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VIABILITY APPRAISAL & REPORT

**Land to rear of 160 & Elm Villa
Anyards Road
Cobham
KT11 2LH**

**Prepared by
Kempton Carr Croft**

On behalf of Shanly Homes Ltd

Regulated by RICS | Offices: Basingstoke | Camberley | Gerrards Cross | Maidenhead | Mayfair | Reading | Staines-Upon-Thames | Windsor

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Contents

	Page
1. Executive Summary	3
2. Instructions and Assumptions	4
3. Methodology	4
4. Objectivity, Impartiality and Reasonableness	4
5. Contingent Fees	4
6. Date and Extent of Inspection	5
7. Situation, Communications and Amenities	5
8. Description of Property	5-6
9. Proposed Scheme	6
10. Planning and Background	6-7
11. Viability Commentary	7-8
12. Benchmark Land Value	8-16
13. Gross Development Value	16-25
14. Development Value	26-27
15. Viability Appraisal	27-28
16. Conclusions and Analysis	28
17. Certification	29

Appendices

A. Curriculum Vitae	
B. Location Plan	
C. Site Plan	
D. Proposed Scheme	
E. Curchods – Advice on EUV	
F. Curchods – Advice on GDV	
G. TTPP – Build Cost Estimate	
H. Appraisal	

1. Executive Summary

Gross Development Value

Based on development of 26 residential units with a gross sales area of 25,139 sq ft

£15,990,000

Total development costs having regard to the criteria set out in the report

£16,999,333

Deficit

-£1,009,333

In summary, having regard to the criteria as set out in this report, the proposed development is unable to provide any level of affordable housing, either on site or as an off-site payment in lieu, already being in deficit by -£1,009,333, with an adjusted developer's profit of 11.18%.

2. Instructions and Assumptions

- 2.1 We have been instructed by Shanly Homes Ltd to undertake a viability appraisal and report at the subject property to assess the maximum affordable housing contribution possible at the above site, having regard to the Benchmark Land Value of the property and the net land value of the proposed redevelopment.
- 2.2 We set out within the report and in the attached appendices information which we have relied upon in arriving at my conclusions.
- 2.3 All information contained within this report is supported by evidence and additional comments are made where necessary.
- 2.4 The viability has been undertaken by Petrina J Froud and Michael Darroch BSc (Hons) MRICS whose CVs are attached (**Appendix A**).
- 2.5 The viability is not intended to represent a Valuation in accordance with the RICS Valuation Global Standards 2021, and should not be relied on as such.

3. Methodology

- 3.1 In preparing this Viability Appraisal and Report, we have taken full consideration of RICS Guidance Note – Assessing viability in planning under the National Planning Policy Framework 2019 for England, 1st edition, March 2021, National Planning Policy Framework (NPPF) updated 2021 and National Planning Policy Guidance for Viability (NPPG) updated September 2019 and RICS Professional Statement Financial viability in planning: conduct and reporting 2019. Account has been taken specifically of the effect that planning obligations and other requirements have on the viability of the proposed development, whilst maintaining an appropriate Site Value for the landowner and a market risk adjusted return to the developer in delivering the project.

4. Objectivity, Impartiality and Reasonableness

- 4.1 We confirm that in undertaking this review we have acted with objectivity, impartiality, without interference and with reference to all appropriate available sources of information.

5. Contingent Fees

- 5.1 We confirm that in preparing this report, no performance related or contingent fees have been agreed.

6. Date and Extent of Inspection

- 6.1 Our inspection of the above property and the immediately surrounding area has on this occasion been undertaken online via internet resources such as Google Maps and Street View.
- 6.2 However, we are also familiar with the subject and surrounding areas from previous inspections undertaken in the vicinity.

7. Situation, Communications and Amenities

Location Plan annexed to rear of report (Appendix B)

- 7.1 The subject site is situated on the corner of Anyards Road and Portsmouth Road, together with the site area immediately to the rear. Alternative access to the site is situated off Copse Road. The site is bounded by properties located on Anyards Road, Portsmouth Road and Copse Road. Nearby properties predominantly comprise a mixture of semi-detached and terraced houses of varying ages, although a few more recent flatted developments have also been constructed.
- 7.2 The subject site is located approximately 0.5 mile from the centre of Cobham, offering a wide selection of shops and local amenities, including a Waitrose supermarket. Cobham & Stoke D'Abernon train station is located approximately 1.7 miles on foot or 2.3 miles by road from the subject property, offering regular South Western railway services to Guildford and London Waterloo.
- 7.3 Leatherhead is located approximately 6.1 miles to the south east, Woking is approximately 8.1 miles to the west, Walton on Thames is approximately 5.2 miles to the north, Epsom is located approximately 9 miles to the east and Central London is located approximately 23 miles to the north east.
- 7.4 The A3 (Esher Bypass) is located approximately 0.7 miles away and Junction 10 of the M25 is located approximately 2 miles away at Wisley.

8. Description of Property

Site Plan annexed to rear of report (Appendix C)

- 8.1 The site consists of the following:-

Glenelm, Anyards Road , a 3 bed detached bungalow of c.2,500 sq ft in a plot of 1/3 acre with 2 garages and a workshop.

160 Anyards Road, a retail unit of c. 3,925 sq ft over ground and first floor level.

Elm Villa, Anyards Road, a 5 bedroom attached (semi-detached) house of c. 1754 sq ft with garage and parking.

Garages & parking, Copse Road, comprising 24 lock up garages and 3 parking spaces.

Garages & parking, Anyards Road, comprising 21 lock up garages and 9 parking spaces.

9. Proposed Scheme

(Plans of the proposed scheme are annexed to the rear of the report Appendix D)

- 9.1 The proposed development is to consist of 26 residential units, comprising 15 no. flats/maisonettes (12 no. 1 bed & 3 no. 2 beds) 3 no 2 bedroom terraced houses and 8 no. 3 bedroom semi-detached houses with a total net sales area of 25,139 sq ft with allocated car parking for 31 no. cars plus 2 no. visitor spaces.
- 9.2 A schedule of the accommodation is attached within the Curchods advice on GDV (**Appendix F**).
- 9.3 The proposed development has a total of 25,139 sq ft of net sales area.

10. Planning and Background

- 10.1 Policy CS21 – Affordable Housing, of Elmbridge Borough Council Core Strategy adopted in July 2011 states that affordable housing should be provided on the basis below:-

CS21 - Affordable housing

The Council will aim to deliver at least 1150 affordable homes between 2011-2026.

In the event that overall housing targets are exceeded, the target for affordable housing delivery will rise proportionately.

The Council will require provision of affordable housing in accordance with the following, where viable:

- 40% of the gross number of dwellings on sites of 15 dwellings or more
- 30% of the gross number of dwellings on sites of 6 – 14 dwellings
- 20% of the gross number of dwellings on sites of 5 dwellings
- A financial contribution equivalent to the cost of 20% of the gross number of dwellings on sites of 1 – 4 dwellings.

Where exceptionally development is proposed on a greenfield site⁽⁴⁴⁾, at least 50% of the gross number of dwellings should be affordable on any site of 15 dwellings or more.

A target of at least 50% will apply to public land, regardless of the number of dwellings proposed.⁽⁴⁵⁾

On-site provision will be expected for sites of 5 or more dwellings. Only in exceptional circumstances will an alternative to on-site provision be appropriate.

The target tenure mix of affordable housing and housing types and sizes shall be in accordance with those identified in the most up to date SHMA or SPD.⁽⁴⁶⁾

- 10.2 We therefore understand that the policy compliant contribution would be *40% of the gross number of dwellings on sites of 15 dwellings or more*, We calculate that this equates to 10.4 affordable housing units (or 10 units plus a commuted sum in lieu of the 0.4 unit).
- 10.3 Where a developer disputes the level of affordable housing on viability grounds the Council will require a financial appraisal together with supporting documentation in order to assess whether any particular scheme can support social housing and if so at what level.
- 10.4 It is assumed for the purposes of the viability that planning consent will be granted for the development as described above. It is further assumed that there will be no onerous or unusual conditions attached to any planning consent granted.

11. Viability Commentary

- 11.1 In order to assess the viability of the residential development scheme, in relation to the provision of affordable housing, it is necessary to establish the relationship between the development land value with the benefit of planning permission, and the Existing Use Value of the existing property and/or any existing consents (Alternative Use Value).

- 11.2 In order to undertake this exercise an assessment has to be carried out to establish the end value of the development once completed, together with the associated costs of creating the development.
- 11.3 In order to assess the viability of providing an affordable housing contribution we have carried out an appraisal of the site value on the basis of its Existing Use Value.





12. Benchmark Land Value

- 12.1 In assessing the Benchmark Land Value for the subject site, the applicant has again consulted Curchods Estate Agents, a local estate agent with significant experience in selling properties in the immediate locality. Curchods were also consulted to advise on the Existing Use Value of the site for the previous planning application in October 2021. Curchods have been asked to provide their view on the value of the subject site in its current use and condition and for its ongoing use as such. Their advice is attached herewith (**Appendix E**). For ease of reference, Curchod’s advice is summarised below:-

Glenelms – 3 bed detached bungalow, 2 garages & workshop	£1,150,000
160 Anyards Road – Retail unit	£ 650,000
Elm Villa – 5 bed semi-detached house with garage and parking	£ 825,000
Garages & Parking, Copse Road	£ 501,000
Garages & Parking, Anyards Road	£ 483,000
Total	£3,609,000

- 12.2 We have also undertaken our own research into values of similar properties within the local area and firstly set out the residential evidence identified below:-












Address	Photo	Unit Type	Size sq ft	Sold Price	Sold Date	£/Ft 2	Notes
SECOND HAND SEMI-DETACHED 4 – 6 BEDROOM HOUSES							
4 Frances Cottages Denby Road Cobham		4 bed	1504 + 36 sq ft ltd use	£925,000	July 2023	£601	Four bedroom semi-detached house over 2.5 storeys, of modern construction and in good condition. Driveway parking. Located approx. 600 m from subject.
23 Leigh Road Cobham		4 bed	1220 + 53 sq ft ltd use	£928,000	Jan 2023	£729	Four bedroom semi-detached house over 2.5 storeys, constructed c.1910 and in good condition. Garage and driveway parking.



							Located approx. 300 m from subject.
8 Freelands Road Cobham		4 bed	1673	£1,100,000	Jan 2023	£658	Four bedroom semi-detached house over 2.5 storeys, constructed c. 1900 and in good condition. Driveway parking. Located approx. 400 m from subject.
6 Freelands Road Cobham		4 bed	1655	£925,000	Jan 2023	£559	Four bedroom semi-detached house over 2.5 storeys, constructed c.1900 and in good condition. Driveway parking. Located approx. 400 m from subject.
9 Pennyfield Cobham		4 bed	1131	£599,950	Under offer	£530	Four bedroom semi-detached house over 2 storeys, constructed c. 1970s and in average condition – would benefit from some updating. Driveway parking. Located approx. 500 m from subject.
35 Hogshill Lane Cobham		4 bed	1665	£950,000	SSTC	£571	Four bedroom semi-detached house over 2.5 storeys, constructed c.1900 with later extensions. In reasonable/good condition. Driveway parking. Located approx. 500 m from subject.
1 Lockhart Road Cobham		4 bed	1471	£650,000	Under offer	£442	Four bedroom semi-detached house over 2 storeys, constructed c.1950 and in reasonable condition. Driveway parking.

							Located approx. 500 m from subject.
SECOND HAND DETACHED BUNGALOWS							
1 Summerhays Cobham		3 bed	1764	£1,170,000	May 2023	£663	Three bedroom detached bungalow constructed c.1970s. In need of modernisation. Scope to extend STPP Garage and driveway parking. Located approx. 900 m from subject.
20 Copse Road Cobham		3 bed	1042	£925,000	On market	£888	Three bedroom detached bungalow in reasonable/good condition. Driveway parking. Located approx. 200 m from subject.
22 Birch Grove Cobham		3 bed	1596	£975,000	SSTC	£611	Three bedroom detached bungalow which would benefit from modernisation. Driveway parking. Located approx. 1 km from subject.
32 Canada Road Cobham		3 bed	1278	£950,000	On market	£743	Three bedroom detached bungalow in need of modernisation. Garage and driveway parking. Located approx. 500 m from subject.
Beech Close Cobham		3/4 bed	1306	£1,150,000	July 2023	£880	Three/four bedroom detached bungalow in need of some modernisation. Double garage and driveway parking. Situated in private road 3.5 km from subject.
26 Canada Road Cobham		2 bed	902	£950,000	On market	£1053	Two bedroom detached bungalow in good condition. Garage and driveway parking.

							Located approx. 500 m from subject.
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- 12.3 All of the evidence set out above is within 1 km of the subject property, with the exception of Beech Close which is 3.5 km away, and is all therefore highly relevant.
- 12.4 In seeking comparable evidence we have tried to find sales of properties of a similar age and size, although in order to show an accurate picture of the local market and to try to take account of the properties' current condition (average) we have also included properties which are more recent in construction and in some cases a slightly different size to those at the subject site.
- 12.5 In terms of Elm Villa, the 5 bedroom semi-detached house, we have had to consider 4 bedroom properties due to the dearth of 5 bedroom semi-detached houses in the area. We consider the properties at 23 Leigh Road, 6 & 8 Freelands Road and 35 Hogshill Lane (priced between £925,000 and £1,100,000 - £571 to £729 psf) to be most relevant, all being of a similar style and age to the subject. However, whilst these are generally in slightly better condition than the subject, they are all smaller and also only have 4 bedrooms rather than 5. They have also all had loft conversions, and are of 2.5 storeys enabling them to achieve their floor area, and therefore the quality of the top floor accommodation is slightly more compromised. In addition, 3 of the properties do not have a garage and only have driveway parking. We therefore consider that Curchod's view of existing use value at £825,000 accurately reflects the current condition of the property (average), whilst allowing for its slightly larger size than the comparable evidence and the fact that an additional bedroom is provided, together with having a garage.
- 12.6 In terms of Glenelm, the 3 bedroom bungalow with 2 garages and a workshop in 1/3 acre, we have been able to find a evidence of 5 bungalows within 1 km of the subject site which are either currently on the market, under offer or sold which are all in need of modernisation, although they are all generally much smaller than the subject. All of these properties have driveway parking and 3 of the 5 properties have single garages. However none of them have an additional garage or workshop facilities and they all sit in smaller plots than the subject. The properties are priced between £925,000 (1,042 sq ft) and £1,170,000 (1,764 sq ft). We therefore consider that Curchod's view of the existing use value of the property at £1,150,000 is perhaps slightly pessimistic. However, we have continued to adopt their value for the time being, although reserve the right to revisit our position at a later date if we consider this to be necessary.
- 12.7 We also set out below retail lettings evidence within Cobham:-

RETAIL PROPERTIES		
ADDRESS		DESCRIPTION
40 Anyards Road Cobham		E-Class property of 1686 sq ft in total, with 986 sq ft at ground floor level and first floor of 700 sq ft. In good condition. Edge of town centre. On market at £42,500 per annum (£25 psf overall)
3-9 Church Street Cobham		E Class property of 900 sq ft in total, with 560 sq ft at ground floor level and 340 sq ft to first floor. In reasonable condition. Town centre location. On market at £35,000 per annum (£39 psf overall)
54 High Street Cobham		Ground floor retail unit of 762 sq ft. Town centre location. On market at £50,000 per annum (£65.62 psf overall)
27 Oakdene Parade Cobham		Ground floor retail unit of 1130 sq ft. Town centre location. On market at £59,500 per annum (£52.65 psf overall)
39-43 Oakdene Parade Cobham		Ground floor restaurant unit of 3,496 sq ft, (inc kitchen of 506 sq ft, staff toilet & customer toilet). Under offer at £97,500 per annum (£27.88 psf overall).
27 High Street Cobham		Ground floor E class unit of 818 sq ft, let November 2023 on a 10 year lease at an effective rent of £49,883 per annum (£60.98 psf overall).
38 High Street Cobham		Ground, first & second floor retail premises (GF: 557 sq ft, FF: 341 sq ft, SF: 234 sq ft), totalling 1132 sq ft. Let October 2023 at £52,497 per annum (£46.38 psf overall).
3 Church Street Cobham		Ground floor retail premises of 540 sq ft with outbuildings and stores totalling a further 680 sq ft plus external courtyard area demised to the premises let July 2023 at £ 32,000 per annum (£59 psf)
10 Anyards Road Cobham		Class E property totalling 1,570 sq ft (GF: 1150 sq ft, FF: 420 sq ft). Let June 2023 on a 15 year lease at an effective rent of £70,000 per annum (£44.59 psf overall).
23 High Street Cobham		Ground floor Class E property totalling 1194 sq ft let Jan 2023 on a 10 year lease at £75,000 (£62.81 psf) overall.
2 High Street Cobham		Ground floor retail premises of 1,258 sq ft, let October 2022 at £47,500 per annum (£37.76 psf) overall.

53-57 High Street Cobham		Ground floor retail premises of 1,260 sq ft, let July 2022 at £55,000 per annum (£43.65 psf) overall.
25 Oakdene Parade Cobham		Ground floor retail unit of approx. 604 sq ft let March 2022 on a 10 year lease at an effective rent £49,652 p.a.) per annum (£82.20 psf overall) (equating to £52,500 per annum with a 5 month rent free period, rent rises to £55,000 in the third year).
Unit 3, Holly Parade Cobham		Ground floor retail unit of approx. 2,194 sq ft let January 2022 on a 10 year lease at £122,500 per annum (£55.83 psf overall)

- 12.8 We acknowledge that the majority of the evidence above is located either in or on the edge of Cobham Town Centre and is not quite so separate in terms of its locality to other retail units as the subject, albeit that the subject is situated on the corner of Anyards Road and Portsmouth Road (A307) which is a busy main route. However, there is a dearth of evidence for retail units in situations such as the subject. We have therefore considered the town centre/edge of town evidence and made adjustments to reflect the subject property's position, size and layout over 2 storeys. We would particularly note the letting of 39-43 Oakdene Parade, which comprises 3,496 sq ft and is under offer at an overall rent of £27.88 psf. Also, Unit 3, Holly Parade, a unit of 2,194 sq ft let in January 2022 at £55.83 psf. In order to take account of the property's location, albeit with main road frontage, together with its size and layout across 2 levels, we consider that an overall rent of £15 per square foot is appropriate.
- 12.9 This equates to an annual rent of £58,875. In order to reflect the property's location we have adopted a net yield of 9% (YP11.11), equating to a capitalised value of £654,101. We therefore consider Curchod's advised value of £650,000 to be reasonable and we have adopted the same.
- 12.10 In considering the value of the lock up garages and parking spaces, we also set out below the details of a number of lock-up garage properties which are currently on the market and under offer:-

	<p>Southwood Court, Pine Grove, Weybridge, Surrey, KT13 ✕ Garages FREEHOLD GARAGE FOR SALE - 4th July 2023 - NOW VACANT AND AVAILABLE TO VIEW.</p>
<p>£35,000 Guide Price</p>	<p>MARTIN WHEATLEY 01939 554531 Local call rate ✉ Contact ♡ Save</p>
	<p>Reed Place, Towpath, Shepperton, TW17 ✕ Garages Freehold garage of pre-cast concrete construction with additional parking to the front for two vehicles. Situated within a 130 yards</p>
<p>£30,000 Guide Price</p>	<p>SOLD STC Added on 23/06/2023 by Curchods Estate Agents, Shepperton CURCHODS 01932 504225 Local call rate ✉ Contact ♡ Save</p>
	<p>BALQUHAIN CLOSE, ASHTEAD, KT21 ✕ Garages A single garage set within a block. No power or water. Set back at the end of a quiet residential cul-de-sac. Double doors opening to a</p>
<p>£27,500 Guide Price</p>	<p>SOLD STC Added on 30/10/2023 by Patrick Gardner, Ashtead patrick gardner 01372 678064 Local call rate ✉ Contact ♡ Save</p>
	<p>Towpath, Shepperton, Surrey, TW17 ✕ Garages Freehold garage off the Towpath in Shepperton</p>
<p>£25,000 Fixed Price</p>	<p>SOLD STC Added on 26/05/2023 by Newboulds & Co, Shepperton NEWBOULDS & CO 01932 504578 Local call rate ✉ Contact ♡ Save</p>
	<p>LEATHERHEAD ✕ Garages Christies Residential are pleased to offer for sale this lock up Garage situated at the top of Minchin Close within walking distance of</p>
<p>£25,000</p>	<p>SOLD STC Added on 14/08/2023 by Christies Residential, Leatherhead CHRISTIES RESIDENTIAL 01372 236202 Local call rate ✉ Contact ♡ Save</p>



12.11 All of the above properties are situated in blocks, similar to the subject, and range in value from £17,000 to £35,000, with a mid-point value of approximately £25,000, which we consider to be a reasonable assessment of the value of the garages at the subject site. This therefore equates to total values as follows:-

Copse Road: 24 no. garages @ £25,000 each = £600,000

Anyards Road: 21 no. garages @ £25,000 each = £525,000

12.12 It should be noted that the values above do not yet include the values of the 12 no. tarmac parking spaces, but already show that the Curchod's valuation of these is slightly pessimistic. We have however, adopted Curchod's valuation advice at £501,000 for Copse Road and £483,000 for Anyards Road for the time being but reserve the right to revisit this position at a later date if we consider this to be necessary.

12.13 Subject to the above caveats, we have therefore for the time being adopted Curchod's total advised Existing Use Value at £3,609,500.

12.14 However, in accordance with RICS Guidance, and NPPG – Viability – Updated July 2018, May 2019 and September 2019, it is usual to apply an uplift or premium to any Existing Use Value in order to encourage the landowner to bring the site forward for development rather than keeping it in its existing use (EUV Plus) :-

“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”*

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





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

- 12.15 This could be a premium of between 10% and 40% in accordance with RICS Guidance. We have not yet applied a premium to the value of the existing property which would be necessary in order to incentivise the owners to release the property for development. We reserve the right to apply this premium at a later date if we consider this to be necessary.




13. Gross Development Value

- 13.1 In assessing the appropriate Gross Development Value for the Proposed Scheme, the applicant has again sought independent advice from Curchods Estate Agents. We attach their advice at **Appendix F** which advises their opinion of Gross Development Value totalling £15,990,000 (£636 psf average).
- 13.2 In considering the advice provided we have undertaken our own research and we set out the results of this below. There is currently very little new build evidence in Cobham, particularly for houses so we have also considered second hand evidence in the near vicinity with new build evidence from slightly further afield in surrounding areas. We set out below the evidence identified:-


Address	Photo	Unit Type	Size sq ft	Sold Price	Sold Date	£/Ft 2	Notes
SECOND HAND HOUSES							
51 Anyards Road Cobham		2 bed mid - terrace	1056	£595,000	On market	£563	2 bedroom 1 bathroom plus bonus room in loft conversion (accessed via 2 nd bedroom), character (c.1900) mid-terraced property, in reasonable condition. Private, gated driveway parking for 2 cars to rear of property.
21 White Lion Gate Cobham		3 bed mid- terrace	1725	£915,000	June 2023	£530	Three bedroom 2 bathroom modern mid-terraced townhouse over 3 storeys, in good condition. Overlooking playing fields to rear. Driveway parking. Close



							to edge of Cobham Town Centre. Located approx. 400 m from subject site.
26 Virginia Place Cobham		3 bed mid- terrace	1592	£895,000	On market	£562	Three bedroom 2 bathroom modern mid terraced townhouse over 3 storeys, in good/very good condition. Attractive landscaped garden in excellent condition. Close to edge of Cobham Town Centre. Located approx. 400 m from subject site.
Gardeners Cottage Anyards Road Cobham		3 bed mid- terrace	1175	£775,000	On market	£659	Three bedroom 2 bathroom character (c1900) mid terraced house in good/very good condition. On street parking. Located approx. 100 m from subject.
136 Portsmouth Road Cobham		2 bed semi- detach	888	£499,950 Asking price	Under offer	£563	Two bedroom 1 bathroom character (c.1900) cottage in reasonable/good condition. Off-street parking for 2 cars. Garden studio in rear garden of circa 123 sq ft. Located approx. 100 m from subject.
63 Anyards Road Cobham		2 bed semi- detach	733	£540,000	July 2023	£736	Two bedroom 1 bathroom character (c.1890) semi-detached house in reasonable condition. Off-street parking for 2 cars to rear of property. Located approx. 200 m from subject.



71 Hogshill Lane Cobham		2 bed semi- detach	764	£660,000	On market	£864	Two bedroom 1 bathroom character cottage (c.1900) in very good condition. Driveway parking for 2 vehicles. Located on edge of Cobham Town Centre. Located approx. 500 m from subject site.
23 Northfield Road Cobham		3 bed semi- detach	1089	£625,000	On market	£574	Three bedroom 2 bathroom semi- detached house (construct c.1930) in good condition. Driveway parking for 2 cars. Located approx. 300 m from subject.
198 Portsmouth Road Cobham		3 bed semi- detach	852	£435,000 asking price	Under offer	£510	Three bedroom 1 bathroom semi- detached character (c.1905) house in good condition. Driveway parking for 2/3 cars. Located approx. 300 m from subject.
Address	Photo	Unit Type	Size sq ft	Sold Price	Sold Date	£/Ft 2	Notes
SECOND HAND FLATS							
2 Woodgate Close Cobham		1 bed	573	£285,000	Dec 2022	£497	Ground floor 1 bedroom 1 bathroom flat in good condition. Private patio. Electric gates and private driveway to development. Allocated and guest parking. Communal garden. Located approx. 300 m from subject.
10 Woodgate Close Cobham		1 bed	545	£274,900	On market	£504	First floor 1 bedroom 1 bathroom flat in good condition. Electric gates and private driveway to development. Allocated and guest parking.

							Communal garden. Located approx. 300 m from subject.
Flat 12 Cobham Gate Freelands Road Cobham		1 bed	494	£275,000	Jan 2023	£556	First floor 1 bedroom 1 bathroom flat in reasonable condition. Allocated parking plus visitor parking. Located approx. 400 m from subject.
24 Trafalgar Court Cobham		1 bed	491	£235,000	On market	£478	Second floor 1 bedroom 1 bathroom corner flat in reasonable condition. Gated development with allocated parking. Located approx. 500 m from subject.
14 Trafalgar Court Cobham		1 bed	453	£259,000	On market	£572	Ground floor 1 bedroom 1 bathroom flat in good condition. Gated development with allocated parking. Located approx. 500 m from subject.
Flat 1 Victoria Place 108 Anyards Road Cobham		2 bed	873	£420,000	Jan 2023	£481	Ground floor 2 bedroom 2 bathroom flat in good condition in mansion style development. Secure underground parking and well maintained communal garden. Located approx. 100 m from subject site.
Flat 13 Victoria Place 108 Anyards Road Cobham		2 bed	891	£233,000	Sept 2023	£261	Top (second) floor 2 bedroom 2 bathroom flat in good condition in mansion style development. Secure underground parking and well maintained communal garden. Located approx. 100 m from subject site.


19 Lyster Mews Cobham		2 bed	654	£250,000 asking price	Under offer	£382	Two bedroom 2 bathroom flat in average condition. Gated development. Secure allocated car parking. Located approx. 500 m from subject.
1 Lyster Mews Cobham		2 bed	697	£312,500	Under offer	£448	Ground floor 2 bedroom 2 bathroom flat in good condition. Private garden area. Gated development. Secure allocated parking. Located approx. 500 m from subject.
5 Lyster Mews Cobham		2 bed	620	£320,000	On market	£516	Two bedroom 2 bathroom flat in reasonable condition. Gated development. Secure allocated car parking. Located approx. 500 m from subject.
10 Northfield Farm Mews Cobham		2 bed	996	£475,000	Under offer	£477	First floor 2 bedroom 2 bathroom flat in good condition. Allocated parking. Located approx. 400 m from subject.





Address	Photo	Unit Type	Size sq ft	Sold Price	Sold Date	£/Ft 2	Notes
NEW BUILD SEMI-DETACHED HOUSES							
Treetops Development Leatherhead Road Oxshott		3 bed	1459	£1,035,000	On market	£709	Cala Homes New build 3 bedroom 2 bathroom semi-detached houses over 3 storeys. 3 house types available. Balcony to master bedroom. Single garage plus driveway parking.
		3 bed	1459	£1,050,000		£719	
		3 bed	1424	£1,035,000		£726	
		3 bed	1511	£1,060,000		£701	

							<p>We spoke with Cala Homes to ascertain the GIAs of each unit. We understand that some of the 3 bedroom semi-detached units have sold but they were not prepared to provide us with the completed prices. This would lead us to believe that the asking prices are not being achieved.</p> <p>However, we note that incentives are currently being offered to purchasers, including the payment of stamp duty and flooring included. The payment of stamp duty could equate to up to £47,250, thereby having the effect of reducing the purchase prices to between circa £990,000 and £1,012,750 (£670 to £695 psf), assuming the purchase prices were achieved. Located approx. 5 km from subject.</p>
Barnett Wood Lane Ashtead		3 bed terr	1500	£775,000 Asking price each	Under offer	£517	3 no. new build 3 bedroom 2 bathroom terraced properties, over 3 storeys. Shared driveway parking to front of properties. Located approx. 11 km from subject.
Havers Mews Thrupps Lane Hersham		3 bed end terr	1439	£750,000 asking price	Under offer	£521	3 bed 2 bath terrace of 5 luxury properties set out over 3 storeys. Constructed by C J Fox

		3 bed mid terr	1519	£735,000 Asking price	Under offer	£484	Developments. Driveway with 2 parking spaces per property. Located approx. 8 km from subject.
		3 bed mid terr	1519	£735,000 asking price	Under offer	£484	
		3 bed mid terr	1519	£735,000 asking price	Under offer	£484	
		3 bed end terr	1410	£725,000	Under offer	£514	
Abbeywood Oatlands Avenue Weybridge		3 bed semi-det	1400	£925,000	On market	£660	New build properties by Homes by Harlequin in exclusive development of only 4 properties comprising 1 pairs of 3 bedroom 2 bathroom semi-detached units and 1 pair of 4 bedroom 2 bathroom semi-detached units. Allocated parking for 2 cars per unit.
		3 bed semi-det	1400	£825,000	Under offer	£589	
Green Oak Park West Horsley		3 bed semi-det	1270	£895,000	On market	£704	New build luxury development by Antler Homes in Countryside setting, only launched approx. one week ago. Both the 3 bedroom and 2 bedroom properties have 2 bathrooms. The three bedroom unit at £895,000 has a garage and driveway and the 3 bedroom unit at £775,000 and the 2 bedroom units have 2 no. allocated parking
		3 bed semi-det	1130	£775,000	On market	£685	
		2 bed semi-det	920	£599,995	On market	£652	

							spaces. Both have EV charging points.
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Address	Photo	Unit Type	Size sq ft	Sold Price	Sold Date	£/Ft 2	Notes
NEW BUILD FLATS							
Westbury House 36 Stoke Road Cobham		3 bed penths	1322	£895,000	July 2022	£677	New build luxury development undertaken by the applicant, Claremont Finesse, sold summer 2022. Landscaped communal gardens. Two allocated parking spaces for each apartment. Easy walking distance to both the centre of Cobham and also Cobham & Stoke D'Abernon train station. Close to River Mole.
		2 bed gnd floor	910	£595,000	June 2022	£654	
		2 bed gnd floor	1100	£650,000	June 2022	£591	
		2 bed 1 st floor	910	£615,000	June 2022	£676	
		2 bed 1 st floor	986	£595,000	July 2022	£603	
		2 bed 2 nd floor	1322	£855,000	July 2022	£647	
		2 bed gnd floor	910	£582,000	July 2022	£640	
		2 bed gnd floor	1100	£670,000	June 2022	£609	
		2 bed 1 st floor	910	£615,000	July 2022	£676	

		2 bed 1 st floor	986	£625,000	July 2022	£634	
Bakers Yard High Street Cobham		1 bed 2 nd floor	502	£395,000	On market	£786	Town Centre Luxury Boutique development of only 7 no. 1 and 2 bedroom apartments conversion of period property. Some flats have incentive of mortgage deposit contribution available, others have a 5% Cashback incentive. On site parking. Located in the heart of Cobham Town Centre
		2 bed gnd floor	750	£539,950	On market	£719	
		1 bed Gnd floor garden flat	495	£425,000 Asking price	Under offer	£858	
Treetops Leatherhead Road Oxshott		1 bed gnd floor	638	£440,000	On market	£690	New build development currently under construction, to be completed Winter 2024. Luxury apartments available. Two allocated underground parking spaces for each apartment with electric charging points. The two bedroom units each have their own private terrace. Communal gardens. Located easy walking distance to Oxshott Village and train station.
		2 bed gnd floor	846	£560,000		£690	
		2 bed gnd floor	843	£560,000		£664	
		1 bed gnd floor	638	£435,000		£682	
		1 bed first floor	588	£425,000		£723	
		2 bed first floor	785	£535,000		£682	

		2 bed 2 nd floor	1163	£750,000		£645	
Brittain Road Hersham		1 bed 1 bath	536	£260,000	On market	£485	Within new build development of 8 no. 1 bedroom units on edge of Hersham Village Centre. Allocated parking. Overlooking Hersham Riverside Park and with hillside woodland views. Close to River Mole.
		1 bed 1 bath	533	£255,000 Asking price	Under offer	£478	
		1 bed 1 bath	594	£250,000 Asking price	Under offer	£420	

- 13.3 We have set out above the most relevant comparable evidence that we have been able to find. As set out above there are no new build comparable schemes for the terraced or semi-detached units within Cobham and very few relevant new build flat schemes. We have therefore needed to look at surrounding areas such as Oxshott, Hersham and Weybridge for additional new build evidence, together with considering a great deal of good second hand evidence within Cobham, which of course, gives the best indicator of the local market. We have however, considered all of the evidence above in great detail.
- 13.4 In assessing the GDV for the proposed scheme against the comparable evidence above, it is essential that the area in question is considered. Whilst Cobham is an affluent and valuable area, there are certain surrounding towns which are perhaps held in higher demand and command higher values. This includes areas such as Oxshott. It is also necessary to consider the type of area within which the development sits, for instance, the Antler scheme at Green Oak Park in West Horsley is within an attractive countryside setting, as opposed to the proposed scheme which is surrounded on all sides by existing housing development. Bakers Yard in Cobham High Street is a converted period property with immediate access to the shops and restaurants of the town centre. In addition, the units at Bakers Yard are smaller than those proposed at the subject and for all of these reasons will achieve a higher £value psf. However, it should also be noted that incentives are being offered to purchasers, including 5% cashback and mortgage deposit contributions, so even assuming that the flats achieve their asking prices, the cost of these incentives would need to be deducted from the sale price.
- 13.5 Having taken account of the above evidence, we consider that Curchod's advised achievable GDV totalling £15,990,000 (average £636 psf) is reasonable and that the values accurately reflect the differences between the proposed scheme and the comparable evidence.

14. Development Value

14.1 Build Cost

14.1.1 In assessing the appropriate build costs the applicant has commissioned TTPP Construction Consultants to advise on the necessary build costs to bring the proposed scheme forward. TTPP have provided a detailed cost plan which is attached at **Appendix G**.

14.1.2 As detailed within the attached build cost estimate, the necessary cost totals £7,183,818 (£274 psf) excluding contingency and professional fees and we have adopted this figure.

14.2 CIL/S106 Costs

14.2.1 We have calculated CIL costs as follows:-

Proposed GIA:	2435 m ²
Less Existing GIA:	<u>1333.8 m²</u>

Chargeable GIA:	1101.2 m ²
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Elmbridge CIL Rate 2023 = £198.10/m²

So, 1101.2 m² x £198.10/m² = £218,148

14.2.2 We have not been advised of any necessary Section 106 Costs so far. However, if these are necessary then this will have a further negative effect on the viability of the scheme.

14.3 Interest Charge

14.3.1 We have assumed an all-in interest rate of 10% which reflects the minimum rates currently being charged by lenders. However, it should be noted that the rates of approximately 10-12% currently being quoted by lenders excludes the rates being charged for arrangement and exit fees which would be in addition.

14.4 Agents marketing and legal costs

14.4.1 We have assessed these at 3% of private residential sales

14.4.2 These are the minimum fees necessary for the level of marketing required to obtain the Values adopted.

14.5 Developer's profit

14.5.1 We have assessed Developer's Profit at 17.5% of GDV for the proposed scheme which we consider to be particularly conservative for a single phase scheme, particularly given the fact that residential values are declining due to the increasing interest rate and cost of living crisis. We therefore reserve our right to increase the developer's profit if we consider this to be necessary.

14.6 Build Period

14.6.1 We set out in the table below the interest period adopted for the proposed scheme:-

	Proposed 26 unit scheme
Pre-construction	6 months
Build Period	18 months
Sales Period	6 months (25% off-plan sales then post-construction sales rate of 2 units/month)
Total	30 months

14.7 Professional Fees

14.7.1 We have adopted professional fees at 8% of build costs which we consider to be reasonable for the proposed scheme.

14.8 Contingency

14.8.1 We have allowed a contingency of 5% of build costs which we consider to be reasonable.

15. VIABILITY APPRAISAL

15.1 We have set out above the values and inputs necessary to bring the proposed schemes forward for development.

15.2 We set out below, for the sake of clarity, a summary of our viability appraisal, demonstrating the effect that the necessary values and costs have on the viability of the proposed development. A full copy of this appraisal is appended. **(Appendix H)**

	Proposed 26 unit scheme (Appendix H)
Gross Development Value	£15,990,000
Total costs (Inc. construction, land acquisition and associated fees, professional fees, disposal fees, CIL/S106, finance and profit)	£16,999,333
Deficit/Surplus	-£1,009,333
Adjusted Developer's Profit	11.18%

16. CONCLUSIONS AND ANALYSIS

- 16.1 It can be seen from the summary above that the proposed development of 26 no. residential units cannot support any element of affordable housing contribution, already being in deficit by -£1,009,333, which provides an adjusted Developer's Profit of 11.18%. This is below the necessary level of profit required by lenders in order to fund a scheme and if any further reduction in profit occurs then it is unlikely that the proposed scheme will be able to proceed.
- 16.2 We set out below a sensitivity analysis which demonstrates that the construction costs would need to remain static whilst the GDV increased by 8% before the Residual Land Value of the proposed scheme creates even a small surplus above the Benchmark Land Value. In the current residential property market place with declining values and increasing build costs this is not considered likely to happen.

Construction: Gross Cost					
Sales: Gross Sales	-8.000%	-4.000%	0.000%	4.000%	8.000%
	6,609,113	6,896,465	7,183,818	7,471,171	7,758,523
-8.000%	-1,333,472	-1,693,855	-2,054,238	-2,414,621	-2,775,004
14,710,800					
-4.000%	-811,020	-1,171,403	-1,531,786	-1,892,169	-2,252,552
15,350,400					
0.000%	-288,568	-648,951	-1,009,333	-1,369,716	-1,730,099
15,990,000					
4.000%	233,885	-126,498	-486,881	-847,264	-1,207,647
16,629,600					
8.000%	756,337	395,954	35,571	-324,811	-685,194
17,269,200					

17. CERTIFICATION

- 17.1 The viability report and appraisal has been prepared in accordance with the RICS Professional Guidance, England, Financial Viability in Planning, 1st edition, Guidance Note, NPPG updated September 2019 and specifically in accordance with our Standard Conditions of Engagement – Residential Viabilities and Appraisals. During the preparation of our report we have made assumptions in regard to the property, which are set out within our Conditions of Engagement and these assumptions form an integral part of this report.



PETRINA J FROUD
Senior Development & Viability Surveyor
FOR KEMPTON CARR CROFT



MICHAEL DARROCH BSc (Hons) MRICS
RICS Registered Valuer
FOR KEMPTON CARR CROFT

4th December 2023