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# **Land to the North East of Sir Williams Lane, Aylsham, NR11 6HZ**

**Appraisal Summary Note**

**Prepared on behalf of:  
Westmere Homes Limited**

**October 2020**

# **1. INTRODUCTION**

## **1.1. Scope of Instructions**

We have been instructed by Westmere Homes Limited to prepare a delivery assessment in support of a site allocation statement of common ground SoCG for a scheme of residential development on land to the north east of Sir Williams Lane, Aylsham (herein after referred to as “the Property”).

This assessment does not constitute a formal ‘Red Book’ valuation in accordance with the RICS Appraisal & Valuation Manual and should therefore not be relied upon as such.

We have been provided with baseline information to inform our assessment and in the absence of detailed cost schedules and reports or a full scheme of accommodation at this stage in the process; we have made our own assumptions which are informed by our own experience and industry standard parameters.

## **1.2. Location**

The Property is located to the north east of the market town of Aylsham, which is approximately 12 miles to the north of Norwich and sits within the jurisdiction of Broadland District Council. Aylsham is a historic market town situated within North Norfolk. It has a population of 6,016 (2011 census). The town benefits from a range of services and amenities including shops, restaurants, doctors’ surgeries and a number of additional leisure facilities. The town also has a good range of nursery, primary and secondary schooling.

The Property is bound by agricultural and industrial units to the north, the A140 to the east, a new residential development by Barratt Homes to the south and Aylsham High School with associated land to the west.

## **1.3. Description**

For the purpose of this assessment, we have appraised a scheme for 150 units on the land shown edged red and green on the plan at Appendix A. This is on the premise that if the scheme can be demonstrated to be deliverable and viable for 150 units on the Property, a larger scheme for 300 units to include surplus land can also be assumed to be deliverable.

In order to inform our assessment, we have adopted a residual valuation methodology to support the conclusions, with all relevant evidence.

The Property currently comprises agricultural land, with the River Bure running through the northern section. The gross area of the land shown edged red and green on plan measures approximately 42 acres (17.03 hectares). The gross area for development, and other uses is shown edged red and extends to 23.16 acres (9.30 hectares). The area edged green comprises the balance of the Property, which we have assumed is non developable and will be retained as wetland and made available for amenity and community access or transferred to the town council.

## 2. ASSUMPTIONS & PARAMETERS

### 2.1. The Scheme

100 private units and 50 affordable units in line with policy. For the mix we have based our assumption on the Objectively Assessed Need set out in the Central Norfolk Strategic Housing Market Assessment 2017, as shown in Figure 1.

		Market Housing	Affordable Housing	TOTAL
<b>BROADLAND</b>				
Flat	1 bedroom	48	164	212
	2+ bedrooms	18	39	57
House	2 bedrooms	854	1,000	1,854
	3 bedrooms	4,015	634	4,650
	4 bedrooms	1,043	145	1,188
	5+ bedrooms	225	25	250
<b>TOTAL</b>		<b>6,203</b>	<b>2,007</b>	<b>8,210</b>

Figure 1: Central Norfolk SHMA 2017

We have also assumed land will be made available as part of the scheme:

4.94 acres (2 hectares) of education land for a new school site

0.37 acres (0.15 hectares) for allotments

0.86 acres (0.35 hectares) Scout Hut

7.3 acres (2.96 hectares) for environmental area/open space

### 2.2. Costs Assumptions

Detailed below are the salient cost assumptions;

- Base build cost – £114 per sq ft based on BCIS industry standard norms for the mix and dwelling typology
- External works - £500,000
- Landscaping and plot works - £2,000 per plot

- CIL – £74.55 per sq m (Broadland District Council’s 2020 Charging Schedule Zone B rate)
- Contingency (accounting for abnormals)
- Professional fees - 6.5% of construction costs (includes architect, quantity surveyor, project manager etc.)
- Selling Agents and legal fees
- Marketing costs - £1,000 per unit
- Finance - 6%
- Developer’s Profit on Cost – 20%

## **2.3. S106 Benefits**

Our assumptions for the s106 community benefit costs are listed below.

- School land - £50,000 for making up the playing fields /boundaries etc
- Scout hut - £350,000
- Allotments - £100,000 with the provision of water and defined plots
- Environmental area, open space - £150,000
- Footpath connectivity - £75,000 for offsite works to town centre
- Policy compliant affordable housing (33%)

It is important to note that we have not included the wetland area of circa 18.9 acres (7.65 hectares) at the north of the site within this assessment, and whilst we understand public access will be made available, the land is likely to be retained in the ownership of the landowner or transferred to the town council.

## **3. PRICING**

### **3.1. Market Units**

When forming an opinion of value for the proposed units, we assessed a number of comparable transactions in the area, taking into account several factors including the date of sale, location and size. We considered sales evidence of second-hand transactions in the past 12 months and new builds in the past 24 months. We placed greater weight on the new build comparable evidence, but used the second-hand evidence to back up these values.

The new developments we drew our evidence from include Bure Meadows by BDW, Aegel Gardens by J Bunn Homes and Willow Park by Persimmon. Bure Meadows is situated adjacent to the Property; therefore, we deemed this development the most comparable.

We have assumed a blended sales rate of £250 to £260 per sq ft for the market units, which we believe to be realistic in the current market.

## 3.2. Affordable Units

For the affordable housing, we assumed the rental units to be at 55% of open market value and the shared ownership to be at 70% of open market value. We based the affordable tenure split on the requirements specified within the draft Greater Norwich Local Plan, which were 35% for shared ownership and 65% for affordable rental. We made the assumption that the affordable housing would be distributed in 3 even blocks from the start of the construction period.

We have assumed a blended rate of £164 per sq ft for the affordable units.

## 4. LAND VALUE ASSESSMENT

### Land Value Range

Our appraisal generates a range of land values for the scheme described between £4 - £4.2 million.

### 4.1. Land Value Benchmark

In order to assess the delivery of the scheme, we have paid regard to the Greater Norwich Local Plan Interim Viability Study (2019) (Figure 2), which involved consideration of the EUV. Although this document has not been adopted yet, it still provides useful guidance. In that study, Aylsham is defined as a Market Town with Existing Use Value of £432,432 per hectare and a multiplier of 17.5 to arrive at a benchmark land value that will incentivise landowners to make land available. Based on a gross area of the gross land value, the benchmark is £4,021,617 (£174,853 per gross acre) for the Property.

Typology:	EUV Multiplier:	EUV+ per Ha £:
1. Service Village	10	£494,210
3. Service Village	17.5	£433,168
4. Main Town	17.5	£432,432
7. Urban Edge	17.5	£432,099
8. Urban Edge	15	£370,658
9. Urban Edge	10	£247,105

Figure 2: Greater Norwich Local Plan Interim Viability Study (2019)

We then compared our land value against this to ascertain whether there was a deficit or surplus. As there was a surplus against our benchmark, we can confirm that the proposed scheme is viable based on our assumptions and against all reasonable measures.

## **5. SUMMARY**

Based on the information available and adopting our own assumptions we have;

- i) Undertaken an assessment to determine a range of likely land value for a scheme of 150 units on the Property, including community benefits
- ii) Calculated the Land Value Benchmark based on the latest published evidence by the Local Authority and
- iii) When assessed to determine viability and delivery against those benchmarks, we can conclude
- iv) The scheme for 150 units is deliverable and viable by all reasonable measures, in the normal course of events and this further
- v) Demonstrates a larger scheme for 300 units will also be viable and deliverable, providing similar community benefits

# **Appendix A**

## **Red Line Plan**

