GRASSCROFT

RESIDENTIAL VIABILITY REPORT

Land off Brookhouse Way,
Cheadle Staffordshire.

On behalf of:

Danbank Developments Limited

October 2019

EXECUTIVE SUMMARY

GRASSCROFT
DEVELOPMENT
SOLUTIONS

Executive Summary

Viability Report in relation to proposed development of Land off Brookhouse Way, Cheadle, Staffordshire.

1. Grasscroft Development Solutions has produced a viability report in support of a planning application, for the redevelopment of the above site for 36 residential houses for sale on the open market.

2. Viability was tested based on the following development scenarios:

    a. An open market for sale scheme with 33% affordable housing on site and a full range of S106 Obligations for Education, Play, and Sport Pitches.
    b. An open market for sale scheme with zero affordable housing and zero other S106 Obligations.

3. The purpose of the report is to comment on the viability of the proposed development in light of market conditions, at the date of the report and to set out a proposal for S106 obligations in relation to the site and scheme.

4. The subject site is comprised of predominantly vacant agricultural land. The proposals are to develop part of the subject site for market housing.

5. There are significant abnormal costs associated with bringing forward development on the site due to site topography and requiring the provision of significant investment in site preparation, ground conditions impacting on site foundation solutions, investment in services and infrastructure improvements and service diversions and off site highway improvements. The site will also retain significant areas of formal and informal open space.

6. In assessing viability of the site Grasscroft have adopted a very conservative target profit margin.

7. In order to arrive at a benchmark land value (BLV) Grasscroft have applied the guidance set out in the NPPF/NPPG (2019) with regards to the existing use value of the site.

8. When testing viability of an open market for sale scheme with 33% affordable housing, and full S106 Obligations, a residual land value (RLV) significantly below the BLV is realised.

9. When testing viability of an open market for sale scheme with zero affordable housing and zero other S106 Obligations maintained, viability improves although the RLV remains below the BLV.

10. The residual land values generated by the appraisals are below the existing use value of the subject site in all scenarios tested. Our conclusion is that no affordable housing and planning contributions are viable on the subject site.