_planningadvice

From: Polly Harris-Gorf
Sent: 25 March 2022 08:30
To: _planningadvice
Subject: FW: FW: Wignal's Gate, Holbeach H09-0180-22
Attachments: 20210817 BCIS.pdf; 20220324 BCIS July 2021.pdf

6SUP (Additional viability information)

From: a.wright369 <a.wright369@btinternet.com>
Sent: 24 March 2022 16:45
To: Polly Harris-Gorf <pharris-gorf@sholland.gov.uk>
Subject: Fwd: FW: Wignal's Gate, Holbeach

Polly

ref. H09-0180-22

Further to your recent email. I am forwarding below the applicant's email and a Maxey Grounds email with attachments.

the applicant does not wish to withdraw the application.

Regards

Andrew

Andrew Wright BA DipArch RIBA, Chartered Architect

Director

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------ Original Message ------
From: "Kurt Mason" <kurt@brownbuilders.co.uk>
To: "a.wright369" <a.wright369@btinternet.com>
Cc: "Des Ford" <des@brownbuilders.co.uk>
Sent: Thursday, 24 Mar, 2022 At 4:36 PM
Subject: FW: Wignal's Gate, Holbeach

Good afternoon Andrew,

Please can you forward the response below to Polly in relation to the latest email that she has forwarded to us.

Can you also please confirm in the email that we won't be withdrawing our comments and are happy to proceed to planning committee.

If you need any further information please do not hesitate to contact me.

Kind regards

Kurt

D Brown Building Contractors Ltd

Tel; 01406 373438

Mob: 07894 462616

mailto:kurt@brownbuilders.co.uk

D Brown Builders - East Anglian Building Contractors

From: Victoria Marr (Maxey Grounds) <vmarr@maxeygrounds.co.uk>
Sent: 24 March 2022 16:09
To: Kurt Mason <kurt@brownbuilders.co.uk>
Subject: Wignal's Gate, Holbeach

Hi Kurt,

Having examined both appraisals conducted by CPV on this site, that in November 2021 and that in March 2022, we make the following comments:

Sales Values

CPV state that they have adopted the same values/costs applied in their Nov 2021 appraisal to remain consistent with Maxey Grounds' approach, albeit adjusted some figures pro-rata to reflect the reduced numbers on site, however we note that the sale price per sqm in the March 2022 is lower at £2,092 per sqm compared with £2,156 per sqm in November 2021. CPV have provided no commentary or justification for this adjustment. Adjusting the sale price down will put further pressure on the viability position, and this departs from the approach suggested by CPV.

Build Costs

We accept CPV's point regarding adjusted build costs for Phase 1 to reflect the construction period, however disagree with the figures he has adopted. Given construction of Phase 1 is between March 2020 and December 2022, a mid-point of this period would give build costs as at July 2021, not December 2020. At the time of doing the appraisal, build costs were forecast for 3Q 2021 and looking back on the actual costs for that period, they are higher and therefore the costs we adopted have shown a more viable position. Attached are the BCIS figures used in our original appraisal and what they are today.

We also maintain our position that a weighted average to reflect the specific housing mix on site is appropriate. This is an ongoing difference in professional opinion between Maxey Grounds and CPV.

Profit

CPV appear to have changed their position in how profit is treated in viability testing. In their Nov 2021 appraisal, in 4.37 of their appraisal they state, "…we tend to see profit margins in the region of 15% to 20% of revenue. This range is now explicitly referenced in the most recent PPG publication (albeit within the context of plan viability testing)." CPV then go on to say, "Having considered this and the above, we conclude that an allowance of 17.5% is acceptable for the market value dwellings, together 6% for the affordable."

In CPV's March 2022 appraisal, they state that the developer's return is …% on revenue, which is below the range suggested in the Planning Practice Guidance: Viability. They then go on to say, "The subject scheme has already commented, with various sales secured, therefore the circumstances are different". The sales position as at the date of appraisal in March 2022 was the same as in Nov 2021, therefore we disagree with CPV's comments that the circumstances are different. CPV appear to be commenting on policy and making a planning argument as opposed to assessing on the normal viability parameters, which they accepted were appropriate in their Nov 2021 appraisal and were adopted.

Much of the argument put forward by CPV in their March 2022 report, apart from the above where there are known difference between sales and build costs, are planning matters as to whether parameters are appropriate and are therefore planning arguments, not one based on principles of viability, and as such, we cannot comment further on them.

Kind regards,