
Tel: [REDACTED]
Mobile: [REDACTED]
E Mail: [REDACTED]@voa.gov.uk
Based at Bristol Valuation Office

By Email only

Date: 18 July 2022

COMMERCIAL IN CONFIDENCE

Dear Roger

Independent Review of Development Viability Assessment

Proposed Development	Reserved matters application for the erection of 20 residential dwellings and their associated garages, parking, & landscaping previously approved under reserved matters 65257 & 71971 (outline planning permission 61953 mixed use development comprising approx 250 dwellings , allotments, public open space and other associated infrastructure)
Subject of Assessment:	Land West of North Road South Molton Devon
Planning Application Ref:	74948
Applicant / Developer:	Baker Estates Ltd.
Applicant's Viability Advisor:	Herridge Property Consulting Ltd.

I refer to your instructions dated 13 July 2022, and am pleased to confirm my Terms of Engagement should you confirm instructions for us to undertake this commission for you.

This document contains important information about the scope of the work you may commission and confirms the terms and conditions under which DVS, as part of the VOA proposes to undertake the instruction.

It is important that you read this document carefully and if you have any questions, please do not hesitate to ask the signatory whose details are supplied above. Please contact them immediately if you consider the terms to be incorrect in any respect.

Please note that this Terms of Engagement document is confidential between our client, North Devon Council and the VOA. As it contains commercially sensitive and data sensitive information, it should not be provided to the applicant or their advisor without the explicit consent of the VOA. A redacted copy of these terms will be included as an appendix to our final report.

1. Client

This instruction will be undertaken for North Devon Council and the appointing planning officer will be Roger Bagley.

2. Subject Property and Proposed Development

It is understood that you require a viability assessment review of planning application ref: 74948.

The land and property subject to the review is Land West of North Road South Molton Devon.

It is understood that the development has:

- a total GIA of 2,041.64 m²
- the proposed schedule of accommodation is as follows:

Property type	Number	m ²	Total m ²
2 Bed Bungalow	4	71.72	286.88
3 Bed Bungalow	8	104.70	837.61
3 Bed Bungalow	8	114.64	917.14
			2041.64

3. Purpose and Scope

To complete this assessment DVS will:

- a) Assess the Financial Viability Appraisals (FVA) submitted by / on behalf of the planning applicant / developer, including an assessment of the original (whole) scheme, and other potential options, taking in to account the planning proposals as supplied by you or available from your authorities planning website.
- b) Advise you on those areas of the appraisals which are agreed and those which are considered unsupported or incorrect, including stating the basis for this opinion.
- c) If DVS considers that the applicant's appraisal inputs and viability conclusions are incorrect, we will advise on the cumulative viability impact of the changes and in particular whether any additional affordable housing and / or s106 contributions might be provided without adversely affecting the overall viability of the development. This will take the form of sensitivity tests.

3.1 My report to you will constitute my final report if my findings conclude that the planning applicant / developer cannot provide more affordable housing and s106 payments than have been proposed.

3.2 However, if having completed my assessment, I conclude that the planning applicant / developer may be able to provide more affordable housing and s106 payments than have been proposed, I understand that my findings report may only constitute Stage One of the process as the report will enable all parties to then consider any areas of disagreement and potential revisions to the proposal.

3.3 In such circumstances, I will, where instructed, by you be prepared to enter into discussions on potential revisions to the applicant's proposals, and / or consider any new supporting information. Upon concluding such discussions, I will submit a new report capturing my subsequent determination findings on the potentially revised application; for convenience and to distinguish it, this report on a second stage assessment may be referred to as my Stage Two report.

4. Date of Assessment

The date of the assessment is required to be the date on which the report is signed, which date will be specified in the report in due course.

5. Confirmation of Standards to be applied

The DVS viability assessment review will be prepared in accordance with the following statutory and other authoritative requirements:

Mandatory provisions

- The '**National Planning Policy Framework**', which states that all viability assessments should reflect the recommended approach in the '**National Planning Practice Guidance on Viability**'. This document is recognised as the 'authoritative requirement' by the Royal Institution of Chartered Surveyors (RICS).
- RICS Professional Statement '**Financial viability in planning: conduct and reporting**' (effective from 1 September 2019) which provides the mandatory requirements for the conduct and reporting of valuations in the viability assessment and has been written to reflect the requirements of the PPG.
- RICS Professional Standards PS1 and PS2 in the '**RICS Valuation – Global Standards**'.

Best Practice provisions

Regard will be had to applicable RICS Guidance Notes:

- RICS GN '**Assessing viability in planning under the National Planning Policy Framework 2019 for England**' (effective 1 July 2021)
- RICS GN '**Valuation of Development Property**'
- RICS GN '**Comparable Evidence in Real Estate Valuation**'

Measurements stated will be in accordance with the RICS Professional Statement '**RICS Property Measurement (2nd Edition)**' and, where relevant, the '**RICS Code of Measuring Practice (6th Edition)**'.

Valuation advice, where applicable, will be prepared in accordance with the professional standards, in particular VPS 1 to 5 of the '**RICS Valuation – Global Standards**' and with the '**UK National Supplement**', which taken together are commonly known as the RICS Red Book. Compliance with RICS Professional Standards and Valuation Practice Statements (VPS) gives assurance also of compliance with the International Valuations Standards (IVS).

6. Agreed Departures from the RICS Professional Standards

As agreed by you, any office and/or residential property present has been reported upon using a measurement standard other than IPMS, and specifically Gross Internal Area has been used. Such a measurement is an agreed departure from '**RICS Property Measurement (2nd Edition)**'.

I understand that you requested this variation because this measurement standard is how the applicant has presented their data, is common and accepted practice in

the construction /planning industry, and it has been both necessary and expedient to analyse the comparable data on a like with like basis.

RICS Red Book Professional Standards PS1 and PS2 are applicable to our undertaking of your case instruction. As our assessment may be used by you as part of a negotiation, compliance with the technical and performance standards at VPS1 to VPS 5 is not mandatory (PS 1 para 5.4) but best practice and they will therefore be applied to the extent not precluded by your specific requirement.

7. Bases of Value

7.1 Benchmark Land Value (BLV) Paragraph 014 of the NPPG for Viability states that Benchmark Land Value should:

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

Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.

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.

In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.

Where viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant

policies in the plan. Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement).

7.2 Existing Use Value (EUV): Paragraph 015 of the NPPG for viability states that:

Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield (excluding any hope value for development).

Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency data; public sector estate/property teams' locally held evidence.

7.3 Alternative Use Value (AUV): Paragraph 017 of the NPPG for viability states that:

For the purpose of viability assessment alternative use value (AUV) refers to the value of land for uses other than its existing use. AUV of the land may be informative in establishing benchmark land value. If applying alternative uses when establishing benchmark land value these should be limited to those uses which would fully comply with up to date development plan policies, including any policy requirements for contributions towards affordable housing at the relevant levels set out in the plan. Where it is assumed that an existing use will be refurbished or redeveloped this will be considered as an AUV when establishing BLV.

Plan makers can set out in which circumstances alternative uses can be used. This might include if there is evidence that the alternative use would fully comply with up-to-date development plan policies, if it can be demonstrated that the alternative use could be implemented on the site in question, if it can be demonstrated there is market demand for that use, and if there is an explanation as to why the alternative use has not been pursued. Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. Valuation based on AUV includes the premium to the landowner. If evidence of AUV is being considered the premium to the landowner must not be double counted.

7.4 Gross Development Value (GDV) is defined in the Glossary of the RICS GN 'Valuation of Development Property' (February 2020) as:

The aggregate Market Value of the proposed development on the special assumption that the development is complete on the date of valuation in the

market conditions prevailing on the date. Where an income capitalisation approach is used to estimate the GDV, normal assumptions should be made within the market sector concerning the treatment of purchaser's costs. The GDV should represent the expected contract price.

7.5 Market Value (MV) is defined by RICS VPS 4, paragraph 4 as:

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

7.6 Market Rent (MR) is defined by RICS VPS 4, paragraph 5 as:

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

8. Special Assumptions

On occasion, it may be agreed that a basis of value requires to be modified and a Special Assumption added, for example where there is the possibility of Special Value attaching to a property from its physical, functional, legal or economic association with some other property.

Any Special Assumptions agreed with you have been captured below under the heading Special Assumptions, in accordance with VPS 4, para 9 of the professional standards of the Royal Institution of Chartered Surveyors: RICS Valuation – Global Standards and RICS UK National Supplement and will be restated in my report.

The following special assumptions have been agreed and will be applied:

- That the proposed development is complete on the date of assessment in the market conditions prevailing on the date of assessment.
- That North Devon Council's Local Plan policies, or emerging policies, including for affordable housing are up to date.
- That the applicant's abnormal costs, where adequately supported, are to be relied upon to determine the viability of the scheme, unless otherwise stated in our report and/ or otherwise instructed by North Devon Council and that are no abnormal development costs in addition to those which the applicant has identified.

9. Extent of Valuer's Investigations, Restrictions and Assumptions

An assumption in this context is a limitation on the extent of the investigations or enquiries that will be undertaken by the assessor.

The following agreed assumptions will apply to your instruction and be stated in my report, reflecting restrictions to the extent of our investigations.

- Such inspection of the property and investigations as the Valuer decides is professionally adequate and possible in the particular circumstance will be undertaken.
- No detailed site survey, building survey or inspection of covered, unexposed or inaccessible parts of the property will be undertaken. The Valuer will have regard to the apparent state of repair and condition and will assume that inspection of those parts that are not inspected would neither reveal defects nor cause material alteration to the valuation, unless the valuer becomes aware of indication to the contrary.

The building services will not be tested, and it will be assumed that they are in working order and free from defect. No responsibility can therefore be accepted for identification or notification of property or services' defects that would only be apparent following such a detailed survey, testing or inspection. If the Valuer decides further investigation to be necessary, separate instructions will be sought from you.

- It will be assumed that good title can be shown, and that the property is not subject to any unusual or onerous restrictions, encumbrances or outgoing.
- It will be assumed that the property and its value are unaffected by any statutory notice or proposal or by any matters that would be revealed by a local search and replies to the usual enquiries, and that neither the construction of the property nor its condition, use or intended use was, is or will be unlawful or in breach of any covenant.
- It will be assumed that all factual information provided by you or the applicant or their agent with regard to the purpose of this request and details of tenure, tenancies, planning consents and all other relevant information is correct. The advice will therefore be dependent on the accuracy of this information and should it prove to be incorrect or inadequate the basis or the accuracy of any assessment may be affected.
- Valuations will include that plant that is usually considered to be an integral part of the building or structure and essential for its effective use (for example building services installations) but will exclude all machinery and business assets that comprise process plant, machinery and equipment unless

otherwise stated and required.

- No access audit will be undertaken to ascertain compliance with the Equality Act 2010 and it will be assumed that the premises are compliant unless otherwise stated by the applicant
- No allowances have been made for any rights obligations or liabilities arising from the Defective Premises Act 1972 unless identified as pertinent by the applicant.

10. Nature and Source of Information to be relied upon by Valuer

10.1 From the client

Information that will be provided to the VOA by the client comprises the following material, which will be relied upon by the viability assessor without further verification.

- a) The Planning application details to be provided.
- b) Confirmation of Local plan policy requirement such as CIL / S106 / S278 planning obligations. In particular whether the applicant's assumptions on these matters are correct, if they are incorrect then please provide the correct details.
- c) Details of any extant or elapsed consents relating to permitted Alternative Use.
- d) A copy of the applicant's financial viability appraisals (x4) dated 22 February 2022 prepared by Herridge Property Consulting (received).

10.2 Information from the applicant

Site access

It is understood that the site can be sufficiently viewed from the roadside and no appointment to inspect is required.

In particular it is understood there are no extraordinary health and safety issues to be aware of. If this is incorrect, please provide details of access arrangements and any PPE requirements.

Viability assessment

The applicant should provide sufficient detail to enable DVS to assess their contention that the scheme would not be viable if the Policy requirements in the Local Plan were met.

The applicant's Viability Assessment is expected to meet the authoritative requirements of the NPPF and NPPG for Viability. Where completed by a member of the RICS, it is also expected that the applicant's report will comply with RICS Professional Standards PS 1 and PS 2 and the **RICS Professional Statement 'Financial Viability in planning: conduct and reporting'**. In all cases the applicant's viability report is expected to include:

- a) A schedule of accommodation which accords with the planning application.
- b) A plan showing the respective boundaries and the site area
- c) An appraisal compliant with the policy requirements of the Local Plan.
- d) A report with text and evidence in support of the:
 - (i) Gross Development Value adopted
 - (ii) Benchmark Land Value, with reference to EUV and premium.
 - (iii) Gross Development Costs including any Abnormal Costs
 - (iv) Profit assumptions.
 - (v) Finance assumptions.
 - (vi) Cash flow assumptions.

10.3 DVS Information

DVS will make use of VOA held records and information. The sources of any other information used that is not taken from our records will be identified in the review report.

10.4 Information Outstanding

To complete the assessment I will require the following from your Council:

- a. Confirmation that vacant building credit applies, and the resulting amended affordable housing requirement.
- b. Confirmation of any required CIL/s106 contribution(s)

The report delivery date will be dependent upon timely receipt of this information.

11. Identity of Responsible Valuer and their Status

It is confirmed that the valuation will be carried out by a RICS Registered Valuer, acting as an external valuer, who has the appropriate knowledge and skills and understanding necessary to undertake the assessment competently.

The valuer responsible will be [REDACTED] BSc MRICS, and their contact details are as stated above in the letterhead.

Any graduate involvement will be detailed in the report.

12. Disclosure of any Material Involvement or Conflict of Interest

In accordance with the requirements of the RICS standards, the VOA has checked that no conflict of interest arises before accepting this instruction.

It is confirmed that DVS are unaware of any previous conflicting material involvement and am satisfied that no conflict of interest exists. Should any such difficulty subsequently be identified, you will be advised at once and your agreement sought as to how this should be managed.

It is confirmed that the valuer appointed has no personal conflict undertaking this instruction.

13. Resignation of Independent Expert

In the rare event of the independent expert becoming ill or otherwise incapable of conducting the determination, or where for any reason it would be improper to continue, then they may have no alternative but to resign. In these circumstances, DVS would seek agreement with the parties as to the best way forward, such as through the appointment of another suitably qualified DVS surveyor. It is agreed that permission for this would not be unreasonably withheld by the parties in such special circumstances.

14. Description of Report

A side headed written report as approved by you for this purpose will be supplied and any differences of opinion will be clearly set out with supporting justification, where inputs are agreed this will be stated also. The DVS report will be referred to as a *viability review assessment*.

Further to the requirements of the RICS a non-technical summary will be included in the review assessment, together with sensitivity tests to support the viability conclusion.

Further to the requirements of the PPG a redacted version of the DVS viability review assessment detailing the final or agreed position will be supplied for transparency purposes.

15. Report Date

It is my intention to submit my review assessment within 20 working days from the date of confirmed instructions.

If unforeseen problems arise that may delay my report, you will be contacted before this date with an explanation and to discuss the position.

In order to meet the above reporting date, it is essential that the information requested with section 10 of these terms is supplied with any confirmation of instructions.

16. Validity Period

The report will remain valid for three months unless circumstances change, or further material information becomes available. Reliance should not be placed on the viability conclusion beyond this period without reference back to the VOA for an updated valuation.

17. Restrictions on Disclosure and Publication

The client will neither make available to any third party or reproduce the whole or any part of the report, nor make reference to it, in any publication without our prior written approval of the form and context in which such disclosure may be made.

18. Limits or Exclusions of Liability

Our viability advice is provided for your benefit alone and solely for the purposes of the instruction to which it relates. Our advice may not, without our specific written consent, be used or relied upon by any third party, even if that third party pays all or part of our fees, directly or indirectly, or is permitted to see a copy of our valuation report.

If we do provide written consent to a third party relying on our valuation, any such third party is deemed to have accepted the terms of our engagement.

None of our employees individually has a contract with you or owes you a duty of care or personal responsibility. You agree that you will not bring any claim against any such individuals personally in connection with our services.

19. Fee Basis

- 19.1 You have asked for a fee estimate for the viability appraisal. This is assessed on a time spent basis. From the recorded time taken on other study reviews, I would estimate the time taken and costs in this review would amount to the region of £[REDACTED] plus VAT.
- 19.2 This fee estimate is for the provision of a report as referred to above on the development viability appraisals as provided by the planning applicant/developer and will include our carrying out our own development appraisals. It would include meetings with you and others to deal with initial issues and a further meeting, if required, to review our assessment findings of the development viability. It may require revision if the information supplied by you or the applicant is not quickly forthcoming at our request or if the initial task is varied by you and in both cases, we would revert to you for advice on the way forward. Abortive fees would be based on work already carried out.
- 19.3 If there is a subsequent need following the delivery of my report to discuss issues with the planning applicant / developer or you, including the consideration of potential revised proposals, or to attend meetings, this will constitute a second stage requiring a Stage 2 report and we would need to charge on a time spent basis as an additional cost at hourly rate of £[REDACTED] plus VAT. If I am able to reduce the amount of time I need to spend upon your work by delegating some functions to colleagues who have a lower cost, and this will be reflected in the invoice for this work.
- 19.4 **Payer of fees:** With regard to the payment of fees, Homes and Communities Agency has issued a Good Practice Note: "Investment and Planning obligations - Responding to the downturn". In this GPN is a comment that it is common practice for developers to fund the cost of independent validation. The reasoning for this is that you have a planning policy which the applicant is seeking to vary. In order to assess the applicant appraisal, you need advice which it is reasonable for the applicant to bear in these circumstances. I understand that the planning applicant / developer has agreed to reimburse your reasonable costs incurred in this review.

Please note that you will be our named Client. As such, our contractual obligation is to you and not to the applicant and your authority will be responsible for payment of our fees. Any arrangement between your authority and the Applicant relating to payment of the fees would be a matter between yourselves.

Please note that that DVS minimum fee is £200 unless agreed otherwise as part of a contract or SLA.

20. Currency

All prices and values are stated in pounds sterling.

21. Fee Payment and Interim Billing

Our fees are payable by our client within 30 days from the receipt of our invoice whether or not the amount is disputed or is being passed on to a third party for reimbursement.

The VOA reserves the right, subject to prior notification of details of time spent, to invoice at suitable points during the financial year for work in progress undertaken but not yet formally reported. In order to ensure timely cash flows within the public sector, such interim bills may be issued at either monthly or two monthly intervals. You will be advised beforehand that any such bill is imminent.

Where a case is cancelled before completion, our fees will be calculated on a 'work done' basis with added reasonable disbursements unless alternative arrangements have been prior agreed.

Please note under HM Treasury Managing Public Money we are required to review our charging on a regular basis. The VOA reserves the right to undertake an annual review of our rates going forward.

22. Purchase Order Numbers

I confirm receipt of a Purchase Order in this case.

23. Complaints

The VOA operates a rigorous QA/QC system. This includes the inspection by Team Leaders of a sample of work carried out during the life of the instruction together with an audit process carried out by experienced Chartered Surveyors upon completion of casework. It also includes a feedback cycle to ensure continuous improvement.

The VOA has a comprehensive complaint handling procedure if you are not getting the service you expect. If you have a query or complaint it may be best to speak first to the person you have been dealing with or their manager. If you remain dissatisfied, you should be offered a copy of our brochure "Our Code of Practice on Complaints". If it is not offered to you, please request a copy or access it on our website www.voa.gov.uk.

24. Freedom of Information

We take our duty of confidentiality very seriously and will keep any information gathered or produced during this instruction confidential unless you tell us otherwise.

Also, we will advise you of any Freedom of Information Act (FOIA) and / or Environmental Information Regulation (EIR) requests we receive in regard to information we 'hold' relating to this instruction.

The VOA, as part of HM Revenue and Customs, is subject to the Freedom of Information Act 2000. The VOA undertakes to make reasonable endeavours to discuss the appropriateness of disclosure, or the applicability of any exemptions allowed by the Act, with you prior to responding to any FOIA request. However, the VOA reserves the right to comply with its statutory obligations under the Act in such manner as it deems appropriate. If we receive a FOIA request that relates to you or a named member of your staff (legal or actual person) or they can be deduced from the disclosure of the information sought, we must have regard to section 18 (1) of the Commissioners for Revenue and Customs Act (CRCA) 2005 and apply the exemption at section 44 of the FOIA due to section 23 of the CRCA (as amended).

However, outside of FOIA we will seek your views about whether you wish to put the information sought in the public domain or authorise us to disclose it on your behalf.

In turn, the VOA requires you to make all reasonable endeavours to discuss with us the appropriateness of disclosure, or the applicability of any exemptions allowed by the Act, prior to your responding to any third-party requests which you receive for information provided to you by the VOA.

The VOA is subject to the Environmental Information Regulations (EIR) 2004. We will apply the same legal thought process as FOIA but will also need to seek your views on where the greater public interest lies and it may necessitate, upon request, the disclosure of information provided by you unless an exemption can be sustained.

25. Monitoring Compliance by RICS

It is possible that the RICS may at some stage ask to see the valuation for the purposes of their monitoring of professional standards under their conduct and disciplinary regulations.

26. Revisions to these Terms

Where, after investigation, there is in my judgement a need to propose a variation in these Terms of Engagement, you will be contacted without delay prior to the issue of the report.

For example, should it become apparent that the involvement of specialist colleagues would be beneficial, your consent will be sought before their involvement and we shall, if not included in the original fee estimate, provide an estimate of their costs.

The valuer will be grateful to receive at your earliest convenience brief written confirmation by email or letter that these terms and conditions are accepted and approved by you. If you have any queries, please do not hesitate to contact the valuer listed above.

Yours sincerely

██████████ BSc MRICS
Principal Surveyor
RICS Registered Valuer
DVS

Based in Bristol Valuation Office