

Financial Viability Assessment



Land adjacent to Oak Cottage,
Winchester Road,
Boorley Green

Eastleigh Borough Council

Application REF: F/26/101013

May 2026

Quality Assurance

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Limitation	

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Non-technical Summary

- ES 1 This non-technical summary should be read in conjunction with the main report, general assumptions and definitions attached hereto.
- ES 2 AspinallVerdi have been instructed by Eastleigh Borough Council (hereafter referred to as “the Council”) to undertake a Financial Viability Assessment (FVA) of the proposed development at Land adjacent to Oak Cottage, Winchester Road, Boorley Green, SO32 2DH (hereafter referred to as “the proposal site”).
- ES 3 In August 2024, McCarthy Stone (hereafter referred to as “the Applicant”) submitted a full planning application (REF: F/24/97945), which sought permission for the following:

‘Erection of 52 retirement living apartments with associated communal facilities and car parking; the erection of a pair of detached dwellings; improved vehicular access and new pedestrian access to Winchester Road.’

- ES 4 The Applicant provided an FVA in relation to the proposed scheme, which concluded that no affordable housing or S106 obligations were able to be viably supported by the scheme.
- ES 5 AspinallVerdi were instructed by the Council to undertake a review of the Applicant’s FVA. Our initial viability assessment found that the scheme was unable to support the maximum level of S106 contributions or an off-site affordable payment and remain viable, with a maximum viable contribution of c. 2no. dwellings, or an off-site Payment in Lieu (PiL). This planning application was refused in June 2024.
- ES 6 In March 2026, the Applicant submitted an updated planning application (REF: F/26/101013) for the following:

‘Erection of part two, part three storey retirement living building with 50 apartments, associated communal lounge, house manager’s office, external enclosed refuse and electric scooter/cycle stores and sub-station; erection of a pair of detached dwellings; improved vehicular access and new pedestrian access to Winchester Road, internal roads, car parking and hard and soft landscaping.’

- ES 7 The existing site comprises of paddock land that is allocated in the Eastleigh Local Plan (Policy BO4). The proposed scheme involves the development of 50no. 1 and 2-bed age-restricted retirement (Use Class C3) apartments, and 2no. detached dwellings. Development proposals also include the provision of landscaped spaces, courtyards and parking areas.

ES 8 Certain S106/S278 obligations will be expected based on planning policy, including the delivery of on-site affordable housing. The purpose of this report is to provide an independent and objective assessment of the level of policy contributions that the development can viably support. Paragraph: 002 Reference ID: 10-002-20251216 of the PPG (2025) states that:

‘Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable...’

ES 9 In support of the application, the Applicant has provided an FVA undertaken by Alder King in February 2026. Based on their cost and value assumptions, the Applicant’s assessment shows the delivery of a private scheme to be unviable, generating a residual land value of £98,082. When judged against the Applicant’s adopted Benchmark Land Value (BLV) of £394,000, this equates to a viability deficit of -£295,918.

ES 10 For the purposes of this FVA, we have reviewed the report provided by the Applicant and also undertaken our own appraisals. Where we agree with the Applicant’s position, we have assumed their cost and value inputs. Where we disagree, we have adopted our own assumptions and set out in detail the reasons for these variations in our report.

ES 11 Table 1.1 summarises the inputs adopted in comparison to the Applicant’s assumptions. Those differences shown in green represent improvements in viability, whilst those shown in red are areas which have a negative impact.

Table 1.1 – Summary of Appraisal Inputs

Item	Applicant	AspinallVerdi	Difference
Values			
Houses Gross Development Value (GDV)	£900,000	£900,000	-
Houses GDV (£ / psf)	£402 psf	£402 psf	-
Retirement Apartments GDV	£14,950,000	£14,950,000	-
Retirement Units GDV (£ / psf)	£498 psf	£498 psf	-
Affordable Rent Transfer Value	-	48.0% OMV	N/A ¹
Shared Ownership Transfer Value	-	65.0% OMV	N/A ²
Costs			
Build Costs	£7,451,782	£7,451,782	-

¹ The Applicant did not test a policy compliant scenario, meaning they did not set out any assumed affordable housing transfer values.

² Ibid.

Item	Applicant	AspinalVerdi	Difference
Externals Allowance	8.0%	8.0%	-
Abnormals / Infrastructure	£466,000	£466,000	-
Part L & O Costs	£4,000 per unit	£4,000 per unit	-
Contingency	5.0%	5.0%	-
Professional Fees	8.0%	8.0%	-
Empty Property Costs (Entirely Private)	£281,601	£222,254	-£59,347
S106 Estimate	£425,216	£449,223	+£24,007
Nitrates	£130,200	£117,744	-£12,456
BNG (Credit)	£150,000	£150,000	-
Retirement Marketing & Agent Fees	5.0%	5.0%	-
Houses Marketing & Agent Fees	5.0%	3.0%	-2.0%
Sales Legal	£750 / per unit	£750 / per unit	-
Finance Debit Rate	7.5%	7.5%	-
Finance Credit Rate	2.0%	2.0%	-
Private Residential Profit (on GDV)	20.0%	18.5%	-1.5%
Affordable Profit (on GDV)	-	6.0%	N/A ³
BLV	£394,000	£138,600	-£255,400

Source: Alder King & AVL, 2026.

ES 12 We have calculated the financial viability using ARGUS Developer model. We have taken into account our views / analysis on residential values, BLV, construction and other costs and the values on completion.

Conclusions & Recommendations

ES 13 The outcomes of our appraisals differ from the Applicant's due to varying cost and value assumptions. Our appraisals identified a fully policy-compliant scheme (35% / 18no. units) to be unviable, with a deficit of -£832,521 below the BLV. However, in an entirely private scenario, our appraisals found the scheme to be viable, generating a surplus of £86,599 above the BLV.

ES 14 We note that we previously undertook a series of appraisals to illustrate whether the surplus identified could support any on-site affordable housing. In our recent experience, there is a negligible chance of an RP being willing to take one / two units as part of a scheme.

ES 15 As such, given the relatively minor surplus identified in a private scenario, we recommend the council seek this as an off-site affordable housing contribution.

³ The Applicant did not test a policy compliant scenario, meaning they did not set out an assumed affordable housing profit level.

- ES 16 We also recommend a viability review mechanism is included within the Section 106 agreement to allow the council to benefit from any favourable uplifts in viability.
- ES 17 We trust that our report is in a format suitable for your purposes and that it provides all the relevant information. Should you have any questions or queries in respect of the scheme or the contents of this report, please do not hesitate to contact Parminder Dosanjh or Adam Baker.

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For the Attention of Liz Harrison, Principal Planning Officer

Dear Liz,

1 Introduction

- 1.2 We refer to your instructions enclosed in an email dated 31st March 2026 requesting a Financial Viability Assessment (FVA) in respect of a full planning application submitted in March 2026 (REF: F/26/101013). The application seeks permission for the following:

‘Erection of part two, part three storey retirement living building with 50 apartments, associated communal lounge, house manager’s office, external enclosed refuse and electric scooter/cycle stores and sub-station; erection of a pair of detached dwellings; improved vehicular access and new pedestrian access to Winchester Road, internal roads, car parking and hard and soft landscaping.’

- 1.3 The existing site comprises of paddock land that is allocated in the Eastleigh Local Plan (Policy BO4). The proposed scheme involves the development of 50no. 1 and 2-bed age-restricted retirement (Use Class C3) apartments, and 2no. detached dwellings. Development proposals also include the provision for landscaped spaces, courtyards and parking areas.
- 1.4 In support of the application, the Applicant has provided a financial viability assessment (FVA) undertaken by Alder King in February 2026. Based on their cost and value assumptions, the Applicant’s assessment shows the delivery of a private scheme which provides 0% affordable housing to be unviable, generating a residual land value of £98,082. When judged against the Applicant’s adopted Benchmark Land Value (BLV) of £394,000, this equates to a viability deficit of -£295,918.

RICS Practice Statement

- 1.5 Our FVA is carried out in accordance with the following:
- National Planning Policy Framework (NPPF, updated February 2025)
 - Planning Practice Guidance (PPG, updated December 2025)

- RICS Financial Viability in Planning: Conducts and Reporting, Professional Standard (updated April 2023).
- RICS Assessing financial viability in planning under the National Planning Policy Framework 2019 for England, Professional Standard (updated April 2023).

Objectivity, Impartiality and Reasonableness

- 1.6 We have carried out our review in collaboration with the Council (as Local Planning Authority (LPA)) and the Applicant/Landowner. At all times we have acted with objectivity, impartially and without interference when carrying out our viability assessment and review.

Confirmation of Instructions

- 1.7 We attach in Appendix 1 our terms of business. We confirm that in preparing this report, no performance-related or contingent fees have been agreed.
- 1.8 We have not been instructed to inspect the site.

Conflicts of Interest

- 1.9 We confirm that we have no conflict of interest in providing this advice and we have acted independently and impartially.

Transparency of Information

- 1.10 Transparency and fairness are key to the effective operation of the planning process. The presumption is that this viability assessment will be published in full, except where this may compromise the delivery of the proposed application scheme or infringe other statutory and regulatory requirements. In this instance, we have not agreed any exceptions with the LPA.

Area Wide Viability Assessment

- 1.11 We confirm that we have not acted for Eastleigh Borough Council in respect of the preparation of an area-wide Local Plan Viability Assessment.

Information Relied Upon

- 1.12 For the purposes of our appraisals, we have relied on the following information:

- Viability Assessment: Alder King
- Site Drawings & DAS: Re-format

- 1.13 All the above information is logged electronically and can be provided should you require it.

Engagement

- 1.14 At all stages of the viability process, we have advocated reasonable, transparent and appropriate engagement between the parties. This is documented in the form of written clarifications.

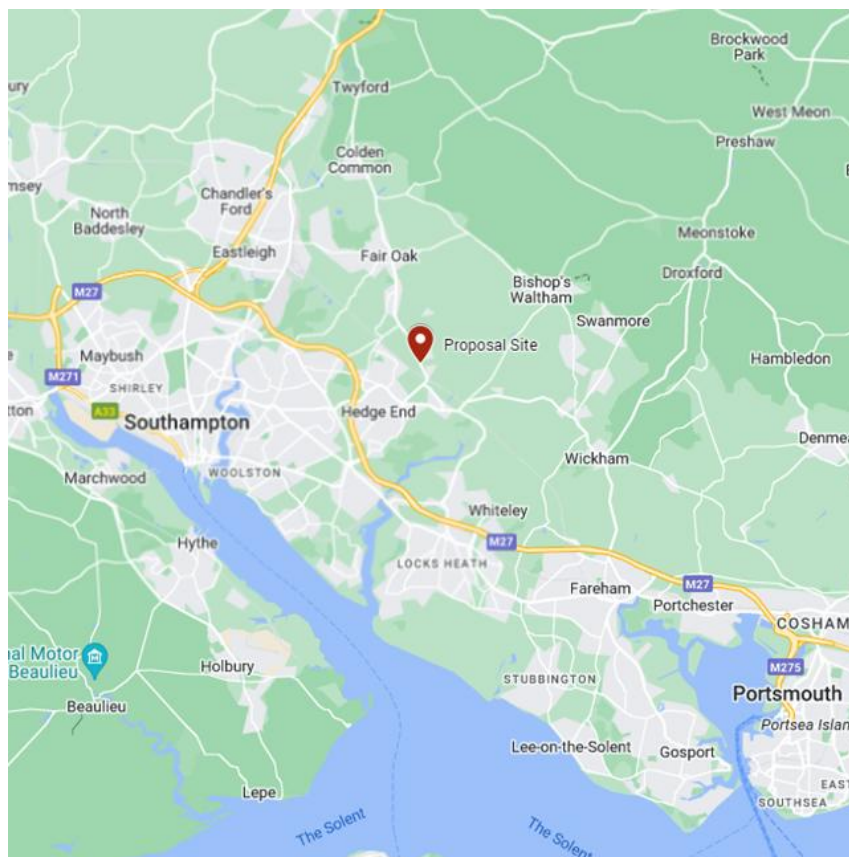
2 Scheme Details

2.1 This section sets out our understanding of the proposed scheme.

Location

2.2 The proposal site is located in Boorley Green, a village in the county of Hampshire. Boorley Green lies approximately 1 mile between the villages of Botley and Hedge End, c. 7 miles east of Southampton and c. 17 miles north west of Portsmouth. The macro location is shown in Figure 2.1 below.

Figure 2.1 - Location Map



Source: Google MyMaps, 2026.

2.3 The proposal site is located to the west of Boorley Green. The site benefits from being located within close proximity to a number of different public transport links. There are a number of bus stops located to the east of the site along Winchester Road, which provide services to Eastleigh, Fair Oak and Southampton. Hedge End railway station is located c. 1.6 miles west of the site and provides regular train services to London Waterloo, Winchester, Portsmouth, Eastleigh and Woking. In addition to this, Southampton Airport is located c. 7 miles north west of the proposal site.

- 2.4 The site's immediate surroundings are predominantly residential dwellings and new-build developments. To the east, the site is bound by Winchester Road, along with Botley Park Hotel and Spa, further north east, is a residential development, known as Boorley Park. Immediately north and west of the site also lies a new-build residential development, known as Boorley Gardens. The site is bound by Oak Cottage to the immediate south. The surrounding uses of the site can be seen in Figure 2.2 which shows an indicative red line plan.

Figure 2.2 – Proposal Site



Source: Alder King, 2026.

- 2.5 The proposal site is largely rectangular in size, with an smaller rectangular parcel to the south of the site. We note that the site boundary excludes the existing residential dwellings at Oak Cottage and Apple tree Cottage. We understand the site covers a gross area of approximately 2.26 acres / 0.90 hectares. The site was previously used as part of the gardens and paddock land belonging to Oak Cottage and Apple Tree Cottage.

Proposed Scheme

- 2.6 As set out in planning application (REF: F/26/101013). The application seeks permission for the following:

'Erection of part two, part three storey retirement living building with 50 apartments, associated communal lounge, house manager's office, external enclosed refuse and electric scooter/cycle stores and sub-station; erection of a pair of detached dwellings; improved vehicular access and new pedestrian access to Winchester Road, internal roads, car parking and hard and soft landscaping.'

- 2.7 The proposed scheme involves the development of 50no. age-restricted retirement living units, comprising a mix of 1 and 2-bed apartments, along with 2no. 3-bed detached houses. The existing site comprises of paddock land that is allocated in the Eastleigh Local Plan (Policy BO4). Development proposals also include the provision for landscaped spaces, courtyards and parking areas. An illustrative site plan is shown in Figure 2.3, with the proposed elevations shown in Figure 2.4 and Figure 2.5.

Figure 2.3 – Proposed Scheme - Site Plan



Source: Re-format, 2026.

- 2.8 The proposed retirement units are contained within a single block, while the 2no. houses comprise of 2no. storey detached dwellings. There are 39no. car parking spaces situated around the main apartment block.
- 2.9 We understand that primary vehicular access will be from Winchester Road and the site will include turning space for service and refuse vehicles, along with drop-off points.

Figure 2.4 - Proposed Apartments Elevations



Source: Re-Format, 2026.

Figure 2.5 - Proposed Houses Elevations



Source: Re-Format, 2026.

Scheme Mix/Areas

- 2.10 We summarise the proposed residential typologies and areas for the units in Table 2.1.

Table 2.1 - Accommodation Schedule

Unit Type	No. Units	Size Range (sqft)	Total NIA (sqft)
Retirement 1-Bed Apartment	30	490 - 636	15,651
Retirement 2-Bed Apartment	20	696 - 725	14,305
3-Bed Detached House	2	1,119	2,239
Total	52	490 – 1,199	32,195

Source: Re-Format, 2026.

- 2.11 We understand the proposed NIA and GIA of the retirement apartments amount to 29,956 sqft and 42,638 sqft respectively, which reflects a gross to net ratio of c. 70%. The total GIA of the scheme, including the 2no. detached houses, is 44,877 sqft.

3 Planning Policy Requirements

- 3.1 We examine the planning policies and guidance relevant to our assessment in this section.

National Planning Policy Framework (2025)

- 3.2 The National Planning Policy Framework (NPPF) was significantly revised on the 12th December 2024, with minor amendments made in February 2025. The NPPF sets out the Government's planning policies for England and is a material consideration in planning decisions.
- 3.3 In December 2025, the Government published a consultation version of the updated NPPF. This draft signal potential shifts in national planning policy, including a strengthened emphasis on the delivery of on-site affordable housing, and refined methodologies for the assessment of viability. However, as this document remains a consultation draft and has not yet been formally adopted, it carries limited material weight in the determination of current planning outcomes. Consequently, this viability assessment is predicated upon the existing adopted version of the NPPF (December 2024). This ensures that the assessment remains consistent with the current legislative framework and the planning policy environment in force at the time of submission. We recommend this is kept under review.
- 3.4 Paragraphs 56 – 59 deal with planning conditions and obligations under the revised National Planning Policy Framework. Paragraph 59 states that, where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the Applicant to justify the need for a viability assessment at the application stage, further strengthening the weight given to the viability testing at the plan-making stage.
- 3.5 Furthermore, the weight to be given to a viability assessment is a matter for the decision-maker, having regard to all the circumstances in the case, including whether the plan and supporting viability evidence are up to date, and if there have been any changes in site circumstances since the plan was brought into force. The NPPF is clear that all viability assessments should follow the recommended approaches in national planning guidance and be made publicly available.
- 3.6 Paragraph 66 of the NPPF requires that, where major development involving the provision of housing is proposed, planning policies and decisions should expect that the mix of affordable housing required meets identified local needs, across social rent, other affordable housing for rent and affordable home ownership tenures.

PPG Viability (2025)

- 3.7 In December 2025, the Ministry of Housing, Communities and Local Government updated the Planning Practice Guidance (PPG) on viability, setting out key principles for viability in plan making and decision taking.
- 3.8 National policy is seeking to ensure policy requirements are taken into consideration when land is valued and purchased, and this is reiterated on multiple occasions within the revised PPG.
- 3.9 National Policy is aiming to create an environment where viability assessments are only required at the decision-taking stage in particular circumstances. Policy requirements are set at plan level to take into account affordable housing and infrastructure needs, without the need for further viability assessment at the decision-making stage.⁴
- 3.10 Where development takes place on land situated in, or released from, the Green Belt and is subject to the 'Golden Rules' set out in paragraph 156 of the National Planning Policy Framework, site specific viability assessment should not be undertaken or taken into account for the purpose of reducing developer contributions, including affordable housing. The government intends to review this Viability Guidance and will be considering whether there are circumstances in which site-specific viability assessment may be taken into account, for example, on large sites and Previously Developed Land.⁵
- 3.11 Should a viability assessment be required at the decision-taking stage, then the PPG emphasises that the onus is on the Applicant to demonstrate whether particular circumstances justify the need for a viability assessment.⁶
- 3.12 Where a viability assessment is submitted to accompany a planning application, this should be based upon and refer back to the viability assessment that informed the plan, and Applicants should provide evidence of what has changed since then.⁷
- 3.13 The weight to be given to a viability assessment is a matter for the decision-maker, having regard to all the circumstances in the case.⁸ A decision-maker can also give appropriate weight to emerging policies.⁹

Standard Inputs to Viability

- 3.14 Paragraph 011 of the PPG describes the principles for carrying out a viability assessment, stating:

⁴ Paragraph: 002 Reference ID: 10-002-20251216, Revision date: 16 12 2025

⁵ Paragraph: 030 Reference ID: 10-030-20251216, Revision date: 16 12 2025

⁶ Paragraph: 008 Reference ID: 10-008-20190509, Revision date: 09 05 2019

⁷ Paragraph: 009 Reference ID: 10-009-20251216, Revision date: 16 12 2025

⁸ Paragraph: 009 Reference ID: 10-009-20251216, Revision date: 16 12 2025

⁹ Paragraph: 008 Reference ID: 10-008-20190509, Revision date: 09 05 2019

*'viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it.'*¹⁰

- 3.15 We note the principles of carrying out viability assessments, namely proportionality and transparency, are to:

*'strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure the maximum benefits in the public interest through the granting of planning permission'*¹¹

- 3.16 Paragraphs 012 and 013 define how the gross development value and costs should be defined for the purposes of viability assessments. We have considered this in our review.

Benchmark Land Value

- 3.17 The PPG defines the benchmark land value (BLV) for any viability assessment as the existing use value (EUV) of the land, plus a premium for the landowner.¹² The BLV should reflect the implications of abnormal costs; site-specific infrastructure costs; and professional fees.¹³

- 3.18 In establishing Benchmark Land Values, Paragraph 015 states:

*'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.'*¹⁴

- 3.19 Paragraph 015 also reiterates that in 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

¹⁰ Paragraph: 011 Reference ID: 10-011-20180724, Revision date: 24 07 2018

¹¹ Paragraph: 011 Reference ID: 10-011-20180724, Revision date: 24 07 2018

¹² Paragraph: 014 Reference ID: 10-014-20190509, Revision date: 09 05 2019

¹³ Paragraph: 015 Reference ID: 10-015-20190509, Revision date: 09 05 2019

¹⁴ Paragraph: 015 Reference ID: 10-015-20190509, Revision date: 09 05 2019

data on the price paid for land (or the price expected to be paid through an option or promotion agreement).¹⁵

3.20 Paragraph 016 defines EUV as follows:

*'[...] 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.'*¹⁶

3.21 Paragraph 017 defines the premium to the landowner:

*'The premium (or the 'plus' in EUV+) [...] is the amount above existing use value (EUV) that goes to the landowner. The premium should provide a **reasonable incentive** for a land owner to bring forward land for development while allowing a **sufficient contribution to fully comply with policy requirements**.'*¹⁷

Developer's Return / Profit

3.22 The PPG also defines developer's return / profit for the purposes of viability assessment at the plan-making stage. The key points are:

- The cost of fully complying with policy requirements should be accounted for in the benchmark land value.
- For the purpose of plan-making, an assumption of 15 – 20% of gross development value (GDV) may be considered a suitable return to developers.
- 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.
- Alternative figures may also be appropriate for different development types.¹⁸

3.23 There is no specific profit guidance at the decision-taking stage but we have considered the above principles in our assessment.

¹⁵ Paragraph: 015 Reference ID: 10-015-20190509, Revision date: 09 05 2019

¹⁶ Paragraph: 016 Reference ID: 10-016-20190509, Revision date: 09 05 2019

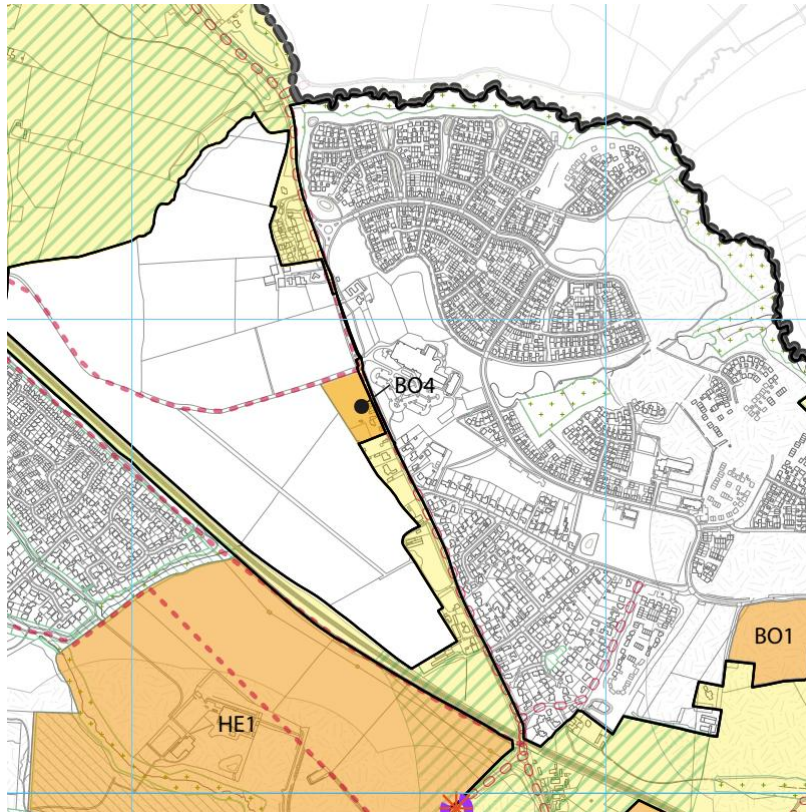
¹⁷ Paragraph: 017 Reference ID: 10-017-20190509, Revision date: 09 05 2019

¹⁸ Paragraph: 019 Reference ID: 10-019-20190509, Revision date: 09 05 2019

Eastleigh Borough Local Plan (2022)

- 3.24 The Eastleigh Borough Local Plan was adopted in April 2022 and sets out the Council's policies and plans to guide development across the Borough up to the end of the plan period (2036). Figure 3.1 shows the location of the proposal site within the Eastleigh Borough Council Planning Policy map (available online).

Figure 3.1 – EBC Planning Policy Map



Source: Eastleigh Borough Council, 2022.

- 3.25 The proposal site is allocated within the Local Plan for 22no. dwellings (orange shading) under Policy BO4, which outlines that the site is allocated for development the following requirements shown in Figure 3.2.

Figure 3.2 - EBC Policy BO4

1. An area of approximately 1.1ha to the north-west of Boorley Green, as defined on the policies map, is allocated for development to include approximately 22 dwellings. Planning permission will be granted provided that the detailed proposals comply with the development plan, and comply with an approved masterplan for the whole site which addresses the following specific requirements:-
 - a. a range of housing types, sizes and tenure;
 - b. the provision of vehicular access from Winchester Road (B3354);
 - c. the provision of contributions to, or delivery of, off-site highway improvements considered necessary to serve the development;
 - d. the provision of pedestrian and cycle links both within the site and to connect the site with the surrounding area, including enhancement of connections with Boorley Green, with the permitted development to the west and to Hedge End Railway Station in accordance with strategic policy S11(1)(b);
 - e. to preserve water quality and flows details of Sustainable Urban Drainage shall be provided in accordance with policy DM6 as part of any application for outline or full planning permission;
 - f. the potential for relocating the existing low voltage electric pole is thoroughly examined in order to maximise the development potential of the site and to create satisfactory residential amenity;
 - g. ensure avoidance or mitigation of direct and indirect adverse impacts on habitats or species protected by legislation or identified as of principal importance within the NERC Act 2006 S41 lists and that there is a net gain in biodiversity;
 - h. the provision of a good quality landscape setting for the development (including buffer planting on the Winchester Road frontage) and maintaining and reinforcing existing boundary hedgerows, compatible with adjoining uses;
 - i. ensuring an acceptable noise environment for new homes through appropriate siting of development and the provision of suitable noise mitigation measures; and
 - j. occupation of the development is phased to align with the delivery of any necessary wastewater network reinforcement, in liaison with the service provider, and layout is planned to ensure future access to the existing wastewater infrastructure for future maintenance and upsizing purposes.

Source: Eastleigh Borough Council, 2022.

- 3.26 The site is also located adjacent to defined countryside space with the Local Plan (yellow shading), which runs to the south of the proposal site. We note that the site itself is not included within this area.

Policy DM28 – Affordable Housing

- 3.27 Policy DM28 sets the Council's expectations on affordable housing. Developments will be expected to provide 35% affordable housing, where the proposal comprises:

1. *'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 sqm 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.'*

Eastleigh Borough Council Affordable Housing SPD (2023)

- 3.28 The Council adopted an updated Affordable Housing SPD in December 2023 which is a revision of the previous document first adopted in 2009. The SPD supplements the policies within the Local Plan which cover affordable housing requirements. The purpose of the SPD is to provide further guidance on key policies (including DM28) as well as consider changes made to national planning policies.
- 3.29 In regards to the tenure mix that will be sought, the SPD states that *'the Council will seek 65% rented units with the balance of 35% coming from intermediate affordable housing market products.'*
- 3.30 For the purpose of our assessment, we have adopted a split of 65% affordable rented units, and 35% shared ownership.

Community Infrastructure Levy ('CIL')

- 3.31 CIL was introduced under the Planning Act 2008 and is legislated by the CIL Regulations 2010 (as amended). Local authorities in England and Wales can elect to charge CIL on new development to assist in funding infrastructure associated with planned growth.
- 3.32 Eastleigh Borough Council does not currently implement a CIL charge on development in the area, though this remains under review.

Planning History

- 3.33 Table 3.1 sets out the site's relevant planning history.

Table 3.1 – Planning History

Reference	Description	Decision
F/19/85604	Construction of 31no. dwellings, associated landscaping, amenity areas and a means of access from Winchester Road following demolition of 1no. dwelling and associated outbuildings.	Dismissed At Appeal – 07/10/2021

F/21/89989	Erection of 25no. dwellings, associated landscaping, amenity areas and new access from Winchester Road following demolition of 1no. existing dwelling and associated outbuildings.	Refused –31/03/2023
F/24/97945	Erection of 52 retirement living apartments with associated communal facilities and car parking; the erection of a pair of detached dwellings; improved vehicular access and new pedestrian access to Winchester Road.	Refused – 30/06/2025

Source: Eastleigh Borough Council, 2026.

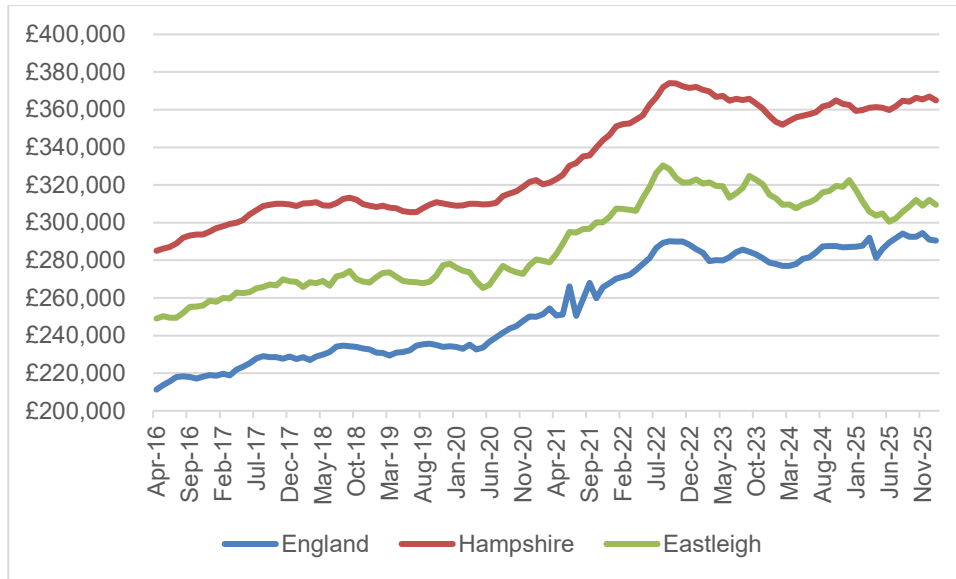
4 Residential Market Review

- 4.1 This section reviews the residential market in Eastleigh and the surrounding areas. We have based our analysis on the proposed unit types, including retirement apartments and detached houses.
- 4.2 In support of their value assumptions, the Applicant has sought comparable data and market evidence. Overall, the Applicant has adopted a total GDV of £15,850,000 / £492 psf for the retirement units in their appraisals. A breakdown of the Applicant's adopted values are as follows:
- 1-Bed Retirement Flats: £265,000 / £508 psf
 - 2-Bed Retirement Flats: £350,000 / £489 psf
 - 3-Bed Detached Houses: £450,000 / £402 psf
- 4.3 We have undertaken our own analysis of comparable evidence from completed transactions and supplemented this by reviewing the listing prices for new-build properties currently advertised for sale. We have also undertaken agent consultations to establish a local view of the housing market and the levels of supply / demand in the area. This ensures our value assumptions are informed by recent market activity and are reasonable within the context of the proposed development; the site & location and general market sentiment.

National & Regional Context

- 4.4 Following the Global Financial Crisis, property markets in the south-east experienced a prolonged period of growth. Demand was driven by both owner-occupiers and investors, resulting in a market imbalance and outstripped supply. The supply constraints led to average prices rising at significant rates, notably between 2013 and late 2016, however the rate of growth decelerated following the outcome of the UK's European Union membership referendum in 2017. Since then, prices have shown a less consistent pattern of growth and decline.

Figure 4.1 – Land Registry Average Values

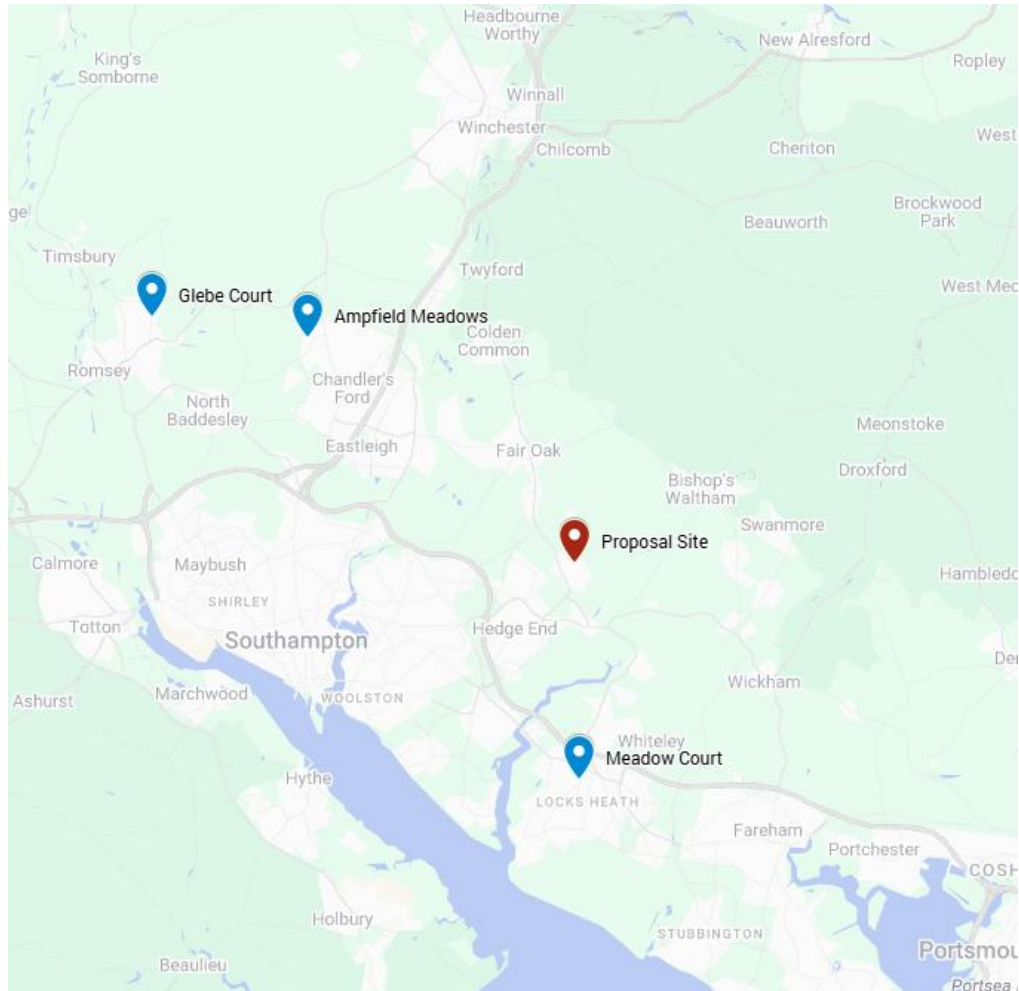


Source: Land Registry, 2026.

- 4.5 Figure 4.1 shows the average house prices (all types) in England, Hampshire and Eastleigh Borough. Since the lowest point in April 2016, Eastleigh has seen prices rise by around 21.6%. Growth in the local market has generally followed a similar pattern to the regional and national averages. The start of the Covid-19 Pandemic (March 2020) to October 2022 saw house prices nationally, regionally and locally see a relatively rapid price increase. However, since then due to economic and political uncertainty, prices have followed a less consistent pattern of growth and decline. As of November 2025 the average house price in Eastleigh of £309,479 is 6.3% higher than the national average (£290,437) and 16.4% lower than the regional average (£364,916).
- New-Build Retirement Flats Achieved Values
- 4.6 We have reviewed transactions of new-build retirement flatted units which have completed in areas surrounding the proposal site. Given the lack of data for this type of accommodation when compared with conventional, unrestricted market sale tenures, we have extended our search parameters to consider developments that have been delivered within the past three years and across the wider Hampshire area.
- 4.7 Achieved value data has been obtained from the Land Registry; however, this does not disclose the unit type, size or specification. To obtain the corresponding floor area, we have relied on the Energy Performance Certificate (EPC) Register and cross-referenced the data sets. We have relied on other sources such as online portals (Rightmove, Zoopla), property particulars and development brochures to confirm other details such as the number of bedrooms, development features and specifications.

- 4.8 We have identified transactions over the past 2no. years. Our search identified a total of 24no. transactions from 3no. schemes. The locations of these schemes are shown in Figure 4.2 and summarised in Table 4.1. with a full list provided in Appendix 3.

Figure 4.2 - New-Build Retirement Scheme Locations



Source: Google MyMaps, 2026.

Table 4.1 – New-Build Flatted Transactional Data

Scheme	Unit Type	No. Sold	Price Range (£)	Size Range (sqft)	Avg. £ / sqft
Glebe Court, SO15	1-Bed	9	£273,000 - £340,000	560 - 667	£522
	2-Bed	3	£395,000 - £475,000	775 - 807	£535
Ampfield Meadows, SO52	1-Bed	2	£380,000 - £468,000	614 - 753	£620
	2-Bed	2	£561,000 - £729,000	947 – 1,270	£583
Meadow Lodge, SO31	2-Bed	8	£310,000 - £387,500	936 - 969	£368

Source: Land Registry, 2026.

- 4.9 Achieved values across the sample range from £324 psf - £621 psf, with an average of £486 psf. The average psf value for 1-bed units was £540 psf, and £440 psf for the 2-bed units identified. The Applicant's assumption of £508 psf for the 1-bed units therefore sits below the average psf sale price identified, whilst the £489 psf for the 2-bed units sits above the average psf sale price identified in our achieved data.

Glebe Court is a retirement living scheme made up of 36no. units, available for residents aged 60 or over. The units comprise 1-bed and 2-bed apartments. The scheme was been developed by McCarthy Stone in around 2022 and is located in Romsey, Hampshire, c. 10-miles north west of the proposal site. Residents benefit from on-site amenities including a communal lounge, guest facilities and shared garden.

This scheme has been brought forward by the Applicant as for the proposed scheme. The scale of this scheme is smaller than the proposed scheme, in terms of number of units and scale of the development. This scheme offers similar on-site amenities to the proposed scheme. The 1-bed and 2- bed unit sizes we have been able to identify were generally smaller compared to the average size of the units at the proposed scheme.

Ampfield Meadows is a retirement living scheme developed by Inspired Villages, for residents 65 and over. It is situated c. 7.5-miles north west of the proposal site. Completed in c. 2025, the scheme is made up of 149no. 1 and 2-bed retirement apartments. Residents at this scheme benefit from a swimming pool, wellness centre, hair salon, library, as well as landscaped gardens. The scale of this scheme is much larger than the proposed scheme and it has far more facilities to offer.

The unit mix, which comprises of 1 and 2 bed apartments, is the same as the proposed scheme. The size of the 1 and 2-bed apartments identified at this



scheme appear to be larger compared to the average size of the 1 and 2-bed units at the proposed scheme.

Meadow Lodge is a development of 70no. 1 and 2-bed age-restricted apartment units, built in 2019. The scheme is located in Sarisbury Green, c. 4.3 miles south of the proposal site. New residents are accepted from 55-years of age and benefit from a range of on-site amenities, including a café, hair and beauty salon and shop. They also offer a communal lounge and guest facilities. Meadow Court offers one parking permit per apartment, at a cost of £250 per annum.

The scale of this development in terms of unit numbers is similar to the proposed scheme. The 2-bed units identified at this scheme are larger than those at the proposed scheme.

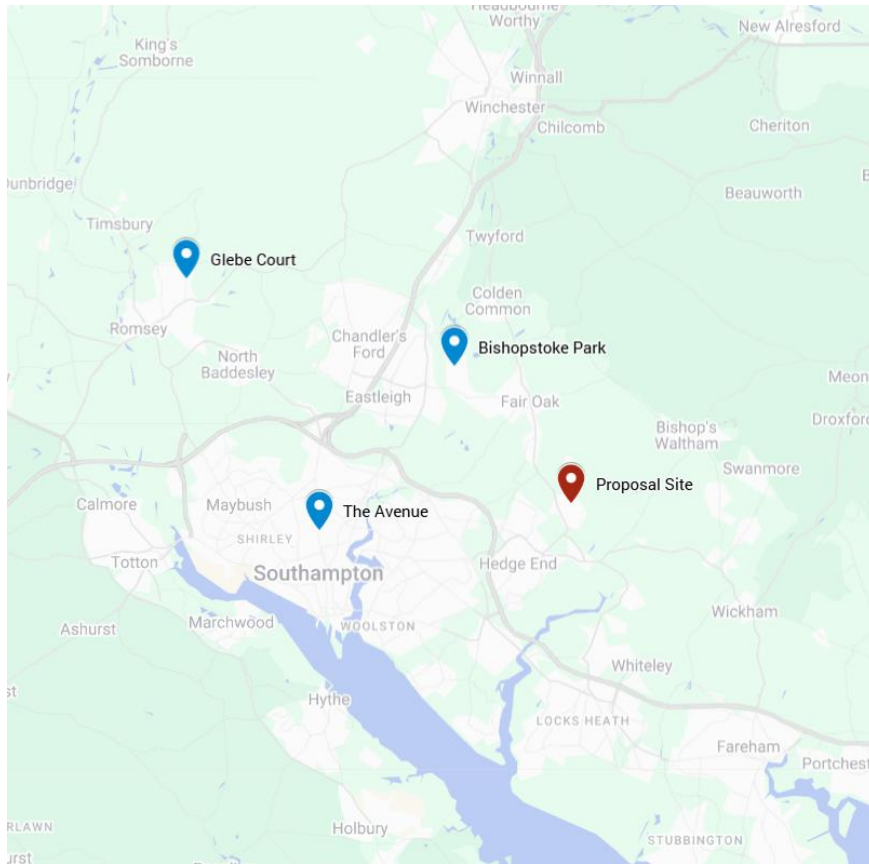


- 4.10 Glebe Court is most similar to the proposed scheme in terms of the scale of the scheme, and it is also delivered by McCarthy and Stone, who are the same Applicant as that of the proposed scheme. Therefore, from this perspective we would expect the proposed scheme to achieve similar prices to Glebe Court. The properties at Glebe Court are slightly smaller than those at the proposed scheme, and therefore we might expect them to achieve a higher value from a £ / psf perspective.
- 4.11 We would not consider Meadow Lodge to provide a like-for-like comparison as to the prices that the units at the proposed scheme could achieve. Meadow Court offers a greater variety of on-site amenities than are to be provided at the proposed scheme, including a café, hair and beauty salon and shop. Therefore, it is expected that these on-site amenities would allow the units at Meadow Court to achieve a premium in value when compared to those at the proposed scheme. Further, as the scheme was built in 2019, it is older than the rest of the comparable sites, which would also create value differences. However, this scheme is the closest to the proposal site, and therefore gives a better indication of what properties in the area might achieve.
- 4.12 We would also expect the units at Ampfield Meadows to be sold at a premium to those at the proposed scheme. This is due to a large amount of facilities at Ampfield Meadows, such as a swimming pool. Therefore, we would expect Ampfield Meadows to sell units at a significant premium to those at the proposed scheme.
- 4.13 Overall, the transactional data identified shows that the Applicant's adopted values appear to be reasonable.

New-Build Retirement Flats Listings

- 4.14 To supplement the transactional data, we have reviewed the asking prices for retirement units currently listed for sale in the areas surrounding the proposal site. We have focussed our review on new-build accommodation. This provides an insight into the type and volume of units that are expected to be delivered in the coming months / years.
- 4.15 We note that whilst listing prices provide useful supplementary evidence of potential values, they should be treated with caution as they do not reflect transactional prices and therefore often reflect a premium above achieved values.
- 4.16 Our search identified 5no. listings from 3no. schemes, as shown in Figure 4.3 and summarised in Table 4.2.

Figure 4.3 - New-Build Flatted Listing Locations



Source: Google MyMaps, 2026.

Table 4.2 - New-Build Flatted Listing Prices

Scheme	Unit Type	No. Listings	Price Range (£)	Size Range (sqft)	Avg. (£ / sqft)
Bishopstoke Park	1-Bed	2	£245,000	743 - 749	£328
Glebe Court	1-Bed	1	£320,000	657	£481
May Tree Place	1-Bed	1	£289,950 - £332,950	498 - 581	£445
	2-Bed	1	£350,000	592	£448

Source: Rightmove, 2026.

- 4.17 The listing prices range from £327 psf - £487 psf, with an average of £407 psf across the sample. The 1-bed listings identified had an average price of £398 psf, while 2-bed listings averaged £445 psf. This represents a significant uplift upon the average psf values from the transactional evidence (£453 psf for 1-beds and £413 psf for 2-beds) and the values adopted by the Applicant.
- 4.18 Glebe Court has already been identified as part of the achieved new-build flat transactional data. We provide a summary of the other schemes identified below:

May Tree Place is a new-build retirement living scheme of 66no. age exclusive apartments, available for residents aged 70 or over. The scheme has been developed by McCarthy Stone and is located in Southampton, c. 5.3 miles west of the proposal site. The units at this scheme are made up of 41no. 1-bed apartments, and 25no. 2-bed apartments. The scheme includes a restaurant, communal space, guest facilities and 36no. car parking spaces.

This development is larger than the proposed scheme in terms of unit numbers and scale. However, the unit mix is the similar to the proposed scheme, comprising 1-bed and 2-bed apartments. The size of the 1-bed units identified at May Tree Place are slightly larger, and the 2-bed units appear to be slightly smaller than those at the proposed scheme.



Bishopstoke Park is a large development of c. 150no. 1 and 2-bed age-restricted apartment units. The scheme is located close to Eastleigh, c. 4.3 miles south of the proposal site. New residents are accepted from 65-years of age and benefit from a range of on-site swimming pool, sauna, restaurant and landscaped gardens. They also offer a communal lounge and guest facilities.

This development is larger in terms of unit numbers, compared to the proposed scheme, and offers a greater number of amenities. The size of the 1-bed listings identified are larger than the size of the units at the proposed scheme.



- 4.19 The listings identified at May Tree Place provide further indication of the likely values for the apartments at the proposed development. While May Tree Place is larger, in terms of the number of units compared to the proposed scheme, it does offer a similar number and variety of on-site amenities. The scheme has also been brought forward by the Applicant for the proposed scheme (McCarthy Stone). It can therefore be assumed the specifications of the units at the proposed scheme will be similar to those at May Tree Place.
- 4.20 We do however note that as May Tree Place is closer to Southampton City Centre, there are a greater number of local amenities close by in comparison to the proposal site. Further, it is a

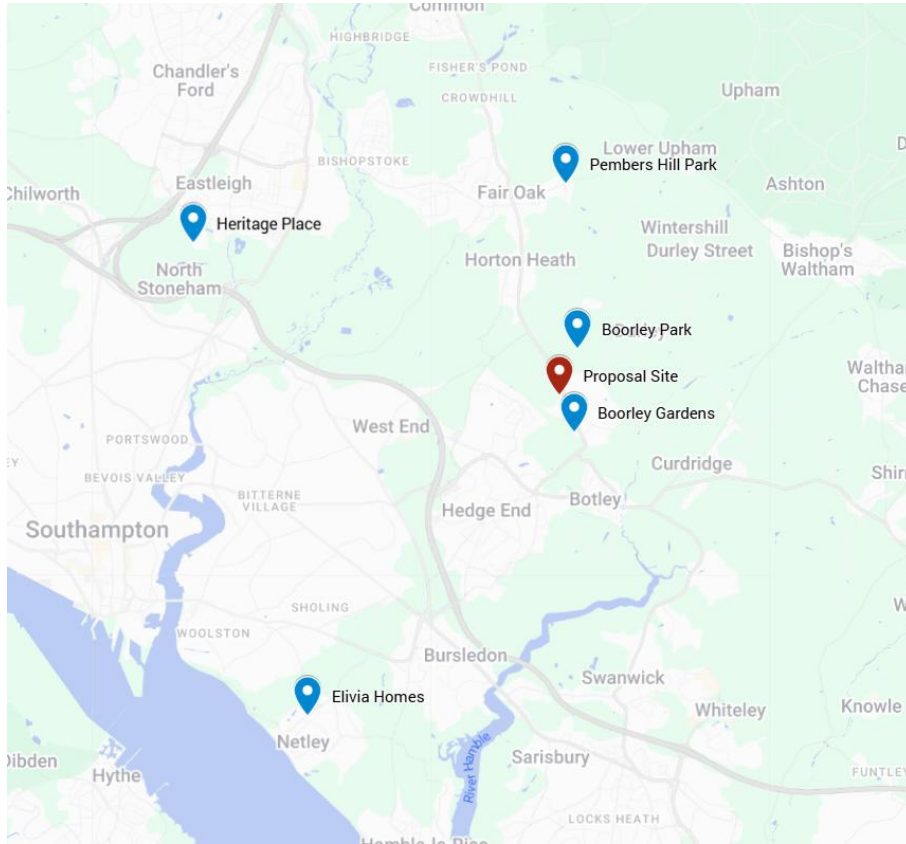
Retirement Living PLUS scheme, meaning there is extra support on offer to residents. We would therefore conclude that the listings at May Tree Place would be able to achieve a slight premium in value compared to the units at the proposed scheme.

- 4.21 Bishopstoke Park has a larger number of amenities compared to the proposed scheme, with facilities such as a pool, gym and sauna, meaning the site would be expected to achieve a premium compared to the proposed scheme. However, the rooms available are significantly larger than the 1-bed units at the proposed scheme and therefore we would expect the units at Bishopstoke to achieve a lower price on a price per sqft basis.
- 4.22 Overall, we therefore consider the Applicant's adopted values for the retirement flats at the proposed scheme to be reasonable. As such, we have adopted the same values for the purpose of our assessment.

New-Build 3-Bed Detached Units - Achieved Values

- 4.23 In order to benchmark the Applicant's adopted values for the proposed three-bedroom detached housing units (£450,000 / £402 psf), we have reviewed transactions of new-build 3-bed detached houses which have completed in areas surrounding the proposal site. Our search has been focussed in the area surrounding the proposal site.
- 4.24 Achieved value data has been obtained from the Land Registry; however, this does not disclose the unit type, size or specification. To obtain the corresponding floor area, we have relied on the Energy Performance Certificate (EPC) Register and cross-referenced the data sets. We have relied on other sources such as online portals (Rightmove, Zoopla), property particulars and development brochures to confirm other details such as the number of bedrooms, development features and specifications.
- 4.25 We have identified transactions that have occurred over the past 2-years. Our search identified a total of 11no. transactions from 5no. schemes brought forward by multiple developers. The locations of these schemes are shown in Figure 4.4 and summarised in Table 4.3, with a full list provided in Appendix 2.

Figure 4.4 - New-Build 3-Bed Detached House - Scheme Locations



Source: Google MyMaps, 2026.

Table 4.3 – New-Build 3-Bed Detached Houses Transactional Data

Scheme	Unit Type	No. Sold	Price Range (£)	Size Range (sqft)	Avg. £ / sqft
Boorley Park	3-Bed	1	£399,000	1,023	£390
Boorley Gardens	3-Bed	4	£382,000 - £429,000	980 – 1,044	£400
Elivia Homes	3-Bed	2	£535,000 - £563,000	1,206	£455
Pembers Hill Park	3-Bed	2	£325,000 - £400,000	969 – 1,012	£365
Heritage Place	3-Bed	2	£495,000	1,109 – 1,119	£444

Source: Land Registry, 2026.

- 4.26 Achieved values across the sample range from £335 - £467 psf, with an average of £411 psf. The Applicant's assumption (£402 psf) therefore sits below the average psf sale price identified in our data.

Boorley Park is a large housing development, directly east of the proposal site, delivered by multiple developers. The site comprises a mix of 1 and 2-bed apartments, along with 2, 3, 4 and 5-bed houses. Amenities include Boorley Park Primary School, a community centre, sports facilities, allotments, a convenience store and retail units. Residents benefit from private gardens and off-street parking spaces. A select number of units benefit from private garages.

The 3-bed houses offered by this scheme are on average slightly larger than those at the proposed scheme, averaging 1,146 sqft, compared to 1,119 sqft at the proposed. The units at Boorley Park would also have access to the same local amenities as those at the proposed scheme.

Boorley Gardens is also a joint development scheme, being built by Bellway and Miller Homes. The site is still undergoing development, and will eventually comprise 680no. units, with a mixture of 1-bed to 5-bed houses. Boorley Gardens sits directly north-west of the proposed location, and will have access to the same local amenities as the proposed scheme. Boorley Gardens is also set to include a community facility and SEMH (Social, Emotional & Mental Health) Special School for ages 8-16, along with both play and allotment areas. A number of the units at this scheme benefit from private detached garages.

The sizes of the 3-bed units identified at this scheme appear to be broadly the same as the average size of the 3-bed detached houses at the proposed scheme.

Heritage Place has been developed by Bargate Homes, and has delivered 322no. family homes in total. It is situated 4.5-miles north-west of the proposal site and the scheme was launched in late 2022. The units are 'eco-focused', and have amenities such as solar panels and comprised a range of 3-,4- and 5-bedroom semi-detached and detached homes.



The proposed units are a similar size to the larger 3-bed unit identified at Heritage Place.



Elivia Homes at Netley is 4.5-miles south west of the proposed scheme. We understand some of the units were completed in 2024, with final phases completing in the summer of 2025. Developed by Elivia Homes, it consists of 89no. units in total. This includes apartment units and houses, with a mix of 1 and 2-bedroom apartments, and 2 to 4-bedroom houses. It was completed in c. 2025. Some of the units have garages, and most of the units have parking.

The size of the units identified are larger than those at the proposed scheme.



Pemblers Hill Park was launched in 2019 and comprises 242no. homes. The scheme was a product of multiple developers, including Drew Smith Homes and Vistry Homes. The site comprises a mixture of 1- and 2-bed flats, and 2-, and 3-bed homes. It is situated 2.6-miles north of the proposal site. We understand that most of the house units have gardens, and access to parking spaces.

The units on offer are slightly smaller than those at the proposed scheme.



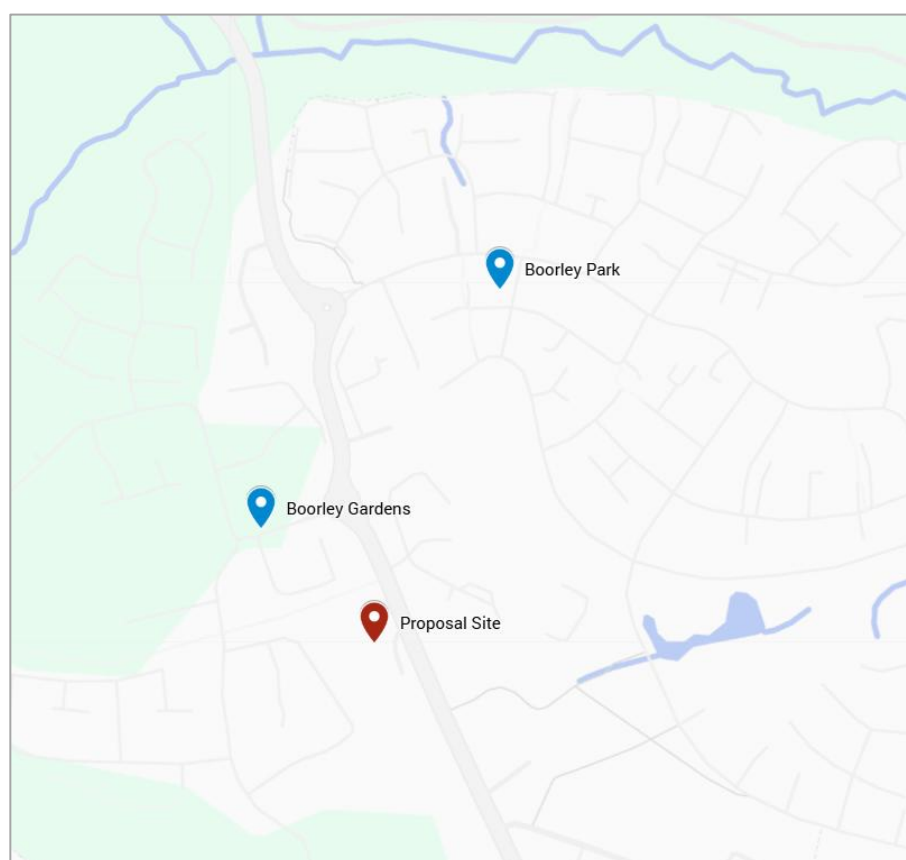
- 4.27 The schemes situated in Boorley provide directly comparable transactions to the 3-bed detached houses at the proposed scheme. This is due to the location of the schemes identified being close to the proposal site and both having access to similar local amenities. Boorley Gardens is slightly more comparable, as its location sits on the same side of Winchester Road as the proposal site. In addition to this, the unit sizes identified are most similar to the 3-bed houses at the proposed scheme.

- 4.28 The other schemes identified are further away, however, are useful as a sense-check for the units identified in Boorley. We note that we would expect the units identified at Heritage Place to achieve a premium, as they have been marketed as ‘eco-focused’, and may have added amenities or bespoke features, compared to the proposed scheme. We also note that the scheme’s identified are all significantly larger than the proposed scheme.
- 4.29 Overall, the transactional data identified shows the Applicant’s adopted values appear reasonable.

New Build 3-Bed Detached House Listings

- 4.30 To supplement the achieved new-build 3-bed house data, we have identified units currently for sale in the areas surrounding the proposal site. This provides an insight into the type and volume of units that are expected to be delivered in the coming months / years.
- 4.31 Our search has revealed 6no. listings from 2no. housing development schemes. The location of the schemes identified in relation to the proposal site can be seen in Figure 4.5 and the data identified is summarised in Table 4.4.

Figure 4.5 – 3-Bed Detached House Listings Locations



Source: Google Mymaps, 2026.

Table 4.4 – 3-Bed Detached House Listings

Scheme	Unit Type	No. Listings	Price Range (£)	Size Range (sqft)	Avg. £ / sqft
Boorley Gardens	3-Bed	4	£375,000 - £410,000	N/A	N/A
Boorley Park	3-Bed	2	£390,000 - £429,000	N/A	N/A

Source: Rightmove, 2026.

- 4.32 The data identified did not disclose any of the sizes for the units. Both schemes have been identified in the transactional data previously.
- 4.33 As the listings identified are from new-build schemes close to the proposed scheme, and of a similar size, we would expect that the units at the proposed scheme would achieve a similar value. Overall, we therefore consider the Applicant's adopted values (£402 psf) for the 3-bed detached houses at the proposed scheme to be reasonable.

Residential Conclusion

- 4.34 Based on our review of the available achieved sales and listings evidence available, we consider the Applicant's adopted value of £265,000 / £508 psf for the proposed 1-bed retirement apartments, £350,000 / £489 psf for the 2-bed apartments and £402 psf for the 3-bed detached houses to be reasonable. We believe that the values adopted are reflective of the location of the proposed scheme and the amenities that are included. We have therefore adopted the same total GDV for units (£15,850,000 / £492 psf) in our assessment.
- 4.35 The Applicant has not tested a scheme that provides a policy-compliant mix of affordable housing. We have undertaken our own calculations for the purposes of establishing the values of the affordable units in our policy complaint testing.

5 Cost and Value Analysis

- 5.1 This section provides an assessment of the costs and values adopted by the Applicant for the proposed scheme. As advocated in the PPG, we have referred to the Council's Local Plan Viability Study (LPVS) produced in 2018 by Dixon Searle Partnership. As this assessment was produced 8-years ago, we have also used industry-standard benchmarks, published guidance and our experience from similar schemes. Where our assessment shows there to be differences in opinions, we have provided supporting evidence to justify any revised inputs.

Costs

Construction Costs

- 5.2 The Applicant has relied on the RICS Build Cost Information Service (BCIS) to determine the estimated construction costs for the proposed scheme. Two separate rates have been adopted, one for the retirement apartments element of the scheme and another for the detached houses. The Applicant has rebased their data to Hampshire and adopted the median rates. We summarise the Applicant's adopted BCIS rates below:
- Supported Housing (3-Storeys, February 2026, default period):
 - Median Rate: £1,800 psm
 - Estate Housing (Semi-Detached, February 2026, default period):
 - Median Rate: £1,521 psm
- 5.3 The Applicant has then applied an additional 8.0% allowance on top of the base build costs to allow for external works.
- 5.4 We note that the RICS Guidance on viability in planning advocates the use of a detailed, quantified cost estimate for site-specific assessments. However, we would expect that an elemental and site-specific cost plan may result in higher costs than the BCIS estimate currently adopted in the Applicant's assessment. It is therefore assumed that the BCIS approach has been favoured to improve viability.
- 5.5 In the absence of any detailed cost information, we have adopted the Applicant's approach to build costs and undertaken a benchmarking exercise by reference to updated BCIS data. Upon review of the data, we deem the Applicant's BCIS costs reasonable, and have adopted them for the purpose of our assessment. A copy of the data obtained from BCIS is provided in Appendix 3.
- 5.6 The Council's LPVS suggests an external works allowance of 5% - 20% of base build costs depending on the scheme type. The external areas comprised within the site boundary are

predominantly car parking areas, landscaping and access. We therefore do not consider the Applicant's overall assumption of 8% to be unreasonable and have adopted the same external works allowance in our assessment.

- 5.7 Our BCIS Benchmarking has found that the Applicant's adopted costs are reasonable, and we have adopted their figures for the purpose of our assessment.
- 5.8 We reiterate that we would expect an elemental and site-specific cost plan may result in higher costs compared to that of the BCIS estimate. We therefore reserve the right to amend our position in regards to our adopted build costs, should the Applicant provide further information or evidence.

Infrastructure / Abnormal Costs

- 5.9 The Applicant's assessment also includes an allowance of £466,000 of abnormal costs.
- 5.10 We asked the Applicant for further clarity on justification for these values, and they sent us a table detailing the abnormal cost build out, which have been based on experience with previous developments. We have listed these below.

- Facilitating Works
 - Demolition: £15,000
 - Asbestos Removal £13,500
 - Tree Surgery £25,000
 - Tree Protection £13,600
- Substructure / Drainage / Retaining:
 - Heave Protection: £71,700
 - Piled Raft Foundations (E/O) £170,200
 - Foul Discharge Pumps £45,000
 - Surface Water Discharge Pumps £35,000
 - Swales £15,000
 - Connection to Off-Site Sewer £60,000

- 5.11 The Applicant's adopted costs do not appear unreasonable in the context of our experience of assessing similar schemes being brought forward by the same Applicant.
- 5.12 As such, we have adopted the costs above for the purposes of our assessment, but reserve the right to review this position following the receipt of any further information.

Part L + O

- 5.13 The Applicant's assessment also includes a cost allowance to comply with Part L and O requirements of the updated building regulations. The Applicant has adopted a cost of £4,000 per unit, equating to a total of £208,000.
- 5.14 We consider the above to be reasonable and have adopted the same allowance for the purposes of our assessment.

Contingency

- 5.15 The Applicant's appraisal includes a 5% contingency allowance, which has been applied to all the construction costs associated with the proposed scheme.
- 5.16 We consider this allowance to be reasonable and as such we have adopted the same contingency in our appraisals.

Professional Fees

- 5.17 The Applicant's assessment includes an allowance of 8% for professional fees. The Council's LPVS suggests an allowance of 10% on build costs.
- 5.18 We consider the Applicant's allowance for professional fees to be reasonable and have adopted the same allowance for the purpose of our assessment.

Disposal Costs

- 5.19 The Applicant has assumed the following disposal fees:
- Sales and Marketing: 5.0% of GDV
 - Sales Legal: £750 per unit
- 5.20 The Council's LPVS suggests marketing and sales fees of 3.0% - 6.0% and legal fees of £750 per unit.
- 5.21 We are aware that older people's housing (i.e. retirement, extra-care, age-restricted etc.) can often come with higher disposal costs which are typically increased by a higher allowance for marketing. We therefore consider the allowance by the Applicant to be reasonable and have adopted the same for the purposes of our assessment.
- 5.22 However, as we understand the 3-bed detached houses at the proposed scheme are not age-restricted retirement, we have therefore assumed lower sales and marketing fees of 3.0% for these units. This is in line with the Council's LPVS.
- 5.23 For the purpose of our assessment, we have also assumed sales legal fees of £750 per unit. We note that we have also applied this legal fee to the affordable units in our policy-complaint scenario.

Land Acquisition

5.24 For the purpose of their assessment, the Applicant has adopted the following acquisition fees:

- Land Agent 1.00%
- Land Legal 0.75%

5.25 The Council's LPVS adopts acquisition fees of 1.50% for land agent and 0.75% for land legal. We therefore consider the Applicant's assumptions to be reasonable and have adopted the same for the purpose of our assessment.

5.26 We have also applied an allowance for Stamp Duty Land Tax (SDLT) in our appraisals. We have based our SDLT on the bandings shown in Figure 5.1.

Figure 5.1 – Commercial Stamp Duty Banding

Property or lease premium or transfer value	SDLT rate
Up to £150,000	Zero
The next £100,000 (the portion from £150,001 to £250,000)	2%
The remaining amount (the portion above £250,000)	5%

Source: HMRC, 2024.

5.27 The Stamp Duty calculated in our appraisals relates to the benchmark land value and not the residual land value.

Finance Costs

5.28 The Applicant has assumed an all-inclusive development finance rate of 7.5%, with a credit rate of 2%.

5.29 The Council's LPVS assumes a finance rate of 6.5%, however we do note that this assessment was undertaken in 2018 and since then there have been a number of political and economic events which have led to market uncertainty and rises in interest rates.

5.30 Based on our understanding of finance rates adopted in other recent site-specific assessments for similar schemes, we consider this to be reasonable and have adopted the same rate in our appraisals.

Phasing

5.31 The Applicant has assumed the following phasing / timescales which we consider reasonable:

- Pre-construction: 6-months
- Construction: 15-months

- Sale: 36-months

- 5.32 We have however, modelled our appraisal to reflect 20% / 10no. of the units sold in the first month, after practical completion, with the remainder sold over the rest of the sales period. Since the Applicant has adopted a sales period of 1.44no. units a month, on the assumption that 20% of units would sell in the first month, we have adjusted our sales period to 28-months
- 5.33 We understand from looking at the Applicant's (McCarthy Stone) website that they offer the option of buying properties 'off-plan' while schemes are still being built. We therefore assume that the Applicant will be intending on selling a number of the units off-plan / in the month following practical completion. As such, we have accounted for a proportion of sales within month one following practical completion in our appraisals.
- 5.34 To test a policy-compliant scenario, we have assumed that the affordable units will be disposed of via a typical 'golden brick' payment structure across the construction period, i.e., in three tranches.

Developer's Profit

- 5.35 The Applicant has adopted a developers profit allowance of 20% on GDV. The Council's LPVS adopted a profit allowance of 20% on GDV for market sale units.
- 5.36 Paragraph 018 of the PPG considers a return of between 15-20% to be reasonable for private sale units. The Applicant's assumption therefore sits within this range for residential units, albeit at the upper end.
- 5.37 Given the nature of the proposed scheme, we do not consider the developer's profit allowance of 20% to be wholly unreasonable. However, as the Applicant's assessment shows the scheme is unviable without the required level of affordable housing provision, we have adopted a reduced private profit threshold of 18.5% on GDV. This is encouraged by the wording within Paragraph 010 of the Viability PPG which seeks to strike a balance between the aspirations of the planning system and returns against risk, as we acknowledge there is an increased risk of older persons accommodation.
- 5.38 To test a policy-compliant scenario, we have adopted a reduced profit allowance of 6.0% on GDV for the affordable units.

S106 Contributions & BNG Costs

- 5.39 The Applicant's assessment includes the following S106 contributions and BNG costs:

- Solet SPA: £30,816
- New Forest SPA: £128,967

• Nitrates:	£130,200
• BNG (credit):	£150,000
• Community Infrastructure	£98,947
• Public Open Space:	£54,211
• Public Art:	£30,895
• Sustainable Transport:	£51,895
• Traffic Regulation Order:	£12,000
• Health Contribution	£17,485

5.40 This amounts to £705,416 of contributions.

5.41 As part of our analysis, we requested information from the Council on the likely S106 contributions that would be sought in respect of the proposed scheme. In an email dated 20th April 2026, the Council stated the following index-linked S106 contributions would be sought:

- Community Infrastructure - £101,012.92
- Off-site Public Open Space - £55,339.80
- Public Art - £31,462.05
- Sustainable Transport - £50,000
- Traffic Regulation Orders - £12,000
- Health - £30,942.00
- Solent Recreation Disturbance Mitigation - £31,132.07
- New Forest Recreation Disturbance Mitigation - £131,333.90
- S106 Monitoring Fee - £6,000

5.42 In addition to the S106 obligations listed above, we have been informed by the Council, there will also be costs related to the purchase of off-site BNG credits and the purchase of off-site credits for nitrate mitigation. These were agreed to be paid at a cost of £150,000 in relation to the previous scheme for the off-site BNG credits and £117,743.75 in relation to the off-site credits for nitrate mitigation. On the Council's recommendation, we are adopting these previously agreed costs, with expectations that they will be updated in due course.

5.43 The above amounts to a total of £716,966.49 for S106 contributions.

Empty Property Costs

5.44 The Applicant's appraisal has also included an allowance for empty property costs / void costs for the retirement units. These include service charge payments, council tax allowances and electricity charges that are due once a unit has been built but before it has been sold and transferred ownership / responsibility.

- 5.45 For the service charge, the Applicant has assumed an average of £254.37, based on a rate of £212.00 per month for the 1-beds and £317.92 per month for the 2-beds. The Applicant has also assumed an electricity charge of £25 per month for each of the units.
- 5.46 The Applicant has made an assumption of £165.41 / unit per month average for the Council Tax allowance, based on rate of £157.53 per month for 1-bed units and £177.22 per month for 2-bed units.
- 5.47 We consider the Applicant's adopted figures reasonable. However, since we have assumed 20% of the units will be sold in the first month, we have recalculated the Empty Property Costs to total £222,254, and have adopted this figure for the purpose of our assessment.

Revenue

Market Housing

- 5.48 As concluded in Chapter Four, we consider the Applicant's adopted GDV to be commensurate with our market analysis. As such, we have adopted the same values for the purpose of our assessment.
- 5.49 Our total adopted GDV in an entirely private scenario therefore amounts to £15,850,000 / £492 psf.

Affordable Housing

- 5.50 The Applicant's assessment does not test a policy-compliant scenario.
- 5.51 We have undertaken our own calculations to determine appropriate transfer values for these tenures, as set out below:
- For the affordable rented units, we have assumed the weekly rent limits relative to the Local Housing Allowance caps. We consider a management / maintenance allowance of 17.5% to be reasonable and have capitalised the net income by a yield of 5%. The outcome results in a transfer value equivalent to 48% Of Market Value (OMV).
 - For the shared ownership units, we have assumed an initial purchase of 40% with an equity rent of 2.5% on the unsold share. With appropriate management deductions, our calculations have shown shared ownership units to be c. 65% of market value.

Cost and Value Summary

- 5.52

5.53 Table 5.1 sets out the key areas of difference between the Applicant's assumptions and our own.

Table 5.1 - Appraisal Input Summary

Item	Applicant	AspinallVerdi	Difference
Values			
Houses Gross Development Value (GDV)	£900,000	£900,000	-
Houses GDV (£ / psf)	£402 psf	£402 psf	-
Retirement Apartments GDV	£14,950,000	£14,950,000	-
Retirement Units GDV (£ / psf)	£498 psf	£498 psf	-
Affordable Rent Transfer Value	-	48.0% OMV	N/A ¹⁹
Shared Ownership Transfer Value	-	65.0% OMV	N/A ²⁰
Costs			
Build Costs	£7,451,782	£7,451,782	-
Externals Allowance	8.0%	8.0%	-
Abnormals / Infrastructure	£466,000	£466,000	-
Part L & O Costs	£4,000 per unit	£4,000 per unit	-
Contingency	5.0%	5.0%	-
Professional Fees	8.0%	8.0%	-
Empty Property Costs (Entirely Private)	£281,601	£222,254	-£59,347
S106 Estimate	£425,216	£449,223	+£24,007
Nitrates	£130,200	£117,744	-£12,456
BNG (Credit)	£150,000	£150,000	-
Retirement Marketing & Agent Fees	5.0%	5.0%	-
Houses Marketing & Agent Fees	5.0%	3.0%	-2.0%
Sales Legal	£750 / per unit	£750 / per unit	-
Finance Debit Rate	7.5%	7.5%	-
Finance Credit Rate	2.0%	2.0%	-
Private Residential Profit (on GDV)	20.0%	18.5%	-1.5%
Affordable Profit (on GDV)	-	6.0%	N/A ²¹

Source: Alder King & AVL, 2026.

¹⁹ The Applicant did not test a policy compliant scenario, meaning they did not set out any assumed affordable housing transfer values.

²⁰ Ibid.

²¹ The Applicant did not test a policy compliant scenario, meaning they did not set out an assumed affordable housing profit level.

6 Benchmark Land Value

- 6.1 We set out below our comments in respect of land value.
- 6.2 Paragraph 59 of the NPPF states that ‘all viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance.’²²
- 6.3 The Benchmark Land Value (BLV, also referred to as the threshold land value) is promoted in the Planning Practice Guidance as the preferred method of defining land value. The PPG does not provide an explicit definition of land value but states in Paragraph 014, Reference ID: 10-014-20190509 that:

‘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 fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called ‘existing use value plus’ (EUV+).’

- 6.4 In regards to the factors which should be considered in establishing a BLV, Paragraph 015, Reference ID: ID: 10-015-20190509 states:

‘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.’ (our emphasis).’*

²² MHCLG, 2024. National Planning Policy Framework. (p. 16)

Applicant's Assessment of Benchmark Land Value (BLV)

- 6.5 The Applicant has calculated their BLV by adopting the Existing Use Value premium (EUV+) approach advocated by the PPG.
- 6.6 The Applicant has established that the proposal site is currently paddock land. The site is allocated in the Local Plan for 22no. dwellings. Two recent planning applications for the development of 31no. dwellings (F/19/85604), and 25no. 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 poor design and failure to provide sufficient, affordable housing, drainage and SPA costs.
- 6.7 The previous viability assessment reached agreement on the EUV for the site based off an adopted rate of £25,000 per hectare. The Applicant has concluded that the EUV is therefore, £22,500.
- 6.8 For their premium, the Applicant has adopted a multiplier of 17.5x EUV. The multiplier reflects the allocation of the site in the Local Plan as residential development land.
- 6.9 The Applicant's adopted BLV therefore amounts to £394,000.

AVL Assessment of BLV

- 6.10 We consider the EUV+ approach implemented by the Applicant to calculate the BLV appropriate in respect of the proposal site. As such, we have adopted a similar approach in our calculation of the BLV for the site.

EUV

- 6.11 In determining an appropriate EUV, we have also referred to the Council's Local Plan Viability Study, prepared by DSP in April 2018. As identified by the Applicant, paragraph 2.14.10 of the study states:

'In our experience of dealing with site specific viability, greenfield land values tend to be assumed at minimum option agreement levels. These are typically around £100,000 and in our experience in any event not exceeding £150,000 per gross acre (i.e. approx. £250,000 to maximum £370,000 per gross hectare).'

- 6.12 We note that these prices stated by DSP include an allowance for landowner's premium and should not be assumed as an EUV.
- 6.13 For the purpose of our assessment, we have continued to adopted an EUV of £25,000 per hectare, reflecting the higher end of the values stated by DSP in their LPVS. Based on the proposal site area (0.90 hectares) this equates to an EUV of £22,500.

6.14 In determining an appropriate premium for the site, we consider the Applicant's adopted multiplier of 17.5x our EUV to be reasonable.

6.15 Our adopted EUV+ for the site therefore equates to £393,750, or rounded to £394,000.

Abnormals

6.16 As discussed in Chapter 5, the Applicant sets out a number of abnormal costs associated with the scheme, amounting to £466,000.

6.17 We asked the Applicant for further clarity on justification for these values, and they sent us a table detailing the abnormal cost build out, which have been based on experience with previous developments. We have listed these below.

• Facilitating Works	
○ Demolition:	£15,000
○ Asbestos Removal	£13,500
○ Tree Surgery	£25,000
○ Tree Protection	£13,600
• Substructure / Drainage / Retaining:	
○ Heave Protection:	£71,700
○ Piled Raft Foundations (E/O)	£170,200
○ Foul Discharge Pumps	£45,000
○ Surface Water Discharge Pumps	£35,000
○ Swales	£15,000
○ Connection to Off-Site Sewer	£60,000

6.18 In respect of abnormal costs, we refer to the Viability PPG, Paragraph 015, which sets out 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”*

6.19 The above is also considered within the RICS 'Assessing Viability In Planning (AVIP)' Professional Standard (updated March 2023) within paragraphs 4.4.6 to 4.4.8. Here it is set out that the Abnormal costs related to the development and enabling infrastructure normally impact on the development land value and not the EUV.

6.20 In respect of the cost allowances for demolition, tree surgery and tree protection, foul discharge pumps, surface water discharge pumps, swales and connection to offsite sewer, we note that whilst some of these costs may not be expected on every development, we would not consider

them to be abnormal in the context of the Viability PPG. As such, we do not consider that these costs need to be taken into account when determining the BLV.

- 6.21 However, the cost allowances for asbestos removal, heave protection, and piled raft foundations are considered to be abnormal costs in the context of the PPG, as they are entirely specific to the site and its circumstances. Another equivalent site of a similar nature, unencumbered by abnormal conditions, would not give rise to the need for these costs to be incurred. Therefore, these costs total £255,400.
- 6.22 Abnormal costs which relate to the development of a site should be deducted from the premium, as abnormal costs would affect the development potential of the land, instead of the existing use value itself, in line with Paragraph 4.4.7 of the RICS AVIP.
- 6.23 We refer back to the BLV set out previously, which comprised a total EUV of £22,500 and total premium of £371,500, to give a total initial BLV of £394,000.
- 6.24 Deducting the abnormal costs from the premium / multiplier element of our initial BLV results in a reduced premium of £116,100.
- 6.25 Whilst the purpose of the premium is to incentivise a reasonable landowner to release their site for development, in this case, the abnormal costs that prospective developer would incur in delivering a scheme on the site reduce the premium applied to the EUV. This is in accordance with the guidance set out in the Viability PPG and associated RICS Guidance.

AVL Adopted BLV

- 6.26 On deduction of some of the abnormal costs from the premium, our adopted BLV amounts to a total of £138,600.

7 Conclusions

7.1 This chapter sets out both the results of the Applicant's and AspinallVerdi's viability assessments.

Applicant's Results

7.2 The Applicant's appraisal has been undertaken on a residual profit basis. The Applicant's appraisals found a private scheme to generate a residual land value of £98,082 and when compared to their adopted BLV (£394,000) this equates to a deficit of -£295,918.

7.3 The Applicant has therefore concluded that the scheme cannot provide any on or off-site affordable housing contributions.

AspinallVerdi's Assessment

7.4 We have tested the scheme's viability using ARGUS Developer. Please refer to Appendix 4 for a copy of our development appraisals.

7.5 We first tested a policy-compliant scenario to determine whether the scheme could support the full contribution sought by Policy DM28 (35% / 18no. units). This includes a mix of affordable rent and shared ownership units. We note that we have included the 2no. houses, as part of the affordable unit mix. The outcome of this appraisal is shown in Table 7.1.

Table 7.1 – AVL Appraisal – Scenario 1 (Policy Compliant)

Description	Value
BLV	£138,600
RLV	-£693,921
Surplus / Deficit	-£832,521

Source: AVL, 2026.

7.6 Scenario 1 shows that the scheme is unable to support a policy-compliant level of affordable housing, generating a deficit of -£832,521.

7.7 We then tested an entirely private scenario to determine whether the scheme was viable without any on-site affordable housing. The outcome of this appraisal is shown in Table 7.2.

Table 7.2 – AVL Appraisal – Scenario 2 (Private)

Description	Value
BLV	£138,600
RLV	£225,199
Surplus / Deficit	£86,599

Source: AVL, 2026.

- 7.8 In a scenario without any on-site affordable housing, the scheme produces a surplus of £86,599.

Conclusion

- 7.9 The outcomes of our appraisals differ from the Applicant's due to varying cost and value assumptions. Our appraisals identified a fully policy-compliant scheme (35% / 18no. units) to be unviable, with a deficit of -£832,521 below the BLV. However, in an entirely private scenario, our appraisals found the scheme to be viable, generating a surplus of £86,599 above the BLV.
- 7.10 We note that we previously undertook a series of appraisals to illustrate whether the surplus identified could support any on-site affordable housing. In our recent experience, there is a negligible chance of an RP being willing to take one / two units as part of a scheme.
- 7.11 As such, given the relatively minor surplus identified in a private scenario, we recommend the council seek this as an off-site affordable housing contribution.
- 7.12 We also recommend a viability review mechanism is included within the Section 106 agreement to allow the council to benefit from any favourable uplifts in viability.

Sensitivity Analysis

- 7.13 The RICS Practice Statement requires that all FVAs and subsequent reviews must provide a sensitivity analysis of the results and an accompanying explanation and interpretation in respective calculations on viability, having regard to risks and an appropriate return(s). This is to:
- allow both the Applicant and decision-maker to consider how changes in inputs to a financial appraisal affect the level of on-site affordable housing which can be viably supported;
 - understand the extent of these results, to arrive at an appropriate conclusion on the quantity of on-site affordable housing which can be provided;
 - form part of an exercise to 'stand back' and apply a judgment to the outcome of a report.

- 7.14 This also forms part of an exercise to 'stand back' and apply a viability judgment to the outcome of a report. We have carried out a sensitivity analysis to demonstrate the impact of variable build costs and sales values on the scheme's viability in a policy-compliant scenario. The outcomes are shown in Table 7.3.

Table 7.3 – Policy-Compliant Sensitivity Analysis

Sales Values	Construction: Gross Cost					
		-5.0%	-2.5%	0.0%	2.5%	5.0%
	-5.0%	-£736,746	-£951,897	-£1,167,579	-£1,383,602	-£1,599,625
	-2.5%	-£500,182	-£715,334	-£930,485	-£1,145,969	-£1,361,992
	0.0%	-£264,666	-£478,891	-£693,921	-£909,073	-£1,124,359
	2.5%	-£29,716	-£243,401	-£457,625	-£672,509	-£887,660
	5.0%	£195,791	-£8,562	-£222,136	-£436,360	-£651,096

Source: AVL, 2026.

- 7.15 The profit levels have remained consistent at 18.5% on GDV for the market sale units and 6.0% for the affordable units. The cell highlighted blue shows the base scenario (i.e. without adjustments).
- 7.16 The sensitivity analysis shows that favourable adjustments result in a policy-compliant scheme becoming viable. For example, with a 5.0% increase in sales values and a decrease in construction costs by the same amount, the scheme becomes viable, generating a surplus of c. £57,191, when compared to the BLV of £138,600. Conversely, if values were to decrease by 5.0% and costs were to increase by 5.0%, the deficit would be further exacerbated to c. - £1,738,225, when considered against the BLV of £138,600.

Appendix 1 – AVL Terms of Business

AspinallVerdi – Property Regeneration Consultants

Standard Consultancy Terms of Appointment

Definitions

“AspinallVerdi” refers to Aspinall Verdi Limited trading as AspinallVerdi – Property Regeneration Consultants providing professional planning and surveying services for property development and regeneration.

“Client” refers to the client named in the Fee Proposal provided with these terms. In the case of sub-contract commissions, the Client is the lead contractor for these purposes.

“Fee Proposal” refers to any letter, email, proposal document, tender, Invitation To Negotiate, Invitation To Tender, bid submission etc., taken all together, containing a description of the scope of the services and professional fees.

Description of services to be provided

AspinallVerdi shall provide the services described within the Fee Proposal.

In the event of any inconsistency, the Fee Proposal will apply over these Standard Terms of Appointment.

Client’s Obligations

The Client will provide in a timely manner all necessary information reasonably required, enabling AspinallVerdi to carry out the services during the appointment.

The Client acknowledges that AspinallVerdi is entitled to rely upon the accuracy, sufficiency and consistency of any information supplied to it by the Client. AspinallVerdi accepts no liability for any inaccuracies contained in any information provided by the Client or any third party on behalf of the Client.

The Client shall ensure that they have a representative authorised to make decisions on their behalf.

Unless otherwise specifically agreed, the Client authorises AspinallVerdi to speak to or meet with any other person it may need to contact in order to provide the services during the appointment.

Changes to the scope of instructions

The Client shall notify AspinallVerdi in writing of any instruction to vary the services.

Abortive work - AspinallVerdi reserves the right to make additional charges in the event that the scope of the services is modified during the appointment, or additional information is provided by the Client requiring additional or abortive work, or any other unforeseen circumstance prevents the timely completion of the appointment.

Unforeseen delays - Where information required to carry out the services is not provided by the Client in a timely manner, or any other unforeseen circumstance prevents the timely completion of the appointment, AspinallVerdi reserves the right to issue an interim invoice based on the tasks in the Fee Proposal that have been completed and/or by reference to time incurred (in hours/days) on the Client’s behalf multiplied by the previously agreed hourly/daily rates.

Material variations - Where there are material variations to the scope of the appointment our professional fees will be based on an amended Fee Proposal or by reference to time incurred (in hours/days) on the Client’s behalf multiplied by the previously agreed hourly/daily rates.

Additional meetings / conference calls – Where the Client requires additional formal meetings or conference calls in lieu of meetings over and above those specified in the Fee Proposal, these will be charged based on the agreed hourly/daily rates.

AspinallVerdi reserves the right to amend these terms of appointment as a consequence of any variation of the services.

Conflicts of Interest

AspinallVerdi will undertake a search of other clients, properties and roles to protect its Clients against any potential conflicts of interest that may exist within the firm.

AspinallVerdi employees must not accept or carry out any instruction where there may be, or reasonably construed to be, a conflict of interest.

If such a conflict of interest arises or becomes known after the instruction has been accepted, AspinallVerdi will withdraw from any instruction unless such conflict of interest is fully disclosed in writing to all relevant parties and all such parties agree that the instruction may be accepted or continued by AspinallVerdi.

Professional Fees

All fees for work carried out by AspinallVerdi will be as agreed in the Fee Proposal.

Professional fees rates are reviewed annually on 1st October.

Disbursements

The Client will pay all incidental expenses incurred by AspinallVerdi, including without limitation: all travel expenses incurred, accommodation, subsistence, special delivery postage/carrier services, copying, Land Registry Title plans, Ordnance Survey plans, photography, advertising, professional photography, "For Sale / All Enquiries" Boards, printed brochure etc, unless otherwise agreed in the Fee Proposal.

Car mileage will be recharged at 0.55 pence per mile.

Any disbursements properly incurred but not yet processed at the time of any invoice will be invoiced separately.

Payment Terms, Interest and Recovery of Fees

The Client shall pay the agreed fees and disbursements to AspinallVerdi for the performance of the services in such instalments as are set out in the Fee Proposal.

All fees and charges including disbursements are exclusive of Value Added Tax (VAT) which if due shall be paid concurrently in addition. VAT will be charged at the prevailing rate.

Payment shall be made within 30 days of the invoice date.

AspinallVerdi reserves the right to charge interest at the rate of 5% per month or part month from the due date on any invoice which remains unpaid 30 days after the invoice date. Such interest will accrue on a daily basis.

If we find it necessary to use solicitors or other parties to recover agreed fees, costs or charges, you agree to pay any reasonable costs incurred by us in addition to internal time costs incurred in the recovery of unpaid fees.

Any disbursements incurred but not yet processed at the time of this account will be invoiced separately.

Documentation

The copyright in all documents prepared by AspinallVerdi in providing the services shall remain the property of AspinallVerdi. Subject to payment by the Client of the fees properly due to AspinallVerdi under this agreement AspinallVerdi grants to the Client an irrevocable non-exclusive royalty-free licence to copy and use the documents for any purpose related to the project. The costs of copying any documents for the Client by AspinallVerdi shall be recharged to the Client.

AspinallVerdi shall not be liable for any use of the documents for any purpose other than that for which they were prepared and provided by AspinallVerdi or for any use by a third party.

No reliance will be placed by the Client on draft reports or other work products (oral or written) provided by AspinallVerdi as these may vary significantly from any final report or work product.

Intellectual Property

The Client will keep confidential and not disclose any methodologies and/or technology utilised by AspinallVerdi in providing the services.

AspinallVerdi does not normally release digital copies of spreadsheets, valuations and/or development appraisals, although hard copies and pdf copies can be provided.

AspinallVerdi is the beneficial owner of all Intellectual Property Rights arising out of or in connection with the provision of the services to the Client.

Reporting

Unless otherwise agreed, AspinallVerdi will provide an electronic pdf version of the final report/output.

AspinallVerdi reserves the right to charge for the production of paper copies or reports. Incidental expenses for additional paper copies will be recharged together with administration time for the preparation and collation of further reports.

AspinallVerdi reserves the right to charge for the production of 'Accessible reports' where these have not been specified by the Client from the outset.

Should the Client require AspinallVerdi to present the final report, the time costs and disbursements associated with this service will be recharged, unless otherwise agreed in the Fee Proposal.

Data Protection

As a result of AspinalVerdi's relationship with the Client, AspinalVerdi will hold personal data about individuals within the Client's business. AspinalVerdi will process that information only in connection with providing the services and for the purpose of contacting them about other services AspinalVerdi may offer i.e. our mutual legitimate business interests.

Assignment

Neither the Client nor AspinalVerdi shall assign the whole or any part of this agreement without the consent of the other in writing. Such consent shall not be unreasonably withheld.

Agency Fees

Where AspinalVerdi is acting in the sale or disposal of assets, our separate Agency Terms of Appointment will apply. These will take precedence over these Consultancy Terms and Conditions.

Referral and Introductory Fees

Where AspinalVerdi refer the Client or Land and/or Property to a third party in furtherance of the Client's objectives, business plan, economic plan, Local Plan etc., AspinalVerdi reserves the right to claim a reasonable fee or commission in respect of such service, referral, introduction which will be charged to the third party.

Professional Indemnity insurance

AspinalVerdi is required to comply with the regulations of the Royal Institution of Chartered Surveyors and the Royal Town Planning Institute in respect of the maintenance of professional indemnity insurance.

The level of PI Insurance cover appropriate for the instruction being undertaken is limited to £5 million. AspinalVerdi shall on the written request of the Client provide evidence that PI insurance is in place.

AspinalVerdi's liability to the Client arising out of these terms of appointment shall be limited to the amount specified above. AspinalVerdi will not be liable for any consequential, special, indirect or exemplary damages, costs or losses or any damages, costs or losses attributable to lost profits or opportunities.

Liability of Employees

The duties and responsibilities owed to the Client are solely and exclusively those of AspinalVerdi. No employee of AspinalVerdi shall be liable to you for any loss or damage howsoever arising as a consequence of the acts or omissions of such employee (including negligent acts or omissions) save and to the extent that such loss or damage is caused by the fraud, dishonesty, wilful misconduct or unauthorised conduct on the part of such employee.

RICS Regulation

AspinalVerdi is regulated by the RICS for the provision of surveying services. This means we agree to uphold the RICS Rules of Conduct for firms and all other applicable mandatory professional practice requirements of the RICS, which can be found at www.rics.org. As an RICS regulated firm we have committed to cooperating with the RICS in ensuring compliance with its standards. The firm's nominated RICS Responsible Principal is Atam Verdi, MRICS Chairman.

Complaints

In the event that the Client has a complaint the Client shall be entitled to have access to the complaints handling procedure maintained by AspinalVerdi, copies of which are available on request from a Director.

A dispute resolution service is available should the complaint not be settled satisfactorily between the parties.

Notice

Any notice to be given under this Agreement shall be in writing and delivered by hand or sent by recorded delivery post to the party at the address showing in this Agreement or to such an address as the other party may have specified from time to time by written notice to the other.

Suspension and Termination

If the Client materially breaches its obligations under this agreement AspinalVerdi may serve on the Client a notice specifying the breach and requiring its remedy within 28 days, and if the Client thereafter fails to remedy that breach within that period AspinalVerdi may terminate this agreement by giving written notice to the Client. The Client shall pay the fees and disbursements to AspinalVerdi for work incurred prior to the termination.

The Client has the right to terminate this agreement at any time on giving reasonable notice to AspinalVerdi and AspinalVerdi has the right to terminate this agreement at any time on giving reasonable notice to the Client.

If a conflict arises during the course of AspinalVerdi's work with the Client it may not be able to continue to act for the Client. If such a conflict arises AspinalVerdi will discuss the position with the Client and agree an appropriate course of action.

Applicable Law and Jurisdiction

These Terms and any dispute or claim, including a dispute or claim of a non-contractual nature, arising under or in connection with these Terms shall be governed by and construed in accordance with the law of England and Wales.

251028 AspinallVerdi Consultancy Terms and Conditions_v0.2

Appendix 2 – Comparable Evidence

3-Bed House Listings

Scheme	Beds	Price	SQM	Sqft	£ / psf
Boorley Gardens	3	£410,000			
Boorley Park	3	£429,000			
Boorley Park	3	£390,000			
Boorley Gardens	3	£376,000			
Boorley Gardens	3	£375,000			
Boorley Green	3	£370,000			

3-Bed House Transactions

Address2	Postcode	Type of House	Date Sold	Price	No. Beds	SQM	SQFT	£ / psf	Comments
DEEBLE WAY	SO31 5JP	D	27/06/2025	535000	3	112	1206	£444	Elivia Homes - 89 new homes
DEEBLE WAY	SO31 5JP	D	11/07/2025	563000	3	112	1206	£467	Elivia Homes - 89 new homes
MERION ROAD	SO32 2SQ	D	28/05/2025	399000	3	95	1023	£390	Boorley Park, Bloor Homes
HARRIER CRESCENT	SO32 2UU	D	30/04/2025	401845	3	91	980	£410	Boorley Gardens - Miller Homes
HARRIER CRESCENT	SO32 2UU	D	30/04/2025	425000	3	97	1044	£407	Boorley Gardens - Miller Homes
BUNTING ROAD	SO32 2XY	D	13/06/2025	429395	3	97	1044	£411	Boorley Gardens - Miller Homes
GREBE ROAD	SO32 2ZH	D	19/06/2025	382375	3	96	1033	£370	Boorley Gardens - Miller Homes
PEMBERS FARM AVENUE	SO50 7QL	D	21/06/2024	325000	3	90	969	£335	Pembers Hill Park
PEMBERS FARM AVENUE	SO50 7QL	D	23/04/2024	400000	3	94	1012	£395	Pembers Hill Park
SILENTWOOD ROAD	SO50 9SS	D	12/12/2024	495000	3	103	1109	£446	Heritage Place
BELVEDERE WAY	SO50 9TB	D	28/03/2025	495000	3	104	1119	£442	Heritage Place

Retirement Listings

Scheme	Beds	Price	SQM	Sqft	£ / psf
Bishopstoke Park Retirement Village	1	£245,000	69.1	743.7862	£329
Bishopstoke Park Retirement Village	1	£245,000	69.6	749.1681	£327
Glebe Court	1	£320,000	61.1	657.6749	£487
The Avenue	1	£265,000	55	592.0151	£448
The Avenue	2	£350,000	73	785.7654	£445

Retirement Transactions

Address3	Postcode	Type of House	Date Sold	Price	No. Beds	SQM	SQFT	£ / psf	Comments
ABBOTSWOOD COMMOI	SO51 0ES	F	01/03/2024	325000	1	55	592	£549	Glebe Court - M
ABBOTSWOOD COMMOI	SO51 0ES	F	26/04/2024	330000	1	55	592	£557	Glebe Court - M
ABBOTSWOOD COMMOI	SO51 0ES	F	31/01/2025	299000	1	61	657	£455	Glebe Court - M
ABBOTSWOOD COMMOI	SO51 0ES	F	30/07/2025	273000	1	52	560	£488	Glebe Court - M
ABBOTSWOOD COMMOI	SO51 0ES	F	01/03/2024	305000	1	55	592	£515	Glebe Court - M
ABBOTSWOOD COMMOI	SO51 0ES	F	25/07/2024	340000	1	54	581	£585	Glebe Court - M
ABBOTSWOOD COMMOI	SO51 0ES	F	28/03/2024	475000	2	75	807	£588	Glebe Court - M
ABBOTSWOOD COMMOI	SO51 0ES	F	28/06/2024	320000	1	55	592	£541	Glebe Court - M
ABBOTSWOOD COMMOI	SO51 0ES	F	26/04/2024	395000	2	72	775	£510	Glebe Court - M
ABBOTSWOOD COMMOI	SO51 0ES	F	08/09/2025	399000	2	73	786	£508	Glebe Court - M
ABBOTSWOOD COMMOI	SO51 0ES	F	31/05/2024	310000	1	55	592	£524	Glebe Court - M
ABBOTSWOOD COMMOI	SO51 0ES	F	26/07/2024	325000	1	62	667	£487	Glebe Court - M
ROWAN WAY	SO52 9BP	F	13/12/2024	468000	1	70	753	£621	Ampfield Meade
ROWAN WAY	SO52 9BP	F	17/12/2024	729000	2	118	1270	£574	Ampfield Meade
ROWAN WAY	SO52 9BP	F	24/01/2025	561000	2	88	947	£592	Ampfield Meade
ROWAN WAY	SO52 9BP	F	31/03/2025	380000	1	57	614	£619	Ampfield Meade
HAMILTON ROAD	SO31 7PU	F	10/06/2025	360985	2	90	969	£373	Meadow Lodge
HAMILTON ROAD	SO31 7PU	F	26/03/2024	355000	2	88	947	£375	Meadow Lodge
HAMILTON ROAD	SO31 7PU	F	18/03/2025	360000	2	90	969	£372	Meadow Lodge
HAMILTON ROAD	SO31 7PU	F	31/03/2025	350000	2	90	969	£361	Meadow Lodge
HAMILTON ROAD	SO31 7PU	F	27/03/2025	310000	2	89	958	£324	Meadow Lodge
HAMILTON ROAD	SO31 7PU	F	06/06/2025	360000	2	90	969	£372	Meadow Lodge
HAMILTON ROAD	SO31 7PU	F	07/03/2024	387500	2	90	969	£400	Meadow Lodge
HAMILTON ROAD	SO31 7PU	F	06/12/2024	345000	2	87	936	£368	Meadow Lodge

Appendix 3 – BCIS Data

£/M2 STUDY

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

Last updated: 18-Apr-2026 08:09

Rebased to Eastleigh (102; sample 31)

MAXIMUM AGE OF RESULTS: 10 YEARS

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
New build								
810.1 Estate housing								
Generally (10)	1,689	818	1,396	1,618	1,881	5,630	454	
Single storey (10)	1,937	1,091	1,554	1,801	2,090	5,630	80	
2-storey (10)	1,621	818	1,383	1,570	1,809	2,793	360	
3-storey (10)	1,866	1,216	1,428	1,702	2,164	3,322	12	
4-storey or above (10)	2,892	2,733	-	-	-	3,050	2	
810.11 Estate housing detached (10)	2,761	1,343	2,044	2,429	3,101	5,630	8	
810.12 Estate housing semi detached								
Generally (10)	1,723	961	1,426	1,637	1,960	3,639	120	
Single storey (10)	1,840	1,276	1,533	1,780	2,001	3,639	37	
2-storey (10)	1,667	961	1,415	1,597	1,834	2,793	82	
3-storey (10)	1,996	-	-	-	-	-	1	
810.13 Estate housing terraced								
Generally (10)	1,683	969	1,367	1,581	1,954	3,322	37	
Single storey (10)	1,878	1,561	-	-	-	2,196	2	

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
2-storey (10)	1,607	969	1,374	1,560	1,770	2,235	30	
3-storey (10)	2,065	1,216	1,342	2,108	2,335	3,322	5	
843. Supported housing								
Generally (10)	2,239	1,287	1,719	2,081	2,518	5,077	46	
Single storey (10)	2,896	1,841	2,370	2,420	2,770	5,077	5	
2-storey (10)	2,239	1,287	1,731	1,862	2,652	3,646	19	
3-storey (10)	2,148	1,338	1,634	1,855	2,455	4,440	13	
4-storey or above (10)	2,006	1,398	1,722	2,099	2,191	2,629	9	
843.1 Supported housing with shops, restaurants or the like (10)	2,464	1,424	1,797	2,697	2,976	3,426	18	

Appendix 4 – AVL Appraisals

2604 Land Adjacent to Oak Cottage 35% AH

Development Appraisal
AspinallVerdi
30 April 2026

APPRAISAL SUMMARY**ASPINALLVERDI****2604 Land Adjacent to Oak Cottage 35% AH****Appraisal Summary for Phase 1**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Private Retirement Apartments	34	20,099	503.26	297,500	10,115,000
Affordable Houses	2	2,238	194.11	217,204	434,409
Affordable Retirement Units	<u>16</u>	<u>9,855</u>	311.75	192,016	<u>3,072,250</u>
Totals	52	32,192			13,621,659

NET REALISATION**13,621,659****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)	(693,921)	(693,921)
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CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Construction Costs	44,877	166.05	7,451,782
Contingency		5.00%	372,589
Externals		8.00%	596,143
Infrastructure and Abnormal Costs			466,000
Empty Property Costs			196,221
Part L&O Costs	52 un	4,000.00 /un	208,000
			1,838,953
Section 106 Costs			
Section 106 Costs			449,223
Nitrates			117,744
BNG			150,000
			716,967

PROFESSIONAL FEES

Developer's Profit	18.50%	1,871,275
Professional Fees	8.00%	596,143
Affordable Profit	6.00%	210,400
		2,677,817

MARKETING & LETTING

Marketing and Sales - Flats	5.00%	505,750
		505,750

DISPOSAL FEES

Sales Legal Fee	52 un	750.00 /un	39,000
			39,000

TOTAL COSTS BEFORE FINANCE**12,536,348****FINANCE**

Debit Rate 7.500%, Credit Rate 2.000% (Nominal)		
Land		(66,879)
Construction		447,139
Other		705,051
Total Finance Cost		1,085,311

APPRAISAL SUMMARY	ASPINALLVERDI
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2604 Land Adjacent to Oak Cottage 35% AH

TOTAL COSTS

13,621,659

PROFIT

0

Performance Measures

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%

IRR% (without Interest)	7.33%
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Profit Erosion (finance rate 7.500)	N/A
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2604 Land Adjacent to Oak Cottage Private

Development Appraisal
AspinallVerdi
30 April 2026

APPRAISAL SUMMARY**ASPINALLVERDI****2604 Land Adjacent to Oak Cottage Private****Appraisal Summary for Phase 1**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Retirement Apartments	50	29,995	498.42	299,000	14,950,000
Houses	<u>2</u>	<u>2,238</u>	402.14	450,000	<u>900,000</u>
Totals	52	32,233			15,850,000

NET REALISATION**15,850,000****OUTLAY****ACQUISITION COSTS**

Residualised Price			225,199	
				225,199
Agent Fee	1.00%	2,252		
Legal Fee	0.75%	1,689		
				3,941

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost	
Construction Costs	44,877	166.05	7,451,782	
Contingency		5.00%	372,589	
Externals		8.00%	596,143	
Infrastructure and Abnormal Costs			466,000	
Empty Property Costs			222,254	
Part L&O Costs	52 un	4,000.00 /un	208,000	
				9,316,768

Section 106 Costs

Section 106 Costs			449,223	
Nitrates			117,744	
BNG			150,000	
				716,967

PROFESSIONAL FEES

Developer's Profit	18.50%	2,932,250		
Professional Fees	8.00%	596,143		
				3,528,393

MARKETING & LETTING

Marketing and Sales - Flats	5.00%	747,500		
Marketing and Sales - Houses	3.00%	27,000		
				774,500

DISPOSAL FEES

Sales Legal Fee	52 un	750.00 /un	39,000	
				39,000

TOTAL COSTS BEFORE FINANCE**14,604,767****FINANCE**

Debit Rate 7.500%, Credit Rate 2.000% (Nominal)				
Land			30,219	
Construction			448,237	
Other			766,777	
Total Finance Cost				1,245,233

APPRAISAL SUMMARY	ASPINALLVERDI
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2604 Land Adjacent to Oak Cottage Private

TOTAL COSTS

15,850,000

PROFIT

0

Performance Measures

Profit on Cost%	0.00%
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Profit on GDV%	0.00%
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Profit on NDV%	0.00%
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IRR% (without Interest)	7.16%
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Profit Erosion (finance rate 7.500)	N/A
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London | Leeds | Liverpool
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Development | Regeneration

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