



FINANCIAL VIABILITY ASSESSEMENT

**Land at Oak & Apple Tree Cottage
Winchester Road
Boorley Green
SO32 2DH**

**McCarthy Stone
February 2026**

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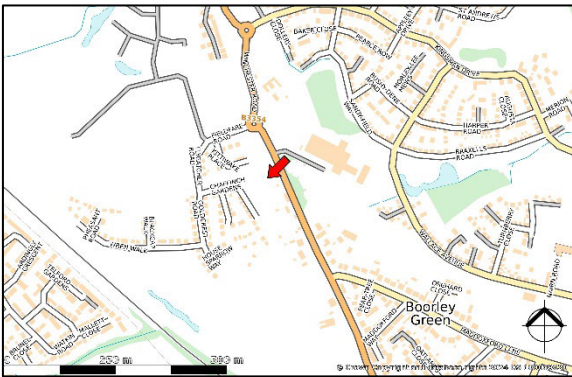
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Executive Summary

For convenience, we summarise the key features of this Financial Viability Assessment which should, nevertheless, be read in full.

Location Plan



Site Plan



Property Type/Use: Greenfield site – allocated within the Local Plan for residential development.

Proposed Scheme:

Type	No. of Units
Retirement Living Apartments (1 bed)	30
Retirement Living Apartments (2 bed)	20
Total (Apartments)	50
Houses (3 Bed)	2

Planning Proposal: Redevelopment of the site to provide a retirement apartment development comprising a total of 50 apartments and 2 detached houses with associated landscaping and car parking areas.

Existing Use Value: £22,500

Premium: Multiplier of 17.5 (£371,250)

Benchmark Land Value: **EUV+ - £393,750 Say £394,000**

Planning Policy: Eastleigh Borough Council Local Plan 2016-2036 (Adopted 2022).

Previous Application/Assessment:

Planning application F/24/97945 for the redevelopment of the site to provide 52x retirement apartments and 2x houses was refused in June 2024. As part of the planning application a viability assessment was prepared and reviewed by the LPA.

It was agreed at the time of the decision that scheme could not support the maximum level of S106 contributions or an off-site affordable payment and remain viable.

For consistency we have adopted many of the agreed areas in this updated assessment.

Viability Assessment and Conclusion:

100% Market Scheme	
GDV	15,850,000
Total Construction Costs (Inc Contingency)	9,134,776
Professional Fees	660,474
Disposal Fees	831,500
EPC	281,600
S106	705,416
Finance	990,265
Profit on GDV	3,147,500
Residual Land Value (After Acquisition Costs)	98,082
Benchmark Land Value	394,000
Surplus/(Deficit)	(£295,918)
Viable/Unviable	Unviable

Our Financial Viability Assessment and review of the proposed retirement development for 50 Retirement Apartments and 2 houses, leads us to conclude that the scheme is unable to support full S106, planning obligations and remain viable.

The scheme produces a deficit of (£295,918) against the agreed BLV.

The viable S106 Contributions the scheme is able to support and remain viable is therefore £411,000 this is the gap between the RLV of the proposed scheme and the agreed BLV after finance costs.

1.0 Introduction

We are instructed by McCarthy and Stone (McCS) to undertake a Financial Viability Assessment (FVA) for the proposed redevelopment of the Property located at and known as: **Oak Cottage, Winchester Road, Botley SO32 2DH** (the Property).

This independent FVA is to provide support to McCS in demonstrating to the local planning authority, Eastleigh Borough Council (EBC), whether or not planning obligations, and a developer's contribution towards off-site affordable housing in particular, can be delivered and provide a viable retirement scheme development.

This FVA report has been prepared in accordance with the RICS Professional Statement 'Financial Viability in Planning: Conduct and Reporting 1st Edition (May 2019). In relation to this statement we confirm the following:

- We have acted with objectivity, impartially, without interference and with reference to all appropriate available sources of information.
- In preparing this report, no performance related or contingent fee arrangements have been agreed.
- We have not provided previous advice to McCS on this site or any other third party.

We confirm that in accordance with the RICS Professional Statement Paragraph 2.2, we have no conflicts of interest in conducting this Financial Viability Assessment and have not received any specific requests by the applicants or decision-makers that contradict the mandatory requirements of the RICS Professional Statement.

We have also had regard to the Revised NPPF 2024 and Viability PPG which provides national planning policy and guidance in respect of undertaking viability assessments.

Please note that this assessment is undertaken at a particular point in time (February 2026). Values and costs will change over time and it must be understood that our assessment is based on current estimated values and costs as at the date of this report and is not a projection of value.

This report and its contents have been prepared specifically to support the planning application in respect of the Property. No responsibility whatsoever is accepted to any third party and neither the whole of the report, nor any part, nor references thereto, may be published in any document, statement or circular, nor in any communication with third parties without our prior written approval of the form and context in which it may appear.

Sources of Information

Information	Source	Date
Accommodation Schedule & Measurements	McCS	January 2025
Abnormal/Infrastructure Cost Schedule	McCS	January 2025

This report is for feasibility assessment purposes only and it does not constitute a formal valuation. The advice contained in this report is exempt from the current RICS Valuation Global Standards - 31 January 2024 – (the Red Book). We reserve the right to update, amend or vary our advice should the matter progress to a planning Appeal Hearing or Inquiry.

We have produced this Viability Assessment utilising the Argus Developer residual appraisal software. Argus Developer is an established property development appraisal software program used by owners, commercial developers, house builders, land developers, agents, and financial institutions. It is designed to work for all forms of property development, including commercial, single or multiphase residential, retail, office, industrial, hotels, land development and any combination for mixed use developments. This report summarises our assumptions, inputs, and outcomes of our Argus model.

2.0 Background

A Location Plan showing the extent of the whole site for identification purposes is at **Appendix 1**

Appendix 1 – Location Plan

The immediate area is residential and rural in nature and is in the process of being extensively developed out by a consortium of national and regional housebuilders including Bellway, Miller, Linden, Bloor and Bovis.

The immediate locality has planning consent for approximately 1,400 homes as well as upgrades to transport infrastructure, extension to an existing hotel, new local centre, primary school, MURGA and associated facilities and the construction of roads and footpaths.

The Property comprises an irregular shaped site that previously formed part of Oak and Apple Tree Cottages gardens/paddock land.

A previous application (F/24/97945) for a retirement development of 52 apartments and a pair of detached dwellings was refused in June 2025. This revised scheme has regards to the previous viability review prepared by Alder King and Aspinall Verdi (acting on behalf of the LPA).

3.0 Viability in Planning – Policy Context

3.1. National Planning Policy Framework (NPPF) & Planning Practice Guidance (PPG)

In December 2024 the Government published a revised version of the National Planning Policy Framework (NPPF). This revised Framework replaces the previous National Planning Policy Framework, which was first published in September 2012.

The relevant planning practice guidance in relation to viability was last updated in December 2025 and sets out key principles in understanding viability in plan making and decision taking. The most important revision is in respect of land value. The guidance seeks to bring clarity to the way that a Benchmark Land Value (BLV) is set. BLV should be established on the basis of existing use value plus a premium that incentivises the landowner to release the land for development (EUV+). The premium should reflect the minimum return that it is considered a reasonable landowner will release their land for development.

The Viability Guidance PPG also sets out the circumstances in which a site-specific viability assessment should be undertaken at the planning application stage. **Paragraph 008** refers to such circumstances including those where the, “**particular types of development are proposed which may significantly vary from standard models of development for sale (for example build to rent or older people)**”.

Paragraph 009 of the Viability Guidance PPG addresses how a viability assessment should be treated in decision making, including referring back to the viability assessment that informed the plan and whether the plan, and viability evidence underpinning the plan is up to date. Regard must also be given to whether site circumstances have changed since the plan was brought into force.

In this case and with reference to paragraphs 008 and 009 of the PPG, housing for older people was considered within the latest area wide viability testing by DSP dated April 2018. The report concluded:

“wider advice to consider more of a guided / target based and flexible rather than rigid approach – some sites and schemes may not lend themselves well to compliance, practically rather than from a viability perspective. In general, evidence of need required. Reservations expressed about the intended application of a stringent M4(3) policy to Elderly Persons’ housing provision – an approach consistent with that for other C3 development as per the DM31 main thrust might be more appropriate in our view. Potential viability as well as practical concerns on DM31 iii detail. Consider also the relationship with emerging policy DM27 text.”

Further guidance is provided within the PPG which relates to the specific inputs that are appropriate in a viability assessment.

3.2. Eastleigh Borough Local Plan (2016-2036) Adopted 2022

Policy DM28 – Affordable Housing

1. The Council will seek the maximum reasonable amount of affordable housing when negotiating on individual market residential and mixed-use schemes, in line with the following:

a. 35% affordable housing will be required as part of new housing developments, where the proposal comprises:

- i. sites of 0.5 ha or more and on sites with, or capable of accommodating, 10 dwellings or more; or*
- ii a maximum combined gross floorspace of more than 1,000 sq.m; unless*
- iii. it can be demonstrated that this proportion would have an unacceptable impact on the economic viability of the proposed scheme, and a reasonable lower proportion is justified by evidence and that the lower proportion proposed is not below that which would be viable.*
- b. Provision on qualifying sites will be on-site unless it can be demonstrated that an off-site contribution would be more appropriate and more deliverable;*
- c. The tenure split, size and type of affordable housing will be informed by the latest Strategic Housing Market Assessment, the housing register, and the level and type of existing affordable housing in the locality;*
- d. Where affordable housing is provided as part of a mixed tenure site it should be integrated into the development in terms of its design and layout;*
- e. The Council will also support acceptable schemes where developers choose to offer more affordable housing than is required by the policy, where this is in accordance with other policies in the Plan;*
- f. Inclusion of an element of specialist residential accommodation and facilities for older people within the affordable housing requirement may be appropriate depending on the proposal.*

Affordable Housing SPD (Adopted 2023)

Financial Contributions in Lieu

- 2.12. Only when it has been demonstrated to the Council's satisfaction that on and off-site provision is not possible will a financial contribution in-lieu of on-site provision be considered as an alternative.*
- 2.13. The Council recognises that the opportunities to deliver affordable housing through this mechanism are limited due to the minimal land available to AHPs within the borough which would be deliverable and developable. Payments in-lieu/ financial contributions must be negotiated as part of the planning approval process.*
- 2.14. Any contribution will be calculated on the basis of the developer making a contribution of clean serviced land at nil cost. It will have regard to the relative value with either a nil or reduced level of affordable provision compared with the scheme with full affordable provision. All financial contributions will be index linked.*
- 2.15. Failure to reach agreement will result in the value being set by an independent arbitrator appointed by agreement by the parties or in default of agreement by the President of the Royal Institution of Chartered Surveyors or his nominee on the application of either the Council or the landowner.*

3.3. RICS Professional Standard - Assessing viability in planning under the National Planning Policy Framework 2019 for England

In March 2021, RICS published the Assessing Viability in Planning guidance. Effective from 1 July 2021, it replaces the previous 2012 guidance note. The new guidance note supplements and gives added guidance to RICS members and other stakeholders in the planning process on undertaking and understanding financial viability assessments (FVAs) under the NPPF and PPG in both a plan-making and decision-taking context.

In April 2023 the guidance was elevated to a Professional Standard. The RICS Professional Standards set requirements or expectations for RICS members and regulated firms about how they provide services or the outcomes of their actions. There are mandatory requirements, which use the word 'must' and must be complied with, and or recommended best practice, which uses the word 'should'.

In regulatory or disciplinary proceedings, RICS will take into account relevant professional standards when deciding whether an RICS member or regulated firm acted appropriately and with reasonable competence. It is also likely that during any legal proceedings a judge, adjudicator or equivalent will take RICS professional standards into account.

3.4. RICS Professional Statement – Financial Viability in Planning: Conduct and Reporting

The RICS published a mandatory statement in May 2019 (effective from 1 September 2019) addressing the conduct and reporting requirements of Members who act in viability matters.

The Statement sets out mandatory requirements informing the practitioner on what must be included within reports and how the process must be conducted. This is to demonstrate how a reasonable, objective, and impartial outcome, without interference, should be arrived at, and so support the statutory planning process.

4.0 Viability Assessment Overview

As confirmed in Section 3, the Viability PPG provides further information relating to the specific inputs that are appropriate to a viability assessment. This includes reference to the viability assessment that informed the plan.

In assessing the viability of the proposed scheme the following approach (in accordance with the RICS Viability Practice Statement) has been adopted:

$$\begin{array}{r}
 \text{Gross Development Value} \\
 \text{Less} \\
 \text{Development Costs (inc. Developer Profit)} \\
 \text{Less} \\
 \text{Planning Obligations} \\
 \text{Equals} \\
 \text{Residual Land Value (RLV)}
 \end{array}$$

The usual test applied in establishing whether a planning obligations package (including Affordable Housing) is viable, is to consider whether the Residual Land Value (RLV) of the proposed scheme exceeds the Benchmark Land Value of the property. If it does, there is financial headroom for planning obligations. If it does not, there is no financial headroom and thus there is no viability for planning obligations to be included.

The following sections outline the appraisal inputs that form this viability assessment, having regard to the guidance contained in the PPG and the RICS Guidance Note.

In Section 6 we review the appropriate Benchmark Land Value. In the following Section 7 we review the other key viability appraisal inputs (other than the Benchmark Land Value) and determine the viability of the Proposed Scheme based on current market conditions.

In Section 8, we sensitivity test the result of the appraisal to establish the impact should values and costs rise and fall in the near future.

5.0 The Proposed Scheme

A planning application is to be submitted by McCarthy Stone for the development of a new retirement scheme providing 50 x age restricted 'Retirement Living Apartments' and 2 dwellings. The scheme has been reduced in terms of both numbers and apartment sizes from the previous application.

All units are to be open market units in the mix as detailed below:

Type	Units	NIA m ²	Av. Unit m ²
Retirement Living Apartments (1 Bed)	30	1,454 m ²	48.46 m ²
Retirement Living Apartments (2 Bed)	20	1,329 m ²	66.46 m ²
Retirement Houses (3 Bed)	2	208 m ²	104 m ²
TOTAL		2,991 m²	

The saleable area of the 50 apartments is 2,783m². The saleable areas are the individual apartments for which capital receipts are expected from each of the occupiers. We are advised that the Gross Internal Area (GIA) of the Retirement apartment building is 3,961m². We have calculated that the design provides a 70.3% net to gross ratio.

The Proposed Scheme Proposed Site Plan together with the Proposed Floor Plans are at **Appendix 2**.

Appendix 2 – Proposed Site Plan & Accommodation Schedule

6.0 Benchmark Land Value

Paragraph 13 of the Viability PPG outlines how land value should be defined for the purpose of viability assessments.

*“To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. **The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land.** The premium should provide a reasonable incentive, in comparison with other options available, **for the landowner to sell land for development** while allowing a sufficient contribution to comply with policy requirements. This approach is often called ‘existing use value plus’ (EUV+).” [Our emphasis]*

Existing Use Value is defined within the RICS Practice Statement as:

“EUV is the value of land in its existing use, with no expectation of that use changing in the foreseeable future (based on the current edition of RICS’ Valuation of development property). PPG paragraph 015 advises specifically that the EUV excludes hope value from any assessment of the existing use value. International Valuation Standards 104 paragraph 150.1 defines current/existing use as ‘the current way an asset, liability, or group of assets and/or liabilities is used’.

If appropriate, a premium (EUV+) may be applicable with a premium defined within the RICS Practice Statement as:

“The premium should reflect the minimum return at which a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with plan policy requirements (PPG paragraphs 013 and 016).”

Paragraph 5.1.2 of the RICS Practice Statement highlights that in some instances, the BLV may sometimes be based on the Alternative Use Value (AUV) **excluding** a premium where appropriate.

The RICS Professional Statement confirms at 2.7 of the Statement that in the interest of transparency, when providing benchmark land value in accordance with the PPG, members must report the:

- **Current use value:** CUV, referred to as EUV or first component in the PPG (paragraph 015).
- **Premium:** second component as set out in the PPG (paragraph 016).
- **Market Evidence** as adjusted in accordance with PPG (paragraph 16).
- **All supporting considerations, assumptions and justifications adopted** including valuation reports, where available (see PPG paragraphs 014, 015 and 016).
- **Alternative Use Value** as appropriate (market value on the special assumption of a specified alternative use (see PPG paragraph 017).

When establishing the appropriate Benchmark Land Value, the first consideration is thus the EUV of the site, whilst the second consideration is the appropriate premium or minimum competitive return at which a reasonable landowner would sell their site based on the alternative options available to them.

6.1. Existing Use Value (EUV)

The land's existing use, as defined by PPG, is limited to the current use rather than the potential use. The PPG confirms when assessing the EUV, the following:

“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).”

The proposed site is currently paddock land. The site is allocated in the Local Plan (Policy BO4) for 22 dwellings. Two recent planning applications for the development of 31 dwellings (F/19/85604) and 25 dwellings (F/21/89989) were refused. In the most recent refusal the principle of residential development on the site was accepted. The refusal was due to the poor design and failure to provide sufficient landscaping, affordable housing, drainage and SPA costs.

The previous viability assessment reached agreement on the EUV for the site based off an adopted rate of £25,000 per hectare. **The EUV is therefore £22,500.**

6.2. Premium

PPG confirms that land does not transact at EUV. Paragraph 016 of the PPG confirms:

“The premium (or the ‘plus’ in EUV+) is the second component of benchmark land value. It is the amount above existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a landowner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements.”

In determining the appropriate premium for the site the parties agreed on a multiplier of 17.5x EUV. The multiplier reflects the allocation of the site in the Local Plan as development land (residential). The multiplier is at the upper end of the range provided in the Local Plan Viability testing.

6.3. Benchmark Land Value

Having regard to paragraph 13 of the Viability PPG. In this instance we have adopted an EUV+ approach to the BLV.

We have taken the EUV at £22,500 and multiplied at 17.5 to arrive at £393,750 (rounded to £394,000).

The BLV for the site is therefore £394,000.

7.0 Viability Assessment

As noted above, in this Section 7, we review the other key viability appraisal inputs (other than the benchmark Land Value) and determine the viability of the Proposed Scheme based on current market conditions.

Our Argus Developer appraisal summary is at **Appendix 3**, but our assumptions and outcomes are summarised below.

Appendix 3 – Argus Developer Appraisal

7.1. Appraisal Inputs

7.1.1. Development Programme/Timing Assumptions

In terms of timing, it is assumed that construction would commence at month 7, i.e. following a 6-month lead-in period to receive all necessary consents and discharge conditions. The construction period is assumed to be 15 months for the whole scheme with Practical Completion at the end of month 21 and the overall scheme end date is assumed to be in month 57 i.e. following a 36-month sales period.

The average rate of sale over the sale period is 1.39 per month (apartments). The two houses are sold at month 1 and 3 of the sales period.

7.1.2. Appraisal Revenue – Gross Development Value (GDV)

The previous assessment arrived at the following agreed GDV:

- 1-Bed Retirement Apartment: £265,000 / £4,983.85 psm
- 2-Bed Retirement Apartment: £350,000 / £4,666.84 psm
- Town Houses: £450,000 / £4,326.92 psm

Total Gross Development Value for the site was therefore £16,380,000.

The proposed scheme amends the design and provides a smaller scale development with a total of 50 apartments and reducing the apartment sizes. There have been very few recent schemes retirement schemes (retirement living rather than Extra Care).

Despite the scheme being smaller both in terms of unit numbers and average size of apartments, we have maintained the same GDV values (average) as the previous scheme. The revised GDV of the proposed scheme is therefore £15,850,000, as detailed in the table below:

		No. Units	Unit Size	Rate (psm)
Apartments GDV	£ 14,950,000.00			
1 Bed	£ 265,000.00	30	48.46	£ 5,468.43
2 Bed	£ 350,000.00	20	66.46	£ 5,266.72
Houses	£ 450,000.00	2	104.00	£ 4,326.92
	£ 900,000.00	52		
Total GDV	£ 15,850,000.00			

7.2. Appraisal Outlay – Land, Residential Building, Marketing and S106 Costs

7.2.1. Land Acquisition Costs

The Argus Developer appraisal has been set up to provide a residual land value, having fixed the development profit. The result of the appraisal, the 'Residualised Amount' is compared against the Benchmark Land Value to consider if there is a surplus which can be made available for S106/Off-Site Affordable Housing contributions.

The residual price allows for land acquisition costs at the prevailing rate.

7.2.2. Constructions Costs

Regarding development costs, Viability PPG paragraph 12 states the following:

“Assessment of costs should be based on evidence which is reflective of local market conditions. As far as possible, costs should be identified at the plan making stage. Plan makers should identify where costs are unknown and identify where further viability assessment may support a planning application.

Costs include:

- *build costs based on appropriate data, for example that of the Building Cost Information Service*
- *abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites. These costs should be taken into account when defining benchmark land value*
- *site-specific infrastructure costs, which might include access roads, sustainable drainage systems, green infrastructure, connection to utilities and decentralised energy. These costs should be taken into account when defining benchmark land value*
- *the total cost of all relevant policy requirements including contributions towards affordable housing and infrastructure, Community Infrastructure Levy charges, and any other relevant policies or standards. These costs should be taken into account when defining benchmark land value*
- *general finance costs including those incurred through loans*
- *professional, project management, sales, marketing and legal costs incorporating organisational overheads associated with the site. Any professional site fees should also be taken into account when defining benchmark land value*
- *explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project risk and developers return”*

In line with the PPG, we have undertaken research using BCIS Review Online. The Building Cost Information Service (BCIS) produces detailed cost information and indices and is a recognised source of assessing build costs when testing viability.

BCIS average costs are provided at mean, median, and upper quartile rates (as well as lowest, lower quartile and highest, upper quartile). BCIS confirm the following in relation to each definition:

Mean – *This is what most people think as the average. It is the sum of the rates in the sample divided by the number of units in the sample. The mean is affected by all rates in the sample and can be unduly influenced by one or two extreme values when the sample size is small. The mean is particularly relevant when you are choosing a rate to be applied across an estate of buildings.*

Median - *The middle statistic (not the middle of the range). Unlike mean, this is not as easily affected by rouge figures. It is not the ‘typical’ rate (see Mode) but can be used as such in most cases. This is probably the best figure to use when choosing a rate for a single typical building.*

25% (Lower Quartile) – *just as the median is the middle statistic, the lower quartile is the statistic which is one quarter of the way up a list of order rates, i.e. 25% of rates fall below the lower quartile and 75% above.*

If you judge your project to be below average cost, then this figure will give you an indication of an appropriate rate.

75% (Upper Quartile) – just like the lower quartile. You can expect half of all the rates lie between the lower and upper quartile. If you judge your project to be above average cost, then this figure will give you an indication of an appropriate rate.

We have adopted the Median rate i.e. the best rate for a typical building.

BCIS Average cost information is available on a default basis which includes all historic data with a weighting for the most recent, or for a selected maximum period ranging from 5 to 40 years. The default data is now based on projects that are up to 15 years old except where this would result in the sample size being less than four projects, when a longer period will be used. We generally consider both default and maximum 5-year average prices; the latter are more likely to reflect current regulations, specification, technology and market requirements.

In reviewing the build cost for the proposed scheme we have considered the Sheltered Housing Index rebased for Eastleigh (3-Storey) and Estate Housing (terraced). We detail below the BCIS Index results:

Date:	February 2026	Date:	February 2026
Type:	Sheltered Housing	Type:	Estate Housing – Semi Detached
Default:	£1,800/m ² (Sample 38)	Default:	£1,521/m ² (Sample 244)

A copy of the BCIS extracts are at **Appendix 4**.

Appendix 4 – BCIS Extracts

In addition to the core build cost we have added cost to comply with Part L and O of the updated building regulation at £4,000 per unit.

BCIS costs only reflect the cost to construct the building itself (foundations up) and exclude site works and external costs. It is typical to apply a rate of between 8%-15% for these costs. Having regard to the external areas in this case (car parking and landscaping with limited access road/service road) we have added an appropriate 8% for general external works.

There are some additional abnormal costs associated with the development of this site that are detailed below:

- Facilitating Works including:
 - o Demolition/Asbestos Removal/Tree Surgery/Tree Protection: £67,100
- Substructure/Drainage/Retaining:
 - o Heave Protection: £71,700
 - o Piled Raft Foundations (E/O): £170,200
 - o Foul Discharge Pumps: £45,000
 - o Surface Water Discharge Pumps: £35,000
 - o Swales: £15,000
 - o Connection to Off-Site Sewer: £60,000
- **TOTAL Allowance: £466,000**

A contingency allowance of 5% is typically the norm for a scheme such as this and has been applied to all construction costs.

7.2.3. Professional Fees

Professional building design fees (Architect QS etc.) are assumed to be 8% of the total construction cost to include all planning and building regulation fees.

7.2.4. Marketing and Sales Fees

Typically, Marketing Costs (including show home, brochures etc.) for retirement schemes are in the order of 6%+ (including sale agent's fees).

Retirement housing is a specialist product aimed at elderly homeowners. Generally, the purchaser funds the purchase exclusively from savings and/or proceeds from the sale of their current home. The average age of a typical purchaser is 70+ and widowed. This limits the market for the product and requires considerable resource for each sale often to both the purchaser and their extended family. Marketing involves targeting and direct contact of potential purchasers from the moment a scheme starts construction to the last sale of the scheme. Throughout this sale period, a sales office (typically one of the apartments adapted for the purpose) and several furnished 'show' apartments must be maintained on site with sales consultants employed full time 7 days a week.

Retirement housing purchasers do not typically buy units 'off-plan' they need to see the finished product. The requirement to buy comes from a physical need and thus are not purchased speculatively (unlike the open market). All development costs are therefore committed and incurred prior to any sale. The marketing and sales cost allowance is therefore higher than the open market equivalent and has been endorsed as appropriate at a number of Appeals including Sale (**PINS Ref: Q4245/W/23/3325034**) Clacton-on-Sea (**PINS Ref: PP/P1560/A/11/2161214**), Hunstanton (**PINS Ref: APP/V2635/A/14/2217840**) and Redditch (**PINS Ref: APP/Q1825/W/17/3166677**) – all schemes Alder King have had a direct involvement with.

In this instance, combined Marketing (3%) and Sales costs (2%) allowances are assumed, amounting to 5% of each sale.

7.2.5. Section 106 Costs

We have included the following allowances in the appraisal:

Section 106 Costs		1,005,144
BNG	150,000	
Nitrates	130,200	
Solent Recreational Disturbance	30,816	
New Forest Recreational Disturbance	128,967	
Community Infrastructure	98,947	
Public Open Space	54,211	
Public Art	30,895	
Sustainable Transport	51,895	
TRO	12,000	
Health Contribution	17,485	
		705,416

7.2.6. Disposal Fees

Legal costs on open market sales equate to £750 per unit.

7.2.7. Additional Costs

Empty Property Costs (EPCs) – EPCs are an industry accepted cost of retirement apartment development and are widely accepted by third party reviewers as being a valid cost to be included within the appraisal. EPCs reflect the costs that have to be borne by the developer until the scheme is fully sold out. Retirement apartment developments are built in a single phase and the building is fully energised on practical completion.

The EPCs cover the provision of background heating to the empty apartments, the maintenance and upkeep of the communal facilities and the employment of the Estate Manager, who is onsite from first occupation. The costs are covered by the service charge once all apartments are sold.

However, until such time that the scheme is fully sold, the shortfall in service charge income must be met by the developer as the costs must be met irrespective of the number of occupiers in the building and are payable from the scheme's first occupation. In addition, council tax payments will need to be met on the empty units until they are sold.

An allowance for Empty Property Costs (Unsold Unit Fees) for the development has thus been made over the 30-month sales period. This equates to **£281,601** as shown on the Schedule at **Appendix 5**.

Appendix 5 – Empty Property Costs Schedule

7.2.8. Finance Costs

Where development finance is available (which having been available for a select number of situations is now improving) lenders are currently charging 3 - 5% above LIBOR. Arrangement fees (1-3%), monitoring fees (2-5%) and exit fees (1% of GDV) amongst other fees can be added costs dependant on the status of the borrower. These lending terms have emerged due to the bank's perceived risk of residential development in the current market.

In this instance we have adopted an 'all-in' debit interest rate of 7.5% together with a credit rate of 2%, with no additional allowance for fees, which we consider to be an optimistic generic assumption for a development of this nature in the current market.

7.2.9. Developer's Return for Risk and Profit

Paragraph 18 of the Viability PPG sets out how the appropriate return to developer should be defined for the purpose of viability assessments. It states:

"Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan."

For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types."

The typical Retirement Housing apartment schemes built by McCarthy Stone (and others) differ from and have a higher risk profile compared to general needs housing in the following ways:

- Retirement living housing must be fully completed and operationally ready before sales commences as older people are less likely to buy 'off plan' without seeing for example the benefit of the communal facilities.
- The above provides a slower return on investment and a longer period of uncertainty in the market and cost exposure. This risk is particularly pronounced in periods of market uncertainty when sales rates are slow. This is the case in the current market where we are seeing access to development finance tightening with lenders increasing borrowing rates and demanding higher coverage in the form of higher developer returns.
- A restricted occupancy also limits the marketability of such housing in comparison to general needs development. The sector does not benefit from Government incentives such as First Homes. A slow down in the wider market also means that sales for older persons housing also slow down given that such sales are often at the end of a much longer chain. We are now seeing sales transactions across the wider market slow considerably as a result of increased mortgage rates and affordability issues for prospective purchasers across the market.
- The NPPG recognises that viability for older peoples housing differs from general needs housing (NPPG Paragraph 007) and that it is appropriate for local planning authorities to recognise this at both the plan making and decision taking level.

As such, it is the current accepted norm of the marketplace that the appropriate developer profit level for specialist retirement housing represents a minimum of 20% Profit on GDV.

Recent Appeal Decisions concerning retirement housing include Cheam (**PINS Ref: APP/P5870/W/16/3159137**), Redditch (**PINS Ref: APP/Q1825/W/17/3166677**), West Bridgford (**PINS Ref: APP/P3040/W/19/3229412**) and Sale (**PINS Ref: Q4245/W/W23W/3325034**) have confirmed this position.

7.3. Appraisal Summary

The Argus Developer model has been utilised to establish whether the Proposed Scheme provides any surplus for S106 developer contributions, including an amount towards off-site Affordable Housing.

The table overleaf details the inputs and outcome of the residual appraisal. The residual amount (land value) is then compared against the benchmark land value to establish whether there is a surplus above the BLV to provide for planning obligations.

A copy of the appraisal is at Appendix 3.

Appraisal Summary			
Appraisal Revenue:			
	Units	£/Unit	Total (£)
Retirement Living Apartments – 1 Bed	30	5,467.68	265,000
Retirement Living Apartments – 2 Bed	20	5,267.12	350,000
Detached Houses – 3 Bed	2	4,326.92	450,000
Net Development Value/Net Realisation			16,320,000
Appraisal Outlay:			
Core Construction Cost - Apartments	BCIS	1,800	7,130,214
Core Construction Cost - Houses	BCIS	1,546	321,568
External Costs	8%		596,143
Part L & O	£4,000/Unit		208,000
Abnormal Costs			466,000
Contingency	5%		412,796
Professional Fees	8%		660,474
Sales & Marketing Fees	5%		792,500
Sales Legal Fee	£750/Unit		39,000
Additional Costs – Empty Property Costs			281,601
S106 Costs:			
Solent SPA		30,816	
New Forest SPA		128,967	
Nitrates (Mitigation)		130,200	
BNG (Credit)		150,000	
Community Infrastructure		98,947	
POS		54,211	
Public Art		30,895	
Sustainable Transport		51,895	
TRO		12,000	
Heath Contribution		17,485	705,416
Finance			990,265
Developers Profit		20% of GDV	3,146,225
Residualised Price (Net of Purchaser's Costs):			98,082
Benchmark Land Value:			394,000
Surplus/(Deficit):			(295,918)

Our Financial Viability Assessment and review of the proposed retirement development for 50 Retirement Apartments and 2 houses, leads us to conclude that the scheme is unable to support full S106, planning obligations and remain viable.

The scheme produces a deficit of (£295,918) against the agreed BLV.

The viable S106 Contributions the scheme is able to support and remain viable is therefore £411,000 this is the gap between the RLV of the proposed scheme and the agreed BLV after finance costs.

A copy of the viable scenario appraisal is at Appendix 6.

Appendix 6 – Viable Scheme

8.0 Sensitivity Analysis

The viability of a development scheme when calculated by the residual method can be affected by variations in Gross Development Value, Build Costs and to a lesser extent by variations in planning obligations, finance costs, phasing/build and sales rates and industry expectations as to profit margins.

We set out below a 'sensitivity analysis' schedule showing the effect of percentage changes in Gross Development Value and Build Costs to the viability of the scheme. We have adjusted the core build rate and GDV by increases and decreases of 5%. The Sensitivity Analysis displays the Residual Land Value generated from each scenario, which can then be compared against the Benchmark Land Value to understand if a surplus or deficit is produced for planning obligations, including offsite affordable housing commuted payment.

The sensitivity is run off an appraisal that has no allowance for contributions and considers the change in RLV against variations of build cost and GDV (up and down) from the stated position. The sensitivity appraisal simply residualises the land and therefore the starting position is a RLV that is then compared against the BLV.

Boorley Green (Land Adjacent to Oak Cottage) McCarthy Stone Revised Scheme -February 2026							
Table of Land Cost and Profit on GDV%							
Construction: Cost / Unit							
Sales: Sales / Unit	-10.000%	-7.500%	-5.000%	-2.500%	0.000%	+2.500%	+5.000%
-10.000%	£70,866 19.850%	£285,967 19.850%	£501,075 19.850%	£716,179 19.850%	£931,684 19.850%	£1,147,749 19.850%	£1,364,568 19.850%
-7.500%	(£179,419) 19.850%	£27,512 19.850%	£242,616 19.850%	£457,721 19.850%	£672,825 19.850%	£888,118 19.850%	£1,104,184 19.850%
-5.000%	(£426,618) 19.850%	(£220,885) 19.850%	(£15,151) 19.850%	£199,263 19.850%	£414,362 19.850%	£629,471 19.850%	£844,575 19.850%
-2.500%	(£673,817) 19.850%	(£468,083) 19.850%	(£262,350) 19.850%	(£56,617) 19.850%	£155,909 19.850%	£371,008 19.850%	£586,117 19.850%
0.000%	(£921,015) 19.850%	(£715,282) 19.850%	(£509,549) 19.850%	(£303,815) 19.850%	(£98,082) 19.850%	£112,555 19.850%	£327,654 19.850%
+2.500%	(£1,168,214) 19.850%	(£962,481) 19.850%	(£756,747) 19.850%	(£551,014) 19.850%	(£345,281) 19.850%	(£139,542) 19.850%	£69,201 19.850%
+5.000%	(£1,415,413) 19.850%	(£1,209,679) 19.850%	(£1,003,946) 19.850%	(£798,213) 19.850%	(£592,479) 19.850%	(£386,746) 19.850%	(£181,012) 19.850%
+7.500%	(£1,662,611) 19.850%	(£1,456,878) 19.850%	(£1,251,145) 19.850%	(£1,045,411) 19.850%	(£839,678) 19.850%	(£633,944) 19.850%	(£428,211) 19.850%
+10.000%	(£1,909,810) 19.850%	(£1,704,077) 19.850%	(£1,498,343) 19.850%	(£1,292,610) 19.850%	(£1,086,876) 19.850%	(£881,143) 19.850%	(£675,410) 19.850%

A copy of the Sensitivity Analysis is at Appendix 7.

Appendix 7 – Sensitivity Analysis

9.0 Conclusion

Our Financial Viability Assessment and review of the proposed retirement development leads us to conclude there is no financial headroom available for planning obligations, after accounting for the anticipated gross sales receipts and all reasonable aspects of the outlay necessary.

Reviewed by:

R James Mackay MRICS
RICS Registered Valuer
Partner

For and on behalf of
Alder King LLP

Tel: 07778 942321
Email: jmackay@alderking.com

Samuel Carson MRICS
RICS Registered Valuer
Associate

For and on behalf of
Alder King LLP

Appendix 1: Site Location Plan

Land at Oak and Apple Tree Cottage, Winchester Road, Botley, Hampshire, SO32 2DH.



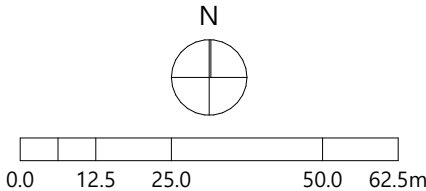
Promap
LANDMARK INFORMATION

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Plotted Scale - 1:1250. Paper Size - A4

2.26 Acres

rev.	date	changes description
P01	13/01/2026	Issue

status	issued by
S4	KM



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drawn by
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checked by
DB

Date
Jan 2026

Scale at A3
1:1250

region	project no.	stage no.	discipline	number
SO	- 2977	- 03	- AC	- 0100
status	suitability description			revision
S4	Suitable for Stage Approval			P01

document title
Location Plan
project title
McS Boorley Green

Appendix 2: Proposed Site Plan and Accommodation Schedule

Floor	1B	2B	Total
GF	12	8	20
1F	13	9	22
2F	5	3	8
Total	30 (60%)	20 (40%)	50

Parking	
@ 1 per 2B	= 20
@ 0.5 per 1B	= 15
Total	= 35 required (35 shown)

region	project no.	stage no.	discipline	number
SO	- 2977	- 03	- AC	- 0120

status	suitability description	revision
S4	Suitable for Stage Approval	P12

Botley Green Accommodation Schedule (Updated)

Floor	Plot No	Type	Area (m2)	Beds	Units	m2	Av. Size
Ground	1	RLA 2-2-E	67.40	2	30	1454	48.46
Ground	2	RLA 1-2-O	45.90	1	20	1329	66.46
Ground	3	RLA 1-2-O	45.90	1	50	2783	
Ground	4	RLA 1-1-E	45.50	1			
Ground	5	RLA 2-1-O	64.70	2	GIA	3961	70.3%
Ground	6	RLA 2-1-E	64.70	2			
Ground	7	RLA 2-1-E	64.70	2	Houses	m2	Total
Ground	8	RLA 1-3-O	59.10	1	Houses	104	208
Ground	9	RLA 1-2-O	45.90	1			
Ground	10	RLA 1-3-O	59.10	1			
Ground	11	RLA 2-2-O	67.40	2			
Ground	12	RLA 1-2-O	45.90	1			
Ground	13	RLA 1-1-E	45.50	1			
Ground	14	RLA 2-2-E	67.40	2			
Ground	15	RLA 1-2-O	45.90	1			
Ground	16	RLA 1-1-O	45.50	1			
Ground	17	RLA 1-2-O	45.90	1			
Ground	18	RLA 1-2-O	45.90	1			
Ground	19	RLA 2-2-E	67.40	2			
Ground	20	RLA 2-2-O	67.40	2			
First	21	RLA 2-2-O	67.40	2			
First	22	RLA 1-2-O	45.90	1			
First	23	RLA 1-1-E	45.50	1			
First	24	RLA 2-2-E	67.40	2			
First	25	RLA 1-2-O	45.90	1			
First	26	RLA 1-2-O	45.90	1			
First	27	RLA 1-2-O	45.90	1			
First	28	RLA 1-2-O	45.90	1			
First	29	RLA 2-2-E	67.40	2			
First	30	RLA 2-2-O	67.40	2			
First	31	RLA 1-2-O	45.90	1			
First	32	RLA 2-2-O	67.40	2			
First	33	RLA 1-2-O	45.90	1			
First	34	RLA 1-2-O	45.90	1			
First	35	RLA 1-1-E	45.50	1			
First	36	RLA 2-1-O	64.70	2			
First	37	RLA 2-1-E	64.70	2			
First	38	RLA 2-1-E	64.70	2			
First	39	RLA 1-3-O	59.10	1			
First	40	RLA 1-2-O	45.90	1			
First	41	RLA 2-2-O	67.40	2			
First	42	RLA 1-3-O	59.10	1			
Second	43	RLA 2-2-O	67.40	2			
Second	44	RLA 1-2-O	45.90	1			
Second	45	RLA 1-1-E	45.50	1			
Second	46	RLA 2-1-O	64.70	2			
Second	47	RLA 1-3-O	59.10	1			
Second	48	RLA 1-2-O	45.90	1			
Second	49	RLA 2-2-O	67.40	2			
Second	50	RLA 1-3-O	59.10	1			

Appendix 3: ARGUS Summary Appraisal

Boorley Green (Land Adjacent to Oak Cottage)
McCarthy Stone
Revised Scheme -February 2026

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales
1 Bed Retirement Living Apartment	30	1,454.00	5,467.68	265,000	7,950,000
2 Bed Retirement Living Apartment	20	1,329.00	5,267.12	350,000	7,000,000
3 Bed House	<u>2</u>	<u>208.00</u>	4,326.92	450,000	<u>900,000</u>
Totals	52	2,991.00			15,850,000

NET REALISATION **15,850,000**

OUTLAY

ACQUISITION COSTS

Residualised Price		98,082	
			98,082
Agent Fee	1.00%	981	
Legal Fee	0.75%	736	
			1,716

CONSTRUCTION COSTS

Construction	m²	Build Rate m²	Cost
1 Bed Retirement Living Apartment	2,069.37	1,800.00	3,724,866
2 Bed Retirement Living Apartment	1,891.86	1,800.00	3,405,348
3 Bed House	<u>208.00</u>	<u>1,546.00</u>	<u>321,568</u>
Totals	4,169.23 m²		7,451,782
Contingency		5.00%	412,796
			7,864,578

Other Construction Costs

External Costs		8.00%	596,143
Empty Property Costs			281,601
Part L & O	52.00 un	4,000.00 /un	208,000
Site Abnormal Costs			466,000
			1,551,744

Section 106 Costs

BNG			150,000
Nitrates			130,200
Solent Recreational Disturbance			30,816
New Forest Recreational Disturbance			128,967
Community Infrastructure			98,947
Public Open Space			54,211
Public Art			30,895
Sustainable Transport			51,895
TRO			12,000
Health Contribution			17,485
			705,416

PROFESSIONAL FEES

Other Professional Fees		8.00%	660,474
			660,474

DISPOSAL FEES

Sales & Marketing Fees		5.00%	792,500
Sales Legal Fee	52.00 un	750.00 /un	39,000
			831,500

TOTAL COSTS BEFORE FINANCE **11,713,510**

FINANCE

Timescale	Duration	Commences
Pre-Construction	6	Jan 2026
Construction	15	Jul 2026
Sale	36	Oct 2027
Total Duration	57	

Debit Rate 7.500%, Credit Rate 2.000% (Nominal)	
Land	13,162
Construction	476,951

Boorley Green (Land Adjacent to Oak Cottage)**McCarthy Stone****Revised Scheme -February 2026**

Other	500,152	
Total Finance Cost		990,265

TOTAL COSTS **12,703,775**

PROFIT **3,146,225**

Performance Measures

Profit on Cost%	24.77%
Profit on GDV%	19.85%
Profit on NDV%	19.85%

IRR% (without Interest) 22.25%

Floor Area Ratio 0.00%

Appendix 4: BCIS Extracts

£/M2 STUDY

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 07-Feb-2026 08:02

Rebased to Eastleigh (101; sample 31)

MAXIMUM AGE OF RESULTS: DEFAULT PERIOD

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
New build								
810. Housing, mixed developments (15)	1,645	877	1,423	1,589	1,800	4,084	1244	
810.1 Estate housing								
Generally (15)	1,616	806	1,373	1,546	1,770	5,548	1266	
Single storey (15)	1,847	1,075	1,545	1,774	2,020	5,548	198	
2-storey (15)	1,560	806	1,346	1,509	1,714	3,337	1000	
3-storey (15)	1,636	991	1,374	1,586	1,827	3,302	63	
4-storey or above (15)	3,363	1,645	2,693	3,005	4,474	4,997	5	
810.11 Estate housing detached (15)	2,163	1,191	1,555	1,814	2,470	5,548	18	
810.12 Estate housing semi detached								
Generally (15)	1,638	942	1,389	1,586	1,793	3,582	329	
Single storey (15)	1,812	1,181	1,582	1,788	1,971	3,582	74	
2-storey (15)	1,588	942	1,377	1,525	1,752	2,750	245	
3-storey (15)	1,559	1,179	1,257	1,481	1,797	2,296	10	
810.13 Estate housing terraced								
Generally (15)	1,621	954	1,344	1,519	1,755	4,997	197	
Single storey (15)	1,805	1,148	1,534	1,758	2,149	2,559	14	

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
2-storey (15)	1,560	954	1,341	1,490	1,687	3,337	155	
3-storey (15)	1,641	991	1,403	1,572	1,822	3,302	26	
4-storey or above (15)	4,735	4,474	-	-	-	4,997	2	
816. Flats (apartments)								
Generally (15)	1,926	1,002	1,589	1,806	2,197	6,432	724	
1-2 storey (15)	1,851	1,096	1,542	1,730	2,121	3,616	149	
3-5 storey (15)	1,896	1,002	1,579	1,790	2,152	3,934	489	
6 storey or above (15)	2,226	1,367	1,796	2,127	2,460	6,432	86	
843. Supported housing								
Generally (15)	2,095	1,037	1,691	1,930	2,348	4,995	115	
Single storey (15)	2,619	1,465	1,926	2,357	2,686	4,995	10	
2-storey (15)	2,120	1,267	1,690	1,976	2,472	3,589	37	
3-storey (15)	1,932	1,037	1,685	1,800	2,087	4,373	38	
4-storey or above (15)	2,085	1,273	1,675	1,949	2,150	3,954	27	
843.1 Supported housing with shops, restaurants or the like (15)	2,131	1,247	1,672	1,856	2,672	3,344	36	

Appendix 5: Empty Property Cost Schedule

Botley Green
Empty Property Costs
Retirement Living

Council Tax Calculation

	Per Year	Per Month	Saleable No.	Total/month
1 bed apartment - Band C	£ 1,890.36	£157.53	30	£4,725.90
2 bed apartment - Band D	£ 2,126.65	£177.22	20	£3,544.42
			50	£8,270.32
			average per unit per month =	£165.41

Service Charge (source: McCarthy & Stone)

	Per Month	Saleable No.	Total/month
1 Bed apt @ £2,544 per annum	£212.00	30	£6,360.00
2 Bed apt @ £3,815 per annum	£317.92	20	£6,358.40
		50	£12,718.40
		average per unit per month =	£254.37

Monthly Budget

Month	Sales Rate %	No. of Sales	Unsold Units	Costs			Total pcm
				Service Charge	Council Tax	Electricity	
Assumed Cost per month				£254	£165	£25	
0			50				
1	20%	10	40.0	£10,175	£0	£1,000	£11,175
2			38.6	£9,828	£6,616	£966	£17,410
3			37.3	£9,481	£6,165	£932	£16,578
4			35.9	£9,134	£5,940	£898	£15,971
5			34.5	£8,787	£5,714	£864	£15,365
6			33.2	£8,440	£5,488	£830	£14,758
7	30%	15	31.8	£8,094	£5,263	£795	£14,152
8			30.5	£7,747	£5,037	£761	£13,545
9			29.1	£7,400	£4,812	£727	£12,939
10			27.7	£7,053	£4,586	£693	£12,332
11			26.4	£6,706	£4,361	£659	£11,726
12			25.0	£6,359	£4,135	£625	£11,119
13			23.8	£6,041	£3,928	£594	£10,563
14			22.5	£5,723	£3,722	£563	£10,007
15			21.3	£5,405	£3,515	£531	£9,451
16			20.0	£5,087	£3,308	£500	£8,895
17			18.8	£4,769	£3,101	£469	£8,340
18	30%	15	17.5	£4,451	£2,895	£438	£7,784
19			16.3	£4,133	£2,688	£406	£7,228
20			15.0	£3,816	£2,481	£375	£6,672
21			13.8	£3,498	£2,274	£344	£6,116
22			12.5	£3,180	£2,068	£313	£5,560
23			11.3	£2,862	£1,861	£281	£5,004
24			10.0	£2,544	£1,654	£250	£4,448
25			9.2	£2,332	£1,516	£229	£4,077
26			8.3	£2,120	£1,378	£208	£3,706
27			7.5	£1,908	£1,241	£188	£3,336
28			6.7	£1,696	£1,103	£167	£2,965
29			5.8	£1,484	£965	£146	£2,595
30	20%	10	5.0	£1,272	£827	£125	£2,224
31			4.2	£1,060	£689	£104	£1,853
32			3.3	£848	£551	£83	£1,483
33			2.5	£636	£414	£62	£1,112
34			1.7	£424	£276	£42	£741
35			0.8	£212	£138	£21	£371
36			0.0	-£0	-£0	-£0	-£0
			50	£164,703	£100,710	£16,188	£281,601
Av Rate of Sale			1.39	per month	Cost		

Appendix 6: Viable Appraisal

Boorley Green (Land Adjacent to Oak Cottage) (2)
McCarthy Stone
Revised Scheme -February 2026

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales
1 Bed Retirement Living Apartment	30	1,454.00	5,467.68	265,000	7,950,000
2 Bed Retirement Living Apartment	20	1,329.00	5,267.12	350,000	7,000,000
3 Bed House	<u>2</u>	<u>208.00</u>	4,326.92	450,000	<u>900,000</u>
Totals	52	2,991.00			15,850,000

NET REALISATION **15,850,000**

OUTLAY

ACQUISITION COSTS

Residualised Price		394,165	
			394,165
Agent Fee	1.00%	3,942	
Legal Fee	0.75%	2,956	
			6,898

CONSTRUCTION COSTS

Construction	m²	Build Rate m²	Cost
1 Bed Retirement Living Apartment	2,069.37	1,800.00	3,724,866
2 Bed Retirement Living Apartment	1,891.86	1,800.00	3,405,348
3 Bed House	<u>208.00</u>	<u>1,546.00</u>	<u>321,568</u>
Totals	4,169.23 m²		7,451,782
Contingency		5.00%	412,796
			7,864,578

Other Construction Costs

External Costs		8.00%	596,143
Empty Property Costs			281,601
Part L & O	52.00 un	4,000.00 /un	208,000
Site Abnormal Costs			466,000
			1,551,744

Section 106 Costs

Section 106 Costs			411,000
			411,000

PROFESSIONAL FEES

Other Professional Fees		8.00%	660,474
			660,474

DISPOSAL FEES

Sales & Marketing Fees		5.00%	792,500
Sales Legal Fee	52.00 un	750.00 /un	39,000
			831,500

TOTAL COSTS BEFORE FINANCE **11,720,359**

FINANCE

Timescale	Duration	Commences
Pre-Construction	6	Jan 2026
Construction	15	Jul 2026
Sale	36	Oct 2027
Total Duration	57	

Debit Rate 7.500%, Credit Rate 2.000% (Nominal)		
Land		52,893
Construction		430,371
Other		500,152
Total Finance Cost		983,416

TOTAL COSTS **12,703,775**

PROFIT

3,146,225

Performance Measures

Boorley Green (Land Adjacent to Oak Cottage) (2)**McCarthy Stone****Revised Scheme -February 2026**

Profit on Cost%	24.77%
Profit on GDV%	19.85%
Profit on NDV%	19.85%

IRR% (without Interest)	22.32%
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Floor Area Ratio	0.00%
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Appendix 7: Sensitivity

Boorley Green (Land Adjacent to Oak Cottage)
 McCarthy Stone
 Revised Scheme -February 2026

Table of Land Cost and Profit on GDV%

Construction: Cost / Unit							
Sales: Sales / Unit	-10.000%	-7.500%	-5.000%	-2.500%	0.000%	+2.500%	+5.000%
-10.000%	£70,866 19.850%	£285,967 19.850%	£501,075 19.850%	£716,179 19.850%	£931,684 19.850%	£1,147,749 19.850%	£1,364,568 19.850%
-7.500%	(£179,419) 19.850%	£27,512 19.850%	£242,616 19.850%	£457,721 19.850%	£672,825 19.850%	£888,118 19.850%	£1,104,184 19.850%
-5.000%	(£426,618) 19.850%	(£220,885) 19.850%	(£15,151) 19.850%	£199,263 19.850%	£414,362 19.850%	£629,471 19.850%	£844,575 19.850%
-2.500%	(£673,817) 19.850%	(£468,083) 19.850%	(£262,350) 19.850%	(£56,617) 19.850%	£155,909 19.850%	£371,008 19.850%	£586,117 19.850%
0.000%	(£921,015) 19.850%	(£715,282) 19.850%	(£509,549) 19.850%	(£303,815) 19.850%	(£98,082) 19.850%	£112,555 19.850%	£327,654 19.850%
+2.500%	(£1,168,214) 19.850%	(£962,481) 19.850%	(£756,747) 19.850%	(£551,014) 19.850%	(£345,281) 19.850%	(£139,542) 19.850%	£69,201 19.850%
+5.000%	(£1,415,413) 19.850%	(£1,209,679) 19.850%	(£1,003,946) 19.850%	(£798,213) 19.850%	(£592,479) 19.850%	(£386,746) 19.850%	(£181,012) 19.850%
+7.500%	(£1,662,611) 19.850%	(£1,456,878) 19.850%	(£1,251,145) 19.850%	(£1,045,411) 19.850%	(£839,678) 19.850%	(£633,944) 19.850%	(£428,211) 19.850%
+10.000%	(£1,909,810) 19.850%	(£1,704,077) 19.850%	(£1,498,343) 19.850%	(£1,292,610) 19.850%	(£1,086,876) 19.850%	(£881,143) 19.850%	(£675,410) 19.850%

Sensitivity Analysis : Assumptions for Calculation
Construction: Cost / Unit

Original Values are varied by Steps of 2.500%.

Heading	Phase	Amount	No. of Steps
1 Bed Retirement Living Apartment	1	£124,162	4.00 Up & Down
2 Bed Retirement Living Apartment	1	£170,267	4.00 Up & Down
3 Bed House	1	£160,784	4.00 Up & Down

Sales: Sales / Unit

Original Values are varied by Steps of 2.500%.

Heading	Phase	Amount	No. of Steps
1 Bed Retirement Living Apartment	1	£265,000	4.00 Up & Down
2 Bed Retirement Living Apartment	1	£350,000	4.00 Up & Down
3 Bed House	1	£450,000	4.00 Up & Down

Boorley Green (Land Adjacent to Oak Cottage)
McCarthy Stone
Revised Scheme -February 2026

+7.500%	+10.000%
£1,581,569	£1,798,750
19.850%	19.850%
£1,320,753	£1,537,754
19.850%	19.850%
£1,060,618	£1,276,938
19.850%	19.850%
£801,221	£1,017,052
19.850%	19.850%
£542,763	£757,867
19.850%	19.850%
£284,305	£499,409
19.850%	19.850%
£25,847	£240,951
19.850%	19.850%
(£222,478)	(£16,744)
19.850%	19.850%
(£469,676)	(£263,943)
19.850%	19.850%



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