

## Proof of Evidence

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Alderholt Meadows, Alderholt,  
Dorset

S78 Appeal by Dudsbury  
Homes (Southern) Limited

Prepared by Atam Verdi BSc  
(Hons) MRICS

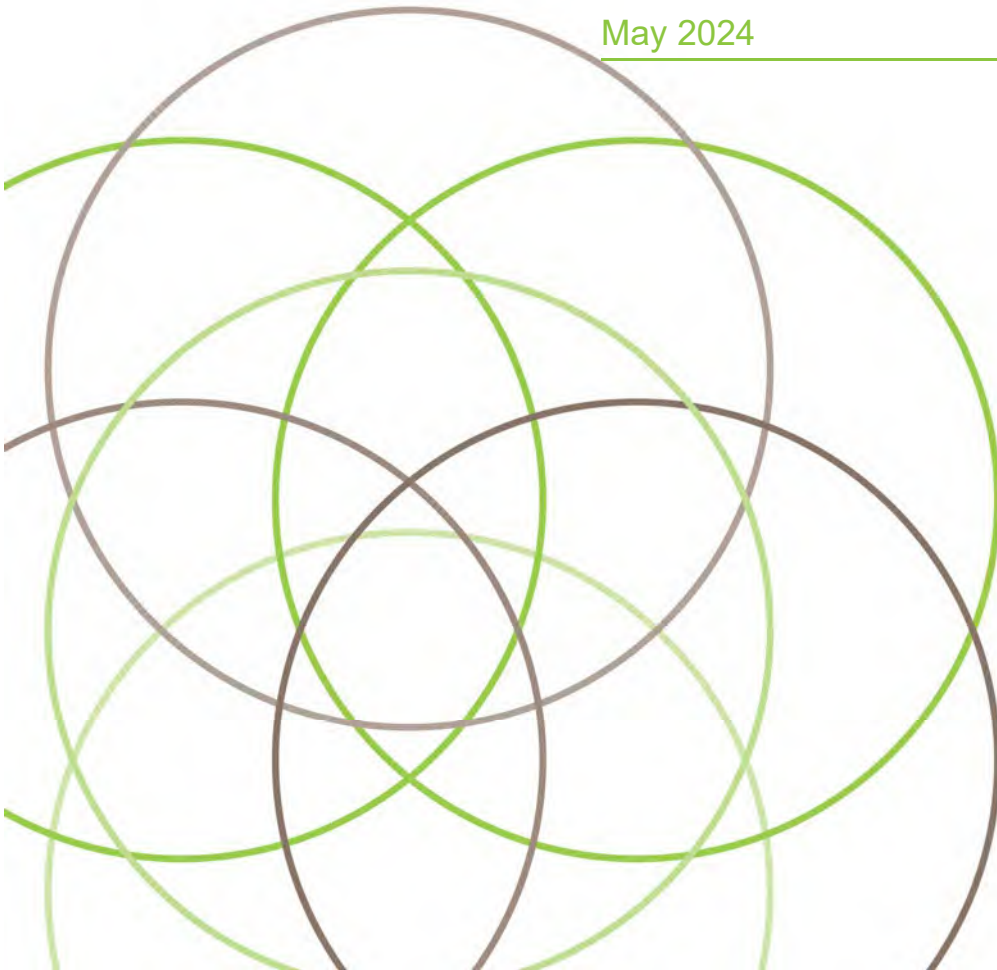
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Appeal Ref:  
APP/D1265/W/23/3336518

Application Ref:  
P/OUT/2023/01166

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May 2024



## Quality Assurance

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Date

24<sup>th</sup> May 2024

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## Contents

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### Report

1	Introduction	1
	Qualifications and Experience	1
	Declaration	2
	Background	3
2	The Project	4
3	Viability Policy Requirements	5
4	Professional Guidance	6
5	Viability Analysis	7
	Appellant's Site Wide Viability Assessment (May 2023)	7
	Appellant's Revised Position 19 <sup>th</sup> April 2024	9
	Establishing Existing Uses and Land Areas	9
	Existing Use Value	11
	Viability Assessment Review– Residual Appraisals	17
6	Conclusions	18
	AspinallVerdi Comparison with Appellant	18

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### Tables & Figures

	Table 5.1 – Existing Land Uses	10
	Table 5.2 – Recategorized Existing Land Uses	11
	Figure 5-1 Savills Agricultural Land Values and Forecast	12
	Table 5.3 – Arable Land Comparable Evidence	13
	Table 5.4 – Pasture Land Comparable Evidence	14
	Table 5.5 – Woodland Comparable Evidence	15
	Table 5.6 – AspinallVerdi Assessment of Existing Use Value	16
	Table 5.7 – AspinallVerdi Assessment of Benchmark Land Value	17
	Table 6.1 - Appraisal Results – 35% and 50% Affordable Housing	18
	Table 6.2 – PPG Viability Key Cross-References	3
	Table 6.3 – RICS AVIP Guidance Note Key Cross-References	9

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### Appendices

	Appendix 1 – RICS Surveyors Acting as Expert Witnesses	
	Appendix 2 – AspinallVerdi Clarification Questions	
	Appendix 3 – PPG Viability & Christchurch & East Dorset Local Plan	
	Appendix 4 – RICS Assessing Viability in Planning (March 2021)	
	Appendix 5 – RICS Professional Standard Financial Viability in Planning	





# 1 Introduction

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1.1 I Atam Verdi have prepared this proof of evidence in respect of viability matters. The appeal is as follows:

- **Appeal by:** Dudsbury Homes
- **Location/Site Address:** Land to The South of Ringwood Road Alderholt.
- **Proposal:** “Mixed use development of up to 1,700 dwellings including affordable housing and care provision: 10,000 sqm of employment space in the form of a business park; village centre with associated retail, commercial, community and health facilities; open space including the provision of suitable alternative natural greens space (SANG); biodiversity enhancements; solar array, and new roads, access arrangements and associated infrastructure (Outline Application with all matters reserved apart from access off Hillbury Road).”
- **Local Planning Authority Reference:** P/OUT/2023/01166 – Outline planning application
- **Planning Inspectorate Reference:** APP/D1265/W/23/3336518

## Qualifications and Experience

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1.2 I, Atam Verdi, BSc (Hons), MRICS, RICS Registered Valuer, have prepared this report. I am an Executive Director of AspinallVerdi.

1.3 I have been practising as a qualified Chartered Surveyor since November 1993. I received my Land Management BSc (Hons) degree from De Montfort University in 1991. I secured my membership to the RICS in November 1993. During the last 30 years I have been involved in development projects and consultancy on behalf of a wider range of public and private sector clients across England.

1.4 I commenced my career as a trainee valuer City of Bradford Metropolitan Borough Council. After two years and securing RICS Part I status, I joined Leicester Polytechnic to undertake the Land Management degree. After graduating with the BSc (Hons) degree I commenced work at Jones Lang Wootton in September 1991. In 1993 I joined the City of London office and commenced work in development consultancy work. In 1995 I relocated to Leeds to join DTZ Debenham Thorpe in their Land Development and Consulting Team. In September 2000 I joined Jones Lang LaSalle in Leeds in their Strategic Consulting team., with a national role working on development and regeneration projects across the Country. In 2003 I joined King Sturge to head up their Development Consulting team and I left this role in 2009 to establish Aspinall Verdi Limited together with Ben Aspinall. For the last 15 years I have been consulting across England for both public and private sector clients, including extensive area wide and site-specific viability assessment work.

- 1.5 I have extensive experience in planning, development and funding of major residential and commercial projects throughout the UK. I was a Working Group Member of the RICS team, that supervised the preparation of the latest RICS Assessing viability in planning under the National Planning Policy Framework 2019 for England (1<sup>st</sup> edition, March 2021). I am currently a member of the RICS Valuation Professional Group Panel.
- 1.6 I have acted for a wide range of public and private sector clients in the context of assessing viability in the context of the provision of planning gain benefits. This work includes for example Plan Viability studies for the Isle of Wight and Cannock Chase local authorities. I regularly act as reviewer for viability assessments for local planning authorities and these include Dorset Council, Eastleigh Borough Council, Isle of Wight Council and several others.
- 1.7 I have a broad range of professional experience across planning, development and regeneration. I have extensive experience in financial modelling, feasibility studies, site disposals, developer selection, procurement and delivery. I have provided viability, S106 negotiation, Community Infrastructure Levy, affordable housing / Private Rented Sector and strategic land / infrastructure, and strategic delivery/disposal advice on major housing schemes.
- 1.8 As this statement will evidence, I consider that the latest planning practice guidance (PPG) and NPPF supports the way I have prosecuted this application.

## Declaration

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- 1.9 I confirm that my evidence has drawn attention to all material facts which are relevant and have affected my professional opinion.
- 1.10 I can confirm that I understand and have complied with my duty to the Planning Inspector as an expert witness which overrides any duty to those instructing or paying me (Dorset Council), that I have given my evidence impartially and objectively, and that I will continue to comply with that duty as required.
- 1.11 I confirm that I am not instructed under any conditional or other success-based fee arrangement.
- 1.12 I confirm that I have no conflicts of interest.
- 1.13 I can confirm that I am aware of and have complied with the requirements of the rules, protocols and directions of the Planning Inspectorate.
- 1.14 I confirm that my report complies with the requirements of the RICS - Royal Institution of Chartered Surveyors, as set down in the RICS practice statement 'Surveyors acting as expert witnesses' (see Appendix 1).

## Background

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1.15 I have been commissioned by the Council to provide an independent Viability Assessment (VA) advice in respect of the outline planning application by Dudson Homes (the Appellant).

1.16 Viability Timeline:

- AspinallVerdi were initially appointed on 5<sup>th</sup> February 2024 to undertake a desktop review of the Appellant's viability statement, prepared by the Appellant's viability advisor – Intelligent Land, dated May 2023, in support of a provision of 35% affordable housing (593 units in total).
- AspinallVerdi issued Clarification Questions – Having reviewed Intelligent Land's viability report, I compiled a list of clarification questions which was sent to the Council on 26<sup>th</sup> February 2024. These are contained at Appendix 2 herein. In general, there was a lack of evidence to support a number of key appraisal inputs, notably the applied Existing Use Values/Benchmark Land Values.
- Site visit – I undertook a site visit with my colleague Max King MRICS and this including walking across various parts of the site on 20<sup>th</sup> February 2024.
- Preparation of desktop an initial review of the Appellant's Site Wide Viability Report– Following the site visit, meeting with the client and a thorough review of the Appellants initial viability submission I prepared an initial review report provided to the Council on 5<sup>th</sup> March 2024. This initial review focused primarily on matters around Existing Use Value/Benchmark Land Value.
- Meeting with Appellant – I met with the Appellant at 11.00am on 5<sup>th</sup> April 2024, to discuss the clarification questions and their approach to viability. A key discussion point was the benchmark land value and information regarding the agreements between Dudson Homes and the landowners was requested, but not provided.
- Clarifications and Receipt of Further Information – Further to the initial review clarification questions, on 19<sup>th</sup> April 2024, I received, from Intelligent Land, additional information in response to the clarification questions. Including a previously unseen 'Informal Opinion of Value Letter' prepared by agents Symonds & Sampson, along with a new approach to the calculation of the Benchmark Land Value.
- Commission of Independent Red Book Valuation – In response to the informal opinion presented by the Appellant, the Council commissioned local valuers Woolley & Wallis to undertake a formal valuation of the land (which is not expected to be completed until after the date of this Proof of Evidence). This is to be provided on 7<sup>th</sup> June 2024.
- Commission of Independent FVA review – The council appointed AspinallVerdi to undertake a full FVA, which was completed on 22<sup>nd</sup> April 2024 and has substantially informed the Proof of Evidence herein.

## 2 The Project

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- 2.1 The subject planning application (REF: P/OUT/2023/01166) was refused at committee on 7<sup>th</sup> July 2023. The Appellant is now appealing the decision.
- 2.2 The site at Alderholt extends to approximately 121 Ha (299 acres)<sup>1</sup> and lies to the south-west of Fordingbridge. The outline proposal comprises:
- 1,700 dwellings – including housing and care provision (note that the Appellant’s financial appraisals refer to 1,694 dwellings).
  - 10,000 sqm of employment space
  - Village centre
  - Open space
  - Solar array
- 2.3 The Appellant has retained the services of consultants Intelligent Land and they have provided a Site Wide Viability Report dated May 2023. I note that the Council’s decision notice at Paragraph 4 that the Appellant’s Viability Assessment report had not been assessed and as such it was not accepted that the scheme provided the necessary quantum of affordable housing. The reason for the viability information not being reviewed at that stage, was that it was received late in the process. At that stage the Council considered that there were in principle objections which meant that extending time would not have been justified.
- 2.4 The development proposes 35% affordable housing and I note that policy LN3 of the Christchurch and East Dorset Local Plan sets out a policy requirement of “up to” 50% on greenfield sites. I note that Dorset Council published their Dorset Local Plan Viability Assessment (May 2022) in which the recommendations are to support provision at 35%. This may have led the Appellant and their advisors to proposed this level.
- 2.5 As stated above, the viability submission by Intelligent Land was not independently assessed. Following a review of this report, I am of the opinion that in general there is a noticeable lack of supporting evidence to substantiate a number of the Appellant’s appraisal inputs.
- 2.6 A critical aspect is the adopted Benchmark Land Value for the site, this is made up of the Existing Use Value and Premium as described in the NPPF and PPG Viability.

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<sup>1</sup> Taken from the map produced by EPR on behalf of Dudsbury Homes indicating the existing land uses

### 3 Viability Policy Requirements

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- 3.1 I consider that the Planning Practice Guidance for Viability provides significant guidance in terms of the issues which are relevant to this Appeal and in particular the assessment of benchmark land value. I have therefore provided at Appendix 3 key cross references which will assist in considering these matters and I will be referring to.
- 3.2 Appendix 3 also includes a summary of the Christchurch and East Dorset Local Plan (2014).

## 4 Professional Guidance

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- 4.1 The RICS produces professional guidance for Members. The relevant guidance in these circumstances is:
- RICS practice statement and guidance note, Surveyors acting as expert witnesses, 4th edition, amended February 2023.
  - RICS Professional Standard Financial Viability in Planning: Conduct and Reporting England 1st edition, May 2019, Effective from 1 September 2019.
  - RICS Assessing Viability in Planning under the National Planning Policy Framework 2019 for England Guidance Note (1st edition, March 2021) having regard to the latest revisions to the National Planning Policy Framework (NPPF, last updated 20 July 2021) and the Planning Practice Guidance (PPG).
- 4.2 The latter two documents are appended to this Proof of Evidence – Appendix 5 and 6 respectively. The first two documents relate to professional standards and are taken as read.
- 4.3 The Assessing Viability in Planning (AVIP) under the National Planning Policy Framework 2019 for England Guidance Note provides more detailed guidance and information and I have prepared relevant extracts at Appendix 4 and I will be referring to these references and draw your attention to these references.

## 5 Viability Analysis

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- 5.1 Many inputs into the viability assessment have been agreed in the Statement of Common Ground. I have therefore focused on the assessment of the Benchmark Land Value which comprises the Existing Use Value of the land and the premium (or incentive to the landowner).
- 5.2 I am of the opinion that the evidence provided by the Appellant, to support the Existing Use Value, can be challenged in terms of
- The lack of transparency in terms of the transactions agreed with landowners which would provide an understanding of 'base/minimum' land values in the context of option/promotion agreements.
  - the quantum and nature of existing uses. The evidence presented by the Appellant is inconsistent;
  - the existing use values ascribed to each use,
- 5.3 My own evidence points to significantly lower existing use values and a calculation based on the Appellants own information in respect of existing land use provided as evidence. Further, the reasoning that has been presented to support their assumptions is deficient, and as such the overall adopted Benchmark Land Value is too high.
- 5.4 Dorset Council have also commissioned an Independent Valuation of the existing use value from locally based Chartered Surveyors Woolly & Wallis, Chartered Surveyors. This valuation was commissioned following the Appellants late submission of information from local agents Symonds & Sampson. I note that the latter information has been variously termed "Informal Review" and "Informal Opinion" and "does not constitute an RICS Red Book Valuation and is provided on an informal basis" in the covering letter from A-J Monro BSc (Hons) MRICS FAAV dated 19<sup>th</sup> April 2024 and addressed to Dudsbury Homes (Southern) Ltd. This letter and accompanying information are provided at Appendix 7.
- 5.5 In order to establish an appropriate Benchmark Land Value for the site, I have had reference in particular to Table 4.1 in the previous section which sets out guidance from the AVIP under the NPPF 2019 for England Guidance Note, particularly steps one and four in assessing an appropriate Benchmark Land Value.

### Appellant's Site Wide Viability Assessment (May 2023)

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- 5.6 In the viability assessment prepared by Intelligent Land, Section 6 addresses their methodology for arriving at a Benchmark Land Value, or as they refer to it, a Benchmark Site Value.

5.7 The following methodology is adopted by the Appellant:

“Due to comparatively low values of agricultural land a ‘rule of thumb’ premium is 10 times the existing use value. Assuming an agricultural or EUV of £10,000 per acre and a minimum premium of 10 times EUV, a value of £100,000 per gross acre is produced. This rate is considered the absolute minimum amount a landowner will require to release their land for development. Furthermore, the rate of £100,000 per gross acre is also adopted by District Valuer Service when assessing greenfield strategic developments.

The BSV in this case is therefore calculated at £30,100,000. This figure will be compared to the residual land value to establish whether the scheme is viable. This figure is based on the gross development area of 301 acres or 122 hectares.”

5.8 The Appellant has produced a residual land value appraisal which generates a residual land value for the site of £33,655,923. This is then measured against the Benchmark Land Value of £30,100,000 whereby a surplus of c£3,500,000 is identified. It is therefore concluded by the Appellant that the development is viable and can support the delivery of 35% affordable housing.

5.9 I would first note that if a surplus of £3,500,000 is being identified by the Appellant, this would suggest that not only can 35% affordable housing be viably delivered, but more affordable housing (up to the value of £3,500,000) could actually be supported on site.

5.10 Further it can be seen that no adjustment to the Benchmark Land Value has been made in respect of the significant IDP and S106 costs associated with this scheme. Equally, the approach set out applies the £100,000 per acre across the site, ignoring that a significant land area is to remain undeveloped as SANG land.

5.11 It is my experience that developers will pay ‘development value’ for land which is capable of being developed (the net developable land area) and a lower rate for the land which will not be, which forms part of the gross land area. In the context of the Existing Use Value plus Premium approach, the premium which should be applied to such SANG land would be lower than that for land which is capable of development.

5.12 I note paragraph 4.13 in the 2022 Three Dragons Plan Wide Viability document, states that “The benchmarks apply to the gross site areas for ‘standard’ development and would, for example, include the net developable areas for housing and other site uses, incidental and formal open space. It is anticipated that where large scale open space is provided (such as a country park) these benchmarks would not be appropriate and not would these benchmarks be expected to be applied to SANG land. SANG and other environmental mitigation is dealt with as a separate policy cost elsewhere in the testing”.



- 5.13 At Paragraphs 4.45 and Table 4.17 of the Three Dragons, Dorset Local Plan Viability Assessment an allowance for the Dorset East & Dorchester zone is set out at £8,140 per house. The assessment indicates a significant cost which should be factored into a land value to be paid for a development site.

## Appellant's Revised Position 19<sup>th</sup> April 2024

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- 5.14 The Appellant has in their latest update of information, received 19<sup>th</sup> April 2024, provided a new calculation of the benchmark land value (see Appendix 8 – Alderholt Meadows – Summary Benchmark Land Value).
- 5.15 The document sets out their calculation based on an average EUV of £19,569 per acre. A land owner premium of 5.1 times has then been applied, accounting for the fact that the land is unallocated, to arrive at an agricultural benchmark land value of £100,000 per acre. This is then multiplied by the land area “as identified by Symmonds & Sampson” of 293.50 acres. This provides a total of £29,350,000.
- 5.16 A further assessment is made for Sleepbrook Farm Barn, where a capital value, described as Alternative Use Value is assessed at £520,000. A landowner premium of 20% is applied.
- 5.17 The Appellant has referenced various PPG paragraphs and sources to support the premium applied, however PPG Viability Paragraph 017 clear states “Valuation based on AUV includes the premium to the landowner”. Therefore, the application of the premium to this Alternative Use Value may not be appropriate.
- 5.18 Nonetheless, adding the values at 5.13 and 5.14 (including premium) together results in a proposed Benchmark Land Value of £29,974,000 in this update from the Appellant.

## Establishing Existing Uses and Land Areas

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- 5.19 The first step in assessing the Benchmark Land Value of the Site is establishing the exact existing uses of the site itself, pre-development. For this, I have referenced the Pre-Development Land Use Map, produced by EPR on behalf of the Appellant, Dudsbury Homes, as part of the appeal submission, which I attach at Appendix 9.
- 5.20 Based on this map, the identified existing land uses can be summarised as follows:

**Table 5.1 – Existing Land Uses**

Land Use	Hectares	Acres
Dairy	5.65	13.96
General Cropping	64.73	159.88
Greenspace	12.54	30.97
Lowland Grazing	35.04	86.55
Open Urban Land	1.65	4.08
Poultry	0.64	1.58
Residential Urban Land	0.31	0.77
Water	0.60	1.48
<b>TOTAL</b>	<b>121.16</b>	<b>299.27</b>

Source: EPR, May 2024

5.21 It can be seen that there is a small discrepancy (approximately 5.77 acres) in the overall site area between the figures presented by the Appellant and the ones I have adopted above.

5.22 Based on the above I would make the following observations/comments:

- One of the key differences that stands out between these areas and the Appellant's adopted areas is the extent of arable land at the site. The Appellant has accounted for 60 acres of arable land, whereas the above land use table identifies c160 acres (referred to as 'general cropping' land).
- By cross-checking with Google Maps, I understand that the area highlighted as 'Greenspace' correlates with the 'woodland' space assumed by the Appellant, whereas the 'Open Urban Land' relates to the 'Camping' land assumed by the Appellant.
- The area identified as 'Water' falls within the 'Greenspace' allocation and as such, I have grouped the two land uses together.
- For the purpose of my assessment, I have grouped 'Dairy', 'Lowland Grazing' and 'Poultry' uses together as general pastureland.
- The area identified as 'Residential urban land' appears to constitute a residential dwelling. Further clarification is needed on the composition and condition of this land / property before a value can be attributed to it. For now, I have included this land within the arable / agricultural land uses and have assumed that it would be sold as a whole.

5.23 For the purposes of establishing Existing Use Value, I have therefore categorised the identified land uses as follows:

**Table 5.2 – Recategorized Existing Land Uses**

Land Use	Hectares	Acres
Arable	65.04	160.65
Pastural	41.33	102.09
Woodland	13.14	32.46
Camping	1.65	4.06

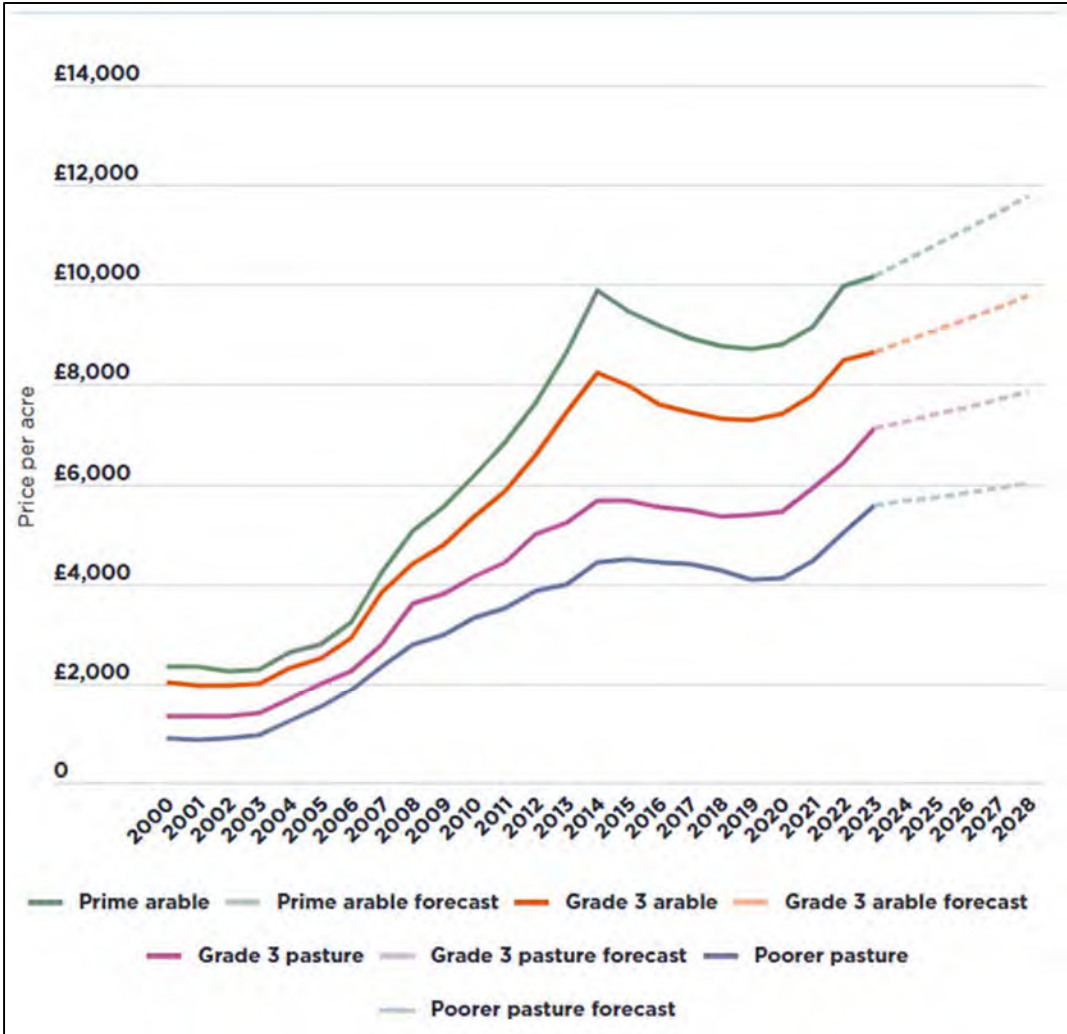
Source: EPR, May 2024 and AspinallVerdi, May 2024

## Existing Use Value

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- 5.24 I present below an analysis of land value data and comparable in the context of establishing the existing use values for each land use. This is supplied in addition to the Independent Valuation which is being undertaken by Chartered Surveyors Woolly & Wallis and which will be provided following the submission of this Proof of Evidence due to the timescales in commissioning and undertaking the Independent Valuation.
- 5.25 The informal Symonds & Sampson report which has been prepared for the Appellant states that the arable land has Grade 3 status. The graph below presents research undertaken by Savills and shows the anticipated UK farmland value forecast for the period 2024-2028. This research by Savills provides an average across the UK and suggests values are approaching £9,000 per acre. Grade 3 pasture land is forecast to have a lower value and is approaching £7,000 per acre.
- 5.26 I present further transactional evidence to support my assessment of the existing use value.

Figure 5-1 Savills Agricultural Land Values and Forecast



Source: Savills Research, 2024

5.27 Table 5.3 below presents transactional evidence which demonstrates arable land values in the region of £9,684 - £13,436 per acre. Whilst the Appellant’s adopted value of £13,000 per acre sits at the upper end of this range, I am of the opinion that it is a reasonable assumption to make and have looked to adopt the same within my EUV calculations.

**Table 5.3 – Arable Land Comparable Evidence**

Site	Acres	Guide Price	£/acre	Comments
Lavington Road, Potterne, Devizes, SN10	33.1	£330,000	£10,000	Grade 3 Arable land with roadside access. Currently being marketed by Symonds & Sampson.
Land at Lower Clavelshay Farm, North Petherton, Bridgwater, TA6	122.5	£1,500,000	£12,249	Good quality arable land. Currently Under Offer.
Lot 2: Land at Abbots Sharpham, Glastonbury, BA16	139.4	£1,350,000	£9,684	Arable land. Currently being marketed by Carter Jonas.
Tarrant Rushton Airfield, Lots 6 & 7	52.8	£710,000	£13,436	Sold in September 2023 for the stated price.

- 5.28 The above evidence demonstrates that pastoral land in the region is being guided at c£9,000 per acre. This would correlate with the research undertaken by Savills, which suggests that generally, pastoral land transacts at a discount to prime arable land.
- 5.29 Table 5.4 presents evidence in relation to pasture land.

**Table 5.4 – Pasture Land Comparable Evidence**

Site	Acres	Guide Price	£/acre	Comments
Askewell, Dorchester, DT2	42.3	£450,000	£10,638	Free draining pastureland complete with agricultural building. Currently being marketed by Symonds & Sampson. I expect the slight premium compared to the below comparables to reflect the inclusion of an agricultural building.
Broadwindsor, Beaminster, DT8	46.5	£425,000	£9,140	Permanent pastureland with fencing – suitable for cattle or sheep. Currently being marketed by Symonds & Sampson.
High Street, Worton, SN10	36.1	£325,000	£9,000	Permanent pastureland. Currently being marketed by Symonds & Sampson.
East Orchard, Shaftesbury, SP7	18.5	£160,000	£8,649	Level pastureland capable of arable uses. well suited for grass cropping. Currently being marketed by Symonds & Sampson.

5.30 I am of the opinion that the land at Askerwell represents an appropriate comparable in that it too includes an agricultural building which is suitable for a number of uses STPP. Rather than assess the value of Sleepbrook Farm Barn separately, as the Appellant has done, I have adopted a land value of £10,500 per acre as demonstrated by the Askerwell comparable, which in my opinion reflects any inherent value attributed to the agricultural building.

5.31 Table 5.5 presents evidence of asking prices for woodland.

**Table 5.5 – Woodland Comparable Evidence**

Site	Acres	Guide Price	£/acre	Comments
Biddle Combe & Beryl Woods, Somerset	61.8	£355,000	£5,744	Broadleaved woodland. Currently being marketed by John Clegg & Co.
Folly Wood, Dursley, Gloucestershire	22.0	£135,000	£6,136	Woodland. Currently being marketed by John Clegg & Co.
Frاندale Farm, Lot 4, Tiverton, Devon, EX16	37.0	£275,000	£7,442	Predominantly woodland with some pasture and scrubland. Currently being marketed by Savills.

5.32 To supplement the above, I reference research undertaken by John Clegg & Co which demonstrates that on average, forestry land in the UK sold for an average of £8,500 per acre in 2023.<sup>2</sup>

5.33 Based on the above evidence, I am of the opinion that the Appellant’s adopted value for woodland of £7,000 per acre is suitable, and have looked to adopt the same.

<sup>2</sup> John Clegg & Co, The Forest Market Review 2023

5.34 In terms of the land identified as ‘camping’, I have undertaken a search of the market to try and identify similar land transactions or land for sale, however there is a significant dearth of suitable evidence. For the purpose of this assessment, I have assumed that the Appellant’s value of £25,000 per acre is suitable.

5.35 With the above in mind, I have assessed the Existing Use Value of the Site on the following basis:

**Table 5.6 – AspinallVerdi Assessment of Existing Use Value**

Land Use	Acres	£ / acre	EUV
Arable	160.65	£13,000	£2,088,450
Pastural	102.09	£10,500	£1,071,945
Woodland	32.46	£7,000	£227,220
Camping	4.06	£25,000	£101,500
<b>TOTAL</b>			<b>£3,489,115</b>

5.36 The above equates to a total Existing Use Value for the Site of £3,489,115. Assuming the total site acreage of 299.3 acres, this would equate to an average Existing Use Value of £11,658 per acre across the entirety of the site.

### Premium

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5.37 The Appellant has applied a 5.1x multiplier premium to their assessment of Existing Use Value, stating that while greenfield land usually attracts a premium in excess of 10 times, they acknowledge that the site is not allocated under the local plan and as such would attract a significantly lower premium.

5.38 While a lower multiplier might be considered, to factor in the high infrastructure costs, I am in agreement with the Appellant that a 5.1x multiplier is an appropriate premium to adopt for an unallocated greenfield site such as this.

### Benchmark Land Value

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5.39 By adopting the above approach and inputs, I have arrived at the following Benchmark Land Value for the site.



**Table 5.7 – AspinalVerdi Assessment of Benchmark Land Value**

Existing Use Value	Premium / Multiplier	Benchmark Land Value
£3,489,115	5.1x	£17,794,487

- 5.40 My assessment of Benchmark Land Value represents a reduction in £12,179,514 from the Appellant's position of £29,974,000.
- 5.41 The Benchmark Land Value equates to an overall average land value of £60,455 per acre, using the gross land area. I consider that this provides an appropriate level of incentive to landowners given that the site is not allocated, the infrastructure costs associated with developing a site in this location and the significant amount of SANG land which will be provided.

### Viability Assessment Review– Residual Appraisals

- 5.42 I have prepared a Viability Assessment Review of the Appellants Viability submissions and this report is found at Appendix 10. In accordance with PPG Viability and RICS Guidance financial appraisals have been prepared on a policy compliant basis (i.e. including all S106 requirements). These assessments also incorporate the current IDP costs as presented, although there remain outstanding clarifications with respect to the assessment of these costs, including the significant allowance made for excavation costs associated with mineral extraction.
- 5.43 The Viability Assessment Review findings are set out in the next section and specifically in Table 6.1. I have prepared two financial appraisals, the first at 50% affordable housing, which is the policy compliant position and the second on the Appellant's assumed 35% affordable housing. The financial appraisals are prepared on a residual basis which means that the resultant residual land value can be compared to the benchmark land value as a check for whether the scheme is viable.

## 6 Conclusions

6.1 This chapter sets out the results of both the Appellant's and my viability assessments.

### AspinallVerdi Comparison with Appellant

6.2 I have calculated the financial viability using a residual development appraisal using Argus Developer software. Please refer to Appendix 11 for a copy of my residual development appraisals. Below is a summary of the results of those appraisals compared to Benchmark Land Values.

**Table 6.1 - Appraisal Results – 35% and 50% Affordable Housing**

Description	Appellant (35% AH)	AspinallVerdi (35% AH)	AspinallVerdi (50% AH)
<b>Residual Lane Value</b>	£30,008,905	£33,030,127	£17,085,289
<b>Benchmark Land Value</b>	£29,974,000	£17,794,487	£17,794,487
<b>Surplus / Deficit</b>	£34,905	£15,235,640	-£709,198

6.3 The appraisals all include the full allowance for IDP costs. One of the most significant elements of the IDP costs is that associated with excavation (£12.708m); if this were to be completely mitigated the surplus resulting would improve further and this would enable further delivery of S106 contributions including affordable housing.

### Conclusions and Recommendations

6.4 I and the Appellant are in agreement on the majority of appraisal inputs. The key areas of difference are the adopted profit level on the private residential element, professional fees, and both parties' applied Benchmark Land Value.

6.5 There are some elements of both the Appellant's and my own appraisal that are likely to be subject to change as designs and planning progress while these would ideally be agreed, they will be subject to a later stage s106 review, those items are:

- Infrastructure Delivery Plan costs: I am of the view that a detailed review of these costs needs to be undertaken since they form a substantial proportion of the overall development costs. Clarification has been sought on a number of items which remain outstanding at this time, the most significant being the excavation cost allowance.
- S106 Financial Contributions: These exact costs have yet to be agreed by both parties and will form a component of any S106 viability review.

- 6.6 I have focused my evidence on determining the Benchmark Land Value.
- 6.7 The residual land value prepared on the basis of providing 50% affordable housing and taking into account the full IDP and S106 costs indicates a very small deficit. It is my opinion that, due to the likely changes which will result from a review of the IDP and S106 costs, that significant savings can be made (i.e. in relation to the excavation costs) and the site can support 50% affordable housing.

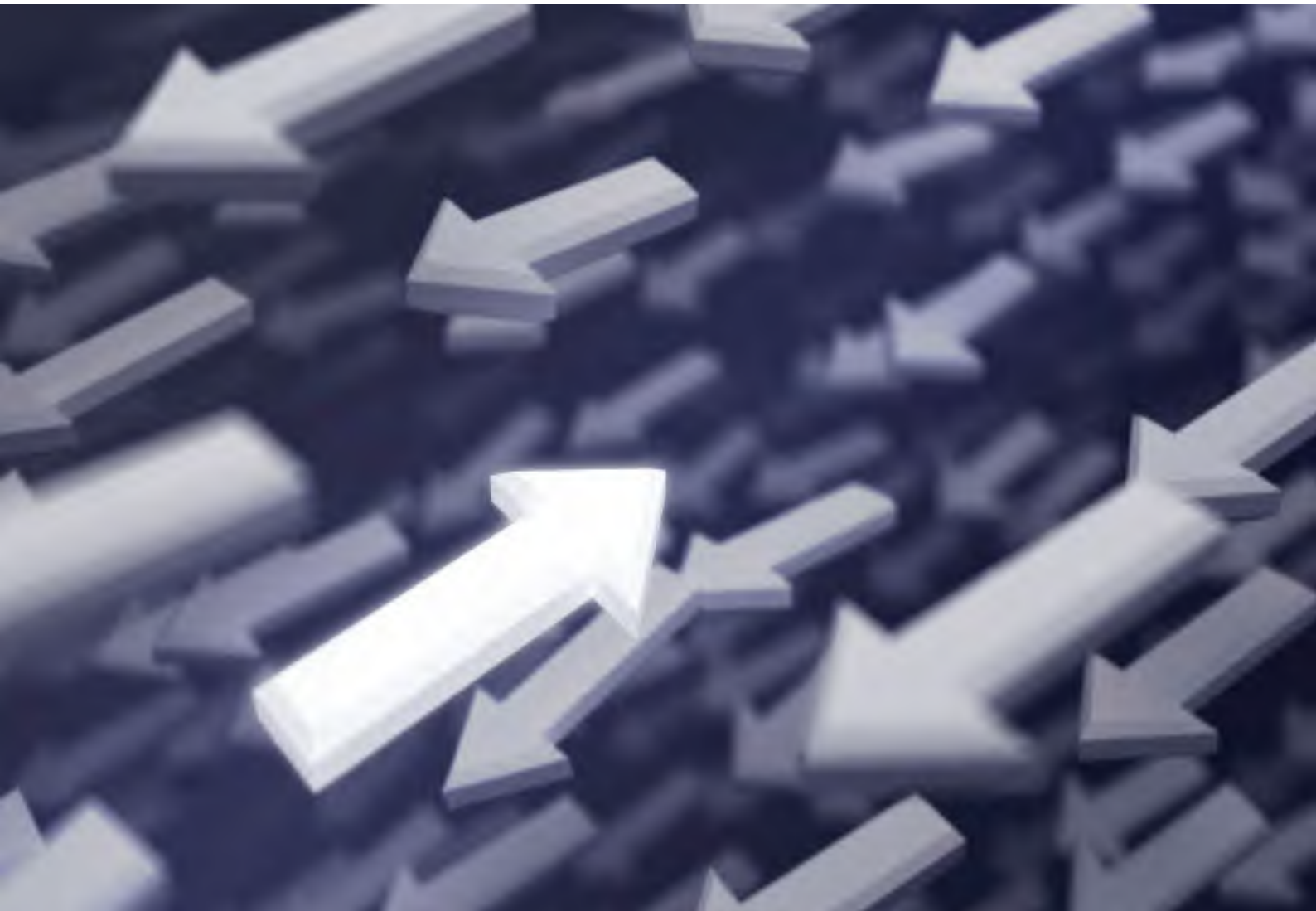
## Appendix 1 – RICS Surveyors Acting as Expert Witnesses



RICS professional guidance, UK

## Surveyors acting as expert witnesses

4th edition, amended February 2023



# Surveyors acting as expert witnesses

4th edition, April 2014

Amended February 2023

Effective from April 2014



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# Contents

Acknowledgements .....	v
Foreword .....	1
Copyright notice .....	2
Surveyors acting as expert witnesses: RICS practice statement .....	3
Preamble .....	5
Principal message .....	6
PS 1 Application of practice statement .....	7
PS 2 Duty in providing expert evidence .....	8
PS 3 Acting as an expert witness and instructions .....	8
PS 4 Inspections .....	10
PS 5 Reports and oral evidence .....	10
PS 6 Amending the contents of written reports .....	13
PS 7 Agreeing facts and resolving differences .....	14
PS 8 Single Joint Expert (SJE) .....	14
PS 9 Advocacy and expert witness roles .....	16
PS 10 Conditional fees .....	17
<b>Surveyors acting as expert witnesses: RICS guidance note .....</b>	<b>18</b>
GN 1 Application of guidance note and introduction .....	20
GN 2 General duties .....	23
GN 3 Advice and disclosure .....	24
GN 4 Duties to the tribunal .....	25
GN 5 Instructions and inspections .....	25
GN 6 Evidence of fact .....	28
GN 7 Expert (opinion) evidence .....	30
GN 8 Questions to expert witnesses and answers .....	30
GN 9 Documents .....	32
GN 10 Oral evidence .....	33
GN 11 Advising advocates .....	35
GN 12 Expert witnesses' written reports .....	35
GN 13 Form and content of an expert witness's written report .....	37
GN 14 Meetings between the expert witness and the client's team .....	39
GN 15 Narrowing differences and meetings between experts .....	39



GN 16 Single Joint Expert (SJE) .....	41
GN 17 Expert evidence, advocacy and 'a dual role' .....	42
GN 18 Basis of charging fees .....	45
GN 19 Conditional fees .....	47
GN 20 Responsibility for expert witness's fees .....	47
GN 21 Immunity of the expert witness .....	48
<b>Appendix A: Sample Terms of Engagement .....</b>	<b>50</b>
Terms of Engagement .....	50
<b>Appendix B: Immunity of the expert witness .....</b>	<b>54</b>
<b>Appendix C: Definitions .....</b>	<b>57</b>
<b>Appendix D: Further reading and glossary of Acts, procedures and protocols .....</b>	<b>60</b>

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This document references the Civil Procedure Rules (CPR) in a few places to ensure consistency between this guidance or practice note and the CPR.

RICS wishes to express its sincere thanks to the following:

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# Foreword

I am very pleased to have been invited by RICS to write the foreword to the latest edition of this important practice statement and guidance note for expert witnesses.

The first recorded use of an expert witness in an English case was in *Folkes v Chadd* (1782) 3 Doug KB 157. In that case, Lord Mansfield overruled Mr Justice Gould's refusal to permit a jury to hear the evidence of John Smeaton, a civil engineer, whom some Norfolk farmers, who were being sued by the Wells Harbour Commissioners, wished to call to give his expert opinion as to the cause of the silting up of the harbour. Since that decision, expert witnesses have been called to deal with an almost countless variety of issues in an almost countless number of cases. In many hearings, expert evidence is crucial to the outcome of the case.

It is important for the integrity of the civil justice system that anybody, above all professionals, who take on the role of expert witness have a clear understanding of the duties involved, and that they perform their obligations to the court or tribunal concerned to the best of their ability. It is crucial for any judicial process which includes expert evidence that the expert witnesses are honest, objective and fair, so that their expertise can properly and helpfully inform, support and enhance the decision maker's decision and the process by which that decision is reached – i.e. so that justice can be done and can be seen to be done.

Accordingly, there is a real need for authoritative guidance for actual and potential expert witnesses. The role of experts in litigation should, of course, evolve in response to developments in law, technology, commerce, the demands for greater transparency and the other changes. The past few years have seen many changes in these areas, and the rate of change always seems to be accelerating. Therefore, if it is to be authoritative, any guidance must be up-to-date, thorough, and formulated by experts

This guidance appears to satisfy all these requirements. It is the product of a great deal of detailed and extensive work by the dedicated and experienced members of a working party specifically set up for the purpose. The result is a document which provides helpful assistance, cutting edge advice and clearly defined standards for RICS members who act as an expert witness.

It is clear to me that an expert witness who properly considers and applies the contents of this guidance will not only enhance his or her own credibility, but will also promote confidence in the role of chartered surveyors as expert witnesses within the civil justice system generally. Consequently, it will promote best practice in the public interest.

**The Right Hon the Lord Neuberger of Abbotsbury**

**August 2013**

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# Surveyors acting as expert witnesses: RICS practice statement

## RICS practice statements

This is a practice statement. It is the duty of every member to comply with relevant practice statements, and take account of other guidance produced by RICS in a particular area of expertise, to maintain high professional standards. There may be disciplinary consequences for a failure to comply with a practice statement.

Members should also note that when an allegation of professional negligence is made against a surveyor, the court is likely to take account of any relevant practice statement published by RICS in deciding whether or not the surveyor acted with reasonable competence. Failure to comply with practice statements may, accordingly, lead to a finding of negligence against a surveyor.

In the opinion of RICS, a member conforming to the requirements of this practice statement should have at least a partial defence to an allegation of negligence.

Where members depart from the practices set out in this practice statement, they should do so only for good reason and the client must be informed in writing of the fact of and the reasons for the departure. There may be legal and disciplinary consequences for departing from this practice statement.

It is the member's responsibility to be aware of changes in case law and legislation since the date of publication.

## Document status defined

RICS produce a range of professional guidance and standards products. These have been defined in the table below. This document is a practice statement.

Type of document	Definition	Status
<b>Standard</b>		
International Standard	An international high level principle based standard developed in collaboration with other relevant bodies	Mandatory
<b>Practice Statement</b>		
RICS practice statement	Document that provides members with mandatory requirements under Rule 4 of the Rules of Conduct for members	Mandatory
<b>Guidance</b>		
RICS Code of Practice	Document approved by RICS, and endorsed by another professional body/ stakeholder that provides users with recommendations for accepted good practice as followed by conscientious practitioners	Mandatory or recommended good practice (will be confirmed in the document itself)
RICS Guidance Note (GN)	Document that provides users with recommendations for accepted good practice as followed by competent and conscientious practitioners	Recommended good practice
RICS Information Paper (IP)	Practice based information that provides users with the latest information and/or research	Information and/or explanatory commentary

# Preamble

While in general this text is gender neutral, on occasions where masculine terms only are used (such as in legislation quotes) these should be taken as also referring to the feminine (for example 'she', 'her'), and to 'they' or 'it' (in the case of a corporate body), as the context so requires.

References to the singular also include the plural and vice versa where the context so requires. Unless otherwise specified, references to 'you', 'surveyor' or to 'expert witness surveyor' are to members of RICS of any class of membership, save for Honorary Members. References to 'PS' denote 'practice statement' and those to 'GN' denote 'guidance note'.

For the purposes of this practice statement and guidance note, the generic expression 'tribunal' means any body whose function it is to determine disputes. This therefore includes:

- courts and tribunals (including but not limited to Lands Tribunals and Agricultural Land Tribunals; Leasehold Valuation Tribunals; Residential Property Tribunals; Valuation Tribunals)
- arbitrators/arbiters or arbitral panels/tribunals
- adjudicators
- committees (including Rent Assessment Committees and Valuation Appeal Committees)
- inspectors, commissioners and reporters (for example, in planning proceedings, including inquiries, hearings, examinations in public – independent panels; independent examination and proceedings of the Infrastructure Planning Commission, and Planning and Water Appeals Commissions); and
- independent experts.

# Principal message

As a surveyor actively involved in a dispute that may come before a tribunal, you may find yourself carrying out one or more roles, including that of an expert witness. Your primary duty as an expert witness is not to a client but to the tribunal where your expert witness report and evidence given:

- must be, and must be seen to be, your independent and unbiased product, and fall within your expertise, experience and knowledge
- must state the main facts and assumptions it is based upon, and not omit material facts that might be relevant to your conclusions; and
- must be impartial and uninfluenced by those instructing or paying you to give the evidence.

It is imperative that you do not stray from the duties of an expert witness by acting in a partial, misleading or untruthful manner. In those instances when you may adopt a dual role of surveyor-advocate and expert witness it is also imperative that you differentiate at all times clearly between the two roles (see PS 9 Advocacy and expert witness roles).

The practice statement and guidance note are based upon the law and practice relating to expert witnesses in England, Wales and Northern Ireland, but are also designed to provide a template for global applicability. For example, a separate supplement to the practice statement and guidance note may be considered by Scottish members in relation to expert witness procedures to which Scottish law and conventions apply. It will be necessary for surveyors to discuss with the client's lawyers the applicability of both the procedures and principles in the practice statement and guidance note, as the local law and procedural rules may require the surveyor to take a different approach.



## PS 1 Application of practice statement

- 1.1 The start date of application of this practice statement is three months after its publication date. This practice statement applies to any RICS member (usually described hereafter as 'the expert witness' or 'you') who provides expert evidence, whether oral or written, to the proceedings of any tribunal subject to the rules of that specific tribunal and its jurisdictions.
- 1.2 This practice statement does not apply to you when acting in any capacity other than as an expert witness (for example, in the capacity of a witness of fact). In cases where you are using your professional experience, knowledge and expertise in the role of surveyor-advocate, the RICS practice statement and guidance note Surveyors acting as advocates will also apply.
- 1.3 You give expert evidence when you draw upon your professional experience, knowledge and expertise to provide evidence in the form of your independent professional opinion to a tribunal. Such evidence is distinct from:
  - a advice given for the purpose other than a tribunal's proceedings
  - b evidence of fact; and
  - c advocacy of a case.
- 1.4 Since this practice statement only applies to the provision of expert evidence by you when appointed as an expert witness, it does not apply for the purpose of assisting your client to decide whether to initiate or defend proceedings to be heard by a tribunal. However, where you are giving advice in writing to your client and consider that you may be required to give expert evidence in such proceedings, you must advise your client in writing if your advice or investigations would fall short of that necessary to enable expert evidence complying with this practice statement to be provided.
- 1.5 Where you act as an expert witness and consider that there are special circumstances which render it inappropriate or impractical for the assignment to be undertaken wholly in accordance with this practice statement, the fact of, and reasons for, the departure must as soon as reasonably practical be given in writing to your client, and must also be contained in any expert witness report prepared; alternatively you may wish to decline instructions or withdraw from a case.

Where you depart from the practice statement you may be required to justify to RICS the reasons for the departure. RICS is entitled to take disciplinary measures if it is not satisfied with the reasons given and/or the manner in which the departure has been notified or evidenced. In the event of litigation, a court may require you to explain why you decided to act as you did.

## PS 2 Duty in providing expert evidence

- 2.1 Your overriding duty as an expert witness is to the tribunal to which the expert evidence is given. This duty overrides any contractual duty to your client. Your duty to the tribunal is to set out the facts fully and give truthful, impartial and independent opinions, covering all relevant matters, whether or not they favour your client. This applies irrespective of whether or not the evidence is given either under oath or affirmation.
- 2.2 Special care must be taken to ensure that expert evidence is not biased towards those who are responsible for instructing or paying you.
- 2.3 Opinions should not be exaggerated or seek to obscure alternative views or other schools of thought, but should instead recognise and, where appropriate, address them. The duty endures for the whole assignment.
- 2.4 As an expert witness you must be able to show that you have full knowledge of the duties relating to the role of an expert witness when giving evidence.
- 2.5 You are entitled to accept instructions from your employer and to give expert evidence on behalf of that employer. Prior to accepting such instructions, you must satisfy yourself that your employer understands that your primary duty in giving evidence is to the tribunal and that this may mean that your evidence may conflict with your employer's view of the matter or the way in which your employer would prefer to see matters put.
- 2.6 Where you are acting, or have previously acted, for a party on a matter (in the course of, for instance, negotiations) and the matter requires, or may in the future require, the giving of expert evidence, you must throughout consider, and then decide, whether you can fully satisfy the overriding duty to the tribunal to provide evidence that is truthful, independent, impartial, and complete as to coverage of relevant matters (please refer to the RICS guidance note Conflicts of interest).
- 2.7 As an expert witness, you must not malign the professional competence of another expert witness. If you feel that expressing doubts about the competence of another expert witness is both justified and necessary in order for you to present a full picture to the tribunal, you may bring to its attention where you consider the experience, knowledge and expertise of another expert witness is lacking, inappropriate or exaggerated, or where you consider evidence is biased, giving full reasons in support of your comments.

## PS 3 Acting as an expert witness and instructions

- 3.1 Expert witnesses should confirm without delay whether or not they accept instructions.
- 3.2 You must only act as an expert witness and give expert evidence where you have:
  - a the ability to act impartially in the assignment
  - b the experience, knowledge and expertise appropriate for the assignment; and

- c the resources to complete the assignment within the required timescales and to the required standard.

3.3 If you have any doubt as to whether you should accept instructions to act as an expert witness (because, for example, you are required to undertake work that falls outside your expertise, unrealistic deadlines are imposed, instructions are insufficiently clear, or where the position of the case does not reflect your own professional opinion or places you in a position of conflict), you must advise your prospective client accordingly. If you consider that the tribunal might attach less or no weight to your evidence as a result of particular circumstances, you have a duty to advise your prospective client accordingly.

3.4 Prior to accepting instructions to act as an expert witness, you must:

- a Advise your prospective client in writing that this practice statement and the rules of the relevant tribunal will apply.
- b Offer to supply a copy of the practice statement in the form of the client guide to your prospective client. This client guide may be provided to your prospective client without copyright permission; however, you must make clear to the prospective client that his/her copy is for his/her use only, and that any reproduction of the guide for the use of a third party would breach RICS copyright.
- c Notify your prospective client that your firm's Complaints Handling Procedure (CHP) (if the firm is an RICS-regulated firm) will not apply to your engagement as expert witness, because your duty is to the tribunal.
- d Ensure without delay that you advise your prospective client in writing of the nature and scope of your obligations under this practice statement and guidance note and the relevant tribunal that might apply, and of your general obligations, in particular that the overriding duty of the expert witness in giving evidence is to the tribunal.
- e Ensure that there is a written record, held by you and sent to (or received from) your prospective client, as to the matters on which expert evidence is required, whether such record is upon your initiative or those instructing you.
- f Confirm in writing if you propose that any part of the assignment is likely to be undertaken by a person other than yourself.
- g Carry out a check to satisfy yourself that no conflict of interest arises (see also PS 2.5–2.6). If you have any doubt whatsoever in this respect, any potential or actual conflict must be reported to those offering instructions as soon as it becomes apparent. If you consider that the tribunal might attach less or no weight to your evidence as a result of such circumstances, you must advise your prospective client accordingly. Refer to the RICS guidance note *Conflicts of interest*.

3.5 Any potential or actual conflict arising after instructions have been accepted must be notified immediately to your client. In such circumstances the same reporting procedures and considerations as per PS 3.4(e) above should apply. This paragraph (PS 3.5) does not apply to Single Joint Experts (see instead PS 8.7).

- 3.6 You shall not undertake expert witness appointments on any forms of conditional or success-based arrangement including when those instructing you are engaged on such a basis (see PS 10 Conditional fees).
- 3.7 You must confirm to your prospective client in writing and in good time whether or not you accept the prospective client's instructions. Your acceptance should cover your terms of engagement (including the basis on which your fees will be charged) and any specific mandates given as to important or contentious matters.
- 3.8 You must then ensure that such documents, together with communications from your client, are kept by you as a proper record of your instructions. Any change or supplement to the terms that may be made from time to time should be added to your records.
- 3.9 Transparency of instructions is important and tribunals may allow cross examination of expert witnesses about their instructions if there are reasonable grounds to consider that the statements of an expert witness or the expert witness report may be inaccurate or incomplete. The omission from the statement of 'off the record' oral instructions is not appropriate.
- 3.10 Expert witnesses must neither express an opinion outside the scope of their field of expertise, nor accept any instructions to do so.

## PS 4 Inspections

- 4.1 Where any inspection of any property or facility is, in your view, required, it must always, where reasonably possible, be carried out to the extent necessary to produce an opinion that is professionally competent. This should have regard to its purpose and the circumstances of the case.
- 4.2 When such an inspection is not undertaken, or the inspection falls short of what is required, this must be stated and an explanation of the problems and implications for the evidence identified.

## PS 5 Reports and oral evidence

- 5.1 In most tribunals, expert witnesses are usually required to present their evidence in the form of a written report unless directed to the contrary. This is usually referred to as an 'expert witness report', but in certain tribunals or circumstances, other terminology may be used and you should be careful to check with those instructing you.
- 5.2 Expert evidence should maintain professional objectivity and impartiality at all times, should consider all material facts and should be the independent product of the expert witness uninfluenced by the pressures of litigation. An expert witness should not assume the role of an advocate except in limited circumstances where such a joint role is appropriate.

- 5.3 The role of expert witnesses is to assist the tribunal by providing objective, unbiased opinions on matters within their expertise and make it clear when a question or issue falls outside of their expertise or if they are not able to reach a definite opinion; for example because they have insufficient information.
- 5.4 In providing a written expert witness report to be lodged before a tribunal you must comply with any rules, orders or directions and protocols of the tribunal to which the expert witness report is to be presented. It should usually be addressed to the tribunal and not to the party from whom the expert has received instructions. The content and extent of expert witnesses' reports should be governed by the scope of their instructions, general obligations and overriding duty to the tribunal. You must:
- a Give details of your qualifications and relevant experience, knowledge and expertise (commensurate in detail with the nature and complexity of the case). It is advised that the specific experience that is relevant to the case is set out in the body of the expert witness report with general experience, background and a wide-ranging curriculum vitae (CV) attached as an appendix.
  - b State the substance of all material instructions (whether written or oral).
  - c Consider all matters material to the issue and dispute, upon which you are required to give an opinion, including matters adverse to your client's case.
  - d Make it clear when a question falls outside your expertise.
  - e Where tests of a scientific or technical nature have been carried out, state the methodology used, by whom the tests were undertaken and under whose supervision.
  - f Give details of any literature or other material which you have relied on in making the expert witness report, including the opinions of others.
  - g State if any other individual or party has carried out any examination, measurement, test, experiment or survey that you have used for the expert witness report; their relevant experience, knowledge, expertise and qualifications; the nature, extent and methodology of the activity; and whether or not the work was carried out under your supervision. Explain any implication on the evidence.
  - h Clearly state all material facts and make clear which of the facts stated are within your own knowledge, including those that might detract from the opinion as given, and state all assumptions upon which your opinion and reasoning are based. You must indicate where, in what way and why, an opinion is provisional, if you consider that further information is required or if, for whatever reason, you believe a final and unqualified opinion cannot be expressed.
  - i Distinguish between those facts that you believe to be true and those you have assumed (specifying those you have been instructed to assume).
  - j When addressing questions of fact and opinion, keep the two separate and discreet.
  - k Where there is a range of opinions on the matters dealt with in the expert witness report:

- i summarise the ranges of opinions and their sources; and
  - ii give reasons for your own opinion.
- l When there are material facts in dispute, express separate opinions on each hypothesis put forward and show no preference unless it is possible to demonstrate that one set of facts is improbable or less probable and fully explain the reasoning.
- m If you are not able to give an opinion without qualification, such qualification must be identified, clearly stated and explained.
- n Include at the end of the expert witness report a summary of the conclusions.
- o Verify your expert witness report by including a signed statement of truth at the end of the report together with the declaration set out below and any other requirements of the tribunal. You must print your name clearly beneath the signature include all professional designatory letters and the date.
- p The requirements for statements of truth may differ between jurisdictions and tribunals. A tried and tested example is that set out in the Civil Procedure Rules (CPR) in Practice Direction 35. This practice statement has included in the statement of truth the same wording so as to avoid duplication in the courts of England and Wales. The following wording to verify the expert witness report by a statement of truth must be adopted by all chartered surveyors acting in the capacity of an expert witness, in the following form:

i Statement of truth

'I confirm that I have made clear which facts and matters referred to in this report are within my own knowledge and which are not. Those that are within my own knowledge I confirm to be true. The opinions I have expressed represent my true and complete professional opinions on the matters to which they refer. I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.'

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ii Declaration

- 1 'I confirm that my report has drawn attention to all material facts which are relevant and have affected my professional opinion.
- 2 I confirm that I understand and have complied with my duty to the [specify the tribunal\*] as an expert witness which overrides any duty to those instructing or paying me, that I have given my evidence impartially and objectively, and that I will continue to comply with that duty as required. [\*The reference used may vary, as appropriate to the particular forum.]
- 3 I confirm that I am not instructed under any conditional or other success-based fee arrangement.

- 4 I confirm that I have no conflicts of interest.
- 5 I confirm that I am aware of and have complied with the requirements of the rules, protocols and directions of the [specify the tribunal].
- 6 I confirm that my report complies with the requirements of RICS – Royal Institution of Chartered Surveyors, as set down in the RICS practice statement *Surveyors acting as expert witnesses*'.

5.5 The scope of PS 5.4 covers written reports. In relation to expert evidence to be given orally, where no written expert witness report has been lodged or submitted to the tribunal, you must at the outset declare to the tribunal your expertise and capacity as an expert witness, your understanding of your duty to the tribunal and that the expert evidence you give complies with the requirements of the tribunal and this practice statement.

5.6 In the event of any departure from the requirements of this practice statement, this should be outlined to the tribunal at the earliest opportunity and in accordance with any procedures or arrangements agreed in advance.

## PS 6 Amending the contents of written reports

6.1 If after disclosure of your expert witness report you identify a material inaccuracy or omission, or have a change of opinion on any matter as a result of an exchange of questions or following agreements required at meetings between experts or where further evidence or documentation is disclosed, you must, without delay and in writing, notify the need to make changes and the reasons for such changes, to:

- a those instructing you
- b other parties to the dispute (through legal representatives, if any); and
- c where appropriate, the tribunal.

6.2 You may be invited to amend or expand an expert witness report to ensure accuracy, consistency, completeness, relevance and clarity. You must disregard any suggestions or alterations that do not accord with your true opinions, or distort them.

- a Where you change your opinion following a meeting of experts, a simple and dated addendum or memorandum to that effect should be prepared and issued.
- b Where you significantly alter your opinion, as a result of new evidence or because evidence on which you relied has become unreliable or for any other reason, you should amend your reports to reflect that fact. Amended expert witness reports should include reasons for amendments and in such circumstances those instructing expert witnesses should inform the other relevant parties as soon as possible of any change of opinion.



## PS 7 Agreeing facts and resolving differences

- 7.1 As an expert witness you may be instructed to communicate with the other party in an attempt to agree facts and to clarify, narrow and resolve the differences between parties. This may require a joint inspection. You may in any event be ordered to do this by the tribunal. You must follow any lawful order or direction of the tribunal, notwithstanding any directive by a client to the contrary.
- 7.2 Where, for any reason, you are unable to comply with any order or direction of the tribunal concerning the matters set out in PS 7.1, you must as soon as practicable:
- a prepare a written record of the reason for such non-compliance; and
  - b give copies of that record to your client and to the tribunal.
- 7.3 Even where you have not been instructed to communicate with the other party or so ordered by the tribunal, or where the tribunal does not specify any requirements in regard to the manner or scope of such communications, you must raise with your client the possible advantages, disadvantages and appropriateness of:
- a making such communications at as early a stage as possible
  - b identifying with counterpart expert witnesses the issues in dispute, the reasons for any differences of opinion and the actions that might be taken to resolve outstanding issues between parties
  - c preparing a statement for the tribunal showing:
    - i those facts and issues that are agreed; and
    - ii those facts and issues that have not been agreed and the reasons for any disagreement on any issue.

## PS 8 Single Joint Expert (SJE)

- 8.1 The objective of a tribunal in appointing a Single Joint Expert (SJE) is for each case to be dealt with judicially according to the circumstances, so that all parties are on an equal footing and costs are minimised, at the same time ensuring that all matters are dealt with expeditiously and fully.
- 8.2 So as to achieve these objectives, the parties to a dispute are required to assist the tribunal as appropriate and together with the SJE must submit to active case management and follow the directions of the tribunal as quickly and efficiently as possible.
- 8.3 The SJE, in complying with the objectives of the tribunal, must also be familiar with the specific requirements of any particular tribunal and the rules as stated.



- 8.4 An SJE is restricted to only giving evidence that is reasonably required of them on matters within their expertise to help the tribunal resolve the subject proceedings. This duty overrides any obligation to any party to the dispute.
- 8.5 The SJE should therefore be clear on the following points when accepting an instruction as an SJE:
- a the subject matter of instructions
  - b the need for expert evidence and its extent
  - c the issues arising that require to be addressed
  - d the presentation of the evidence
  - e the release of the expert's evidence to the parties; and
  - f the requirement that opinions must only reflect the SJE's areas of expertise.
- 8.6 Some tribunals may retain powers to direct the parties to a dispute to provide appropriate information to the SJE. The SJE must ensure they are aware of such obligations and the arrangements for such information to be provided to them so that they may successfully undertake this role.
- 8.7 Some tribunals allow the expert witness to direct questions to them where the expert is unable to secure appropriate instructions from their client or when instructions are passed to the expert by either side which the expert considers to be improper or out of time. The rules of the tribunal must be followed at all times and it is usually preferable to secure answers without such references to the tribunal as this option, where permitted, should be used only as a last resort.
- 8.8 The SJE must be careful to ensure they have disclosed any conflicts of interest or involvement with the parties or the case as well as confirming their ability to discharge their instructions in an appropriate manner and timescale, having regard to any rules of the tribunal and set timetable.
- 8.9 Difficulties may arise in the SJE receiving clear instructions from the parties to the dispute, in which case the SJE must establish what opportunities or rules exist so as to ask for or secure appropriate and clear instruction.
- 8.10 Where other difficulties arise or where further instructions are required, in the event that these are not agreed between the parties, the SJE should make a written request to the tribunal although, subject to the rules of tribunal, this will again normally only be a last resort. The SJE should notify the parties in reasonable time before taking such action.
- 8.11 The SJE should bring to the attention of the parties to the dispute, and as appropriate the tribunal, any involvement arising after appointment that may give rise to a conflict of interest or the perception of potential bias in the eyes of the public. This is to ensure that the circumstances arising do not undermine the findings and judgment of the tribunal.

8.12 SJs should not attend any meeting or conference that is not a joint one unless all parties have agreed in writing or the tribunal has directed that such a meeting may be held and who is to be responsible for the fees and costs.

## PS 9 Advocacy and expert witness roles

9.1 The roles of advocate and expert witness are very different, requiring distinct skills, and cannot normally be carried out by the same person. However, in certain circumstances some tribunals, usually lower order tribunals, do allow surveyors to act in the same case both as surveyor-advocate and as expert witness where it is in the public interest, and where not allowing such a dual role would limit access to justice by certain parties (see also the RICS practice statement and guidance note *Surveyors acting as advocates*). This is known as acting 'in a dual role'. You should only act in a dual role where:

- a neither the rules nor the customs of the particular tribunal prohibit you from so acting; and
- b other relevant factors make it appropriate (for example, the disproportionality of retaining two persons in separate roles) and where it is in the public interest to do so by providing access to justice which otherwise may not be available.

9.2 However, where you intend, or are invited, to act in a dual role as surveyor-advocate and as expert witness, you must:

- a having regard to 9.1 above, consider both whether it is permissible to do so (see also PS 3.2) and also whether it is appropriate; and
- b promptly communicate to your client the results of such considerations, setting out in writing the likely advantages and disadvantages, as you see them, of acting in a dual role in the particular circumstances of the case, so as to enable the client to decide whether you should indeed act in such a dual role. In such communication you must detail:
  - i the likely impact on your impartiality as expert witness, and any possible impact in terms of the perception of that impartiality by others (for example, the weighting given to your opinion evidence); and any possible impact on your advocacy submissions
  - ii whether or not you will be able to fulfil both roles properly with professional integrity at all times; and
  - iii whether or not it would be disproportionate in all the circumstances, or otherwise in the client's best interests, for a separate person to be retained to undertake one of the roles.

9.3 Having complied with PS 9.2 above, you may only act in both roles if the client instructs you so to act and the tribunal so permits.

9.4 Where you confirm instructions to act in such a dual role, you must advise the tribunal of this status and clearly distinguish between those two roles at all times, whether in oral hearings or in written presentations.

9.5 Surveyors, when acting as advocates, are required to comply with the RICS practice statement and guidance note *Surveyors acting as advocates*.

## PS 10 Conditional fees

10.1 You should not undertake expert witness appointment on any form of conditional or other success-based arrangement.

10.2 It is inappropriate to be remunerated by way of a conditional fee arrangement when acting as an expert witness but may be an appropriate fee basis when acting as an advocate. When acting in a dual role as expert witness and advocate, where permitted in lower tribunals, a conditional fee arrangement may be acceptable because it will be seen as attached to the role of advocate. Such a dual role improves access to justice by reducing costs and therefore a conditional fee payment can be supported in these limited and strict circumstances.

10.3 When acting in a dual role and where a conditional fee arrangement has been agreed, this must be declared to the tribunal.

10.4 It is unlikely that a dual role will be permitted in higher tribunal formats and consequently previously agreed conditional fees when the surveyor has appeared in a lower tribunal will, at the point of transferring to the superior or higher tribunal, need to be commuted and replaced by an hourly rate or fixed fee arrangement.

# Surveyors acting as expert witnesses: RICS guidance note

## RICS guidance notes

This is a guidance note. Where recommendations are made for specific professional tasks, these are intended to represent 'best practice', i.e. recommendations which in the opinion of RICS meet a high standard of professional competence.

Although members are not required to follow the recommendations contained in the note, they should take into account the following points.

When an allegation of professional negligence is made against a surveyor, a court or tribunal may take account of the contents of any relevant guidance notes published by RICS in deciding whether or not the member had acted with reasonable competence.

In the opinion of RICS, a member conforming to the practices recommended in this note should have at least a partial defence to an allegation of negligence if they have followed those practices. However, members have the responsibility of deciding when it is inappropriate to follow the guidance.

It is for each member to decide on the appropriate procedure to follow in any professional task. However, where members do not comply with the practice recommended in this note, they should do so only for a good reason. In the event of a legal dispute, a court or tribunal may require them to explain why they decided not to adopt the recommended practice. Also, if members have not followed this guidance, and their actions are questioned in an RICS disciplinary case, they will be asked to explain the actions they did take and this may be taken into account by the Panel.

In addition, guidance notes are relevant to professional competence in that each member should be up to date and should have knowledge of guidance notes within a reasonable time of their coming into effect.

This guidance note is believed to reflect case law and legislation applicable at its date of publication. It is the member's responsibility to establish if any changes in case law or legislation after the publication date have an impact on the guidance or information in this document.

## Document status defined

RICS produces a range of professional guidance and standards products. These have been defined in the table below. This document is a guidance note.

Type of document	Definition	Status
<b>Standard</b>		
International Standard	An international high level principle based standard developed in collaboration with other relevant bodies	Mandatory
<b>Practice Statement</b>		
RICS practice statement	Document that provides members with mandatory requirements under Rule 4 of the Rules of Conduct for members	Mandatory
<b>Guidance</b>		
RICS Code of Practice	Document approved by RICS, and endorsed by another professional body / stakeholder that provides users with recommendations for accepted good practice as followed by conscientious practitioners	Mandatory or recommended good practice (will be confirmed in the document itself)
<b>RICS Guidance Note (GN)</b>	<b>Document that provides users with recommendations for accepted good practice as followed by competent and conscientious practitioners</b>	<b>Recommended good practice</b>
RICS Information Paper (IP)	Practice based information that provides users with the latest information and/or research	Information and/or explanatory commentary

## GN 1 Application of guidance note and introduction

- 1.1 The start date of application of this guidance note (GN) is three months after its publication date. This guidance note applies where any RICS member provides expert evidence, whether oral or written, to the proceedings of any tribunal subject to the rules of that specific tribunal and its jurisdictions. It is recommended the guidance note be considered in conjunction with the foregoing practice statement (PS).
- 1.2 The guidance note provides direction on good practice where you are required to give expert evidence before the tribunal (including acting as an expert in arbitration or adjudication or as a Single Joint Expert). Tribunals may have their own specific rules which make provisions for expert evidence and must at all times be followed.
- 1.3 As a surveyor actively involved in a dispute that may come before a tribunal, you may find yourself carrying out one (or more) of the roles identified below. If your role includes the role of expert witness, you must carefully consider whether to take any of the other roles outlined below.
  - a **Surveyor-advocate:** in this capacity you will act to put a party's case and interests to a tribunal. You will need to follow the requirements of, and have regard to, the RICS practice statement and guidance note Surveyors acting as advocates. Your primary duty will be to your client, but it is also subject to some important duties to the tribunal that place limits on what it is proper to do in pursuit of your client's interests.
  - b **Adviser:** in this capacity, you will be retained to give advice to a client. Frequently this will be by a report or assessment of the merits of a case. In this capacity it is not contemplated that a tribunal will be asked to place reliance on such advice. Your advice is not for the purpose of a tribunal's proceedings (see also GN 3.1). You should bear in mind that your advice may well not attract legal professional privilege and may therefore be disclosable to a tribunal thereafter.
  - c **Expert witness** (and as a Single Joint Expert (SJE); see PS 8 and GN 16): your primary duty as an expert witness, including as an SJE, will not be to those instructing or paying you but to the tribunal. In this instance you will need to follow the requirements of and have regard to this practice statement and guidance note.
  - d **Negotiator:** in this capacity you will be acting to negotiate a resolution to disputed matters. In such a role you will have no involvement with a tribunal, except insofar as you or others may perceive a possibility that a failed negotiation may then necessitate a reference to a tribunal, at which point you or another professional may be engaged to act as an advocate or provide expert evidence as an expert witness. It is possible that some negotiators may not find it possible to act as an expert witness as their impartiality may be damaged, or may be perceived to be damaged, by their prior or continuing role of negotiator. It is recommended that you be alert to this.
  - e **Case manager:** in this capacity you will be acting on behalf of a party and will be responsible for the general conduct, management and administration of its case, marshalling and coordinating that party's team of representatives/advisers (if any) and liaising, as appropriate, with the tribunal and the opposing party.

- f **Witness of fact:** in this capacity you will normally have been asked to provide testimony under oath or on affirmation as to something you saw, heard, experienced, said or did (that is, evidence of fact). This includes the evidence which surveyors sometimes give, in addition to their opinion evidence, as to measurements they have made or examinations which they have carried out.

See also PS 1.2.

- 1.4 The practice statement will apply whenever you express an opinion in your role as expert witness. The need for you to act as an expert witness and follow all the requirements of the practice statement will be determined by the rules of the relevant tribunal, by prevailing custom and the nature of the dispute. You, your client and any agreement or contract with the opposing party can influence whether you are obliged to comply with the requirements of the practice statement or not. A common misunderstanding is that it is always mandatory to act as an expert witness in proceedings before a tribunal.
- 1.5 Nothing in the practice statement or this guidance note should be construed as suggesting that a tribunal has powers to mandate that presentations made to it must be in the form of expert evidence, as opposed to advocacy submissions. However, if, in the light of all circumstances, a surveyor agrees to present expert evidence rather than advocacy representations, compliance with the practice statement is required.
- 1.6 All surveyors are, as a matter of professional conduct, expected to comply with the applicable rules of tribunals and be aware of those circumstances in which they apply and the existence of and effect of changes to the rules of the relevant tribunals. For the avoidance of doubt, this guidance note is not intended to provide a commentary on any particular tribunal rules and it is the responsibility of the expert witness to be familiar with the relevant rules.
- 1.7 Impartiality of expert witnesses is of the utmost importance. By emphasising the expert witness's overriding and primary duty to the tribunal when acting as an expert witness (see the Principal message in the Preamble of the PS, PS 2.1 and PS 2.3), the practice statement aims to assist in ensuring the independence and impartiality of the opinion given by the expert witness.
- 1.8 The obligation imposed upon you to make the existence of this practice statement known to the client when accepting instructions to act as expert witness (PS 3.4(b)) is intended to help reduce misunderstandings and remove pressures upon you as an expert witness to support your client's case, irrespective of your honest professional opinions. The obligation imposed on you by PS 5.4(o) to make a Statement of Truth, and the specified declarations of PS 5.4(p), are intended to assist in this respect.
- 1.9 A leading case setting out the duties and responsibilities of expert witnesses is *National Justice Compania Naviera SA v Prudential Assurance Co. Ltd (The Ikarian Reefer)* [1993] 2 Lloyd's Rep. 68.). Though a case from the jurisdiction of England and Wales, the principles enunciated have, within the appropriate context, been followed or broadly endorsed

in other UK and common law jurisdictions (including Scotland and Hong Kong) and are generally seen as a useful benchmark in most arbitrations and adjudications.

In the case, Cresswell J said:

'The duties and responsibilities of expert witnesses in civil cases include the following:

a) Expert evidence presented to the court should be, and should be seen to be, the independent product of the expert uninfluenced as to form or content by the exigencies of litigation (*Whitehouse v Jordan* [1981] 1 WLR 246 at p 256 per Lord Wilberforce).

b) An expert witness should provide independent assistance to the court by way of objective unbiased opinion in relation to matters within his expertise (see *Polivitte Ltd v Commercial Union Assurance Co. Plc* [1987] 1 Lloyd's Rep 379 at p 386 per Garland J and *Re J* [1990] FCR 193 per Cazalet J). An expert witness in the High Court should never assume the role of an advocate.

c) An expert witness should state the facts or assumptions upon which his opinion is based. He should not omit to consider material facts which could detract from his concluded opinion (*Re J* sup.).

d) An expert witness should make it clear when a particular question or issue falls outside his expertise.

e) If an expert's opinion is not properly researched because he considers that insufficient data is available, then this must be stated with an indication that his opinion is no more than a provisional one (*Re J* sup.). In cases where an expert witness who has prepared a report could not assert that the report contained the truth, the whole truth and nothing but the truth, without some qualification, the qualification should be stated within the report (*Derby & Co. Ltd and Others v Weldon and Others* (No. 9) Times, 9 November 1990 per Staughton LJ).

f) If, after exchange of reports an expert witness changes his view on a material matter having read the other side's expert's report or for any other reason, such change of view should be communicated (through legal representatives) to the other side without delay and, when appropriate, to the court.

g) Where expert evidence refers to photographs, plans, calculations, analysis, measurements, survey reports or other similar documents, these must be provided to the opposite party at the same time as the exchange of reports (see 15.5 of the Guide to Commercial Court Practice).'

1.10 Where relevant, surveyors would be expected to take proper account of other practice statements, guidance notes and codes produced by RICS when giving expert evidence in relation to any matter.



## GN 2 General duties

2.1 The specific duties and various tasks that may be undertaken as an expert are to:

- a act independently and impartially
- b assist the tribunal
- c provide a range of opinions as appropriate and where the evidence requires it assist a party to establish the facts and to assess the merits of a case and help with its preparation define and agree issues between the parties
- d help quantify or assess the amount of any sum in dispute and identify an appropriate basis on which a case might be settled
- e give expert (opinion) evidence to the tribunal (which may be based upon and incorporate evidence of fact), where opinion evidence apart from that of an expert witness would not be admissible
- f meet with other experts of the same discipline either in an attempt to agree and narrow liability issues in dispute or to attempt to agree matters of quantum and valuation (this will often result in the experts preparing and issuing joint reports to the parties); and
- g conduct enquiries when instructed to do so by the tribunal and report to that body as to findings either as an expert acting for one party or where instructed as an SJE.

2.2 Upon accepting an instruction to act as an expert witness, you assume a responsibility to the tribunal and to RICS to provide truthful, impartial and independent opinions, complete as to coverage of relevant matters. To that end it is recommended that you be satisfied, prior to accepting the instruction, that you have the experience, knowledge, expertise and resources to fulfil the task specified within any allocated time span.

2.3 If you cannot fulfil the criteria in PS 3.2, PS 3 Acting as an expert witness and instructions, makes it clear that the instruction should be declined. Where appropriate, it is recommended that you advise the client of the possible need to employ additional expertise and make the client aware of the advantages and disadvantages of acting in such circumstances.

2.4 It is imperative that you fully understand and accept that, while an instruction to provide expert evidence may originate from a particular client, your duty to the tribunal overrides any duty to the client. PS 3.4(c) makes it obligatory to bring this to the client's attention.

2.5 You are entitled to give expert evidence on behalf of your employer (see PS 2.5). The difficulty that you can face is that it may be said that less weight should be attached to your evidence because you have a conflict of interest arising out of your employment. In order to address this risk, if you wish to act as an expert witness in these circumstances, it is recommended that you are in a position to satisfy the tribunal that you have a proper understanding of the requirements imposed upon an expert witness giving

evidence, and that your employer understands that your overriding duty is to the tribunal. How this is done is a matter for you and your employer.

- 2.6 It is recommended that the nature of the employee's duty when acting as an expert witness is recorded in writing by you and acknowledged in writing by the employer. Nothing in this paragraph, or the practice statement, should be construed as implying that an employed surveyor giving expert evidence on the instructions of their employer is not capable of giving unbiased, truthful expert evidence.
- 2.7 Where you are acting, or have previously acted, in the subject case in another role, such as the negotiator or adviser on the transaction, this may adversely affect your ability to present yourself with the impartiality and independence of opinion required of an expert witness. Consider the position carefully and discuss with your client and/or the legal adviser as appropriate.
- 2.8 Failure to comply with the directions or orders of a tribunal, or applicable rules, or any excessive delay attributable to the expert witness, may result in your client being penalised in costs or being prevented from putting your evidence before the tribunal. Some tribunals have made orders for costs directly against expert witnesses who cause significant expense to be incurred, if doing so in reckless and blatant disregard of their duties to the court.
- 2.9 PS 3.4(b) requires the expert witness to offer to supply a copy of this practice statement to a prospective client. For this purpose a stand-alone version of the practice statement in the form of a client guide is available to members to download from [www.rics.org](http://www.rics.org). This client guide may be provided to the expert witness's client without copyright permission. However, it must be made clear to the client that his/her copy is for his/her use only, and that any reproduction of the guide for the use of a third party would breach RICS' copyright.

## GN 3 Advice and disclosure

- 3.1 Surveyors, as experts in their field, may be asked to provide initial advice (for example, to assist in the identification and scoping of, or limitation to, any claim) to a client prior to being instructed to provide evidence as an expert witness for presentation to a tribunal. A variety of situations exists where a party may seek advice from you before a dispute has arisen or before litigation is contemplated, or even during litigation.
- 3.2 Generally, where a party has engaged you for purposes other than the giving or preparation of expert evidence, and it is not intended that you may later be instructed to do so, you may be referred to as an 'adviser' rather than an 'expert witness'. Usually, all such initial advice is given within the normal client/professional adviser relationship. This is quite different from the relationship that exists if you are acting as an expert witness and great care should be taken in circumstances where the surveyor moves from a position as the client's adviser to one of expert witness.

3.3 If such initial advice is in relation to a dispute that might have to be resolved by a tribunal, then you need to be aware that the advice may be liable to disclosure in proceedings and might prejudice the interests of the client. Simply copying or delivering the advice to the client's solicitor or lawyer advocate (where there is one) is unlikely, of itself, to be sufficient to prevent such disclosure.

If in doubt, it is recommended that legal advice be sought on the question of disclosure.

3.4 Before accepting instructions to act as an expert witness, it is recommended that you advise the client (where that party is not an instructing lawyer) that communications generated between the client and yourself as surveyor may not be protected by litigation privilege and subsequently may have to be disclosed to the opposing party.

## GN 4 Duties to the tribunal

4.1 If, at the outset, you are not entirely confident that any of the duties referred to in PS 2 Duty in providing expert evidence, can be properly fulfilled, for whatever reason, you are advised to decline instructions to act as an expert witness, having first discussed the matter with your client.

4.2 If, having already been instructed, you are not entirely confident that any of the duties referred to in PS 2 Duty in providing expert evidence, can continue to be properly fulfilled, you are advised to discuss the matter with your client and, where appropriate, cease acting as an expert witness on the case.

## GN 5 Instructions and inspections

5.1 When you initially receive instructions, it is recommended that you notify those instructing you as soon as possible where:

- a you consider that your instructions and/or work are likely to have placed you in conflict with your duties as an expert witness
- b the instructions may not be acceptable (for example, where deadlines are unrealistic or instructions are unclear)
- c the instructions are insufficient for the completion of your task; or
- d you may not be able to fulfil one or more of the terms of your engagement.

It is advisable, prior to agreeing the terms of the instruction, that you seek appropriate variations, additional resources and information in these circumstances, wherever possible.

5.2 Prior to acceptance of instructions, you are recommended to:

- a check that the instructions contain basic relevant information (for example names, contact details, dates of incidents, etc.), including the identity of the parties to the dispute

- b ascertain the name of the party you are to be instructed by
- c ascertain the identity of the tribunal
- d identify the type and purpose of evidence likely to be required and be satisfied that you have the necessary experience, knowledge and expertise to carry out the task
- e check that a reasonable attempt has been made to identify the significant issues in the case and whether dates of any hearings/conferences are set out; and
- f consider and decide whether any conflicts of interest would arise, or might be perceived to arise if you were to be instructed.

5.3 An instruction is not static and during its course circumstances may change. The expert witness should always review that the terms of engagement can be satisfied at all times and alert the client if there is any cause for concern that there is, or might be, an issue that could mar or compromise their ability to continue to act as an expert witness.

5.4 Surveyors acting as expert witnesses may occasionally be approached directly by a prospective client who has no legal representative. In these situations, the client may seek technical, procedural and legal advice. The expert witness should explain the role of the expert witness but should exercise caution when providing procedural guidance. As noted in GN 2.9, the expert witness is required under PS 3.4(b) to supply a copy of the client guide to a prospective client.

5.5 The expert witness should not offer the client legal advice but should recommend that they seek advice from a suitably qualified professional.

5.6 A conflict of interest may arise, or be perceived to arise, out of a previous or current involvement with, for example, any party, dispute, or property, such that it would cause you to be unable – or be seen by a reasonable and disinterested observer to be unable – to fulfil your responsibility to be independent and to be able to act impartially.

5.7 A conflict of interest could be of any kind, including:

- a a financial interest (for example, other management fees or financial benefits that you or your firm gain from contracts in place)
- b a personal connection
- c an obligation (for example, as a member or officer of some other organisation); or
- d links to a business in competition with one of the parties to the dispute.

5.8 It is not possible to prescribe in advance a list of all such circumstances. Particular care should be taken where you have an established business, social or personal relationship with someone who might be affected by, or otherwise involved in, the dispute. Refer to the RICS guidance note *Conflicts of interest* to assess any involvement and whether or not a conflict of interest may be perceived as arising from such an involvement.

Where a conflict or potential conflict of interest arises, you are referred to the requirements of PS 3.4(e) and PS 3.7. In the case of an appointment as an SJE, you are referred to PS 8.7

- 5.9 For details of the requirements to establish clear instructions and for terms of engagement, see PS 3 Acting as an expert witness and instructions. If standard terms of engagement are used, it is recommended they are attached to the acceptance of instructions. If in a particular case your standard terms are varied, it is advisable such variations be explained at the time. Appendix A: Sample Terms of Engagement serves as a guide and may be adapted for personal use (see also the copyright notice on page 3.
- 5.10 Circumstances may exist or arise where you consider that part of your instruction requires assistance from another person. Reasons for needing assistance should be set out clearly. Remember that it is for the tribunal to accept the necessity for the submission of expert evidence. In such circumstances it is recommended that you notify the client in a timely manner and give the name of the individuals recommended to be engaged, together with information as to that person's experience, qualifications and expertise (see PS 3.4(d)).
- 5.11 In certain tribunals you may file a written request to the tribunal for directions to assist you in carrying out your function as an expert witness. You are recommended to consider referring in your terms of engagement to the possibility of such an application and, when contemplating making an application to the tribunal for directions, to any costs implications/possible judicial penalties. It is normally advisable for such a request to the court to be discussed with the client in advance. Care should be taken to ensure that privileged or 'without prejudice' material is not disclosed during such an application. Unless the tribunal orders otherwise, a request for directions should be copied to the client at least seven days before filing any request and to all other parties at least four days before filing it. The tribunal, when it gives directions, may direct that a party be served with a copy of the directions. It is recommended that the client be made aware, before instructions are accepted, of the expert witness's rights under such provisions.
- 5.12 An expert witness, when instructed by one party, may have written questions about their report put to them by another party (see GN 9, Documents). It is recommended that the client be informed, before instructions are accepted, of the effect of this and that you make it clear that you would be under a professional duty to reply to such questions unless it is not reasonable for you to do so.
- 5.13 It is recommended that you indicate a likely reporting programme to the client.

This programme will vary according to the assignment, but might follow three phases:

- a Initial report: you may provide a report setting out relevant opinions relating to the assignment. If your opinions are not accepted, assuming that the report is competent and researched, you may wish to consider withdrawing from the assignment.
- b Expert witness report: this may also involve supplemental reports, counter-representations or points of reply together with joint meetings of experts.

c Giving evidence orally to a tribunal.

- 5.14 All three phases may involve conferences with advocates or meetings with solicitors. Advice given by you, while ancillary to the expert witness role, is provided in a professional capacity. You are reminded that, as an expert witness, you are providing your opinion to the tribunal to assist it in the case. For example, the person appointed may be asked by the advocate to advise on questions for a matching expert witness's cross-examination or to comment upon matters raised in matching evidence. In such circumstances you are not giving evidence, nor acting as a surveyor-advocate yourself, but instead giving professional advice to help another in advocacy.
- 5.15 PS 5.4(b) mandates that your report states the substance of all material instructions, whether written or oral. Such instructions are unlikely to be privileged against disclosure. A tribunal may order disclosure of any specific document or permit any questioning of the expert as to the basis of their instructions where it feels there are reasonable grounds to consider the statement of instructions given to be inaccurate or incomplete. A tribunal will usually allow cross-examination of the expert witness as the basis of their instructions where it appears to be in the interests of justice to do so.
- 5.16 A party can usually apply for an order for inspection of any document mentioned in an expert witness's report which has not already been disclosed in the proceedings. Inspection of an expert witness's written instructions may also be sought where it has a bearing on matters referred to in the statement of case or 'pleadings', or otherwise is established as being relevant to the matters in dispute. You are advised to inform those instructing you of these matters, should they arise, in a timely manner.
- 5.17 Where your instructions are, or may be perceived to be, in conflict with your duties (for example, because of a conflict or perceived conflict with your duty to the tribunal, through incompleteness of instructions or information being supplied), it is recommended that you consider withdrawing from the case. If proceedings have already been commenced, you may first wish to consider whether it would be more appropriate to make a written request for directions regarding the matter from the tribunal.
- 5.18 PS 4 Inspections, concerns any inspection of property/facility related to the subject of the dispute. However, nothing in PS 4 precludes you from providing an appropriately qualified opinion in the event that access to the property is impractical, or severely limited, after all reasonable efforts have been made by you (or on your behalf ) to secure such access. It is recommended that you state the date or dates on which a property was inspected and clearly state the extent of the inspection.

## GN 6 Evidence of fact

- 6.1 You may be required to assist the tribunal in establishing, clarifying and ordering logically, relevant facts. Insofar as you provide such assistance you are acting in the role of witness of fact, and this role does not include the expression of opinion, which is the domain of the expert witness. You should fully understand this fundamental distinction



and ensure that you recognise each role's distinctiveness. In addressing questions of fact and opinion, you should keep the two separate.

- 6.2 The duty to the tribunal under its rules will take precedence over any contractual, professional or other duty and this may, on occasions, conflict with confidentiality agreements. Evidence subject to confidentiality agreements cannot be ignored simply by virtue of the existence or assumed existence of such an agreement; advice should be sought from those instructing you before preparing a report based upon confidential information, as it may be necessary to disclose confidential information.
- 6.3 It is usual for those instructing expert witnesses to provide them with facts, literature or other material, which expert witnesses may adopt if relevant to the matters with which they are dealing. As the practice statement indicates, these, and any other facts, literature or material which you establish for yourself and to which you have regard in forming any opinion, are to be set out in the expert witness report either fully, or by cross-reference to other documents which will be made available to the tribunal. Accordingly, it is advisable that any written report to be lodged before a tribunal includes a full schedule of the documents upon which you have relied and, where necessary, copies of such documents or the relevant portions thereof. The originals of all documents relied upon need to be available for inspection by other parties to the dispute and, unless agreed by the parties, by the tribunal. It is recommended therefore that you be sufficiently aware of the holders of all such documents. Within the expert witness report you should give the source of factual information relied upon (see PS 5.4(e) and (f)).
- 6.4 Expert witnesses would be expected to carry out such factual research as they consider necessary to fully discharge their obligation to the tribunal including, where appropriate, inspection of any property/facility involved.
- 6.5 It is recommended that you give sufficient explanation of what you have done in ascertaining and checking facts to enable the tribunal to be satisfied that you have fully discharged your obligations.
- 6.6 a) Where ordered by a tribunal to communicate with the other expert witness in order to attempt to agree facts and clarify, narrow or resolve the issues in dispute (see PS 7.1), it is recommended that you request from your client a copy of any order or direction relating to such requirements.
- b) The purpose of PS 7.3 is to encourage you, particularly in the absence of specific instructions from your client, to raise the issues specified in PS 7.3 with your client, with a view to facilitating a speedier resolution of the dispute. Factors you may wish to take into account when fulfilling the mandate of PS 7.3 could include (but might not be limited to):
- i the commercial interests of your client in advancing or delaying the outcome of the dispute
  - ii the likely costs of taking the steps in question at an early stage, compared to the costs at a later stage when the matter may have become more (or less) contentious

- iii the tactical advantage of being seen to have a well-prepared case; and
- iv the role that early discussions may play in prompting a settlement with the other party.

6.7 If you are in doubt about the admissibility (for example, possibly because it is privileged) of any fact or statement upon which you are relying, you are advised to seek legal advice. Hearsay evidence may be admissible in civil proceedings in certain jurisdictions, provided that certain rules are followed (see GN 7, Expert (opinion) evidence). If you are in any doubt about the use of hearsay evidence, it may prove valuable to seek instruction.

## GN 7 Expert (opinion) evidence

- 7.1 In summary, expert evidence is the expert witness's own opinion based on experience and knowledge (see PS 3 Acting as an expert witness and instructions).
- 7.2 PS 5.4(h) makes clear that, where an opinion has been formed based on incomplete knowledge of facts such limitations are to be stated fully in the evidence.
- 7.3 Evidence that is within the expert witness's knowledge should be treated by the tribunal as more reliable evidence than that which is second hand and known as hearsay evidence. Hearsay evidence is permitted and it is up to the tribunal as to how much weight is accorded to that evidence. The expert witness must make it known that hearsay evidence will be included in the report. Hearsay evidence, which is uncorroborated, runs the risk of not revealing all the details. The possibility of incomplete or misleading evidence (whether that is by innocent mistake or deliberate manipulation) is increased. The tribunal's emphasis will be on the weight it attaches to that evidence rather than its admissibility. The expert witness should be aware that, where there is heavy reliance on hearsay evidence, it is advisable to clarify as much of the detail as possible and include it in the joint statement.
- 7.4 It is recommended that you do not express, as your own opinion, an interpretation of statute or case law unless qualified to do so. If your conclusions depend upon assumptions as to such matters, however, you should identify the assumption being made.

## GN 8 Questions to expert witnesses and answers

8.1 In many jurisdictions it is permitted for a party to put written questions to an expert witness instructed by another party, or to a Single Joint Expert (SJE) (see also GN 17, Expert evidence, advocacy and 'a dual role').

Unless the tribunal gives permission, or the other party agrees, it is usual that such questions:

- a may be put once only



- b must be put within a set period (often 28 days) of service of the expert witness's report; and
- c must be for the purpose only of clarification of the report.

8.2 An expert witness's answers to the questions will be treated as part of the expert witness's evidence, and the practice statement and guidance note will continue to apply to such work. It is recommended that you copy your answers to your own client and be aware that your general duties apply to your provision of answers.

8.3 Your client must pay any fees you charge for answering the questions. However, this does not affect any decision of the tribunal as to the party who is ultimately to bear your costs.

8.4 a) It is recommended that you send any questions you receive from the other party to your client and, if appropriate, ask for further instructions. Where you are of the view that a question put to you is not aimed at clarification of your report, is disproportionate or has been put out of time, it is recommended that you refer to your client, giving reasons for not answering the question(s).

b) Where you do not answer the questions put to you without good cause, you should be aware that the tribunal may order either that the party who instructed you may not rely on your evidence, or that the party may not recover your fees and expenses from any other party, or it may make both orders.

8.5 It may be possible for an expert witness to seek directions from a tribunal to assist them in carrying out their functions; for example, if the client or a party fails to resolve the problem or fails to approach the court for directions. Under these circumstances you may consider the option to make a written request to the tribunal for directions, when the rules of the tribunal permit such a procedure.

Where such requests are made, you must provide copies to your client and the parties in advance and comply with any timescales that may be prescribed by the tribunal or the rules.

It is likely that the tribunal will direct the expert to provide copies of its directions or answers to the questions as put to the expert witness by a party or all parties.

8.6 It is recommended that the possibility of requesting directions from the tribunal (see also PS 8.4 and 8.6, and GN 5.5 and 17.5) is only exercised where the tribunal's involvement is strictly necessary. A party's expert witness may not agree to more than one exchange of questions and answers, unless believed to be absolutely necessary, since a tribunal may subsequently consider whether such further exchanges and the party's conduct (and that of its expert witness) were justified, and may exercise its discretion on costs accordingly.

8.7 A request to the tribunal for directions by letter would normally require written notice of at least seven days to the client and at least four days to the other party. The request will usually contain:

- a the title of the claim
- b the reference of the claim (claim no.)
- c the full name of the expert witness
- d details of why directions are being sought
- e copies of any relevant documents
- f the questions on which directions are required
- g the identity of those who have seen the questions and/or those circulated with a copy;  
and
- h the signature of the witness and date of the request.

## GN 9 Documents

9.1 Any evidence given by you, in addition to your experience, will almost invariably be based upon documents either provided to or held by you.

9.2 When accepting instructions, it is regarded as best practice that you request details of all relevant documents and, if you consider it necessary, ask to inspect the client's files to satisfy yourself that these have been supplied.

9.3 Documents from your own resources often provide useful factual information upon which to rely. Such documents might include:

- textbooks
- published material
- photographs
- plans
- the opinion of others
- evidence proformas or other evidence verifying documents from third parties
- codes of practice; and
- RICS practice statements, guidance notes, codes and information papers.

Where you rely upon such documents it is important that you make that clear as part of your evidence and provide, or offer to provide, full copies.

9.4 During the course of your enquiries you may be made aware that other documents exist which might be of relevance but which might not be available. In such circumstances, where applicable, you may need to consider taking further action to secure the necessary factual information.

9.5 Where a party has access to information which is not reasonably available to another party, the tribunal may direct the party who has access to the information to:

- a prepare and file a document recording the information; and
- b serve a copy of that document on the other party.

9.6 In any event, it is considered best practice for chartered surveyors and all expert witnesses to ensure that both the client and the other side see all evidence and relevant material supporting their case, prior to the exchange of expert witness reports. The withholding of evidence as a tactical approach, so as to deliberately mislead or ambush the other side, is regarded as unprofessional and may result in costs being awarded against your client even if you 'win' the case. It may also lead to a charge of misconduct against the chartered surveyor who deliberately and wilfully, for tactical reasons, does not make available their evidence to the other side prior to the submission of expert witness reports.

9.7 If, when acting as an expert witness, you are passed papers or materials expressed to be 'privileged' and it is not clearly indicated that the client has decided that privilege has been waived therein, it is recommended that you either immediately verify the status of the materials without reading the papers (the preferable option), or return the papers unread with an explanation for their return.

## GN 10 Oral evidence

10.1 Most tribunals require expert witness evidence to be given in a written report unless directions are issued to the contrary. Oral evidence will usually be given under oath or affirmation but, in any event, must always be impartial, independent and your truthful and honest opinion (PS 2.1). If you do not know the answer to a particular question, it is important that you say so.

10.2 Preparation is important and it is recommended that you:

- a Ensure that appropriate arrangements have been made so that all documents necessary for proving your evidence are available.
- b Remind yourself of the detail of any written evidence which you have previously presented, and also of the detail of the contents of files, as specific points may need to be addressed before and during the hearing, including while giving evidence.
- c Ensure you have been given sufficient time to undertake all appropriate investigations and finalise your professional opinion based on the facts and your own expertise and experience.
- d Ensure that the client fully understands your duty to the tribunal, even when an element of your evidence may not support the client's position or wishes on part of the case. If your evidence and professional opinion is not supportive of the general thrust of the client's case, you must communicate this position to the client and/or those instructing you at the earliest opportunity. Failure to do so may significantly undermine your position as an expert witness and can lead to delays, increased expense and inconvenience to all parties, including the tribunal, which must be avoided.

- e Bear in mind that, if you refer to documents or notes while giving evidence, the advocate or the tribunal can request to see those documents or notes. This includes annotations on such documents or notes which are already before the advocate and tribunal.

- 10.3 Where you have to refer to bulky material in your evidence, and to electronic and screen-based material, it is your responsibility to ensure that appropriate arrangements have been made in a timely manner to enable such material to be communicated to the tribunal, as well as the other side and your own client and advocate, as appropriate.
- 10.4 Oral evidence may take a variety of forms, principally examination in chief, where you will be asked questions by your client's counsel, and cross-examination, where you will be asked questions by the other party's counsel. More recently, the practice of tribunals hearing concurrent evidence from expert witnesses of like discipline has become prevalent. This is often colloquially referred to as 'hot tubbing'. While the procedure varies and is generally at the tribunal's discretion, it is not unusual for expert witnesses to be sworn in together and to affirm opinions or give evidence simultaneously. The tribunal may ask questions and the expert witnesses may engage in discussion with, or the questioning of, each other. Counsel for the parties may also be given the opportunity to ask questions. Often the process of hot-tubbing occurs after traditional cross-examination and provides the tribunal with an opportunity to speak to the expert witnesses at the same time about particular issues that may be of concern.
- 10.5 When giving evidence, you will be questioned by advocates and possibly the tribunal. All answers are expected to be addressed to the tribunal. Concise answers are preferable and should be a direct reply to the question as put. This will often be a simple yes or no. However, you should not let advocates prevent a full answer being given where additional commentary is required to put your answer to the question into the correct context or where you feel it will be helpful to the tribunal to extend your answer to give a full and clear understanding. It is recommended that the direct answer is volunteered first before making any additional comments or clarifying the basis on which such an answer has been given. If you are unsure as to the appropriateness of extending your answer, it may be best to enquire of the tribunal if you may have permission to expand on the answer as given in direct response to the question.
- 10.6 Adjournments of the hearing (whether for lunch, overnight or longer periods) will often occur. While you are under oath or affirmation, you are not permitted to discuss the case with anyone during those adjournments. This restriction includes your client and client's advisers, advocates, fellow expert witnesses and colleagues. Adjournments between hearing dates can be lengthy, and in such instances you are advised to be alert to requesting that you be released from the restriction immediately before the hearing is so adjourned.

## GN 11 Advising advocates

- 11.1 As an expert witness you may be required to advise advocates and it is almost certain that you will have to liaise with an appointed advocate and explain the basis of your professional opinion in the context of the client's case.
- 11.2 Immediately prior to any hearing it is not uncommon for advocates of opposing parties to discuss between themselves aspects of the case, including possible compromise solutions. Expert advice is often needed during such negotiations and you therefore need to ensure that you are available well before the hearing is due to begin and you contribute as appropriate to such discussions.
- Such advice is not regarded as providing expert evidence and is privileged. Privilege is the right of a party to refuse to disclose a document or produce a document, or to refuse to answer questions on the ground of some special interest recognised by law. Discussing issues relating to a specific litigation with the instructed lawyers and advocate is regarded as privileged for the purposes of disclosure.
- 11.3 During the hearing, the advocate may wish to consult with you while other expert witnesses are giving evidence, especially during cross-examination. It is important that you establish whether the advocate wishes you to be available for such consultation. The expert witness is often asked to sit immediately behind or alongside the advocate in order that he or she can be consulted directly during the proceedings.
- 11.4 It is recommended that the expert witness discusses with the advocate and/or the instructing lawyer when attendance at the tribunal is required, so that the expert witness is able to remain involved with those parts of the dispute which cover the relevant subject matter and can advise of any implications for the client's case.
- 11.5 Expert witnesses who are not under oath or affirmation are commonly required to listen to others give evidence, especially the expert witness for the other side covering the same subject. The expert witness may also be required to discuss other matters relating to the case with advocates during adjournments.
- 11.6 You should discuss in advance of any hearing with the client and/or instructing solicitors, which expert witnesses for the other side you should listen to and where you may be excused from attending the hearing, so as to minimise costs to the client. However, it is important to ensure that you are not excluded from those parts of the proceedings which may have relevance to your evidence or allow you to understand the context in which your evidence is given.

## GN 12 Expert witnesses' written reports

- 12.1 It is recommended that your expert witness report be addressed to the tribunal and not the party from whom your instructions originate. Your written report should ideally be presented in an organised, concise and referenced way, distinguishing (where possible) between matters of plain fact, observations upon those facts, and inferences

drawn from them. It is recommended that you use plain language and, wherever use of technical terms is necessary, explain such terms to aid the understanding of the tribunal. It is advisable not to use words, terms and/or a form of presentation with the deliberate intention of limiting the ability of readers to check the correctness of any statement, calculation or opinion given. As regards your summary of conclusions, there may be circumstances where it would be beneficial to the tribunal to place a short summary at the start of the report while giving full conclusions at the end. The tribunal may find it easier to understand the flow of the report's logic if an executive summary of the report has been provided at the outset.

- 12.2 In PS 5.4 the Statement of Truth and declaration that the expert witness understands his/her duty to the tribunal (PS 5.4(p)) can follow each other or be combined into a sole declaration if desired. It should be understood that the basis of instructions will not be privileged against disclosure, and that you may be asked to include appendices within the expert witness report or provide, during the course of any hearing, a copy of the letter of instructions and/or relevant correspondence relating to the basis of your instructions.
- 12.3 The requirement in PS 5.4(k) is directed primarily to issues of practice or principle on which there exists a known and acknowledged range of opinions between experts in the field, or different schools of thought. It does not mean that on every occasion on which you think that another expert witness might disagree with you, you are specifically required to say so and go on to say what view another expert witness might hold and why the expert witness takes the view he or she does. Nonetheless, your duty to the tribunal requires you to put forward a fair and balanced assessment. This includes identifying any points that can fairly be made against the evidence of the expert witness and saying why their opinions do not cause you to change your views.
- 12.4 Where there are material facts in dispute, expert witnesses should express separate opinions on each hypothesis put forward, avoiding the expression of a view in favour of one or other disputed version of the facts unless, as a result of particular expertise and experience, one set of disputed facts is considered as being improbable or less probable, in which case the view may be expressed, supported by reasons for holding it.
- 12.5 It should be noted that the requirements in PS 5.4 may be varied or supplemented by, for example, various court guides or the rules or directions of a particular tribunal. If you are reporting to a court in England or Wales, CPR Practice Direction 35 paragraph 3.1(9)(b) requires an additional statement that you are aware of the requirements of CPR Part 35, the practice direction and the Protocol for Instruction of Experts to give Evidence in Civil Claims.
- 12.6 It is recommended that you keep matters of fact and opinion separate.
- 12.7 If you have relied upon extensive documents, it is recommended that a chronological schedule of these, incorporating a summary of their content, be placed in an appendix to assist readers. It is advisable that copies of key documents are cross-referenced to relevant parts in the report and annexed to the report, if practicable or required. Where you rely on literature or other material and cite the opinions of others without having

verified them, it is recommended that you provide details of those opinions relied on. It is also likely to assist the tribunal if the qualifications of the originator(s) are stated.

12.8 If, after disclosure of your expert witness report, you identify a material inaccuracy, omission or have a change of opinion on any matter, you must inform those instructing you of your obligations pursuant to PS 6.1. Where you have changed your opinions and are to amend your report, a simple signed memorandum/addendum to that effect will usually suffice.

## GN 13 Form and content of an expert witness's written report

13.1 This section gives guidance on the structure and scope of the content of a typical report by an expert witness. It is usually helpful to tribunals if paragraphs and pages within the report are numbered. It is recommended that any documents or supporting materials on which you rely be listed in any report you prepare and adequate reference should be given to enable them to be identified. Where appropriate, have regard to any specific report requirements of particular tribunals. Some variations to this structure will be appropriate on occasion, to take account of:

- a any prior agreement between the parties as to the order in which the various issues are to be addressed (and possibly determined)
- b any direction of the tribunal as to the procedure or as to the order in which the issues are to be considered; and
- c any statutory material or official guidance as to the procedure applicable in particular types of proceedings.

13.2 It is advisable that the front sheet reveals the name of the expert witness and includes:

- the proceedings and tribunal
- the nature of the evidence
- the instructing party and client
- the opposing party
- the subject/title of the report; and
- the date of the report.

It would usually be entitled 'Report', or where appropriate 'Supplemental Report', 'Amended Report', or 'Further Amended Report'.

13.3 It is recommended that written reports made to a tribunal by an expert witness avoid the excessive use of company logos.

13.4 Thereafter, the report often takes the following form:

- a Introductory material:



- i A brief résumé of the experience, qualifications and expertise of the expert witness commensurate and relevant in detail with the nature and complexity of the case. A fuller description/CV can be attached as an appendix.
- ii The names of the persons to be referred to in the report, together with a short description of their respective roles.
- iii A brief outline of the nature of the dispute.
- iv A complete and transparent statement of all material instructions.
- v A history of the expert's involvement in the case and the sequence of relevant events, where such a history exists.
- vi The issues that the expert witness proposes to address in the report (you may wish to number them).
- vii An executive summary of the main report, as appropriate, depending on the circumstances.

No opinions are expressed in this section. As regards the statement/description of experience and qualifications (including by way of any CV attached), it is important you check that all such description and text is accurate and up to date.

- b Enquiries made by the expert witness and the facts upon which the expert witness's opinion is based. For example, this section (which is factual only) might include a description of inspections or surveys carried out, a note of those present and the findings reached. The description is usually given in itemised subparagraphs, with subheadings as appropriate.  
This section of the report would also:
  - i Distinguish between facts which the expert witness has been told to assume, those provided which the expert witness has chosen to assume, and those that the expert witness has established for themselves (or others acting on their behalf have established).
  - ii Identify the various sources of facts and material provided to and derived by the expert witness.
  - iii List the documents upon which the expert witness relies in the report, and provide references to enable their identification.
  - iv Where the parties have also agreed a statement of facts, the opportunity may be taken to highlight those facts which could not be agreed, but which are important enough to be mentioned.
  - v Where asked to make an assumption, it is advisable that the expert witness indicates their belief that it is unreasonable or improbable (that is, qualify the point as necessary) as the case may be.
- c Opinions and conclusions:
  - i The expert witness report should itemise the issues that arise from the facts and related enquires.



- ii The expert witness report should explore the issues in an open and transparent manner.
- iii The expert witness should not be limited to one opinion but where the issues could lead to a range of opinions the expert witness should articulate these.
- iv The reasoning behind the opinions should be fully and properly rehearsed.

13.5 The expert witness may have a personal style that is adopted for the layout of each report. Care should be taken to standardise the report into a template format. Each report should be structured to fit the situation of the case and be tailored accordingly.

## GN 14 Meetings between the expert witness and the client's team

14.1 The bringing together of the client's team and the expert witness as early as possible is to be encouraged so that your professional opinion can be established and understood. This enables the strengths and weaknesses of your professional opinion, which will form the basis of your expert witness report, to be established, and the client's case and potential for success or otherwise to be evaluated.

14.2 It may result in you wishing to make changes to the report, and/or the client wishing to settle the matter. Consequently, such meetings, and the understanding arising from them, are often of critical importance as to how the case is progressed.

## GN 15 Narrowing differences and meetings between experts

15.1 The purpose of meetings between the expert witnesses is to narrow the differences by discussion and achieve a greater understanding of the issues in dispute. PS 7 Agreeing facts and resolving differences, aims to facilitate earlier settlement and reduction of costs by mandating a proactive and cooperative approach among opposing expert witnesses; an obvious way to achieve this is to hold a meeting.

15.2 Unless directed by the tribunal, meetings between expert witnesses, although not mandatory, are best practice, but should only take place with the knowledge and approval of the client. Prior to the meeting, the expert witnesses must agree that it is being held on a 'without prejudice' basis.

15.3 'Without prejudice' is a rule governing the admissibility of evidence. The essential purpose of conducting the meeting on a 'without prejudice' basis is to encourage the expert witnesses to speak frankly and openly in the knowledge that the discussion cannot be relied upon or communicated to the tribunal, but the overall goal of the spirit of the meeting is being adhered to.

15.4 It is generally best if such meetings occur before reports intended for disclosure are exchanged, as expert witnesses can be slow to alter opinions after signing a report and

time can be wasted. An exchange of skeletal reports or an agenda of the issues before such meetings may assist the process.

15.5 Meetings offer the opportunity for the expert witnesses to exchange and discuss evidence, pool relevant technical information, identify areas of agreement and disagreement, and explore whether those areas may be narrowed or eliminated altogether. Expert witnesses should approach the meeting with a willingness to listen, and be cooperative and constructive. Expert witnesses should not be limited in expressing their professional opinions on the issues by those instructing them otherwise the worth of the meeting can be devalued. Narrowing of the issues may well lead to shorter, clearer reports which will save time, thereby reducing costs.

15.6 There is no prescribed protocol for a meeting between expert witnesses, although there may be times when the expert witnesses are directed to meet by the tribunal. If the expert witnesses are to meet, the following is recommended:

- a Prior to the meeting:
  - i The expert witness should discuss with the client and any legal adviser the purpose of the meeting, having regard to the terms of any order or direction by a tribunal, where available.
  - ii Agree with the opposing expert witness where to hold the meeting. This can be seen as a tactical point and a place of neutrality may be preferred. In the context of the tribunal, it is generally expected that the claimant's expert witness is the convenor of the meeting.
  - iii Establish with the opposing expert witness whether an agenda or skeletal expert witness reports are necessary and, if so, their contents. It is good practice to at least create a template that assists the expert witnesses to focus on the issues that need to be discussed and to identify any relevant material you intend to introduce or rely upon in the discussions. Any agenda should be neither hostile nor partisan.
- b During the meeting:
  - i Reaffirm at the outset that the meeting is being convened on the basis of 'without prejudice' discussion.
  - ii The expert witness is expected to be aware of the overriding objective that the tribunal deals with cases justly, taking into account proportionality, expeditiousness and fairness (as set out in the CPR Practice Direction 1, Rule 1.1) and it is advisable to bear this in mind in terms of the conduct of the expert witnesses' meeting.
  - iii Clients, lawyers and advisers will not usually be present at the expert witness meeting. If they are present, they should not intervene in the discussion, but may answer questions put to them and advise on the facts of law. The expert witnesses are at liberty to, and may correctly insist on, conducting part of their discussion in the absence of lawyers, if they so wish.
  - iv Where possible, agree and jointly sign minutes of the meeting to avoid misunderstandings later.

- c After the meeting:
  - i If it was not possible to do so at the meeting, agree and jointly sign the minutes of the meeting to avoid misunderstandings later. You are reminded of the obligation upon you under PS 2.7 to avoid maligning the professional competence of your opposite number.
  - ii The minutes should preferably set out those issues that are agreed between the expert witnesses and those which are not, together with the underlying reasons, as well as a list of new issues which may have arisen and/or further action(s) which is to be taken or recommended.

15.7 Where expert witnesses reach an agreement on issues during their discussions, that agreement does not bind the parties unless the parties agree to be bound by it.

15.8 The tribunal may have directed, or the parties may have voluntarily agreed, that the expert witnesses are to prepare a joint statement of what is agreed and what is not agreed. Such a document is usually the product of several expert witness meetings and discussions.

The publication of this document will normally be subject to a time deadline set by the tribunal. The joint statement is to be available for use in the proceedings and is not protected by privilege. Its purpose is to define and narrow the contentious issues. The tribunal may have also specified issues that the expert witnesses must address.

The tribunal is not usually bound by the findings of the joint statement but its decision is likely to be influenced by it.

You are reminded that the joint statement is not a legal document but one that rehearses the agreed facts and expresses the opinions of the expert witnesses and it should be their own work and not drafted, amended and/or approved by the client and/or lawyer and does not require their authority to sign it.

15.9 If an expert witness materially alters his/her opinion after signing the joint statement then he/she must provide to those instructing him/her a note or addendum properly and fully explaining the change of opinion.

15.10 The expert witness needs to be careful that a joint statement used at mediation does not lose its privilege if prepared under the tribunal's direction for any joint statement. The expert should seek the advice of the client's lawyers.

## GN 16 Single Joint Expert (SJE)

16.1 In certain jurisdictions a tribunal may have the power to direct that evidence be given by a Single Joint Expert (SJE). The parties may be instructed to agree who should be the SJE or the tribunal may select the expert from a list prepared or identified by the relevant parties, or direct that the SJE is selected in such a manner as the tribunal may direct.

Where an SJE is appointed and one party is permitted to give instructions to the SJE, that party must at the same time send a copy to the other relevant parties.

- 16.2 The tribunal may give, and the SJE should seek, appropriate directions about the payment of their fees and expenses, any inspection, examination or experiments which the SJE wishes to undertake and any limit as to the amount that can be paid by way of fees and expenses to the SJE. The tribunal may direct that some or all of the relevant parties may pay an amount representing the fees in to the tribunal and where the relevant parties are jointly and severally liable for the payment of the SJE's fees and expenses, unless otherwise directed by the tribunal.
- 16.3 Where the SJE is required to consider varying instructions with multiple assumptions, the SJE must respond accordingly, giving appropriate answers for each option by taking account of the different assumptions or facts that have been identified, either by the agreement of the parties, or by the direction of the relevant tribunal.
- 16.4 It should be noted that an SJE's answers to the questions and instructions as put should be treated as part of the evidence of the SJE and therefore are covered by the 'Statement of Truth'.

## GN 17 Expert evidence, advocacy and 'a dual role'

- 17.1 Undertaking the two roles of expert witness and surveyor-advocate before many tribunals is prohibited, as surveyors have no general right by virtue of their status as surveyors, to appear as advocates in such cases. The dual role of advocate and expert witness is regarded as incompatible and gives rise to a conflict of interests which is not in the best interests of the client or of assistance to the tribunal.
- 17.2 Nevertheless, in certain lower tribunals some surveyors do adopt a dual role; that is, act in the same case as surveyor-advocate and expert witness. This approach is permitted in some lower tribunals where it accommodates access to justice in a manner and at a cost which permits such cases to be brought forward.
- 17.3 The right to access to justice is a public interest matter, although it does require an understanding of the arrangements and potential disadvantages that exist in adopting such a position. Consequently, PS 9 Advocacy and expert witness roles, obliges you to consider the permissibility and appropriateness of undertaking a dual role in the same case.
- 17.4 The principal advantages and disadvantages of the dual role may be summarised as follows:
- a The dual role may avoid or limit expense and delay, and therefore be a proportionate response to the circumstances of a case and the needs of the client.
  - b The weight to be attached to the evidence given by you as an expert witness, and to the submissions you make as surveyor-advocate, may be adversely affected if the dual role of surveyor-advocate and expert witness is undertaken.

It is imperative to distinguish at all times which role you are undertaking. On occasions where surveyors undertake the dual role and fall below the necessary standards required of each, the effect can be adverse, leading to the case being much weakened and often to criticism of the surveyor by the tribunal (which may also then be available to the client by any written decision of the tribunal). A tribunal will do its best to assess the merits of each party's case: the weight of the opinion evidence and the nature and power of the advocacy submissions are important factors in the formation of any decisions by the tribunal.

17.5 PS 9.1 and 9.2 refer to proportionality as a factor influencing any decision to adopt a dual role. Proportionality considerations encompass the following (which are not necessarily exhaustive):

- a whether it is more cost effective to split or to combine the roles from the point of view of your client (whether or not full or partial recovery of costs from any other party may be available)
- b whether it is more expedient to split or combine the roles
- c whether the general conduct of the case, from the point of view of the tribunal, would be assisted by splitting or combining the roles; and
- d whether it would be prejudicial to the integrity of the tribunal's process to act in both roles.

17.6 The presence of one or more of the following factors may be grounds for you to decide not to adopt the dual role:

- a the case includes difficult points of law which are material to the decision
- b one or both of the parties regard the initial hearing as the first step to a decision by a higher tribunal
- c the other party will be legally represented
- d the issues of fact and/or opinion are numerous, requiring evidence from several witnesses on each side; or
- e the amount at stake is substantial.

17.7 The dangers and difficulties of acting in a dual role were emphasised in the English case of *Multi-Media Productions Ltd v Secretary of State for the Environment and Another* (1988) EGCS 83 (also reported at [1989] JPL 96), following an inspector's dismissal of a planning appeal. The court warned that:

- a combining the roles of expert and advocate before a public local enquiry was an undesirable practice; and
- b an expert witness had to give a true and unbiased opinion and the advocate had to do the best for his/her client.

An expert witness who has also undertaken the role of advocate may run the risk that his/her evidence is later treated with some caution by a tribunal.

In the English Lands Tribunal case of *W. & R. R. Adam Ltd v Hockin (VO)* (1966) 13 RRC 1, the member said (p.4):

'... the position of an expert is quite distinct from and not always compatible with that of an advocate. It goes without saying that the duty of the advocate is to present his client's case as best he may on the evidence available whereas the expert witness is there to give the court the benefit of his special training and/or experience in order to help the court come to the right decision. It is important therefore that the expert witness should be consistent in his opinions and should not be, nor appear to be, partisan for his opinions then become of less weight...'

17.8 You are under a duty in the practice statement to make it clear to the tribunal which role you are fulfilling at all times. The following is worth emphasising:

- a As elaborated in the RICS practice statement and guidance note *Surveyors acting as advocates*, you have a duty in your role to promote the client's case: an advocate is someone who speaks on behalf of a party and puts the party's best case to a tribunal, with the purpose of persuading that body of the correctness of the party's argument. As surveyor-advocate you retain a duty to assist the tribunal and you must not mislead it. You must not make an advocacy submission unless properly arguable, must not misstate facts and must draw a tribunal's attention to all relevant legal authority of which you are aware, whether supportive of your client's case or not. However, and critically, unlike an expert witness, you must not express expert opinion evidence unless permitted to do so by the tribunal. Your task is simply to advance the argument that you consider best promotes your client's case. A fuller statement on advocacy, the surveyor-advocate's role and the principles underlying conduct of that role can be found in *Surveyors acting as advocates*.
- b When acting as an expert witness, the practice statement makes clear that your primary and overriding duty is to the tribunal to which evidence is to be given. The duty is to be truthful as to fact, honest and impartial as to opinion, and complete as to coverage of relevant matters. The practice statement specifies that special care must be taken to ensure your evidence is not biased towards the party who is responsible for instructing or paying for the evidence. It follows therefore that (unlike an advocate) an expert witness cannot advance a view in which he or she does not believe.
- c Expert witness reports would not generally be expected to refer to questions of admissibility; refer to questions of interpretation of a contract (see GN 9.3), or include comments that are in the nature of advocacy submissions about an opposing expert's evidence. You may find yourself at greater risk of slipping into 'advocacy mode' at the rebuttal stage of presentation of evidence, when the focus of your evidence shifts from explanation of your own opinion to a more critical role in dealing with the expert witness report of your counterpart.

17.9 It is advisable that you decide and agree with those appointing you, at the outset of any reference to a tribunal, what role or roles you are to adopt, and to make clear the distinctions between, and the limitations of, the roles. The RICS practice statement



*Surveyors acting as advocates* makes it clear that, when conducting the role of surveyor-advocate, you are not able at any stage to present expert opinion evidence, unless permitted to do so by the tribunal.

- 17.10 PS 9.4 makes it clear that you are required to distinguish the distinct roles of surveyor-advocate and expert witness at all times. In oral hearings it is sometimes convenient for the roles to be distinguished by standing when in one role and sitting when in the other, or giving evidence from a witness stand at the side of the room and making submissions as advocate from a position in front of the tribunal. Where, however, factual evidence is most conveniently interspersed with advocacy, moving from one position to another is disruptive and standing or sitting may be the most convenient way of distinguishing the roles. It is not expected by the practice statement that you interrupt the flow of giving evidence at every turn to announce which role you are conducting, but only that you act prudently to avoid any possibility of confusing or misleading the tribunal.
- 17.11 If you are acting as surveyor-advocate and expert witness you should always ensure that such a combined role is permitted, that you are familiar with the procedures of the relevant tribunal and that the means adopted for distinguishing advocacy from expert witness evidence are appropriate to those procedures. Alternatively, it should be perfectly possible for you to announce the order of your presentation initially (it is recommended that you do this in any case) and undertake to inform the tribunal when your expert witness evidence begins, so that it is clear which material can be tested by cross-examination.
- 17.12 Where the two roles are conducted by written representations, if the distinction is not obvious, and the chances are it will not be to the decision maker, it is advisable to place submissions by way of advocacy in one document and expert opinion evidence in another document or, at least, in separate, clearly distinguishable parts of the same document. See RICS practice statement and guidance note *Surveyors acting as advocates*.
- 17.13 If undertaking the two roles, you and your client must be aware of the disadvantage that might arise where, in a hearing, you are giving evidence under oath or affirmation in your capacity as expert witness and an adjournment occurs. Under such circumstances, you will be unable to discuss any aspect of the case with your client during that adjournment, unless leave is granted by the tribunal. Leave may be sought and is likely to be given, as the dual role by this stage will have been accepted, but the tribunal may still be nervous about how any communications are conducted and may impose conditions.
- 17.14 It is also permissible for the expert witness to act as case manager, a role that concerns the procedural aspects of any particular case. However, great care should be taken that your impartiality as an expert witness is not compromised in undertaking such a role.

## GN 18 Basis of charging fees

- 18.1 The basis of charging may vary depending upon the nature of your appointment.

- 18.2 When appointed by a party to a dispute, PS 3.6 requires you to set out clearly in writing the scope and the basis of your fees. For example, this might be by reference to the work to be undertaken, to daily or hourly rates or a fixed fee. Provision may also be made for additional payments in respect of:
- a travelling time
  - b expenses and disbursements
  - c attendance at hearings; and
  - d late notice, cancellation fees or settlement after you have been booked to attend a hearing.
- 18.3 An expert witness is likely to be required to provide an estimate of their fee charges, but such an estimate should only be provided when the expert witness has a good understanding of the case and the scope of his/her appointment within it. The rules of the specific tribunal may be such that an inaccurate estimate could have significant consequences.
- 18.4 Levels of fees and expenses payable may be determined by the rules of particular tribunals, by summary or other cost assessment and/or statutory provisions. You are recommended to establish or satisfy yourself of the fee basis and amounts payable prior to accepting instructions. You should be aware that some tribunals, in determining costs or expenses, may treat any advocacy work undertaken as work done by a lay representative.
- 18.5 Have regard to the possibility that the level of fee that a successful client may recover from the other party might be subject to revision by the tribunal under the detailed or summary assessment of costs procedures.
- 18.6 It is considered important for both the basis of fee charging and for possible detailed or summary assessment purposes that careful and detailed time sheets and records of tasks undertaken are kept. Some tribunals may require adoption of record-keeping broken down into specific units. It is recommended that you check with the tribunal in question as to any required or preferred time keeping arrangements or if there is a precedent in respect of their specific requirements.
- 18.7 Where the tribunal makes a direction for an SJE to be used, this may include requirements for the payment of the expert's fees and expenses and the basis upon which any inspection, examination or experiments may be undertaken. The tribunal may limit the amount that can be paid by way of fees and expenses to the expert and direct that some or all of the relevant parties pay that amount into the tribunal. As stated earlier, it should be noted that, unless the tribunal directs otherwise, the relevant parties are jointly and severally liable for the payment of the expert's fees and expenses.



## GN 19 Conditional fees

19.1 PS 10.1 prohibits you from undertaking expert witness appointments on a conditional or other success-based arrangement.

The reason for the prohibition is that such arrangements undermine the appearance and possibly the reality of the independence and the expert witness's overriding duty to the tribunal. This is because of the perception that an expert witness will be unduly influenced by an incentivised conditional fee, creating the potential for bias in the promotion of the evidence by an expert witness who seeks to be rewarded by the successful outcome for their client of the case.

19.2 It may, however, be permissible for surveyors who are merely providing support to lawyers to provide this support on a conditional or other success-based arrangement. Where other surveyors are instructed to be advisers, expert witnesses should be careful not to be influenced by those surveyors into expressing views that they do not genuinely hold.

19.3 When permitted in lower tribunals, where a surveyor acts in a dual role as both expert witness and advocate, a conditional fee arrangement may be entered into reflecting the advocacy aspect of the representations, thereby also supporting access to justice where otherwise it may be excluded by reason of cost.

19.4 Where a conditional fee is the basis on which the surveyor is being remunerated, it must be declared and confirmed to the tribunal that the surveyor is acting as either an advocate or in a dual role as advocate and expert witness. It should be noted that the dual role is likely to be permitted in lower tribunals reflecting the access to justice position, but must in any event only be considered where the rules of the tribunal allow for such a dual role to be performed.

## GN 20 Responsibility for expert witness's fees

20.1 The responsibility for payment of your fees would normally be clearly incorporated in the terms of engagement entered into. These may identify one party as being solely responsible for payment. Alternatively, consideration may be given to making more than one party (for example, solicitors, claims consultants or similar) jointly and severally responsible for payment. Note that, where an expert chooses to make a contract directly with the client, such terms should be written in plain, intelligible language and should satisfy the 'fairness' test in that a term may be considered unfair if it causes a 'significant imbalance' in the parties' rights and obligations.

20.2 It is recommended that you should advise those instructing you that liability will exist for all fees and disbursements properly incurred in accordance with your terms of engagement, even though those fees and disbursements may subsequently be reduced under the detailed or summary assessment of costs or, alternatively, to the extent that they are not fully recovered from another party to the dispute. Prior to

confirming your Terms of Engagement, it is recommended that you clarify whether those appointing you are required to obtain any form of authority or approval to secure your fees and disbursements, or any portion thereof. It is also recommended that you clarify whether any order or direction has been made limiting the amount of your fees and disbursements.

- 20.3 It is a requirement that you as an expert witness answer questions put to you either by the tribunal or by parties, other than your own client, where they have a right to put such questions to you. Failure to respond to legitimate questions may result in less weight being applied to your evidence. The tribunal is likely to have regard to any failure to respond fully to such questions when determining responsibility and the amount of a claim for costs by one party against the other, unless it can be demonstrated that such failure to respond was reasonable given the specific circumstances.
- 20.4 Occasionally surveyors may be asked to provide expert witness evidence in a criminal trial and where the procedures for an expert witness may differ from civil proceedings.
- 20.5 In criminal trials involving legal aid orders, the general rule is that the legally assisted person's solicitor (or counsel) shall not be a party to the making of any payment for work done in connection with the proceedings. However, there are some important exceptions, such as where the solicitor has instructed the expert to attend a trial to give evidence. An expert's fees and expenses are usually restricted by the court. There are often specified rates applicable to the work undertaken by experts in criminal trials and which the expert witness must understand and agree to before accepting any instruction to act.

## GN 21 Immunity of the expert witness

21.1 Expert witnesses will want to know before embarking on the process if they are likely to be held liable for failings in their expert witness reports and evidence. The answer in the UK since *Jones v Kaney* [2011] UKSC 13 is that the expert may be held to account for his/her failings; however, a proper reading of the case informs the reader that this is likely to be so only in very rare situations. The expert should ascertain the position in both the jurisdiction where any report will be received and the jurisdiction in which he or she operates. It is essential to consider liability for:

- a negligent acts or omissions in relation to the early advice and report
- b negligent acts or omissions while preparing joint statements and giving evidence
- c for things said or done while giving evidence; and
- d for the costs of the litigation if it is found that an expert acted unreasonably.

There may well be other issues to consider in any jurisdiction.

The current position in the UK is set out in Appendix B: Immunity of the expert witness.

Notwithstanding anything above, RICS members may have to answer to RICS if their conduct falls below that expected of an RICS member acting as an expert witness.

# Appendix A: Sample Terms of Engagement

A1 This appendix forms a part of the RICS guidance note *Surveyors acting as expert witnesses*. Its sample terms are not intended to be mandatory or prescriptive, and may be adapted as required. It is recognised that a variety of circumstances will prevail in the range of assignments surveyors may undertake and that clauses may not be appropriate in every circumstance. For example, where a Client appoints a surveyor directly, without using an Appointer, the terms would need to be amended accordingly. Other or additional terms of engagement may also be indicated, for example, by a protocol established under the CPR or in guides that supplement the CPR in certain courts.

## Terms of Engagement

### 1 Recital of appointment

1.1 The Appointer has appointed the named surveyor (see 1.5) to provide the following services in respect of *[state identity of property/facility]* and in accordance with these Terms of Engagement.

*[state the nature and extent of the instructions, their purposes and the services which may be provided]*

1.2 The appointment is one which is subject to the RICS practice statement *Surveyors acting as expert witnesses*, a copy of which is available on request.

1.3 The Appointer is:

1.4 The Client is:

1.5 The Expert Surveyor is:

*[also state identity and qualifications of any assistant and extent of their intended involvement]*

1.6 The Tribunal is:

*[state name of tribunal to which expert evidence is to be submitted]*

### 2 Definitions

Unless otherwise agreed by the parties:

2.1 'Appointer' means the person(s), organisation(s), or department(s) from whom instructions are received.

- 2.2 'Client' means the person(s), organisation(s), or department(s) on whose behalf the Expert Surveyor has been instructed to provide the services listed in 1.1 of these Terms of Engagement.
- 2.3 'Expert Surveyor' means the person named at 1.5, and appointed to provide the services described in 1.1 of these Terms of Engagement.
- 2.4 'Assignment' means the matter(s) referred to the Expert Surveyor by the Appointer, in respect of which the services are required, and to which these Terms of Engagement apply.
- 2.5 'Fees' means (in the absence of written agreement to the contrary) the reasonable charges of the Expert Surveyor based on the Expert Surveyor's agreed hourly/daily rate [*set out hourly/daily rates*]. Time spent travelling and waiting may be charged at the full hourly/daily rate. Value Added Tax will be charged in addition (where applicable).
- 2.6 'Disbursements' means the cost, reasonably incurred, of (by way of non-exclusive example) all photography, reproduction of drawings, diagrams, etc., printing and duplicating, and all out-of-pocket expenses, including travel, subsistence and hotel accommodation. Value Added Tax will be charged in addition (where applicable).
- 2.7 [The Expert Surveyor's] Complaints Handling Procedure (CHP) (if the firm is an RICS-regulated firm) will not apply to this engagement, because of the Expert Surveyor's duty to the tribunal.

### 3 The Appointer

#### 3.1 The Appointer shall:

- a provide timely, full and clear instructions in writing supported by good quality copies of all relevant documents within his/her possession – including all court orders and directions which may affect the preparation of advice or reports – along with a timetable for provision of the Expert Surveyor's services; at such times as the timetable is altered, such alterations shall be notified promptly to the Expert Surveyor
- b treat expeditiously every reasonable request by the Expert Surveyor for authority, information or materials, and for further instructions, as he or she may require
- c update and/or vary without delay the Expert Surveyor's instructions, as circumstances require
- d not alter or add to, nor permit others so to do, the content of an Expert Surveyor's report, or any text, document or materials supporting such report, before submission to the Tribunal, without the Expert Surveyor's permission
- e where possible, at the Expert Surveyor's request, arrange access to the property/facility relevant to the Assignment in order that the Expert Surveyor can inspect such and make relevant enquiries
- f ascertain the availability of the Expert Surveyor for hearings, meetings and appointments at which his/her presence is required

- g give adequate written notice to the Expert Surveyor of any attendance required at hearings, meetings and appointments; and
- h not use the Expert Surveyor's report or other works for any other purpose save that directly related to the Assignment.

## 4 The Expert Surveyor

### 4.1 The Expert Surveyor shall:

- a undertake only those tasks in respect of which he or she considers that he or she has adequate experience, knowledge, expertise and resources
- b use reasonable skill and care in the performance of his/her instructions and duties
- c comply with appropriate codes, rules and guidelines, including those of RICS
- d notify the Appointer of any matter which could disqualify the Expert Surveyor or render it undesirable for the Appointer to continue with the appointment
- e answer questions or requests for information from the Appointer within a reasonable time
- f endeavour to make him or herself available for all hearings, meetings, etc. of which he or she has received adequate written notice
- g treat all aspects of the Assignment as confidential
- h provide all relevant information to allow the Appointer to defend the Expert Surveyor's Fees or Disbursements at any costs assessment
- i respond promptly to any complaint by the Appointer within a reasonable time; and
- j retain all intellectual property rights and ownership rights in his/her work and any other original works created by him or her in relation to or in connection with the Assignment on which he or she is instructed, unless otherwise agreed in writing.

## 5 Fees and Disbursements

5.1 The Expert Surveyor may present invoices at such intervals as he or she considers reasonable during the course of the Assignment, and payment of each invoice shall be due on presentation.

5.2 For the avoidance of doubt, the Expert Surveyor shall be entitled to charge for Fees and Disbursements where, due to settlement of the dispute, or for any other reason not being the fault of the Expert Surveyor:

- a the Expert Surveyor's time has been necessarily reserved for a specific hearing, meeting, appointment or other relevant engagement
- b specific instructions have been given to the Expert Surveyor for an inspection and report; and
- c the reservation of time is not required because the engagement has been cancelled or postponed and/or the instructions have been terminated.

- 5.3 The Expert Surveyor shall also be entitled to charge for answering questions from a party relating to the Assignment or for the provision of any addendum reports.
- 5.4 The Appointer and [*identify party*] shall be jointly and severally responsible for payment of the Expert Surveyor's Fees and Disbursements.
- 5.5 Any restriction or cap by the Tribunal, or by another competent authority, of the recoverability of an Expert Surveyor's Fees and Disbursements, shall not affect the liability of the Appointer to pay those Fees and Disbursements.
- 5.6 The Appointer shall pay to the Expert Surveyor, if applicable, interest under the *Late Payment of Commercial Debts (Interest) Act 1998* on all unpaid invoices, or will pay to the Expert Surveyor, at the Expert Surveyor's sole discretion, simple interest at [ ... ]% per month (or part thereof) on all invoices which are unpaid after 30 days from the date of issue of the invoice, calculated from the expiry of such 30-day period, together with the full amount of administrative, legal and other costs incurred in obtaining settlement of unpaid invoices.

## 6 Disputes over Fees and Disbursements

- 6.1 In the event of a dispute as to the amount of the Expert Surveyor's Fees and Disbursements, such sum as is not disputed shall be paid forthwith pending resolution of the dispute, irrespective of any set off or counter claim which may be alleged.
- 6.2 Any dispute relating to the amount of the Expert Surveyor's Fees and Disbursements shall, in the first instance, be referred to [for example, the Expert Surveyor's firm].
- 6.3 Any dispute over Fees or Disbursements that cannot be resolved by [for example, the Expert Surveyor's firm] shall be referred to [for example, a mediator chosen by agreement of both parties]. Where agreement cannot be reached on the identity of [for example, a mediator] the services of [for example, the RICS Dispute Resolution Service (DRS)] shall be used to appoint [for example, a mediator]. In the event that any dispute cannot be resolved by [for example, mediation], the courts of [state jurisdiction; for example, England and Wales] shall have exclusive jurisdiction in relation to the dispute and its resolution.
- 6.4 The law of [*state law, for example, England and Wales*] shall govern these Terms of Engagement.

# Appendix B: Immunity of the expert witness

## England and Wales

B1 The general immunity from civil suit was removed by the UK Supreme Court on 30 March 2011 in *Jones v Kaney* [2011] UKSC 13. The effect of this decision is:

- a An expert witness owes a duty of care to give honest, independent and unbiased, advice and opinion to his/her client and to the court on the matters in which he/she is instructed. If the expert witness gives such advice that is within the range of reasonable expert opinion on the matter then it is very likely that he/she will have discharged his/her duty both to the court and his/her client.
- b The duty may arise by way of contractual relationship (through an express term or implied term under section 13 of the *Supply of Goods and Services Act 1982*), or in negligence (under the *Hedley Byrne & Co Ltd v Heller & Partners Ltd* [1964] AC 465 principles), depending upon the nature of the appointment.
- c It is now clear that the duty applies equally to pre-expert witness report advice, expert witness reports, joint meetings and joint reports as well as evidence given in court.
- d The duty applies equally to expert evidence in relation to civil, criminal and family proceedings as well as all tribunals defined in the preamble to the practice statement.

B2 The absolute privilege enjoyed by all judges, advocates and witnesses in respect of claims for defamation in relation to anything said in court remains.

B3 Lord Dyson provided some very helpful guidance at paragraph 99:

‘There is no conflict between the duty owed by an expert to his client and his overriding duty to the court. His duty to the client is to perform his function as an expert with the reasonable skill and care of an expert drawn from the relevant discipline. This includes a duty to perform the overriding duty of assisting the court. Thus the discharge of the duty to the court cannot be a breach of duty to the client. If the expert gives an independent and unbiased opinion which is within the range of reasonable expert opinions, he will have discharged his duty both to the court and his client. If, however, he gives an independent and unbiased opinion which is outside the range of reasonable expert opinions, he will not be in breach of his duty to the court, because he will have provided independent and unbiased assistance to the court. But he will be in breach of the duty owed to his client.’

B4 Further useful advice was given by Lord Collins at paragraph 85:



'...a conscientious expert will not be deterred by the danger of civil action by a disappointed client, any more than the same expert will be deterred from providing services to any other client. It is no more (or less) credible that an expert will be deterred from giving evidence unfavourable to the client's interest by the threat of legal proceedings than the expert will be influenced by the hope of instructions in future cases. The practical reality is that, if the removal of immunity would have any effect at all on the process of preparation and presentation of expert evidence (which is not in any event likely), it would tend to ensure a greater degree of care in the preparation of the initial report or the joint report. It is almost certain to be one of those reports, rather than evidence in the witness box, which will be the focus of any attack, since it is very hard to envisage circumstances in which performance in the witness box could be the subject of even an arguable case.'

**B5** Lord Phillips provided advice where an expert witness changes his/her mind:

'...the question then arises of the expert's attitude if he subsequently forms the view, or is persuaded by the witness on the other side, that his initial advice was over-optimistic, or that there is some weakness in his client's case which he had not appreciated. His duty to the court is frankly to concede his change of view. The witness of integrity will do so. I can readily appreciate the possibility that some experts may not have that integrity. They will be reluctant to admit to the weakness in their client's case.

They may be reluctant because of loyalty to the client and his team, or because of a disinclination to admit to having erred in the initial opinion. I question, however, whether their reluctance will be because of a fear of being sued – at least a fear of being sued for the opinion given to the court. An expert will be well aware of his duty to the court and that if he frankly accepts that he has changed his view it will be apparent that he is performing that duty. I do not see why he should be concerned that this will result in his being sued for breach of duty.'

- B6** Expert witnesses are reminded that, when considering what amounts to professional negligence in the discharge of their duties, regard will be given to the practice statement and the guidance note. In particular, reference should be made to the note about practice statements on page 2 of the practice statement.
- B7** Expert witnesses are advised to obtain adequate professional indemnity insurance to reflect the nature of their practice rather than simply providing the minimum cover required by RICS.
- B8** Expert witnesses are reminded that, regardless of whether they are pursued in a civil action for breach of their duties, there may be disciplinary consequences should they fail to comply with the practice statement.

B9 An expert witness remains liable for criminal prosecution for perjury, perverting the course of justice or for contempt of court.

B10 An expert witness remains liable for:

- a misfeasance in public office or conspiracy to injure for having fabricated evidence (*Darker and Others v Chief Constable of the West Midlands Police* [2001] 1 AC 435)
- b libelling the opposing party in a report prepared for court proceedings (*Schneider v Leigh* [1955] 2 QB 195)
- c the tort of malicious prosecution, where the expert witness by giving malicious evidence procured the prosecution (*Martin v Watson* [1996] AC 74)
- d breach of confidence (*De Taranto v Cornelius* (2002) 68 BMLR 62)
- e wasted cost orders if the expert witness acts in flagrant disregard of their duty (*Philips & Others v Symes & Others* [2004] EWHC 2330 Ch.)
- f procuring a breach of contract if a party acts on advice that is found to be invalid; and
- g possible other torts that need to be considered by an expert witness.

## Scotland

B11 Although *Jones v Kaney* was a decision of the UK Supreme Court, it might not currently apply when expert witnesses are giving evidence in the Scottish courts. Lord Hope (giving a dissenting opinion), expressed the view that expert witness immunity is a matter devolved to Scotland; however, it is not clear if that is the case for civil law matters, given that the UK Supreme Court is binding in Scotland on civil law matters. The situation regarding the immunity of expert witnesses in Scotland is therefore uncertain, but is likely to evolve in due course.

B12 Surveyors acting as expert witnesses in Scotland (wherever they are based), are advised to be conversant with the potential implications of *Jones v Kaney* and discuss the matter with their professional indemnity insurers.

## Northern Ireland

B13 The position set out in the preceding England and Wales section in paragraphs B1–B10 is equally applicable to the situation in Northern Ireland. While tribunals in Northern Ireland are not bound to follow the decisions of other tribunals in the UK, the decisions cited are persuasive to Northern Irish tribunals and broadly reflect the procedure adopted in those tribunals.

# Appendix C: Definitions

This appendix forms a part of both the practice statement and guidance note of *Surveyors acting as expert witnesses*. The following are short definitions of some terms from the practice statement and guidance note. In certain circumstances other terms may be used. Members are advised to refer to a legal dictionary (or legal textbooks), and/or to relevant rules, directions and procedures of the tribunal in question. Members may also find it useful to view Appendix B: Definitions in the RICS practice statement and guidance note *Surveyors acting as advocates*.

**Case manager:** a person who, acting on behalf of a party, is responsible for the general conduct, management and administration of the case, marshalling and coordinating that party's team (if any) and liaising as appropriate with the tribunal and opposing party.

**Conditional fee:** this term refers to any arrangement where remuneration – however fixed or calculated – is to be made conditional upon the outcome of proceedings or upon the nature of evidence given. Other labels in common use are 'incentive fee', 'speculative fee', 'success fee', 'success-related fee', 'performance fee', 'no win, no fee' and 'contingency fee'.

**CPR:** the *Civil Procedure Rules* (known as CPR) can be found at <http://www.justice.gov.uk/courts/procedure-rules/civil>. This is the set of rules governing the procedure of the several courts in England, Wales and Northern Ireland. These procedural rules are supplemented by Protocols, Pre-Action Protocols, Practice Directions and court guides. The objectives of the CPR are to make access to justice cheaper, quicker and fairer. Some parts of the CPR apply to action taken before proceedings are issued and so the scope of the CPR should be considered in respect of any matter likely to be litigious.

**Direction:** a requirement laid down by a tribunal.

**Disclosure:** the production and inspection of documents in accordance with applicable rules and/or directions of a tribunal. Different rules apply in the Scottish courts where documents can be recovered from another party (known as the 'haver') using 'commission and diligence'.

**Evidence:** this may be evidence of fact, expert (opinion) evidence or hearsay evidence. The weight to be attached to evidence by a tribunal will depend on various factors, the importance of which may vary from case to case.

**Expert witness:** a witness called by a tribunal to give expert opinion evidence by virtue of experience, knowledge and expertise of a particular area beyond that expected of a layperson. The overriding duty of the expert witness is to provide independent, impartial and unbiased evidence to the tribunal – covering all relevant matters, whether or not they favour the client – to assist the tribunal in reaching its determination.

**Hearsay evidence:** evidence by way of the oral statements of a person other than the expert witness who is testifying and/or by way of statements in documents, offered to prove the

truth of what is stated. See also the *Civil Evidence (Scotland) Act 1988* and the *Civil Evidence Act 1995*. In arbitral proceedings, subject to any agreement between the parties or prior direction given by the arbitrator, hearsay will be admissible, subject to notice being given to the other party.

**Legal professional privilege** (sometimes called 'legal advice privilege'): legal professional privilege attaches to, and protects:

- communications (whether written or oral) made confidentially
- passing between a lawyer (acting in his/her professional legal capacity) and his/her client; and
- solely for the purpose of giving or obtaining legal advice.

**Licensed Access:** RICS members are currently permitted by the General Council of the Bar of England and Wales to instruct a barrister direct, without the services of a solicitor, for certain purposes. The surveyor should be experienced in the field to which the referral relates. The regime in England and Wales was formerly known as Direct Professional Access (DPA). The latest edition of the RICS guidance note *Direct professional access to barristers* is currently under review. RICS members are also able to instruct counsel direct under the terms of the Scottish Direct Access Rules and, in Northern Ireland, under Direct Professional Access. The relevant Bar Councils (of England and Wales; and Northern Ireland) or the Faculty of Advocates in Scotland can be consulted for further advice.

**Litigation privilege:** where litigation is in reasonable contemplation or in progress, this protects:

- written or oral communications made confidentially
- between either a client and a lawyer, OR either of them and a third party
- where the dominant purpose is for use in the proceedings; or
- either for the purpose of giving or getting advice in relation to such proceedings, or for obtaining evidence to be used in such proceedings.

The privilege applies to proceedings in the High Court, County Court, employment tribunals and, where it is subject to English procedural law, arbitration. With regard to other tribunals, the position is less clear.

**Negotiator:** a person who negotiates a deal (of property or asset) or solution. Also, in dispute resolution, a person who seeks to negotiate the resolution of the dispute as best he or she may. A negotiator has no involvement in this role with a tribunal. A negotiator's role is markedly different to that of an advocate, expert witness, case manager or witness of fact.

**Representation(s):** this term may, depending on the circumstances and context, be used to refer to one or more of:

- a statement of case
- an assertion of fact(s)
- expert opinion evidence; and

- an advocacy submission.

Representations may be made orally or in writing.

**Scott Schedule:** a document setting out, in tabular form, the items in dispute and containing (or allowing to be added) the contentions or agreement of each party (named after a former Official Referee).

**Single Joint Expert (SJE):** an expert witness appointed pursuant to an order of a court, and instructed jointly by parties to a dispute. Though relatively rare in Scotland, courts in that jurisdiction can appoint their own expert.

**Submission(s):** the presentation by way of advocacy of a matter in dispute to the judgment of a tribunal. The term is occasionally used loosely in the surveying community to refer to evidence of fact or expert opinion evidence presented, or to a mix of such expert opinion evidence and advocacy; such usage is often misplaced.

**Surveyor-advocate:** a person who presents to the tribunal a client's properly arguable case as best as he or she may on the evidence and facts available; a spokesperson for a client who, subject to any restrictions imposed by the surveyor's duty to the tribunal, must do for his/her client all that the client might properly do for him or herself if he or she could. Sometimes also referred to as party representative (although this term is occasionally loosely also used to refer to the surveyor as a negotiator). The advocacy role is markedly different from the role of an expert witness or a negotiator (see below).

**Tribunal:** see definition in Preamble to the practice statement.

**'Without prejudice':** the without prejudice rule will generally prevent statements made in a genuine attempt to settle an existing dispute, whether made in writing or orally, from being put before a court as evidence of admissions against the interest of the party which made them. There are a number of established exceptions to the rule.

**Witness of fact:** a person who, usually under oath or solemn affirmation, gives evidence before a tribunal on a question of fact.

# Appendix D: Further reading and glossary of Acts, procedures and protocols

Please note that some publications reference earlier editions of Surveyors acting as expert witnesses or Surveyors acting as advocates.

*Admiralty and Commercial Courts Guide* 2013 (Section H2 and Appendix 11), available at <http://www.justice.gov.uk/downloads/courts/admiraltycomm/admiralty-commercial-courts-guide.pdf>

Baker, E., and Lavers, A., *Case in Point: Expert Witness*, RICS Books, Coventry, 2005 (ISBN 978 1 84219 230 6)

Bond, C. et al, *The Expert Witness in Court – A Practical Guide* (2nd edition) Shaw & Sons, Crayford, 1999 (ISBN 978 0 72191 441 1)

*Boundaries: Guide to Procedure for Boundary Identification, Demarcation and Disputes in England and Wales* (2nd edition), RICS Books, Coventry, 2009 (ISBN 978 1 84219 495 9)

Burns, S. (in association with Bond Solon Training), *Successful Use of Expert*

*Witnesses in Civil Disputes*, Shaw & Sons, Crayford, 2003 (ISBN 978 0 72191 450 3)

Cato, D., *The Expert in Litigation and Arbitration*, LLP Professional Publishing, London, 1999 (ISBN 978 1 85978 662 6)

*Civil Evidence Act* 1995, available at [www.legislation.gov.uk/ukpga/1995/38/contents](http://www.legislation.gov.uk/ukpga/1995/38/contents)

*Civil Evidence (Scotland) Act* 1988, available at [www.legislation.gov.uk/ukpga/1988/32/contents](http://www.legislation.gov.uk/ukpga/1988/32/contents)

*Civil Procedure Rules* (CPR), together with associated Practice Directions, Pre-Action Protocols and Forms, available at [www.justice.gov.uk/courts/procedure-rules/civil](http://www.justice.gov.uk/courts/procedure-rules/civil) and the Guidance for the instruction of experts to give evidence in Civil claims (issued by the Civil Justice Council (CJC), July 2012, approved by the Master of the Rolls), available at

<http://www.judiciary.gov.uk/Resources/JCO/Documents/CJC/Publications/Pre-action%20protocols/CJC%20Guidance%20for%20the%20Instruction%20of%20Experts.pdf>

- CPR Practice Direction 1 – *Overriding objective*, available at <http://www.justice.gov.uk/courts/procedure-rules/civil/rules/part01>
- CPR Practice Direction 22 – *Statements of truth*, available at [www.justice.gov.uk/courts/procedure-rules/civil/rules/part22](http://www.justice.gov.uk/courts/procedure-rules/civil/rules/part22)

- CPR Practice Direction 31 – *Disclosure and inspection of documents*, available at [www.justice.gov.uk/courts/procedure-rules/civil/rules/part31](http://www.justice.gov.uk/courts/procedure-rules/civil/rules/part31)
- CPR Practice Direction 35 – *Experts and assessors*, available at [www.justice.gov.uk/courts/procedure-rules/civil/rules/part35/pd\\_part35](http://www.justice.gov.uk/courts/procedure-rules/civil/rules/part35/pd_part35)

Clarke, P. H., *The Surveyor in Court*, Estates Gazette, London, 1985 (ISBN 0 7282 0091 0) (out of print but available from the RICS Library)

*Criminal Defence Service (Funding) (Amendment) Order 2011*, available at [www.legislation.gov.uk/uksi/2011/2065/contents/made](http://www.legislation.gov.uk/uksi/2011/2065/contents/made)

*Criminal Procedure Rules 2013 (Part 33)*, available at <http://www.legislation.gov.uk/uksi/2013/1554/part/33/made>

*Court of Session Rules (Scotland)*, available at [www.scotcourts.gov.uk/rules-and-practice/rules-of-court/court-of-session-rules](http://www.scotcourts.gov.uk/rules-and-practice/rules-of-court/court-of-session-rules)

*Dilapidations* (6th edition), RICS guidance note, RICS Books, Coventry, 2012 (ISBN 978 1 84219 779 0)

*Direct professional access to barristers* (2nd edition), RICS guidance note, RICS Books, Coventry, 2003 (ISBN 1 8421 9133 0) (current edition under review)

Farr, M., *Surveyor's Expert Witness Handbook: Valuation*, Estates Gazette Books, London, 2005 (ISBN 978 0 7282 0463 8)

Hodgkinson, T., and James, M., *Expert Evidence: Law & Practice* (3rd edition), Sweet & Maxwell, London, 2009 (ISBN 978 1 8470 3614 8)

Morris, A., *The Surveyor as Expert Witness: Building and Development Play*, Estates Gazette Books, London, 2005 (ISBN 978 0 7282 0480 5)

Pamplin, C. (Dr), *Expert Witness Fees*, JS Publications, Newmarket, 2007 (ISBN 978 1 9059 2601 5)

Pamplin, C. (Dr), *Expert Witness Practice in the Civil Arena*, JS Publications, Newmarket, 2007 (ISBN 978 1 9059 2600 8)

*Rating appeals* (3rd edition), RICS guidance note, RICS Books, Coventry, 2009 (ISBN 978 1 8421 9488 1)

*Rating consultancy: RICS/IRRV/RSA code of practice* (3rd edition), RICS practice statement, RICS Books, Coventry, 2010 (ISBN 978 1 8421 588 8)

*Surveyors acting as advocates*, RICS practice statement and guidance note, RICS Books, Coventry, 2008 (ISBN 978 1 8421 9429 4)

*Surveyors acting as arbiter or as independent expert in commercial property rent reviews* (Scottish edition), RICS guidance note, RICS Books, Coventry, 2002



*Surveyors acting as arbitrators and as independent experts in commercial property rent reviews* (8th edition), RICS guidance note, RICS Books, Coventry, 2002 (ISBN 1 8421 9096 2)

*Surveyors acting as arbitrators in commercial property rent reviews* (9th edition), RICS guidance note, RICS Books, Coventry, 2013 (ISBN 978 1 7832 1020 6)

*The Chancery Guide* (Chapter 4), available at [http://www.justice.gov.uk/search?collection=moj-matrix-dev-web&form=simple&profile=\\_default&query=chancery+guide](http://www.justice.gov.uk/search?collection=moj-matrix-dev-web&form=simple&profile=_default&query=chancery+guide)

*The Construction and Technology Court Guide* 2010 (Section 13), available at <http://www.justice.gov.uk/downloads/courts/tech-court/tech-con-court-guide.pdf>

*The Laws of Scotland*, Stair Memorial Encyclopaedia, Butterworths, London, 1991 (contains 25 volumes)

*The Queens Bench Guide* (section 7.9), available at <http://www.justice.gov.uk/downloads/courts/queens-bench/queen-bench-guide.pdf>

*The Rules of the Court of Judicature* (Northern Ireland), available at <http://www.courtsni.gov.uk/en-GB/Publications/court-rules/Documents/RsCoJ/RsCJ.pdf>

Watson, J., *Nothing but the Truth – Expert Evidence in Principle and Practice for Surveyors, Valuers and Others* (2nd edition), Estates Gazette, London, 1975 (ISBN 978 0 7282 0015 9)

For the various court guides, see [https://www.justice.gov.uk/courts/procedure-rules/civil/court\\_guides](https://www.justice.gov.uk/courts/procedure-rules/civil/court_guides)

The RICS Dispute Resolution Faculty and RICS Library may be able to provide further information relevant to expert witness practice.



## Delivering confidence

We are RICS. Everything we do is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure. Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.

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## Appendix 2 – AspinallVerdi Clarification Questions

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## Clarification Questions

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To: Intelligent Land/Dudsbury Homes      cc: Max King, AspinallVerdi

From: Stephanie Eaton/Atam Verdi, AspinallVerdi      Date: 26<sup>th</sup> February 2024

### Land at Alderholt Meadows, Dorset

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Date/Version - 240223 Alderholt VA Clarification Questions V2.0

This is an initial set of questions from an initial review of the documents. Inadequate responses may lead to further questions and delays.

Ref:	Document referenced	AspinallVerdi Question	Applicant's Response
1.	Cover page and page 2.	The report is marked Without Prejudice and also the CAVEAT states that the report is informal. Can the status of the report and its contents be clarified?	
2.	Para 2.6	Reference is made in the report to 'forecasts' can the applicant make clear if the assumptions made have been subject to inflation or growth forecasts. If so, can these be fully set out, together with the supporting evidence on the nature of those forecasts.	
3.	Para 3.2	We note that no reference is made to the microgrid energy network and that this would assist the viability of the scheme. Can you provide evidence of the assertion that this will support the viability.	
4.	Para 4.1	It would be helpful to receive a site plan which provides an indication of how the site is used / its characteristics (i.e. farmland, woodland etc)	

<b>Ref:</b>	<b>Document referenced</b>	<b>AspinallVerdi Question</b>	<b>Applicant's Response</b>
5.	Para 4.1	Can information be provided in terms of land ownerships and whether there are any tenancies at the site?	
6.	Para 4.2	Can you please confirm the gross acquisition area – the land which will be acquired (or is acquired) by Dudson Homes for the development.	
7.	Table 2	Can the number of rooms and typologies of care dwellings be clarified. The reference to care units is unclear.	
8.	Para 5.8	In accordance with Para 008 PPG Viability – there is a requirement for Viability Assessments to present evidence in support of their viability assessment. There are a number of assumptions made throughout this report, but lack any evidence – for instance property market analysis to support the value assumptions to arrive at the GDV. The discount from Market Value to the Transfer Values should also be evidenced.	
9.	Para 5.10	How has the applicant arrived at a blended affordable value of 55% of OMV? Are there more detailed calculations behind this? Please be explicit on the Transfer Values and discounts applied.	
10.	Para 5.13	As with No.9 above – please provide transactional evidence to support the assumptions made with respect to employment, public house, retail/office development.  Para 5.26 – comment is made that the land prices take in to account CIL payments can financial development appraisals be provided which will evidence this assertion.	
11.	Para 5.13	Retail/office development – can you please provide an accommodation schedule summarising the assumed scheme. An accommodation schedule with unit areas and proposed uses is needed.	

<b>Ref:</b>	<b>Document referenced</b>	<b>AspinallVerdi Question</b>	<b>Applicant's Response</b>
12.	Para 5.16	The sale of the market sale units and affordable units is not clear. In the cashflow, the revenue for the market sale units appears to be included as a yearly lump sum – how has this been arrived at and what is the reasoning for it? Equally, revenue for First Homes appears to be coming in on a monthly basis in the cashflow, but Affordable Rent and Shared Ownership is coming in as a yearly lump sum. If affordable revenue is supposed to be on a golden brick structure, as the Applicant has stated, why is the affordable revenue modelled in this way in the cashflow?	
13.	Para 5.17	Is it the intention to bring on board a further housebuilder who will take the second outlet. Has any market testing been undertaken to evidence this assumption.	
14.	Para 5.26	Appraisal evidence is needed to support the RLV land receipts and assumptions. Overall, this is a large revenue stream of c£10m and needs scrutinising further.	
15.	Para 5.27	Exactly how have these estimated S106 costs been arrived at? Were any discussions held with the council with regard to these?	
16.	Para 5.30	Evidence needs to be submitted which supports the costs assumptions. We would expect comparables to be provided and an analysis of how these costs have been adjusted to reflect the circumstances of the site in question.	
17.	Para 5.32	Can the application of marketing, legal and other costs be clarified in terms of how they have been applied to the differing tenure types. Additionally, the combined cost of £150,000 for the sale of the affordable housing contract needs to be explained further.	
18.	Para 5.36	Can the finance rate be evidenced from other arrangements that Dudson Homes have or that you are aware of in the market place.	

<b>Ref:</b>	<b>Document referenced</b>	<b>AspinallVerdi Question</b>	<b>Applicant's Response</b>
19.	Para 6.2	Can the agricultural land values be evidenced through analysis of land transactions.	
20.		Can you provide further evidence to support the application of the premium multiplier.	
21.	Para 7.5	Can you confirm that 35% affordable housing is the maximum offer that is being made?	
22.	Para 7.8	It would be very helpful if the working schedules (accommodation) and Argus Developer files (data file) can be shared.	

## Appendix 3 – PPG Viability & Christchurch & East Dorset Local Plan

### Planning Practice Guidance for Viability

The Planning Practice Guidance for Viability was first published in March 2014 and substantially updated in line with the NPPF. This has subsequently been updated on numerous occasions and latterly 1<sup>st</sup> September 2019.

Below I comment on key aspects of the PPG Viability which are relevant for this appeal (Table 3.1).

**Table 6.2 – PPG Viability Key Cross-References**

Paragraph Number - Item	Quotation & Commentary [All emphasis my own]
Para 007 – Should viability be assessed [emphasis on Applicant]	<p>Where up-to-date policies have set out the contributions expected from development, planning applications that fully comply with them should be assumed to be viable. <b>It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment</b> at the application stage. Policy compliant in decision making means that the development fully complies with up-to-date plan policies. A decision maker can give appropriate weight to emerging policies.</p> <p>The Appellant has not made clear the reasons why the scheme requires a Viability Assessment.</p>
Para 009 – How should viability be reviewed during the lifetime of a project?	<p>Where contributions are reduced below the requirements set out in policies to provide flexibility in the early stages of a development, there should be a clear agreement of how policy compliance can be reached overtime.</p> <p>Where policy is not being achieved, however given the early stage of this development and indeed the large scale of this development, meaning that it will occur over an extensive period, review mechanisms would be appropriate to ensure that any changes in costs or receipts may result in additional contributions being made to secure additional contributions.</p>

Paragraph Number - Item	Quotation & Commentary [All emphasis my own]
<p>Para 010 - Principles for carrying out a viability assessment (strike a balance)</p>	<p>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. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return.</p> <p>This can be achieved by using a residual land value methodology.</p> <p>In plan making and decision-making viability helps <b>to strike a balance</b> between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.</p> <p>Residual land appraisals have been undertaken and in my opinion indicate a land value which is sufficient incentive for the landowner to transact with the developer.</p>
<p>Para 012 – Development costs</p> <p>(Note Revision Date 12 02 24 numbers this para 014)</p>	<p>Assessment of costs should be based on evidence which is reflective of local market conditions...costs include:</p> <ul style="list-style-type: none"> <li>• build costs - e.g. Building Cost Information Service (BCIS)</li> <li>• abnormal costs*</li> <li>• site-specific infrastructure costs*</li> <li>• the total cost of all relevant policy requirements*</li> <li>• general finance</li> <li>• professional*, project management, sales, marketing and legal costs incorporating organisational overheads associated with the site</li> <li>• project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project risk and developers return</li> </ul>



Paragraph Number - Item	Quotation & Commentary [All emphasis my own]
	<p>*the PPG suggests that these costs should be taken into account when defining benchmark land value.</p> <p>Significant costs have been identified by the Appellant and there are outstanding aspects to clarify, however these have been included within my residual land appraisals.</p>
<p>Para 013 – Benchmark Land Value (BLV)</p>	<p>A benchmark land value should be established on the basis of the <b>existing use value (EUV) of the land, plus a premium for the landowner.</b></p> <p>I have undertaken this exercise utilising appropriate evidence.</p>
<p>Para 014 - What factors should be considered to establish BLV?</p> <p>Para 014 – Market evidence in BLV</p> <p>Para 014 – Circularity of land values</p>	<p>Benchmark land value should:</p> <ul style="list-style-type: none"> <li>• be based upon existing use value (EUV)</li> <li>• allow for a premium to landowners</li> <li>• reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees.</li> </ul> <p>This last bullet is key – where there are significant costs related to the development then this must be reflected in any assessment of the Benchmark Land Value.</p> <p>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 <b>may be a divergence between benchmark land values and market evidence</b>; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.</p> <p>[Market] evidence should be based on developments which are <b>fully compliant with emerging or up to date plan policies</b>, 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 <b>evidence any adjustments</b> to reflect the cost of policy compliance. This is so that <b>historic benchmark land values of non-policy</b></p>

Paragraph Number - Item	Quotation & Commentary [All emphasis my own]
<p>Para 014 – Price paid</p>	<p><b>compliant developments are not used to inflate values over time.</b></p> <p>Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement).</p> <p>This information has been requested from the Appellant and has not been disclosed. I understand that the land has not as yet been acquired by the Appellant and therefore would assume that an option or promotion agreement which would normally be based on a base land value and will permit adjustments for abnormal, site infrastructure and policy costs to arrive at a net land value to be paid.</p>
<p>Para 015 – Existing Use Value (EUV)</p>	<p>EUV is the value of the land in its existing use.</p> <p>Existing use value is not the price paid and should <b>disregard hope value.</b></p> <p>Existing use values will vary depending on the type of site and development types.</p> <p>The EUV can be established using published sources of information such as agricultural land values.</p> <p>I have undertaken research using published resources in order to arrive at my opinion of existing use value.</p>
<p>Para 016 – Premium</p>	<p>[The premium] is the amount above existing use value (EUV) that goes to the landowner.</p> <p>The premium should provide a <b>reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements.</b></p> <p>Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land,</p>

Paragraph Number - Item	Quotation & Commentary [All emphasis my own]
<p>Para 016 – Price paid evidence</p>	<p>site scale, market performance of different building use types and reasonable expectations of local landowners.</p> <p>Policy compliance means that the development complies fully with up-to-date plan policies including any policy requirements for contributions towards affordable housing requirements at the relevant levels set out in the plan.</p> <p>It should be noted that there are significant IDP costs which the Appellant has put forward. These have been included within my assessment and appraisals, however it is likely that this cost may reduce due to the costs associated with excavation being reviewed and as such the residual land value would improve further.</p> <p>Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement).</p> <p>The PPG emphasises throughout (paras 2, 3, 6, 11, 14, 18) that the price paid for land is not a relevant justification for failing to accord with relevant policies in the plan.</p> <p>However, data on actual price paid (or the price expected to be paid through an option or promotion agreement) is particularly relevant to ensure that there are no windfall profits to the landowner and that the BLV is not being overstated. Again, this has been requested from the Appellant and not received.</p>
<p>Para 020 – Accountability [and integrity]</p>	<p>In order to improve clarity and accountability it is an expectation that any viability assessment is prepared with professional integrity by a suitably qualified practitioner and presented in accordance with this National Planning Guidance. Practitioners should ensure that the findings of a viability assessment are presented clearly.</p> <p>This reinforces the requirement to provide transparency over the land value.</p>

Source: PPG Viability (last updated 1 September 2019)

## **Christchurch and East Dorset Local Plan (2014)**

From 1st April 2019, a new unitary Dorset Council was formed which covers the areas/services of Purbeck, East Dorset, North Dorset, West Dorset and Weymouth & Portland.

Dorset Council is currently preparing a local plan for the whole area. The Dorset Council Local Plan consultation took place in January to March 2021.

In the absence of an adopted Local Plan for the whole newly formed Dorset Local Authority, the policies set out in the previous Christchurch and East Dorset Local Plan (2014) is the relevant adopted plan for development in the area.

Of particular note is Policy LN3 – Provision of Affordable Housing. This policy forms the basis for deciding what is a policy compliant provision of affordable housing in respect of the site and the subject application.

## Appendix 4 – RICS Assessing Viability in Planning (March 2021)

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### RICS AVIP under the NPPF 2019 Guidance Note

I draw your attention to the following key paragraphs (**Error! Reference source not found.**).

**Table 6.3 – RICS AVIP Guidance Note Key Cross-References**

Para - Item	Quotation & Commentary [All emphasis my own]
Foreword	The RICS echoes government sentiment in the NPPF and PPG, particularly with respect to the circularity of land value after the after the High Court decision on Parkhurst Road (Parkhurst Road Ltd v Secretary of State for Communities and Local Government & Anor [2018] EWHC 991 (Admin) 27 April 2018).
Comparable transaction evidence/comparable evidence (PDF page 11)	Land transaction evidence must be compliant with or adjusted for plan policy requirements.
Minimum return (page 14)	<p>The amount of the premium above the EUV that it is considered a reasonable landowner would be willing to accept for 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 (PPG paragraph 013).</p> <p>The RICS draws the parallel between the concept of the premium and the minimum return [to the landowner]. The best way to establish the minimum return is through <b>transparency on the actual land transaction</b> and any guaranteed minimum returns agreed by the landowner in any option agreement.</p> <p>The Appellant has been asked to share the details of the proposed transaction between them and the landowners and this has not been received. An option or promotion</p>

Para - Item	Quotation & Commentary [All emphasis my own]
	agreement may contain a base or minimum land value which would be an informative of the minimum land value acceptable to the landowner.
Premium (page 15)	The premium should reflect the minimum return at which a reasonable landowner would be willing to sell their land.  See minimum return above.
Para 1.1.4 – PPG Precedence	The NPPF and PPG are the ‘authoritative requirement’.... any valuation-based requirements in the PPG Viability take precedence over any other valuation basis or approach set out in the standards.
Para 1.2.4 – Landowners reasonable expectations	Viability should inform landowners about reasonable expectations, having regard to planning policy and their options.  The purpose of the PPG Viability and Local Plan is to ensure that policy requirements are factored into the price of the land from the outset. Agreements entered into with landowners should reflect all policy requirements, this also therefore should inform the level of premium applied to existing use values. For example, with sites with high infrastructure costs, then the premium applied must be adjusted to reflect these costs.
Benchmark land value	At decision making stage, policy is already in place, so the BLV or AUV will need to reflect any relevant requirements.
2.1.1 – Pricing of land	Planning policy and practice are a major influence on markets and prices, so LPAs must be cognisant of the impact their decisions may have on the price and delivery of land.  Developers, landowners and valuers should also understand and give proper consideration to the legal and policy framework of the planning system, and fully reflect planning policies in commercial decision taking and the pricing and valuation of development land.

Para - Item	Quotation & Commentary [All emphasis my own]
	The developer therefore must reflect the known policy requirements in respect of the land price being paid.
2.1.5 – BLV (not MV)	BLV should not be assumed to equate to Market Value. It is based on PPG requirements and a prescribed method.
2.2.1 – Red Book	Viability Assessments (VA) are not valuations as such, but there is significant valuation content within an VA. For that reason, these valuation aspects are within the jurisdiction of the Red Book and other RICS mandatory statements and professional guidance.
2.3.15 – developer’s and landowner’s expectations	The PPG envisages that the policy requirements should be set without the need for further viability assessment at the decision-taking stage. Equally, developers and landowners should adjust their expectations to fit the requirements of the planning policy, effectively reflecting the full requirement of policy in their assessments.
2.4.5 – Value engineering	<p>A development site may subsequently become unviable at the level of developer contributions set out in the plan at the decision-taking stage.</p> <p>Amendments to the scheme (such as increasing density, altering the mix of uses or reducing design standards) where practical and feasible may improve viability. Developer’s can use skill and judgement to ensure that proposals achieve viability through the mitigation of excessive costs.</p>
3.8.3 – Viability at decision taking stage	<p>The applicant must demonstrate whether particular circumstances justify the need for an VA.</p> <p>It is expected that site owners and land promoters would have engaged with the process at the plan-making stage, so the onus is on the applicant to demonstrate why a decision taking VA is needed (PPG paragraph 007).</p>

Para - Item	Quotation & Commentary [All emphasis my own]
3.9.1 – date of assessment	<p>The date upon which the LPA or the Secretary of State resolves to grant or refuse a planning application is the date upon which all relevant information is considered.</p> <p>In this instance the date will be the time of the Appeal.</p>
4.2.7 – land transaction evidence	<p>Land transaction evidence adjusted for policy compliance and for any abnormal costs.</p> <p>The best land transaction evidence is evidence of the site itself. The Appellant has been requested to share the details of the agreements that they have in place (see Para 4.2.33 below)</p>
4.2.33 – price paid for land	<p>The RICS notes that, LPAs can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement) if they feel it is appropriate.</p> <p>This is clearly the case where it is considered that the purported BLV could be higher than that which was actually required to incentivise the landowner to sell.</p>
4.4.7 – Reduced Premium for costs	<p>Abnormal costs related to the development and enabling infrastructure normally impact on the development land value and not the EUV. Each case needs to be treated on its merits, but if the development site value is reduced and the EUV is unaffected, the premium is reduced.</p> <p>The high costs of IDP and planning obligations (including SANG) will impact on the premium in this instance.</p>
5.1.4 – difference between MV and BLV	<p>The market value is normally calculated using the methods proposed in Valuation of Development Property, RICS guidance note, which states that the two normal approaches are the residual approach and the direct comparison approach. The PPG states that the BLV is primarily based on the EUV plus a premium.</p> <p>The evidence base for the market value is grounded in comparative values and costs of the developed property in a</p>



Para - Item	Quotation & Commentary [All emphasis my own]
	<p>residual valuation, and in direct analysis of land transactions in the market comparison approach.</p> <p>The PPG reduces the status of comparable land transactions to that of a cross-check of the BLV. As any residential mortgage valuer would note, the best evidence of value is the price paid for the subject site itself.</p>
5.2.2 – BLV first cross check	<p>The first cross-check is a policy-compliant residual land value, found by applying the residual valuation approach.</p> <p>Here if the residual land value is found to be at a level which would provide sufficient incentive to the landowner, then this would be considered viable.</p>
5.2.2 – BLV second cross check	<p>The market comparison approach can be used to provide a further cross-check. Where the evidence allows, land transactions adjusted for policy compliance and development costs can be used. Outliers should be disregarded.</p> <p>This can be complex due to the lack of sufficient detailed information with transacted sites that enable a full analysis and understanding of the net price paid.</p>
5.3.3 – Amount of premium	<p>The RICS confirms that, there is no standard amount for the premium and the setting of realistic policy requirements that satisfy the reasonable incentive test behind the setting of the premium is a very difficult judgement.</p> <p>Hence, cross-check 1 above is the most sensible approach for developers and landowners. It should be noted that the RICS does not provide a range.</p>
5.5.1 – Residual valuations	<p>Assessors should undertake a residual valuation as a cross-check to the BLV, as PPG paragraph 014 requires the BLV including any premium to be tested against plan policies.</p>
5.6.1 – Market comparison / no waiver of policy	<p>Market evidence of land transactions can be used to cross-check the BLV assessment. Land transactions must be adjusted to be compliant with policy requirements in an up-to-</p>

Para - Item	Quotation & Commentary [All emphasis my own]
	<p>date plan or emerging policy requirements at the plan-making stage.</p> <p>There should be no presupposition that a policy obligation will be waived or reduced by the LPA.</p>
5.6.2 – Poor quality comparable evidence	<p>The difficulties in assessing policy compliance in transaction evidence may weaken the evidence base, and transactions where the assumptions made are not clearly articulated should not be used.</p>
5.7.2 Step one - EUV	<p>Step one is to undertake a valuation to determine EUV.</p> <p>I have sought to analyse the EUV of the site in Section 5 of this report.</p>
5.7.3 Step two - AVU	<p>Step two is the assessment, where appropriate, of the AUV.</p> <p>This is not relevant in this case.</p>
5.7.4 Step three - Premium	<p>Step three is to assess a premium above EUV based on the evidence set out in PPG paragraph 016 (see section 3).</p> <p>The Appellant makes the following statement in their Site Wide Viability Report:</p> <p>“Due to comparatively low values of agricultural land a ‘rule of thumb’ premium is 10 times the existing use value.”</p> <p>This in itself is not evidence and more reasoning is needed as opposed to just ‘rule of thumb’.</p> <p>The Appellant then changes their position on 19<sup>th</sup> April 2024 stating:</p> <p>“Greenfield land benchmarks tend to be in a range of 10 to 20 times agricultural value...Alderholt Meadows is not allocated and <b>therefore a lower multiplier is adopted</b>”.</p> <p>The Appellant goes on to adopt a multiplier of 5.1 times.</p> <p>It is noted that the Appellant makes no mention nor adjustment for the significant IDP costs.</p>

Para - Item	Quotation & Commentary [All emphasis my own]
5.7.5 Step four – policy compliant residual land value	<p>Step four is to determine the residual value of the site assuming actual policy requirements, and this assessment of land value can be cross checked against the EUV plus premium.</p> <p>This is a critical part of any analysis of viability and feasibility when carrying out appraisals and due-diligence on development land. The PPG is clear that the developers should formulate land bids based on a policy compliant basis.</p>
5.7.6 Step five – land transaction evidence	<p>Step 5 is to cross-check the EUV plus premium approach to the determination of the BLV of the site by reference to land transaction evidence.</p> <p>My analysis shows that the policy compliant (50% affordable housing) residual land value (RLV), using the Appellant's assumptions, is £17,085,289 and for the proposed 35% is £33,030,127. Based on a BLV of £17,794,487 this leaves a small deficit of -£709,198 for the policy compliant scheme and a surplus of £15,235,640 for the proposed scheme, given the very small deficit and likely excavation cost savings in the IDP, it is my opinion that the scheme can support a policy compliant provision of 50% affordable housing</p>
5.7.7 – Premium evidence	<p>The RICS is clear that, evidence of premiums can be difficult to source and subject to very significant variations in locality, typology, site characteristics and site costs including infrastructure necessary unlock the development potential of the site. Land transaction evidence may be easier to source but may also suffer from the individuality of location, typology and site characteristics, and adjustments for not-up-to-date actual or emerging policy compliance could be virtually impossible if there is a lack of detail concerning the transaction.</p>

Para - Item	Quotation & Commentary [All emphasis my own]
	The best evidence of premium is therefore derived from the difference between Step one and Step four for the subject site. This has been our approach.

Source: RICS Assessing Viability in Planning under the National Planning Policy Framework 2019 for England Guidance Note (1st edition, March 2021) having regard to the latest revisions to the National Planning Policy Framework (NPPF, last updated 20 July 2021) and the Planning Practice Guidance (PPG).

## Appendix 5 – RICS Professional Standard Financial Viability in Planning

RICS PROFESSIONAL STANDARD



# Financial viability in planning: conduct and reporting

England

1st edition, May 2019

Effective from 1 September 2019

# Financial viability in planning: conduct and reporting

RICS professional standard, England

1st edition, May 2019

Effective from 1 September 2019



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# Contents

Acknowledgements .....	iv
RICS standards framework .....	1
Document definitions .....	2
Chair's statement .....	3
Glossary .....	5
<b>1 Introduction .....</b>	<b>8</b>
1.1 Updating .....	8
1.2 Overview .....	8
1.3 Background .....	8
1.4 Application .....	9
<b>2 Reporting and process requirements .....</b>	<b>10</b>
2.1 Objectivity, impartiality and reasonableness statement .....	10
2.2 Confirmation of instructions and absence of conflicts of interest .....	10
2.3 A no contingent fee statement .....	11
2.4 Transparency of information .....	11
2.5 Confirmation where the RICS member is acting on area-wide and scheme-specific FVAs .....	11
2.6 Justification of evidence and differences of opinion .....	12
2.7 Benchmark land value and supporting evidence .....	12
2.8 FVA origination, reviews and negotiations .....	13
2.9 Sensitivity analysis (all reports) .....	13
2.10 Engagement .....	13
2.11 Non-technical summaries (all reports) .....	13
2.12 Author(s) sign-off (all reports) .....	13
2.13 Inputs to reports supplied by other contributors .....	14
2.14 Timeframes for carrying out assessments .....	14
<b>3 Legislation, the development plan and professional guidance .....</b>	<b>15</b>
3.1 Legislation .....	15
3.2 RICS professional guidance and information .....	16
3.3 Additional guidance .....	16
<b>4 Duty of care and due diligence .....</b>	<b>18</b>



<b>5</b>	<b>Transparency of information .....</b>	<b>21</b>
5.1	Confidential information .....	21
5.2	Exceptions .....	22

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# RICS standards framework

RICS' standards setting is governed and overseen by the Standards and Regulation Board (SRB). The SRB's aims are to operate in the public interest, and to develop the technical and ethical competence of the profession and its ability to deliver ethical practice to high standards globally.

The RICS [Rules of Conduct](#) set high-level professional requirements for the global chartered surveying profession. These are supported by more detailed standards and information relating to professional conduct and technical competency.

The SRB focuses on the conduct and competence of RICS members, to set standards that are proportionate, in the public interest and based on risk. Its approach is to foster a supportive atmosphere that encourages a strong, diverse, inclusive, effective and sustainable surveying profession.

As well as developing its own standards, RICS works collaboratively with other bodies at a national and international level to develop documents relevant to professional practice, such as cross-sector guidance, codes and standards. The application of these collaborative documents by RICS members will be defined either within the document itself or in associated RICS-published documents.

## Document definitions

Document type	Definition
RICS professional standards	<p><b>Set requirements or expectations for RICS members and regulated firms about how they provide services or the outcomes of their actions.</b></p> <p>RICS professional standards are principles-based and focused on outcomes and good practice. Any requirements included set a baseline expectation for competent delivery or ethical behaviour.</p> <p>They include practices and behaviours intended to protect clients and other stakeholders, as well as ensuring their reasonable expectations of ethics, integrity, technical competence and diligence are met. Members must comply with an RICS professional standard. They may include:</p> <ul style="list-style-type: none"> <li>• mandatory requirements, which use the word 'must' and must be complied with, and/or</li> <li>• recommended best practice, which uses the word 'should'. It is recognised that there may be acceptable alternatives to best practice that achieve the same or a better outcome.</li> </ul> <p>In regulatory or disciplinary proceedings, RICS will take into account relevant professional standards when deciding whether an RICS member or regulated firm acted appropriately and with reasonable competence. It is also likely that during any legal proceedings a judge, adjudicator or equivalent will take RICS professional standards into account.</p>
RICS practice information	<p><b>Information to support the practice, knowledge and performance of RICS members and regulated firms, and the demand for professional services.</b></p> <p>Practice information includes definitions, processes, toolkits, checklists, insights, research and technical information or advice. It also includes documents that aim to provide common benchmarks or approaches across a sector to help build efficient and consistent practice.</p> <p>This information is not mandatory and does not set requirements for RICS members or make explicit recommendations.</p>

# Chair's statement

In 2012 RICS published *Financial viability in planning* (1st edition), which provided advice on applying the government's planning policy on viability, introduced through the National Planning Policy Framework (NPPF) 2012.

The 1st edition has been widely referred to in financial viability assessment (FVA) submissions, section 106 agreements, supplementary planning guidance (SPG), planning appeals and High Court decisions as a document that sets out accepted good practice for RICS members.

The emergence in 2014 of the national Planning Practice Guidance provided more detail about the application of the NPPF. In July 2018 a revised NPPF and Planning Practice Guidance (PPG) were issued. The NPPF was further updated in February 2019 and the PPG updated in May 2019. This followed the earlier decision in *Parkhurst Road Ltd v Secretary of State for Communities and Local Government & Anor* [2018] EWHC 991.

This professional standard has therefore been informed by the NPPF, PPG and a High Court decision, as well as practitioner experience. It aims to:

- provide consistency regarding the application of policy and guidance and
- assist the practitioner in individual cases.

Where planning obligations and other costs are introduced during the planning process, ascertaining the viability of a development involves a number of valuation judgements in both the inputs and outcomes of an appraisal of a scheme. In arriving at these judgements, it is a question of whether they are rational, realistic and reasonable in the circumstances. Parties may of course reasonably disagree. The 1st edition encouraged practitioners to seek to resolve these differences of opinion, where possible, in the context of viability being a matter of evidence, valuation and exercising judgement.

The PPG 2019 also emphasises the need for:

- evidence-based judgement
- collaboration
- transparency and
- a consistent, standardised approach.

All these themes were central to preparing this standard, which sets out mandatory requirements that inform the practitioner on what must be included within reports and how the process must be conducted. This is to demonstrate how a reasonable, objective and impartial outcome, without interference, should be arrived at, and so support the statutory planning decision process.

Given that planning applications involve a statutory process that is subject to public scrutiny, the requirements in this professional statement are important in providing public confidence in a process that is inevitably complex, but nevertheless must inform the planning decision-maker.

Since the publication of the NPPF 2018 and PPG 2018 (as updated in 2019) RICS has also been reviewing the 1st edition to align it with the changed emphasis in current government policy; a second edition is forthcoming.

I would like to thank all those who contributed to this professional statement with their comments and suggestions and, in particular, my fellow members of the working group.

Simon Radford

**Chair, RICS working group**

# Glossary

Term	Definition
<b>Benchmark land value (BLV)</b>	A term defined in the Planning Practice Guidance (PPG) and undertaken by a suitably qualified practitioner (see PPG paragraphs 013 (reference ID: 10-013-20190509); 014 (reference ID: 10-014-20190509); 015 (reference ID: 10-015-20190509); 016 (reference ID: 10-016-20190509); and 017 (reference ID: 10-017-20190509)). See also <i>Suitably qualified practitioner</i> .
<b>Decision-maker</b>	The local/regional (where applicable) planning authority, or an inspector(s) as appointed by the secretary of state.
<b>Existing use value (EUV)</b>	<p>The <i>RICS Valuation – Global Standards 2017</i> (the ‘Red Book’) UK national supplement (2018) UK VPGA 6.1 states that:</p> <p>‘Existing use value (EUV) is to be used only for valuing property that is owner-occupied by an entity for inclusion in financial statements.’</p> <p>Using EUV in other circumstances is technically a departure from the Red Book (albeit an acceptable one in the context of the PPG). Where reference to EUV falls within ‘authoritative requirements’, for the purposes of the Red Book PS 1 section 4.2 and PS 1 section 6.3, it is not to be regarded as legislative or even regulatory in character, but nevertheless is a clear government policy requirement/convention (with accompanying guidance). Therefore, it would not need to be formally declared as a departure provided the valuation purpose (financial viability in planning) is made clear, as other parts of PS 1 require.</p>
<b>Financial viability assessment (FVA)</b>	See <i>Viability assessment</i> .
<b>Local planning authority (LPA)</b>	This includes both local and regional (where applicable) planning authorities, including metropolitan cities where a mayor presides in determining, or informing decisions on, planning applications.

Term	Definition
National Planning Policy Framework (NPPF)	Published by the government in July 2018 and updated in February 2019. It supersedes the policies in the previous version of the framework published in 2012.
Planning Practice Guidance (PPG)*	<p>The PPG was introduced in paragraph 57 of the NPPF, which states that all viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in PPG as from July 2018. The PPG was updated in May 2019 and can be accessed at <a href="http://www.gov.uk/guidance/viability">www.gov.uk/guidance/viability</a>.</p> <p>The PPG supersedes the previous viability guidance (also known as Planning Practice Guidance), which was operative from 2014 to July 2018 (see <a href="http://www.gov.uk/government/collections/planning-practice-guidance">www.gov.uk/government/collections/planning-practice-guidance</a>).</p> <p>* Planning Practice Guidance is also referred to as National Planning Guidance elsewhere.</p>
RICS member(s)	A member of RICS (see also <i>Suitably qualified practitioner</i> ).
Section 106 agreement	An agreement (based on section 106 of the <i>Town and Country Planning Act 1990</i> ) made between a local authority and an owner/developer, which can be attached to a planning permission concerning planning obligations that make a development acceptable. The section 106 agreement runs with the land to which the planning permission has been granted.
Stand back	Following a detailed component review of the inputs into an FVA and running the appraisal, to stand back is to consider the output(s) objectively, and with the benefit of experience, given the complexity of the proposed scheme. This may often be assisted by reviewing the sensitivity analysis.
Subpractitioners	All parties who may contribute to the carrying out or reviewing of the financial viability of a scheme.



Term	Definition
<p><b>Suitably qualified practitioner</b></p>	<p>A term identified in the PPG, paragraph 020 (reference ID: 10-020-20180724):</p> <p>‘In order to improve clarity and accountability it is an expectation that any viability assessment is prepared with professional integrity by a suitably qualified practitioner and presented in accordance with this National Planning Guidance. Practitioners should ensure that the findings of a viability assessment are presented clearly.’</p> <p>An RICS member would be considered a ‘suitably qualified practitioner’ to give an objective, impartial and reasonable viability judgement if they:</p> <ul style="list-style-type: none"> <li>• are experienced in undertaking valuations of development land and/or advising on financial viability of development</li> <li>• understand the application of inputs into the residual appraisal model from other professional disciplines and</li> <li>• have appropriate and up-to-date knowledge of the planning system.</li> </ul>
<p><b>Viability assessment</b></p>	<p>This means:</p> <ul style="list-style-type: none"> <li>• an assessment originated on behalf of an applicant</li> <li>• an assessment produced by a reviewer (either on behalf of an LPA or by themselves)</li> <li>• an area-wide viability assessment (and representations made in respect of an area-wide viability evidence base before and during an examination in public) and</li> <li>• an assessment that is part of a proof of evidence/ expert’s report before and during an appeal or High Court case.</li> </ul>
<p><b>Viability judgement</b></p>	<p>Similar to <i>stand back</i> in that an objective, rational and experienced opinion is formed, having regard to the complexities of the circumstances. A viability judgement may equally apply to individual elements of the appraisal, including the benchmark land value as well as the viability output, including interpretation of the resultant sensitivity analysis.</p>

# 1 Introduction

## 1.1 Updating

In addition to this professional standard, RICS is producing a second edition of *Financial viability in planning* (1st edition published in 2012), to reflect the changes in the NPPF 2018, as updated in February 2019, and PPG 2018, as updated in May 2019.

## 1.2 Overview

This professional standard sets out mandatory requirements on conduct and reporting in relation to FVAs for planning in England, whether for area-wide or scheme-specific purposes. It recognises the importance of impartiality, objectivity and transparency when reporting on such matters. It also aims to support and complement the government's reforms to the planning process announced in July 2018 and subsequent updates, which include an overhaul of the NPPF and PPG on viability and related matters.

The new policy and practice advice prioritises the assessment of viability at the plan-making stage and identifies EUV as the starting point for assessing the uplift in value required to incentivise the release of land.

This standard does not reference individual appeal cases. This is because the issues relating to them are often specific to each case, which makes an objective analysis difficult and subject to caveats. Neither does this standard deal with specific local planning policy (see section 3). The assessment of viability **must** be carried out having proper regard to all material facts and circumstances, whether for area-wide or scheme-specific assessments.

The RICS member carrying out the FVA **must** be a suitably qualified practitioner. A list of defined terms can be found in the *Glossary*.

## 1.3 Background

This professional standard has been written against the background of the High Court decision in *Parkhurst Road Ltd v Secretary of State for Communities and Local Government & Anor* [2018] EWHC 991, which highlighted the need to deal with problems encountered in practice.

While this document focuses on reporting and process requirements, more explicit detail on development viability in planning and providing greater clarity on reporting will be dealt with in the forthcoming second edition of RICS' *Financial viability in planning*.

## 1.4 Application

The primary policy and guidance on assessing viability in a planning context is provided in the NPPF 2019 and the PPG 2019. These have sought to change the emphasis on how viability should be approached in the planning system and the weight that should be given to viability assessments at the plan-making and development management stages.

## 2 Reporting and process requirements

The requirements in sections 2.1 to 2.14 set out what **must** be included in all FVAs (scheme-specific and area-wide) and how they **must** be carried out. This concerns all FVAs, whether they are:

- on behalf of, or by, the applicant
- in respect of a review or otherwise of a submitted FVA or
- on behalf of, or by, the decision- or plan-maker.

The following requirements are mandatory in all cases.

### 2.1 Objectivity, impartiality and reasonableness statement

A collaborative approach involving the LPA, business community, developers, landowners and other interested parties will improve understanding of the viability and deliverability for everyone involved in the process. The report **must** include a statement that, when carrying out FVAs and reviews, RICS members have acted:

- with objectivity
- impartially
- without interference and
- with reference to all appropriate available sources of information.

This applies both to those acting on behalf of applicants as well as those acting on behalf of the decision-makers.

A similar statement **must** appear in area-wide studies and submissions. RICS members **must** also comply with the requirements of *PS 2 Ethics, competency, objectivity and disclosures* in *RICS Valuation – Global Standards* in connection with valuation reports.

### 2.2 Confirmation of instructions and absence of conflicts of interest

Terms of engagement **must** be set out clearly and should be included in all reports. RICS' *Conflicts of interest* applies, but with the additional requirement that RICS members acting on behalf of all those involved **must** confirm that no conflict or risk of conflict of interest exists (see *Conflicts of interest* paragraph 1.1). The standard allows 'informed consent' management, which, subject to the circumstances, can be both pragmatic and appropriate. This should take the form of a declaration statement.

Where either applicants or decision-makers specify requests of RICS members, either at the start or during the viability process, these **must** be explicitly set out in respective reports. This includes additional requests for testing the viability of the proposed scheme or counterfactual scenarios. RICS members **must**, at all times, satisfy themselves that these requests do not contradict the mandatory requirements of this professional standard.

## 2.3 A no contingent fee statement

A statement **must** be provided confirming that, in preparing a report, no performance-related or contingent fees have been agreed.

## 2.4 Transparency of information

Transparency and fairness are key to the effective operation of the planning process. The PPG (paragraph 021, reference ID 10-021-20190509) states that:

'Any viability assessment should be prepared on the basis that it will be made publicly available other than in exceptional circumstances.'

Although certain information may need to remain confidential, FVAs should in general be based around market- rather than client-specific information.

Where information may compromise delivery of the proposed application scheme or infringe other statutory and regulatory requirements, these exceptions **must** be discussed and agreed with the LPA and documented early in the process. Commercially sensitive information can be presented in aggregate form following these discussions. Any sensitive personal information should not be made public.

## 2.5 Confirmation where the RICS member is acting on area-wide and scheme-specific FVAs

Before accepting instructions, if RICS members are advising either the applicant or the LPA on a planning application and have previously provided advice, or where they are providing ongoing advice in area-wide FVAs to help formulate policy, this **must** be declared.

In these circumstances respective parties **must** also ensure that no conflicts of interest arise, particularly where advice in connection with policy is concurrent with carrying out or reviewing the financial viability of a specific scheme. When reporting, RICS members **must** declare whether they have advised an LPA that is considering the planning application that is subject to an FVA. This applies to individuals as well as the firm/company advising either the applicant or LPA, and includes subpractitioners. It applies both before accepting instructions and subsequently when reporting. Refer to the current edition of RICS' *Conflicts of interest* to ensure that you follow the correct process in all cases.

## 2.6 Justification of evidence and differences of opinion

All inputs into an appraisal **must** be reasonably justified. Where a reviewer disagrees with a submitted report and/or with elements in it, differences **must** be clearly set out with supporting and reasonable justification. Where inputs are agreed, this **must** also be clearly stated. Where possible, practitioners should always try to resolve differences of opinion.

## 2.7 Benchmark land value and supporting evidence

Stakeholders are often presented with a variety of valuation figures that are not always easy to understand. In particular they will wish to reconcile figures included in FVAs with figures reported in the market. In the interest of transparency, when providing benchmark land value in accordance with the PPG for an FVA, RICS members **must** report the:

- **current use value** – CUV, referred to as EUV or first component in the PPG (see paragraph 015 reference ID: 10-015-20190509). This equivalent use of terms – i.e. that CUV and EUV are often interchangeable – is dealt with in paragraph 150.1 of IVS 104 *Bases of Value* (2017)
- **premium** – second component as set out in the PPG (see paragraph 016 reference ID: 10-016-20190509)
- **market evidence** as adjusted in accordance with the PPG (see PPG paragraph 016 reference ID: 10-016-20190509)
- **all supporting considerations, assumptions and justifications adopted** including valuation reports, where available (see PPG paragraphs 014 reference ID: 10-014-20190509; 015 reference ID: 10-015-20190509; and 016 reference ID: 10-016-20190509)
- **alternative use value** as appropriate (market value on the special assumption of a specified alternative use; see PPG paragraph 017 reference ID: 10-017-20190509). It will not be appropriate to report an alternative use value where it does not exist.

A statement **must** be included in the FVA or review of the applicant's FVA or area-wide FVA that explains how market evidence and other supporting information has been analysed and, as appropriate, adjusted to reflect existing or emerging planning policy and other relevant considerations. If a market value report has recently been prepared, this should be stated with the:

- reason for the report
- assumptions adopted and
- reported valuation.

The onus is on RICS members to enquire about all of the above.

In addition, the price paid for the land (or the price expected to be paid through an option or conditional agreement), should be reported as appropriate (see PPG paragraph 016 reference ID: 10-016-20190509) to improve transparency. Price paid is not allowable evidence for the assessment of BLV and cannot be used to justify failing to comply with policy.

## 2.8 FVA origination, reviews and negotiations

During the viability process there **must** be a clear distinction between preparing and reviewing a viability report and subsequent negotiations. The negotiations, which take place later and separately, commonly relate to section 106 agreements. This distinction is to retain the objectivity and impartiality of the origination and review of an FVA and to clarify where respective parties, or their practitioners, are seeking to resolve differences of opinion by comparison with subsequent negotiations.

## 2.9 Sensitivity analysis (all reports)

All FVAs and subsequent reviews **must** provide a sensitivity analysis of the results and an accompanying explanation and interpretation of respective calculations on viability, having regard to risks and an appropriate return(s). This is to:

- allow the applicant, decision- and plan-maker to consider how changes in inputs to a financial appraisal affect viability and
- understand the extent of these results to arrive at an appropriate conclusion on the viability of the application scheme (or of an area-wide assessment).

This also forms part of an exercise to 'stand back' and apply a viability judgement to the outcome of a report.

## 2.10 Engagement

At all stages of the viability process, RICS members **must** advocate reasonable, transparent and appropriate engagement between the parties, having regard to the circumstances of each case. This **must** be agreed and documented between the parties.

## 2.11 Non-technical summaries (all reports)

For applicants, subsequent reviews and plan-making, FVAs **must** be accompanied by non-technical summaries of the report so that non-specialists can better understand them. The summary **must** include key figures and issues that support the conclusions drawn from the assessment and also be consistent with the PPG (see paragraph 021 reference ID: 10-021-20190509).

## 2.12 Author(s) sign-off (all reports)

Reports on behalf of both applicants and the authority **must** be formally signed off and dated by the individuals who have carried out the exercises. Their respective qualifications should also be included.

The authors of FVAs and subsequent reviews **must** come to a reasonable judgement on viability on the basis of objectivity, impartiality and without interference, taking into account

all inputs, including those supplied by other contributors. For more on inputs by other specialists in relation to valuation work, see PS 2 of Red Book Global Standards.

## 2.13 Inputs to reports supplied by other contributors

All contributions to reports relating to assessments of viability, on behalf of both the applicants and authorities, **must** comply with these mandatory requirements. Determining the competency of subcontractors is the responsibility of the RICS member or RICS-regulated firm.

## 2.14 Timeframes for carrying out assessments

RICS members **must** ensure that they have allowed adequate time to produce (and review) FVAs proportionate to the scale of the project, area-wide assessment and specific instruction. They **must** set out clear timeframes for completing work. If the timeframes need to be extended, the reasons **must** be clearly stated, both at the time and in the subsequent report.

Where RICS members believe that the timeframes have not been reasonable, they **must** state this and give a brief outline of the issues and consequential impacts.



# 3 Legislation, the development plan and professional guidance

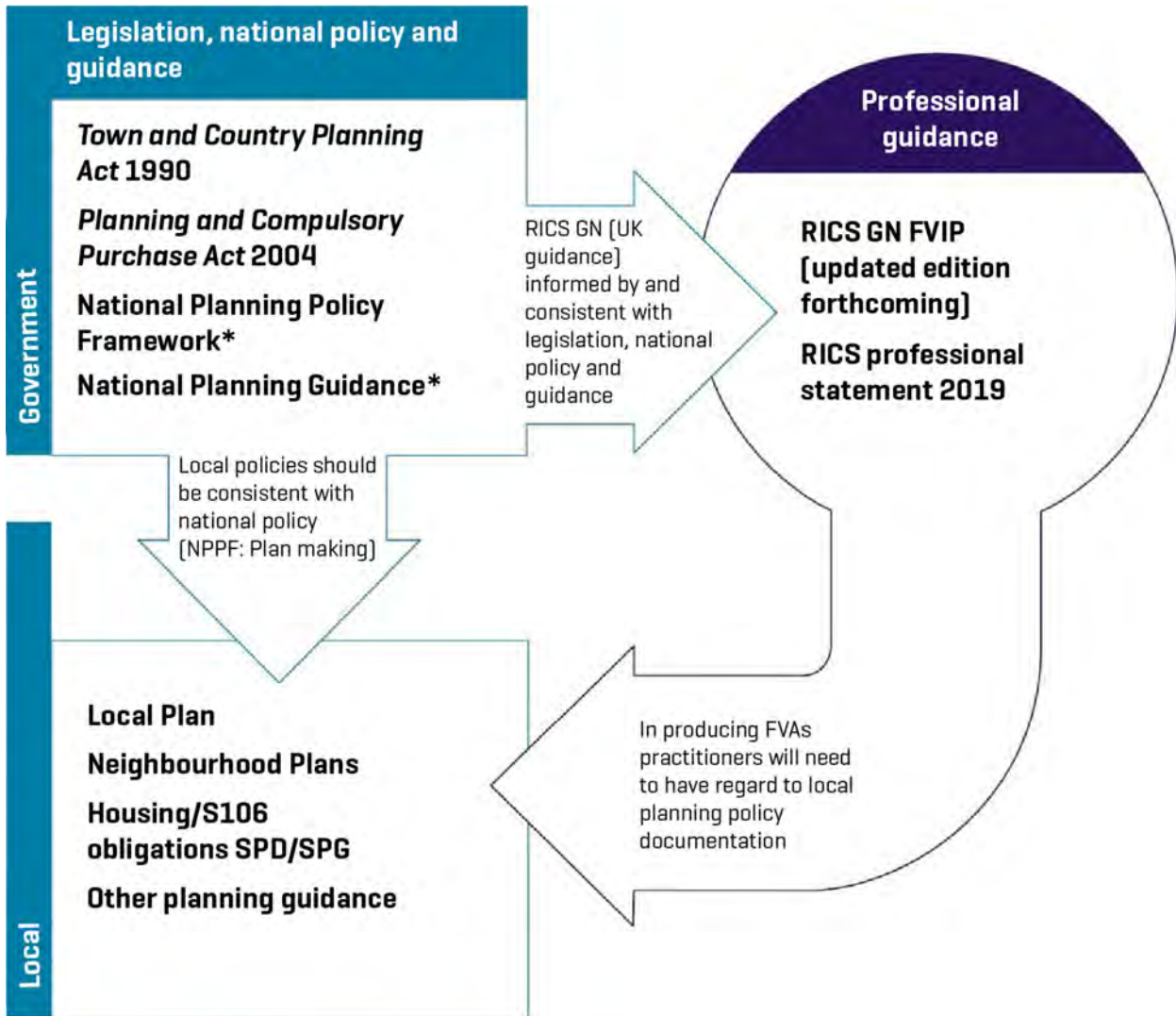
## 3.1 Legislation

The *Town and Country Planning Act 1990* and the *Planning and Compulsory Purchase Act 2004* are the governing pieces of legislation that regulate development and set out the planning application process in England and Wales.

Policy principles relating to viability assessments are set out in the NPPF and are informed by the PPG. These two documents are the primary sources of guidance when carrying out FVAs. It is the RICS member's responsibility to have regard to all further relevant legislation, government policy and government guidance issued after the publication of this professional standard.

In England the plan-led system operates under the principle that the decisions on planning applications should be made in accordance with the adopted development plan, unless there are other material considerations that may indicate otherwise. In adopting and implementing the plan, national planning policies are a material consideration. Additionally, the government may produce national planning guidance on how the national policy is to be applied. It also is a material consideration in plan-making and decision-making.

In certain circumstances government policies and guidance may need further elaboration to enable practitioners to consistently apply local planning policy in compliance with national planning policy and associated guidance. RICS professional standards and guidance fall into this category. They expand on how government policy and practice advice may be consistently implemented in the context to which it applies (see Figure 1). This PS should be applied reflecting changes to government policies and guidance.



\* subject to periodic additions/amendments

Figure 1: Legislation, policy and guidance

## 3.2 RICS professional guidance and information

The forthcoming second edition of RICS' *Financial viability in planning* (1st edition published 2012) will reflect the 2019 PPG and other related government guidance. Until this second edition is available, refer to section 1.4 of this professional standard.

## 3.3 Additional guidance

In addition to points of general relevance in judgments from the courts, consideration may also be given to outcomes expressed in decisions from the secretary of state and planning appeals. In considering these cases, it is important to ensure an understanding of the relevance and suitability of the assumptions adopted when applying them to an FVA.

Where the adopted principles and assumptions are considered to have wider application, practitioners should ensure they understand the context of the original decision.

Inputs into the viability appraisal should be objective and reasonable, having regard to the specific scheme being tested at the time of the assessment as well as comparable evidence. As a project progresses, inputs inevitably change. For example, when pricing residential units, the asking price at the time of marketing may differ, sometimes significantly, from those in the original FVA. This is because:

- time has passed since the original assessment
- agents will always seek to get the best price when marketing and
- costs may change through inflation or other causes.

When developers take on a development, they understand there are risks they have to bear in mind following the grant of planning permission.

# 4 Duty of care and due diligence

When carrying out or reviewing FVAs, members **must** be:

- reasonable
- transparent and
- fair and objective.

Objective means not being influenced by personal feelings, sentiment or by others in considering and representing facts (see section 2.1).

RICS members **must** act impartially. They should not be influenced by whether their role is to originate or to review the FVA. Neither should they bow to commercial or political pressures.

RICS members **must** comply with the principles of professional and ethical standards. These include:

- a duty of care that is particularly pertinent given the public interest and reliance that third parties may have on the content of the information provided and
- disclosure of any circumstances where the RICS member or the RICS-regulated firm will gain from the appointment beyond a normal fee or commission.

All RICS members acting on behalf of parties **must** confirm that no conflicts of interest exist. Figure 2 shows the relevant potential conflicts of interest.

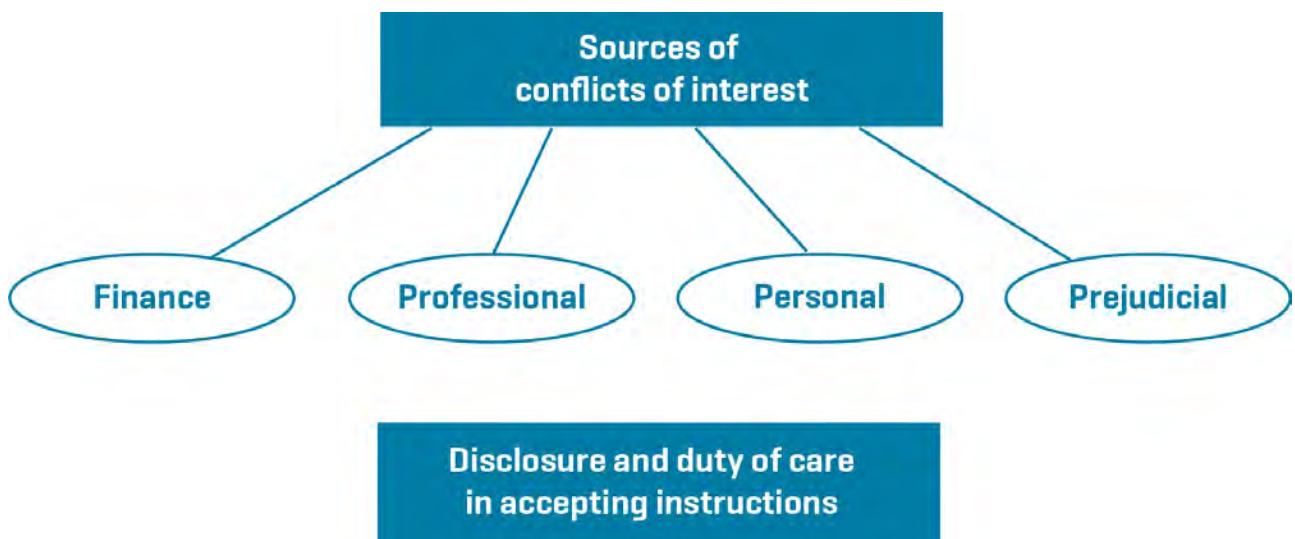


Figure 2: Conflicts of interest and duty of care

Establishing that there are no conflicts of interest includes providing statements from practitioners stating what other advice has been provided to the parties as appropriate and relevant in the circumstances. This may take the form of a declaration statement. Always refer to the current edition RICS' *Conflicts of interest* for the mandatory requirements and

accompanying guidance. This relates both to identifying and managing conflicts of interest and to maintaining confidentiality of information.

Acting with a reasonable standard of care contributes significantly to informed decision-making. RICS members should provide as much good-quality information as they can, whether submitting this on behalf of an applicant or responding on behalf of an LPA. This ensures that information is used to agree or to resolve any differences of opinion.

RICS members, whether on behalf of the applicant or LPA, **must** act as objective and impartial specialists to a professional standard when advising and providing information that can be relied on. In addition, they may be required to rely on highly specialist or technical inputs. This may include planning, legal and financial advice as well as technical development advice, such as build-cost estimates, ground condition surveys, engineering advice, etc. This information can help all parties involved to reach well-informed decisions quickly and without duplicating effort.

The onus is on the RICS members primarily responsible for the FVA, due diligence review or area-wide assessment to ensure that the information provided is balanced, reasonable and reflects an appropriate level of judgement in the circumstances. In practice, this requires all those inputting into the FVA to confirm that they have met those requirements in much the same way as if they were providing expert evidence. Where the originator of the FVA and the reviewer have different views, this should be supported; both should supply appropriate evidence or explanations of why they interpreted the evidence differently and reached an alternative opinion.

RICS members **must** also consider whether the advice they are giving represents the most effective and efficient way to deliver a reasonable development performance proportionate to the scheme being tested. This is sometimes referred to as 'value engineering' and involves quantity surveyors, agents and other professionals. LPAs and their advisers need to be confident that the FVA fully reflects the way the development would actually be carried out. If this is not the case, it should be stated and explained.

RICS members **must** include a statement that these matters have been given full consideration in the FVA. Corresponding statements **must**, where appropriate, be included in other professional and specialist inputs to the FVA.

When carrying out a due diligence review of an FVA on behalf of the LPA, RICS members **must** provide an assurance that the review has been carried out in accordance with this section.

Dependent on the terms of instruction from the LPA, which should be explicitly set out in any review or area-wide assessment, RICS members may be asked to provide additional advice on a range of aspects of viability assessment, such as counterfactual testing and alternative options for delivering the development proposed in the application. While this advice may not be intended for discussion with the applicant, the RICS member's role should be the same as if it were. The principles of due diligence set out in this section **must** be applied.

Case law has recognised that values and costs are not precise figures but may fall within a tolerance. Valuation and costing inputs would therefore not normally be at a level at either end of a possible range but **must** reflect a practitioner's professional viability judgement, having regard to such matters as the risks of development. The same consideration should be applied to resultant outputs to reach a rational, reasonable and realistic conclusion.

Sensitivity analyses (see section 2.9) help set such conclusions in their proper context and allow for adjustments to inputs within a possible range.

# 5 Transparency of information

The NPPF states that LPAs should publish a list of their information requirements for applications. These should be proportionate to the nature and scale of development proposals and should only request supporting information that is relevant and necessary to the application in question.

There is further guidance in the PPG. This identifies one of the key principles of FVAs as being a collaborative approach to improve understanding of viability and deliverability. Where possible there should be a presumption in favour of transparency of evidence. This is particularly important to reassure the wider community that viability testing has been fully assessed and all known facts have been considered.

An FVA should have enough detailed information to meet NPPF and PPG requirements. Sections 5.1 and 5.2 give further advice about providing confidential information.

## 5.1 Confidential information

An FVA is based on market information and is not specific to an applicant's circumstances. The PPG at paragraph 021 (reference ID: 10-021-20190509) states that FVAs will be made publicly available other than in exceptional circumstances. However, inputs may include commercially sensitive information, the public disclosure of which could have commercial consequences for the delivery of the application site.

Inputs that could be commercially sensitive typically relate to:

- current or future negotiations on land assembly (including obtaining vacant possession), option arrangements, third-party rights (e.g. rights of way, visibility, ransom, light, oversailing, etc.), disturbance, relocation, compulsory purchase and land compensation, etc.
- specific business information, such as funding details and marketing agreements and
- intellectual copyright, such as development toolkit and build-cost modelling. This can be kept confidential, but consideration should be given to presenting in a standard industry model.

Commercially sensitive information may need to be treated as confidential in pre-application discussions between the applicant and the LPA. This may relate to either market- and/or scheme-specific information. It may follow that such information could be exempt from disclosure to third parties under the provisions of the *Freedom of Information Act 2000* or the *Environmental Information Regulations 2004* (EIR).

## 5.2 Exceptions

The EIR set out exceptions that allow the LPA to refuse to provide requested information. Some exceptions relate to categories of information; for example, unfinished documents and internal communications. Others are based on the harm that would arise from disclosure; for example, if releasing the information would adversely affect intellectual property rights. There is also an exception for personal data if it would be contrary to the *Data Protection Act 2018*.



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Appendix 6 – RICS Assessing Viability in Planning Guidance Note



# Assessing viability in planning under the National Planning Policy Framework 2019 for England

England

1st edition, March 2021

Effective from July 2021

# Assessing viability in planning under the National Planning Policy Framework 2019 for England

RICS professional standard, England

1st edition, March 2021

Effective from 1 July 2021



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# Contents

Acknowledgements .....	ii
Foreword .....	1
<b>RICS standards framework .....</b>	<b>3</b>
Document definitions .....	4
<b>Glossary .....</b>	<b>5</b>
<b>1 Introduction .....</b>	<b>12</b>
1.1 Background .....	12
1.2 National Planning Policy Framework and Viability Planning Practice Guidance .....	13
<b>2 FVAs in planning and development .....</b>	<b>18</b>
2.1 The FVA framework .....	18
2.2 Application of the Red Book and related RICS guidance .....	19
2.3 Viability principles .....	20
2.4 Viability framework .....	22
2.5 Transparency .....	24
<b>3 FVAs for plan making and decision taking .....</b>	<b>26</b>
3.1 Scope .....	26
3.2 FVAs for plan making: background .....	26
3.3 FVAs for plan making: role of the assessor .....	27
3.4 FVAs for plan making: consultation and stakeholder engagement .....	29
3.5 FVAs for plan making: testing of sites and typologies .....	31
3.6 FVAs for plan making: testing a CIL .....	32
3.7 FVAs for plan making: reporting .....	33
3.8 FVAs for decision taking: background .....	34
3.9 FVAs for decision taking: date of assessment .....	35
3.10 FVAs for decision taking: reporting .....	36
3.11 Viability reviews in planning agreements (s.106 obligations) .....	36
<b>4 FVA methods and inputs .....</b>	<b>39</b>
4.1 FVA methods .....	39
4.2 Standardised inputs and evidence .....	40
4.3 Sensitivity testing .....	46

4.4	Abnormal costs and enabling infrastructure .....	46
<b>5</b>	<b>FVAs and benchmark land value .....</b>	<b>48</b>
5.1	The PPG policy framework for assessing the BLV .....	48
5.2	BLV valuation framework .....	49
5.3	EUV plus premium .....	49
5.4	AUV .....	50
5.5	Residual valuations .....	51
5.6	Market comparison .....	52
5.7	How to determine the BLV for planning purposes .....	52
5.8	Reporting requirements .....	54
	<b>Appendix A: Plan-making viability assessments: further guidance .....</b>	<b>55</b>
A.1	Appointment of the assessor .....	55
A.2	Stakeholder engagement and consultation .....	56
A.3	Identifying and testing typologies and strategic sites .....	58
A.4	The plan-making viability process: evidence .....	61
A.5	Reporting .....	62
	<b>Appendix B: Existing use value (EUV) .....</b>	<b>63</b>
	<b>Appendix C: Alternative use value (AUV) .....</b>	<b>65</b>
	<b>Appendix D: Analysing market evidence to support the premium .....</b>	<b>66</b>
D.2	Market evidence of premiums/BLVs in other FVAs .....	66
D.3	Market evidence of land transactions .....	68
	<b>Appendix E: Supplementary glossary .....</b>	<b>70</b>



# Foreword

Following concerns over the way viability assessment practice was developing, particularly after the High Court decision on Parkhurst Road (*Parkhurst Road Ltd v Secretary of State for Communities and Local Government & Anor* [2018] EWHC 991 (Admin) 27 April 2018), MHCLG revised the National Planning Policy Framework (NPPF) in July 2018 and updated the national Planning Practice Guidance (PPG). Subsequently the NPPF was revised again in 2019, albeit not in respect of viability. Further amendments continue to be made to the PPG.

Previously in financial viability assessments, the prices paid for land in the market were sometimes used as a justification by developers for being unable to deliver planning policy requirements, introducing an element of circularity within the process. Higher land prices reduce developer contributions and reduced developer contribution expectations can fuel higher land prices. The PPG now makes explicit that this should not occur under the new approach. Market valuations of land will need to take account of this stronger expression of policy requirements.

The government's approach shifts the focus of viability assessment to plan making. The purpose of viability assessment in the plan-making stage is to test, on an area-wide basis, whether the planning policies in a plan are realistic, and that the total cost of the policies will not undermine the deliverability of the plan. This is necessarily at a more strategic level, and the PPG indicates that testing should be proportionate – for instance, not all sites need to be assessed for viability in plan making, assurance is not required that all sites are viable, and site typologies can be used. Estimates across site typologies are inherently broader, and a balance needs to be struck: the viability assessment should be sufficiently detailed to provide a fair assessment but not so detailed that it makes the plan-making process overly complicated or expensive.

Where planning applications comply with the up-to-date policies set out in the plan, further FVAs are not necessary. An applicant can still choose to submit a viability assessment at the planning application stage, but they will need to be able to demonstrate good reasons to justify this. The decision maker will decide what weight to give their viability assessment, having regard to the plan policies, whether the evidence underpinning them is up to date and whether there have been changes in site circumstances since the plan was brought into force. As such, where up-to-date planning policies are in place, there is a higher bar to justify the viability assessment. The PPG is clear that the price paid for land is not a justification for failing to accord with plan policies.

The government's intention in changing national planning policy and practice in this area is to more firmly integrate the delivery of planning policy into the operation of the market. Planning policy benefits the market in many ways. It results in sustainable development that meets the needs of the population and ensures that places function well and prosperously; the market equally benefits from these outcomes. An assessment of viability for planning

purposes is distinct and separate from a market valuation for secured lending or company accounts purposes in accordance with the current edition of [RICS Valuation – Global Standards](#). The figures produced in a viability appraisal for planning purposes are to assist in the delivery of local planning policy in accordance with the NPPF and PPG.

In August 2020, the government published a White Paper, *Planning for the Future*. This sets out proposals to further reform the system of developer contributions, replacing s.106 planning obligations and the Community Infrastructure Levy (CIL) with a new Infrastructure Levy. While this new approach is in development, the current system of developer contributions continues to apply.

The current edition of RICS' [Financial viability in planning: conduct and reporting](#) is mandatory for all RICS members carrying out financial viability assessments. The present document supplements and gives added guidance to RICS members and other stakeholders in the planning process on undertaking and understanding financial viability assessments (FVAs) in both a plan-making and decision-taking context. This professional standard is based on the NPPF and PPG as at the date of publication. It is up to all users to check any subsequent updates of either document.

# RICS standards framework

RICS' standards setting is governed and overseen by the Standards and Regulation Board (SRB). The SRB's aims are to operate in the public interest, and to develop the technical and ethical competence of the profession and its ability to deliver ethical practice to high standards globally.

The RICS [Rules of Conduct](#) set high-level professional requirements for the global chartered surveying profession. These are supported by more detailed standards and information relating to professional conduct and technical competency.

The SRB focuses on the conduct and competence of RICS members, to set standards that are proportionate, in the public interest and based on risk. Its approach is to foster a supportive atmosphere that encourages a strong, diverse, inclusive, effective and sustainable surveying profession.

As well as developing its own standards, RICS works collaboratively with other bodies at a national and international level to develop documents relevant to professional practice, such as cross-sector guidance, codes and standards. The application of these collaborative documents by RICS members will be defined either within the document itself or in associated RICS-published documents.

## Document definitions

Document type	Definition
<b>RICS professional standards</b>	<p><b>Set requirements or expectations for RICS members and regulated firms about how they provide services or the outcomes of their actions.</b></p> <p>RICS professional standards are principles-based and focused on outcomes and good practice. Any requirements included set a baseline expectation for competent delivery or ethical behaviour.</p> <p>They include practices and behaviours intended to protect clients and other stakeholders, as well as ensuring their reasonable expectations of ethics, integrity, technical competence and diligence are met. Members must comply with an RICS professional standard. They may include:</p> <ul style="list-style-type: none"> <li>• mandatory requirements, which use the word ‘must’ and must be complied with, and/or</li> <li>• recommended best practice, which uses the word ‘should’. It is recognised that there may be acceptable alternatives to best practice that achieve the same or a better outcome.</li> </ul> <p>In regulatory or disciplinary proceedings, RICS will take into account relevant professional standards when deciding whether an RICS member or regulated firm acted appropriately and with reasonable competence. It is also likely that during any legal proceedings a judge, adjudicator or equivalent will take RICS professional standards into account.</p>
<b>RICS practice information</b>	<p><b>Information to support the practice, knowledge and performance of RICS members and regulated firms, and the demand for professional services.</b></p> <p>Practice information includes definitions, processes, toolkits, checklists, insights, research and technical information or advice. It also includes documents that aim to provide common benchmarks or approaches across a sector to help build efficient and consistent practice.</p> <p>This information is not mandatory and does not set requirements for RICS members or make explicit recommendations.</p>

# Glossary

This glossary uses definitions from the glossaries of the National Planning Policy Framework and RICS standards and information current at the date of publication. These documents may be updated from time to time and the definitions may change.

This glossary defines terms that are used primarily in viability testing or that have a precise meaning in a viability context. A supplementary glossary appears at the end of this professional standard, which defines terms in more general use.

Term	Definition
<b>Abnormal costs</b>	Costs that are associated with abnormal site conditions such as contamination, flood risk, substructure, listed buildings, etc.
<b>Affordable housing</b>	Housing, for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers), and which complies with one or more of the definitions set out in the NPPF glossary relating to either affordable housing for rent, starter homes, discounted market sales housing or any other affordable route to home ownership.
<b>Alternative use value (AUV)</b>	PPG paragraph 017 defines this as ‘the value of land for uses other than its existing use’. The alternative use is limited to those uses that would fully comply with up-to-date development plan policies, including for example any policy requirements for contributions towards affordable housing at the relevant levels set out in the plan. Where it is assumed that an existing use will be refurbished or redeveloped, this will be considered as an AUV when establishing the benchmark land value (BLV).
<b>Area-wide assessment</b>	See <i>Viability in plan making</i> .
<b>Assessor</b>	The surveyor or other ‘suitably qualified practitioner’ instructed to undertake the financial viability assessment (FVA; PPG paragraph 020).

Term	Definition
<b>Benchmark land value (BLV)</b>	The value to be established on the basis of the existing use value (EUV) plus a premium for the landowner (PPG, paragraph 013) or the alternative use value (AUV) in which the premium is already included. PPG paragraph 014 is clear that 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.'
<b>Comparable transaction evidence/ comparable evidence</b>	A transaction used in the valuation process as evidence to support the valuation of another property (current edition of RICS' <a href="#">Valuation of development property</a> ). Land transaction evidence must be compliant with or adjusted for plan policy requirements.
<b>Construction cost</b>	All costs of base construction and construction breakdown, from project start to the practical completion of the construction process. PPG paragraph 012 refers to build costs and also to appropriate data sources for those costs.
<b>Cost projection or change</b>	Projections of the amount of growth or decline in the costs of development as part of a cash flow approach to an FVA (see Chapter 4).
<b>Date of valuation</b>	The date of valuation in a decision-taking context is the date upon which the planning authority or the Secretary of State resolves to grant or refuse a planning application. In plan making, the date of valuation is the date of the adoption of the local plan following its testing by an independent examination inspector.
<b>Decision-taker</b>	The local planning authority (LPA), planning inspector or any other body required to make decisions based on the evidence and reports of the assessor(s). The PPG also refers to the 'decision-maker'.
<b>Deliverable</b>	To be considered deliverable, sites for housing should be available now, offer a suitable location for development now and be achievable with a realistic prospect that housing will be delivered on the site within five years (see NPPF glossary for expanded definition).
<b>Development appraisal</b>	A financial appraisal of a development. It is normally used to calculate either the residual site value or the residual development profit, but it can be used to analyse or determine other outputs (current edition of RICS' <a href="#">Valuation of development property</a> ). In FVAs for planning purposes, the primary role is to determine residual land value in accordance with the process set out in Chapter 5.

Term	Definition
<b>Development contributions</b>	Contributions expected from development set out in local plans, often tied to the grant of development permissions and often secured through s.106 planning obligations (under s.106 of the <i>Town and Country Planning Act 1990</i> ). Contributions may include the provision of affordable housing, education, health, transport, flood and water management, and green and digital infrastructure, including site-specific mitigation. Transport infrastructure can be secured through s.278 agreements, under s.278 of the <i>Highways Act 1980</i> (see <i>Planning obligation</i> ).
<b>Development contributions (continued)</b>	Contributions can also be secured through the Community Infrastructure Levy (CIL) in areas where this has been introduced by the charging authority.
<b>Development cost</b>	The total cost of undertaking a development, excluding developer profit and the cost of the land. See Chapter 5 for the application of land value in an FVA.
<b>Development/developer profit/return</b>	The amount by which, on completion, the estimated income of a development exceeds the total outlay. This can be expressed in various forms (based on the current edition of RICS' <a href="#">Valuation of development property</a> ). For the purpose of plan making, the PPG states that an assumption of 15–20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of the planned development. A lower figure may be more appropriate for delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. See also <i>Discount rate</i> , <i>Internal rate of return (IRR)</i> , <i>Net present value (NPV)</i> , <i>Return on cost/value</i> , <i>Risk-adjusted return</i> and <i>Target return/profit</i> for definitions of the different types of profit metric.

Term	Definition
Development plan	<p>The development plan is defined in s.38 of the <i>Planning and Compulsory Purchase Act 2004</i> and includes adopted local development documents as prescribed by s.17 of the <i>Planning and Compulsory Purchase Act 2004</i>, which contain the development planning policies for an area. These are commonly called a local plan, but can consist of other development plan documents prepared by LPAs such as core strategies, site allocation plans, development management policy documents, minerals and waste plans, etc. (see <i>Local plan</i>). In addition to this, in London, the London Plan is part of the development plan that sets out strategic policies. Neighbourhood plans introduced under the <i>Localism Act 2011</i>, when duly made, are also part of the development plan for that neighbourhood area. Where there is a conflict between development plan documents, it is the last document to be adopted/approved that has precedence (s.38(5) <i>Planning and Compulsory Purchase Act 2004</i>). In dealing with planning applications, LPAs are under a statutory duty to determine an application in accordance with the development plan, unless material considerations indicate otherwise (s.38(6) <i>Planning and Compulsory Purchase Act 2004</i>). The development plan does not include supplementary planning documents or supplementary planning guidance.</p>
Development risk	<p>The risk associated with carrying out, implementing and completing a development, including site assembly, planning, construction, post-construction letting and sales (current edition of RICS' <a href="#">Valuation of development property</a>). The return for the risk is included in the developer return and the PPG makes it clear that it is the developer's job to mitigate this risk, not plan makers and decision takers.</p>
Emerging policies/plan policies	<p>Policies in emerging plans that are going through the statutory procedure.</p>
Existing use value (EUV)	<p>EUV is the value of land in its existing use, with no expectation of that use changing in the foreseeable future (based on the current edition of RICS' <a href="#">Valuation of development property</a>). PPG paragraph 015 advises specifically that the EUV excludes hope value from any assessment of the existing use value. <i>International Valuation Standards</i> 104 paragraph 150.1 defines current/existing use as 'the current way an asset, liability, or group of assets and/or liabilities is used'.</p>



Term	Definition
<b>Financial viability assessment (FVA)/viability assessment</b>	<p>The assessment of viability (see <i>Viability in plan making</i> and <i>Viability in decision taking</i>), sometimes referred to as a development or economic viability assessment. The PPG refers to it as a viability assessment, while RICS professional standards refer to it as a financial viability assessment. It is a report assessing the financial viability of a development or development typology. Any viability assessment should follow the government's recommended approach to assessing viability, as set out in PPG paragraph 010. For consistency in all RICS guidance, a viability assessment will be referred to as a financial viability assessment (FVA) throughout this document.</p>
<b>Gross development value (GDV)</b>	<p>The aggregate market value of the proposed development, assessed on the special assumption that the development is complete on the date of valuation in the market conditions prevailing on that date. Where an income capitalisation approach is used to estimate the value of the completed development, the prospective purchaser's costs are explicitly deducted to determine the market value, which in turn identifies the expected total contract value. In these circumstances, GDV should include a deduction for anticipated purchaser's costs only. The seller's costs are deducted to obtain the net development value (based on the current edition of RICS' <a href="#">Valuation of development property</a>).</p>
<b>Gross development value (GDV) (continued)</b>	<p>Section 6.3 and Appendix B of the current edition of RICS' <a href="#">Valuation of development property</a> make it clear that the timing of the GDV and projections in value are such that the date of valuation and market conditions referred to above can be assumed as at the date of their occurrence.</p>
<b>Hope value</b>	<p>An element of market value in excess of the existing use value (EUUV), reflecting the prospect of some more valuable future use (current edition RICS' of <a href="#">Valuation of development property</a>).</p>
<b>Infrastructure</b>	<p>Infrastructure can be secured through s.106 obligations and the Community Infrastructure Levy (CIL).</p> <p>Infrastructure funded through the CIL includes roads and other transport facilities, flood defences, schools and other educational facilities, medical facilities, sporting and recreational facilities, and open spaces as defined in s.216(2) of the <i>Planning Act 2008</i>.</p>

Term	Definition
<b>Minimum return</b>	The amount of the premium above the EUV that it is considered a reasonable landowner would be willing to accept for 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 (PPG paragraph 013).
<b>Planning obligation</b>	A legal obligation entered into under s.106 of the <i>Town and Country Planning Act 1990</i> to mitigate the impacts of a development proposal (NPPF). See also <i>Developer contributions</i> for more detail of planning obligations.
<b>Planning purposes</b>	A financial viability assessment for 'planning purposes' means an assessment carried out for the purposes described in the NPPF and PPG on viability in statutory planning. All measures of value in the assessment are for that purpose and guided by the authoritative requirement of the PPG, which takes precedence over any other RICS professional standards.
<b>Plan policy-compliant</b>	Policy-compliant means a development that fully complies with up-to-date plan policies (PPG paragraph 002). Developments that have policy requirements reduced because of viability are not plan policy-compliant.
<b>Premium</b>	The premium should reflect the minimum return at which 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 plan policy requirements (PPG paragraphs 013 and 016).
<b>Return on cost/value</b>	The ratio of profit to either the costs of the development or the value of the completed development. PPG paragraph 018 identifies a standardised input of 15% to 20% of GDV as a suitable return for the purpose of plan making. The PPG acknowledges other alternative returns according to the type, scales and risk profile of planned development. Affordable housing provision often attracts lower risk and lower returns (see also <i>Development/developer profit/return</i> ).
<b>Scheme typology</b>	Represents the type of development likely to come forward as part of the plan. Scheme typologies relate to development schemes with similar characteristics, such as proposed use, location, scale and value.

Term	Definition
<b>Site-specific assessment</b>	Relating to the viability assessment of a single development site or project.
<b>Site typology</b>	Relating to sites with similar characteristics, such as existing or proposed land use, location, scale, brownfield or greenfield.
<b>Standardised inputs</b>	'Standardised inputs' in PPG paragraph 020 means appropriate inputs to underpin valuations, and that the normal hierarchy of evidence quality for those inputs can apply (for example, the current edition of RICS' <a href="#">Comparable evidence in real estate valuation</a> sets out primary, secondary and tertiary data sources). These should all be clearly set out. Standardised inputs are not specifically defined in the PPG, but it does set out the evidence and approach to FVA inputs and evidence in paragraphs 010 to 019.
<b>Value change or projection</b>	Projections of the amount of growth or decline in the capital or rental value of the project as part of a cash flow approach to an FVA (see Chapter 4).
<b>Viability in plan making</b>	The process of assessing viability at the plan-making stage by looking at whether the value generated by a development is more than the cost of developing it (PPG paragraph 010).
<b>Viability in decision taking</b>	The process of assessing viability at the decision-taking stage by looking at whether the value generated by a development is more than the cost of developing it (PPG paragraph 010).

# 1 Introduction

## 1.1 Background

1.1.1 The UK government's planning policies for England and its expectations of how these are to be applied, including the consideration and treatment of viability, were previously contained in the National Planning Policy Framework (NPPF) 2012 and the Planning Practice Guidance (PPG) 2014. RICS published the 1st edition of the *Financial viability in planning* guidance note in 2012 to provide practical guidance to its members on the implementation of these policies.

1.1.2 In 2018, the government revised the NPPF and PPG on viability. The NPPF and PPG were further revised in 2019 in relation to decision taking and the transparency of the viability process. All references to the PPG can be taken to refer to the viability section of the PPG unless expressly stated otherwise.

1.1.3 In response, RICS has published two documents:

- a The current edition of RICS' [Financial viability in planning: conduct and reporting](#), in order to address professional behavioural matters and to clarify reporting requirements. This includes mandatory requirements for RICS members carrying out viability assessments.
- b The present document, which replaces the 2012 *Financial viability in planning* guidance note. It provides guidance for carrying out and interpreting the results of viability assessments under the NPPF and the updated PPG.

1.1.4 This professional standard sets out best practice for the implementation of the revised current planning policy. The NPPF and PPG are the 'authoritative requirement', as defined in the current edition of [RICS Valuation – Global Standards](#) (commonly known as the Red Book). This means that any valuation-based requirements in the PPG take precedence over any other valuation basis or approach set out in the standards. The implications of this are set out in this professional standard, particularly in Chapter 2.

1.1.5 The PPG refers to viability assessments, whereas previous guidance has referred to them as financial viability assessments. For consistency with the previous guidance note and the current edition of RICS' [Financial viability in planning: conduct and reporting](#), the present document refers to such assessments as financial viability assessments (FVAs) throughout.

1.1.6 It is important that practitioners and other stakeholders in the process keep themselves aware of any changes to government policy and guidance, and the effect they may have on the advice contained in this professional standard. Following any relevant amendments to the PPG and/or NPPF, where RICS considers it necessary to clarify the extent to which existing advice remains applicable, it will do so. In particular, RICS may revise its existing advice and/or provide new advice. If so, notification of this will be published on our

website, and will have the same regulatory status as this professional standard. Unless and until such notification is published, this professional standard should be treated as having continued unaltered effect.

## 1.2 National Planning Policy Framework and Viability Planning Practice Guidance

**1.2.1** The NPPF sets out the government's planning policies for England and how these should be applied. It provides a framework within which locally-prepared plans for housing and other developments can be produced. It reinforces the delivery of sustainable development in accordance with up-to-date local plans. It asserts the plan-led system as the main determinant when it comes to exercising choices about what and where to develop and the granting of planning permission. This is in accordance with section 38(6) of the *Planning and Compulsory Purchase Act 2004*, which requires the following:

‘If regard is to be had to the development plan for the purpose of any determination to be made under the planning Acts the determination must be made in accordance with the plan unless material considerations indicate otherwise’.

**1.2.2** Development plans are important in ensuring high-quality, sustainable and viable development. To ensure the deliverability of the development, plans need to contain policies that, taken as a whole in the context of the development envisaged by the plan, are not likely to make the development required to deliver the plan financially unviable. At the plan level, **viability** is a tool that is used to ensure planning policies are realistic and their cumulative cost does not undermine deliverability of the plan, taking account of a variety of factors, including the reasonable expectations of landowners and developers. The PPG is clear that it is the responsibility of site promoters to engage in plan making; to take account of any costs, including their own profit expectations and risks; and ensure that proposals for development are policy-compliant (PPG paragraph 006). At a site-specific level, viability can be used to assess the financial impact of planning policies on individual development schemes.

**1.2.3** An important component of financial viability is the provision of development contributions (NPPF paragraph 34 and PPG paragraph 002). If development contributions are set too high, landowners may not release land. The extent to which landowners may decide to hold onto land will depend on various factors: the supply of, and demand for, housing and other uses in the locality; the location of the land relative to other developments in the area; whether the land is a strategic site essential to plan delivery; and landowner expectations in relation to a changing planning regime. Paragraph 002 of the PPG states that an FVA ‘should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan’. Plan-makers will need to consider these factors when setting developer contributions at levels that allow a ‘suitable’ return for the developer (PPG paragraph 018) and a ‘minimum return at which it is considered a reasonable landowner would be willing to sell the land’ (PPG paragraph 013).

**1.2.4** The likely behaviour of landowners in deciding whether to sell their land is a consideration, but some changes to planning policy and practice will affect the value of land. PPG paragraph 002 states that the 'price paid for land is not a relevant justification for failing to accord with relevant policies in the plan'. It also states that landowners and site purchasers 'should consider this when agreeing land transactions'. This may take time to achieve, and plan-makers may seek to balance these influences through successive plans in order to maximise developer contributions. Viability should inform landowners about reasonable expectations, having regard to planning policy and their options. Landowners and their advisers also need to be aware that some plan-makers have powers to acquire land compulsorily. They will also be aware of the LPA's call for sites to inform choices about allocations of land for development. Where that option is a consideration, assessors should also be aware of the valuation basis applied to compulsory acquisition.

**1.2.5** The NPPF requires plans to set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, and green and digital infrastructure; NPPF paragraph 34). Such policies should not undermine the delivery of the plan. The PPG sets out additional guidance for carrying out FVAs for both plan-making and decision-taking. As indicated previously, future amendments to the NPPF or PPG take precedence over the contents of this professional standard.

**1.2.6** The most common uses of FVAs are:

- formulating planning policy through plans that include policies seeking the payment of infrastructure contributions, and the delivery of new urban extensions and/or new settlements
- assessing the composition, quantity and timing of planning obligations, including affordable housing, which is expected to be met on site, unless off-site provision or an appropriate payment in lieu can be robustly justified
- estimating viable compositions of affordable housing tenures
- assessing applications that incorporate enabling development for heritage assets and other forms of enabling development
- assessing the bulk, scale and massing (and specification relative to cost and value) of a proposed scheme
- reviewing land uses
- assessing continuing existing uses in terms of obsolescence and depreciation
- dealing with heritage assets and conservation issues
- carrying out pre-commencement viability reviews, and reviews throughout the delivery period of the development
- testing the viability of a policy, scheme, or permission that underlies a Compulsory Purchase Order and

- testing the viability of developments and their capacity to make contributions through the Community Infrastructure Levy (CIL) to inform CIL charging schedules.

**1.2.7** CIL charging schedules are not formally part of the relevant plan, but they should generally be consistent with that plan and should be viability tested in a similar way. There are benefits to undertaking infrastructure planning for the purpose of plan making and setting the levy at the same time.

**1.2.8** Paragraph 002 of the PPG states that FVAs are required primarily at the plan-making stage and that it is the role of site promoters to engage in plan making. Once policies on developer contributions have been set in the plan, planning applications that comply with them should be assumed to be viable (NPPF paragraph 57). Where applicants do not feel that policy-compliant obligation levels are viable, it is up to them to demonstrate whether there are any particular circumstances to justify the need for an FVA at the decision-taking stage. The price paid for land is not a relevant justification for failing to accord with relevant policies in the plan. Landowners and site purchasers, as well as those advising them, should consider this when agreeing land transactions.

**1.2.9** The definition of policy compliance was a major point at issue in cases decided under the Viability PPG of 2014. Paragraph 002 of the PPG states that 'policy compliant means development which fully complies with up-to-date plan policies. A decision-maker can give appropriate weight to emerging policies'. Policy-compliant does not mean a lower level of affordable housing than has been agreed in viability testing.

**1.2.10** Paragraph 57 of the NPPF also gives guidance to plan-makers regarding the weight to be placed on FVAs when making decisions:

'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 the viability evidence underpinning it is up-to-date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.'

**1.2.11** The assessment of the benchmark land value (BLV) is an important part of the FVA. The PPG identifies the existing use value (EUV) plus a premium as the primary approach for assessing the BLV, but recognises that an alternative use value (AUV) ignoring a premium can also be used in some circumstances. Chapter 5 and related appendices provide guidance on how to assess the BLV based on the principles set out in PPG paragraphs 013 to 017. This includes advice relating to the assessment of the AUV, EUV and premium.

**1.2.12** Regarding transparency, NPPF paragraph 57 and PPG paragraph 010 state that 'any viability assessment should follow the government's recommended approach to assessing viability as set out in this Planning Practice Guidance and be proportionate, simple, transparent and publicly available'. This applies to FVAs carried out to support plan making (unless the plan was submitted on or before 24 January 2019 and so being examined under



the transitional arrangements under NPPF Annex 1) and decision taking. Paragraph 010 states the following:

‘Improving transparency of data associated with FVA will, over time, improve the data available for future assessment as well as providing more accountability regarding how viability informs decision taking.’

1.2.13 The current viability process set out in the NPPF and PPG is summarised in Table 1, and the rest of this professional standard identifies the new approach to FVA.

#### The role of viability assessment in plan making and development management

	Plan-making stage	Development management stage
<b>Purpose</b>	To inform policy making by LPAs, including policies that require contributions to be made, as well as the deliverability of allocated sites.	To inform decision taking by LPAs.
<b>Requirement</b>	<b>Required</b> to test viability of plans; typology approach advocated, as well as individual site assessment for key strategic sites.	<b>Not envisaged as necessary where an up-to-date local plan is in place</b> , unless the applicant can demonstrate particular circumstances that justify the need for an FVA at the application stage. The weight given to the assessment is a matter for the decision maker, having regard to all the circumstances of the case.
<b>Process</b>	Lead taken by LPA. <ul style="list-style-type: none"> <li>FVA prepared by assessor appointed by LPA and published as part of evidence base underpinning local plan.</li> <li>Stakeholders, including landowners, may appoint their own advisors who can provide evidence and assessments that the LPA and examination inspector can take into account during the relevant examination process.</li> </ul>	Lead taken by applicant. <ul style="list-style-type: none"> <li>Initial FVA prepared by assessor appointed by applicant.</li> <li>LPA may appoint an assessor (often at the applicant’s expense) to advise on whether to accept the FVA.</li> <li>If accepted, initial FVA is reviewed by LPA’s assessor, who may then prepare an FVA in response.</li> </ul>



### The role of viability assessment in plan making and development management

<p><b>Evidence base</b></p>	<p>FVA informed by wide evidence base of values and costs that reflect the location and types of development likely to come forward across the plan area.</p> <p>Costs and values will be based on average rates from comparable schemes.</p>	<p>FVA informed by evidence of costs and values appropriate to the specific site and scheme. FVA undertaken at plan-making stage should be referred to where available.</p> <p>FVA will reflect detail set out in planning application, in terms of size and built form of the proposed scheme. Detailed build cost plan and schedule of value should be provided.</p>
<p><b>Benchmark land value</b></p>	<p>BLVs are generally based on EUV plus premium.</p> <p>Occasionally, AUVs may be used where an LPA wishes to test the viability of different types of development.</p> <p>A range of BLVs may be tested for both specific sites and site typologies to enable policy making.</p>	<p>BLVs are based on EUV plus premium as the primary approach.</p> <p>If the BLV is based on the AUV, this will be based on a detailed alternative scheme for the application site.</p> <p>Policy is already in place, so the BLV or AUV will need to reflect any relevant requirements.</p>

Table 1: Revised process for area-wide and site-specific FVAs

# 2 FVAs in planning and development

## 2.1 The FVA framework

**2.1.1** Viability has become an increasingly important consideration in planning in England. Whether preparing policy or considering a specific site proposal or scheme, viability is inherently linked to the ability to satisfy planning policy, and to deliver regeneration objectives and economic development as well as meet housing need. It is important therefore that all plan-makers and decision-takers – including government, local planning authorities, the Planning Inspectorate and all those involved in neighbourhood plans – have a good understanding of land and property markets. Planning policy and practice are a major influence on markets and prices, so LPAs must be cognisant of the impact their decisions may have on the price and delivery of land, as well as all the other options that landowners have. Developers, landowners and valuers should also understand and give proper consideration to the legal and policy framework of the planning system, and fully reflect planning policies in commercial decision taking and the pricing and valuation of development land.

**2.1.2** The NPPF and PPG set the framework for an FVA. The Red Book is clear that the requirements of the PPG or any other overriding authority take precedent over any Red Book requirements or guidance (see section 2.2).

**2.1.3** Paragraphs 010 to 019 of the PPG – under the general heading of ‘Standardised inputs to viability assessment – what are the principles for carrying out a viability assessment?’ – set out how an FVA should be approached. The PPG provides guidance on each of the main inputs into the viability assessment, and also discusses the different approaches that can be taken to the input data in either plan making or decision taking. Paragraph 010 of the PPG sets out the FVA framework and states the following:

‘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. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return’.

**2.1.4** Requiring assessments of the GDV, the costs of development, the value of the land and a return to the developer, the FVA process represents a residual valuation framework as set out in the current edition of RICS’ [Valuation of development property](#). The FVA must be supported by appropriate evidence; at the plan-making stage that evidence is informed by engagement with developers, landowners, infrastructure and affordable housing providers.

Chapters 3 to 5 of this professional standard give detailed advice on the application of these principles, which are set out in paragraphs 011 to 018 of the PPG.

**2.1.5** Practitioners should note the comment in PPG paragraph 014 that states:

‘There may be a divergence between BLVs 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’.

The PPG is clear that market evidence can be used as a cross-check for BLV, but should not be used in place of BLV. RICS notes that there is peer reviewed, RICS Research Trust-funded research (Crosby and Wyatt, *Financial Viability Appraisal in Planning Decisions: Theory and Practice* (2015)) to support this divergence, and different assumptions made could also be related to standardised inputs described later in this guidance. Therefore, there should not be an expectation that every viability assessment will accord directly with transaction market evidence. The approach set out in this document acknowledges these possibilities, and the recommended approach to the assessment of BLV set out in this document is designed to identify both apparent divergences and the reasons for them. BLV should not be assumed to equate to market value. It is based on PPG requirements and a prescribed method that may not accord with assumptions and methods used to assess the price paid for land in the marketplace at any particular point in time. Recognising this possible divergence between BLV for planning purposes and prices paid in the market, PPG paragraph 011 states that ‘Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan’.

## 2.2 Application of the Red Book and related RICS guidance

**2.2.1** FVAs are not valuations as such, but there is significant valuation content within an FVA. For that reason, these valuation aspects are within the jurisdiction of the Red Book and other RICS mandatory standards. All RICS members carrying out FVAs must adhere to these provisions. The implications of this are detailed in paragraph 2.2.3.

**2.2.2** Undertaking an FVA is a complex process requiring significant expertise and knowledge. Gaming of the process – one [stated reason](#) for the UK government’s new NPPF and PPG – can happen under these circumstances. The complexity of this guidance reflects the complexity of the process and the need to ensure objectivity and professional integrity in the viability process.

**2.2.3** FVAs for planning purposes are carried out under the NPPF/PPG; this is regarded as the ‘authoritative requirement’ in the Red Book. This means that the UK government’s technical requirements on the assessment of viability take precedence, but Red Book professional standards still apply. RICS members undertaking this work must adhere to the following:

- statutory and other authoritative requirements (including the NPPF and the PPG)

- the current edition of RICS' [Financial viability in planning: conduct and reporting](#); it provides the mandatory requirements for the conduct and reporting of valuations in the FVA, and has been written to reflect the requirements of the PPG
- PS 1 and PS 2 of the Red Book.

2.2.4 This and other RICS standards and information are intended to assist practitioners in applying the government's required approach and should be referenced as appropriate, including the current editions of RICS':

- [Valuation of development property](#)
- [Comparable evidence in real estate valuation](#)
- [Valuation of land for affordable housing](#). This is being updated in response to this professional standard and [Valuation of development property](#).

## 2.3 Viability principles

2.3.1 The planning process works within a market context to deliver sustainable development supported by appropriate infrastructure. Successful planning policies are intended to improve the environment and enhance value for all stakeholders in the process, and development contributions add to that value enhancement.

2.3.2 Local planning authorities (LPAs) will have housing and commercial development needs that are likely to require the provision of infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure, and affordable housing). The final plan policies need to specify the appropriate level of development contributions that are required to meet those needs.

2.3.3 Other stakeholders will have requirements and expectations. Developers will expect to make a return, and landowners may have other options available to them and may not have to release land for development. Unless LPAs are contemplating the use of compulsory purchase powers to achieve their planning objectives, they will usually rely on landowners identifying their land as a potential development opportunity in response to an LPA 'call for sites'. However, the FVA may need to take into consideration the other options open to the landowner.

2.3.4 Landowner expectations are a very important element in the voluntary release of land for development, but these expectations may include individual criteria, such as cultural ties to the land, that create different values to individual owners and may impact on the release price of that land. The viability assessment system has to operate on a more objective level, and landowners and other stakeholders in the planning process cannot expect assessors to include subjective individual criteria when producing objective market evidence. The reasonable landowner is not defined in the PPG but is not interpreted in any other property market valuation as the actual owner. The other options open to the landowner in PPG paragraph 013 should be interpreted as those that may add value to the

land. Market valuation definitions within valuation standards include the concepts of willing buyer and willing seller at that value.

**2.3.5** One of the options for landowners is to wait for a better market environment. Land and property markets are cyclical, and the development process also changes over time, as do planning and other policies. These changes have substantial effects on both values and costs, and these changes can occur over the short term.

**2.3.6** In contrast to short-term fluctuations within markets, plans can last for a number of years. Plans need to consider potential changes to the planning and development environment over the plan period and the effect that might have on proposed plan policies. Landowners should be aware of the possibility that land allocated in the plan but not brought forward during the life of the plan may not have that allocation renewed in a reviewed plan.

**2.3.7** In addition to change over time, development land value is ultimately a function of the residual value of the development potential of the site, including a range of development options, once all relevant costs have been deducted. It is particularly prone to valuation variation at the date of valuation, caused by a range of input assumptions at the valuation date.

**2.3.8** Value change over time and the inherent valuation variation within a residual valuation can have a significant impact on the distribution of development revenues. All FVAs should address this issue, whether over the plan period at the plan-making stage, or over the development period at the decision-taking stage.

**2.3.9** Valuation variation can be addressed in three different ways: first by the use of mandatory sensitivity testing of viability assessments; second by the use of site-specific assessments when deemed appropriate; and third by including policies that require the use of review mechanisms within individual planning agreements, whereby additional contributions can be obtained if development returns increase significantly above expected returns.

**2.3.10** Sensitivity testing is addressed in Chapter 4 and the current edition of RICS' [Valuation of development property](#). All FVAs should include testing of alternative economic scenarios and the sensitivity of individual inputs such as projections of values and costs. The use of sensitivity testing in an FVA is a mandatory requirement of the current edition of RICS' [Financial viability in planning: conduct and reporting](#).

**2.3.11** PPG paragraphs 007 and 009 reflect on the impact of market cyclicity during the life of the plan. Paragraph 007 gives market downturns as one example of the justification for a site-specific FVA, but it is restricted to 'a recession or similar significant economic change'. This implies the exclusion of normal market cyclicity, which is embedded in the level of developer return.

**2.3.12** Review mechanisms are addressed in PPG paragraph 009 and in Chapter 3 of this professional standard. Paragraph 009 states:

‘Review mechanisms are not a tool to protect a return to the developer, but to strengthen local authorities’ ability to seek compliance with relevant policies over the lifetime of the project.’

But in the event of a recession or other significant economic change, such as the immediate aftermath of a major economic shock like that caused by the COVID-19 pandemic, the LPA may wish to review the plan to ensure plan delivery.

**2.3.13** The level of developer return is an important factor in FVAs. The level of return is related to the level of risk in the development process:

‘Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks’ (PPG paragraph 018).

Market cyclicity is a development risk and is accounted for in the risk-adjusted developer return used in the FVA. At the date of assessment, these risks are based on expected outcomes that may turn out to be different. The development cash flows that are modelled in the FVA should be those cash flows that are expected (subject to the detailed guidance in Chapter 4 on costs, values and any projections, and that contained in the current edition of RICS’ [Valuation of development property](#)). The developer’s target return in the FVA takes account of any unexpected variation away from this cash flow (i.e. an actual outcome that varies from the expected outcome). The risk-adjusted return has already compensated the developer for taking on that particular risk. A review intending to reduce developer contributions based on reduced income or increased costs would be an attempt to protect the developer return and is precluded under PPG paragraph 009.

**2.3.14** The outcome of an FVA should not be viewed as a financial certainty. Plan-makers and decision-takers will need to exercise judgement over the level of uncertainty, informed by the sensitivity analysis, attached to each FVA and make their judgements bearing in mind the two major policy imperatives of ensuring maximum development contributions and the delivery of land for development.

**2.3.15** The level of uncertainty regarding both valuations and market cyclicity, the use of generic typologies and less fine-grained data in plan making, and the number of other factors that drive development values make it particularly important to treat the FVA as indicative rather than definitive in terms of the viability of development when assessing the level of contributions across a plan area. PPG paragraph 002 constrains plan-makers not to use this variation to stretch the level of contributions beyond what is indicated as viable. The PPG envisages that the policy requirements should be set without the need for further viability assessment at the decision-taking stage. Equally, developers and landowners should adjust their expectations to fit the requirements of the planning policy.

## 2.4 Viability framework

**2.4.1** PPG paragraph 010 defines the viability process as ‘looking at whether the value generated by a development is more than the cost of developing it. This includes looking at



the key elements of gross development value, costs, land value, landowner premium, and developer return.'

2.4.2 This is a residual valuation framework, as set out in Figure 1 and detailed in the current edition of RICS' [Valuation of development property](#). In many instances, an FVA will have regard to not just a single policy's impacts, but a cumulative impact of policy requirements and developer contributions. None of the costs are fixed, and movements in one will impact on the amount available for the others.

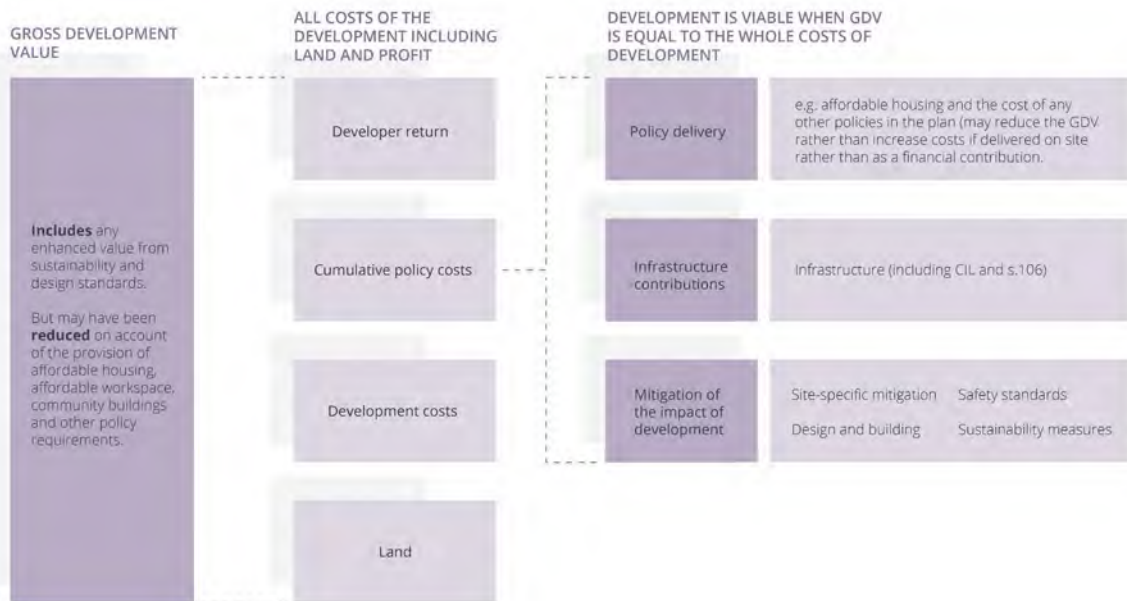


Figure 1: The residual valuation framework

2.4.3 It is important to note that many policy requirements enhance the value of the development as well as increasing costs (for example design and infrastructure), while some others do not increase the costs of the development (for example the provision of affordable housing) but may reduce the overall value of the development.

2.4.4 An FVA should determine whether developments are capable of providing levels of developer contributions that comply with policy in both emerging and up-to-date plans. More specifically, an FVA estimates whether planned developments with policy-compliant levels of developer contributions are able to provide:

- a minimum reasonable return to the landowner (defined as the EUV plus a premium), and
- a suitable return to the developer (defined in PPG paragraph 018).

2.4.5 If the FVA shows that the landowner and developer returns are not enough to satisfy these benchmarks, the development typology is unviable at the level of developer contributions being tested at the plan-making stage. Similarly, a development site may subsequently become unviable at the level of developer contributions set out in the plan at the decision-taking stage. The PPG only envisages this occurring in certain circumstances

set out in PPG paragraph 018, for example if an unallocated site comes forward of a wholly different type from that used in the plan-making FVA. If the FVA illustrates that the typology or scheme is not viable, the plan-maker/decision-taker will need to consider whether to adjust the developer contributions in the plan or the specific decision, taking into account the deliverability of the overall plan or having regard to all the particular circumstances in the individual case. Amendments to the scheme (such as increasing density, altering the mix of uses or reducing design standards) where practical and feasible may improve viability.

**2.4.6** A proper understanding of financial viability is essential in ensuring that:

- land is realistically priced and released for development by landowners to achieve plan delivery
- all reasonable costs of construction related to the development have been accounted for
- developers are able to obtain appropriate market risk-adjusted returns for delivering developments
- assumptions about the amount of development that can be viably delivered over the course of the plan period are robust, and
- CIL charging schedules are set at an appropriate level.

**2.4.7** The CIL section of the PPG explains that when deciding levy rates, an LPA must strike an appropriate balance between additional investment to support development and the potential effect on the viability of developments (paragraph 010). The CIL is part of the cumulative policy costs of development set out in Figure 1, and all such costs should be considered in the FVA.

**2.4.8** The PPG envisages a policy and practice environment in which all stakeholders engage in an iterative process regarding the development of plans and policies to determine the amount of developer contributions. An FVA carried out by a suitably qualified practitioner (called the assessor in this document) should inform this process and provide evidence that all stakeholders can comment on as part of the plan-making process. Ultimately, an examination inspector judges the soundness of the local plan and thus the adequacy of FVAs in a plan-making context.

## 2.5 Transparency

**2.5.1** FVAs (or the reports that contain them) should include an executive summary containing key/headline data. PPG paragraph 021 advises that, as a bare minimum, the executive summary should contain 'gross development value, benchmark land value including landowner premium, costs, as set out in this document [the PPG] where applicable, and return to developer'.

**2.5.2** All FVAs should be prepared on the basis that they will be made publicly available in full, to ensure that FVAs follow the principles set out in paragraph 010 of the PPG. Case law since the introduction of the 2018 NPPF and PPG confirms that FVAs, where they are justified, should reflect the approach set out in the PPG. Secondly, standardised inputs should be



used. Thirdly, the inputs and findings should be set out in a way that aids clear interpretation and interrogation by decision-makers. Finally, as the PPG makes clear, FVAs need not contain commercially sensitive data but, even if some elements are commercially sensitive, they can be aggregated in a published FVA in order to avoid disclosure of this sensitive material. FVAs have a direct bearing on the provision of community infrastructure and services, and are of great interest to the public, so are expected to be placed in the public domain.

# 3 FVAs for plan making and decision taking

## 3.1 Scope

**3.1.1** The revised NPPF and PPG place emphasis on undertaking FVAs at the plan-making rather than the decision-taking stage of the planning process.

**3.1.2** This chapter covers the process of viability assessment at both the area-wide plan-making and site-specific decision-taking stages of the planning process:

- Sections 3.2 to 3.8 provide detailed guidance on FVAs at the plan-making stage.
- Sections 3.9 to 3.11 deal with site-specific assessments.
- Section 3.12 deals with viability reviews in planning agreements.

## 3.2 FVAs for plan making: background

**3.2.1** Spatial development strategies, local plans and other development plan documents, including area action plans that relate to a specific local area, are brought forward by both strategic and local planning policy-making authorities. These include councils (counties, cities, boroughs and districts), National Park Authorities and metropolitan mayors. For the purposes of this guidance, such documents will be referred to as plans and the policy-making authorities as local planning authorities (LPAs). These plans set out a spatial strategy for the proper planning of sustainable development, including the identification of broad areas of land for change and/or the allocation of land for housing and commercial development within an LPA's area. The NPPF requires LPAs to have a five-year housing land supply and a developable supply throughout the plan period.

**3.2.2** Once adopted, a plan forms part of the statutory development plan for an area. Under the statutory framework for planning, the development plan forms the primary basis of decision taking by the LPA.

**3.2.3** At the plan-making stage, FVAs support the development of policies, including those for development contributions. They are usually carried out as part of the evidence base for an emerging plan. They test the financial viability and deliverability of the plan as a whole and of individual strategic sites.

**3.2.4** A Strategic Housing Land Availability Assessment (SHLAA) is a tool that informs an LPA's choice of sites at the plan-making stage. The PPG requires this supply to be tested to ensure that sites are viable and can come forward within a defined time period. Thereafter, the NPPF requires LPAs to update their five-year housing land supply annually.

**3.2.5** Neighbourhood plans may also allocate land for housing in accordance with strategic policies set out in a local plan. These may require FVAs, but they would be expected to draw from FVAs in up-to-date local plans created by parish/town councils or neighbourhood forums. They contain more detailed priorities for development, such as the provision of low-cost housing or the preservation of green space, and can promote more development than is set out in the local plan. However, they cannot conflict with the strategic policies in the local plan prepared by the LPA, or be used to prevent development that is included in the local plan.

**3.2.6** Following the introduction of the CIL, an LPA may put forward a draft CIL charging schedule that will require an FVA before adoption. Where there is a requirement for a draft charging schedule to be tested alongside other policy requirements, generally only one FVA will be required. The advantage of a single FVA is that it may enable the CIL and infrastructure delivery to be assessed alongside other policy requirements, such as affordable housing. Where an FVA is carried out separately to area-based plans, it should be based on the same approach and data as set out in this professional standard. Where a CIL charging schedule is already in place, these charges should be included in the FVA as development costs. Where plan-making and CIL FVAs are undertaken separately, they need to take existing CIL charging schedules and plan policies into account.

### 3.3 FVAs for plan making: role of the assessor

**3.3.1** We recommend that the appointment of an FVA assessor should be undertaken at the start of the plan-making process. For plan-making FVAs, assessors should note the mandatory requirements set out in section 2.5 of the current edition of RICS' [Financial viability in planning: conduct and reporting](#).

**3.3.2** The assessor should propose an appropriate testing approach in line with national and other relevant guidance, and respond to the brief provided by the LPA. The approach should be set out in an initial scoping document for approval by the LPA. Other guidance or advice notes for LPAs on drafting invitations to tender for FVAs should also be considered.

**3.3.3** RICS recommends the assessor refines the original brief with the LPA to ensure that it meets the requirements of the NPPF and PPG, and provides additional support where the LPA does not have specialist viability knowledge or experience.

**3.3.4** RICS recommends that the assessor should work with planning officers to review evidence, gather information and agree the FVA approach and assumptions, including specific/strategic sites and typologies for testing.

**3.3.5** Scoping the FVA is an important stage and should set out:

- the purpose of the FVA: testing an area-wide plan and/or the CIL
- any key assumptions and information to be used, including draft policy requirements (or policy options)

- the method: the approach to site selection and typologies, taking into account the projected housing supply over the plan period
- any modelling assumptions: baseline and policy tests
- the approach to sensitivity testing (including modelling growth if appropriate) and
- a process to refine policies during the testing period.

**3.3.6** Development typologies should be representative of the development that is planned and reflect the characteristics of groups of sites identified in the proposed land supply. These typologies will be a combination of site typologies (e.g. greenfield or brownfield) and scheme typologies (e.g. houses or flats for sale or build to rent, other specialist housing, and commercial or mixed-use schemes).

**3.3.7** The assessor will also need to consider the approach to consultation in respect of the FVA unless this is already prescribed by the LPA.

**3.3.8** The LPA will rely on the FVA assessor to identify and quantify key elements in the development that will generate value and enable delivery of planning policies as part of this process. These are likely to include changes to land use, increasing density and delivery of infrastructure requirements.

**3.3.9** The assessor should then collate evidence, conduct the FVA and prepare a draft report on the overall viability of the emerging plan. Evidence may take the form of local information provided by the LPA and other stakeholders, market evidence, emerging plan policy options and site-specific assessments. The evidence will ultimately be consulted upon and tested as part of the local plan examination process by an independent inspector.

**3.3.10** Figure 2 illustrates the process and Appendix A provides a task checklist for the production of an area-wide FVA.



Figure 2: Plan-making viability process and themes

## 3.4 FVAs for plan making: consultation and stakeholder engagement

**3.4.1** Stakeholder engagement and consultation are key components of transparency and accountability, and help LPAs reach sound judgments on the deliverability and policy compliance of proposed allocations. They provide an opportunity for stakeholders to offer evidence and to gain consensus through the iterative process envisaged by the PPG. The NPPF and PPG expect the transfer of information regarding strategic and key development sites between parties engaged in planning policy development. It is expected that landowners and developers will share information with the LPA to inform the process of identifying suitable land to allocate for development.

### Consultation

**3.4.2** The assessor should support the LPA in appropriately documenting the consultation and engagement process, to provide an audit trail of the approach and process for examination. Both stakeholder engagement and consultation should be proportionate to the task.

**3.4.3** The assessor should understand the policy context in their approach to stakeholder engagement. The policy objectives need to be stated and explained, and should consider the importance of addressing need as well as delivery.

**3.4.4** Assessors should discuss with planning officers, agree the approach to engagement/consultation and document this where appropriate. It is the responsibility of the LPA to ensure appropriate engagement/consultation occurs, but it may also be appropriate for assessors to take the lead on technical aspects. Assessors can lead the consultation at the request of the LPA, provided the LPA sets the scope of the consultation.

**3.4.5** In these circumstances, the assessor should state the purpose and focus of the consultation in the scoping document, and set the objectives for consultation. The assessor should also reference the LPA's commitments in their Statement of Community Involvement (SCI). The assessor should take account of relevant provisions of *The Town and Country Planning (Local Planning) (England) Regulations 2012*, insofar as they relate to consultation and the submission of representations (Regulations 18–22).

**3.4.6** Evidence from recent relevant consultation exercises can be reviewed as part of the evidence base for determining the objectives, but not duplicated unless appropriate.

### Stakeholder engagement

**3.4.7** An important part of the engagement/consultation process is the identification of key stakeholders. The assessor could prepare a stakeholder map and, working with the LPA, should take reasonable steps to ensure that groups and individuals who may be stakeholders, or have an interest in the outcome of the FVA, are included.

**3.4.8** The assessor, in discussion with the LPA, should also consider how to consult with individual stakeholders and determine what information is provided and required as part of this process.

**3.4.9** The assessor should map the key points at which stakeholder engagement/consultation should take place. Figure 3 sets out an illustrative diagram of the consultation process. This starts at the Regulation 18 stage (as set out in *The Town and Country Planning (Local Planning) (England) Regulations 2012*) and continues through to the Regulation 19 stage, as explained further in Appendix A.

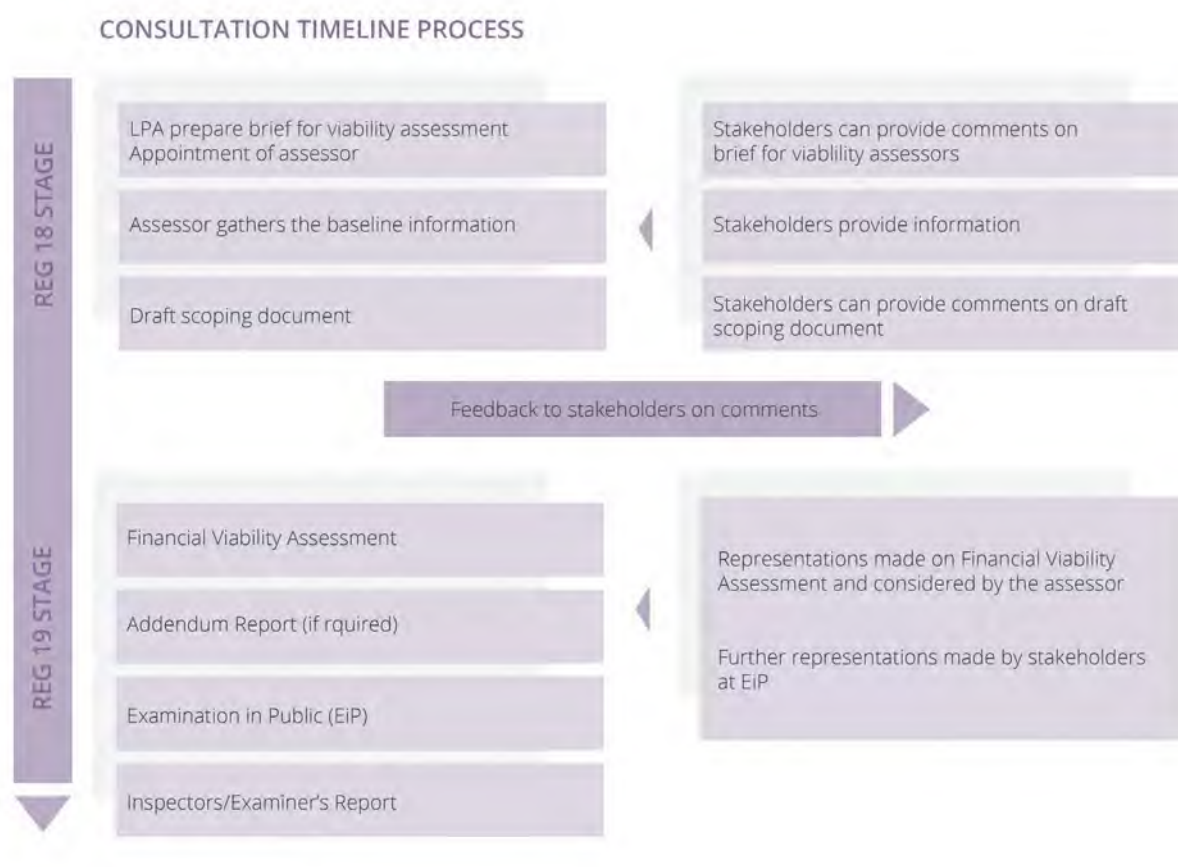


Figure 3: The consultation process

**3.4.10** The assessor should support the LPA in planning the format of the engagement and consultation. Different approaches may be appropriate at different stages of the programme, both informal and formal. Informal consultation may be the most appropriate at the evidence gathering and scoping stages.

**3.4.11** The FVA should be published alongside the draft plan. As part of the formal consultation process, stakeholders will be able review the methodology, inputs and results, and provide comments. This can be an important part of the iterative process.

**3.4.12** Assessors should update the FVA if the consultees provide new information that causes the assessor, using their professional judgement, to adjust their assumptions, inputs and outputs. Any reassessment should be based on an open and transparent process with



the LPA and other engaged stakeholders providing further evidence in a timely way and being kept fully briefed on the revised outputs.

**3.4.13** Assessors should make stakeholders aware that their role is to provide technical advice to officers in the LPA, and ultimately their local council and/or the Planning Inspectorate/Secretary of State, who will then be the decision-makers in respect of setting policy requirements.

## 3.5 FVAs for plan making: testing of sites and typologies

**3.5.1** At the plan-making stage, FVAs involve testing representative development typologies and may well involve testing actual key strategic sites. This ensures proper consideration of the financial impact of policy requirements on different locations, types of site (such as greenfield or brownfield), types of development and specific (usually only key strategic) sites.

**3.5.2** Development typologies are a combination of sites and schemes. They may include:

- representative development typologies and mixes of use, covering a range of sites and schemes likely to come forward over the life of the plan and
- actual (usually strategic) development sites, identified because of their scale and/or by the fact that the plan relies on delivery of development on these sites to meet policy objectives.

**3.5.3** Assessments of these development typologies should provide a profile of viability across a range of sites and schemes.

**3.5.4** Development typologies should respond to the emerging plan policies and be representative of the expected development, with particular regard to the five-year housing land supply and the forms of development the plan relies on.

**3.5.5** The assessor should consider both the range of sites and the schemes likely to come forward during the plan period when designing development typologies. They should include sites identified in planning policy for development, with particular regard to sites with specific viability characteristics or infrastructure requirements, and any strategic sites on which the delivery of the plan depends. Assessors will need to be alive to the statutory obligation to consider the need to review plans five years after adoption.

**3.5.6** Hypothetical site typologies should have characteristics that are shared with a number of typical sites within the plan area. The assessor should establish whether site typologies can be grouped based on similar development characteristics, existing use and values, and whether sample sites or completely hypothetical sites need to be tested to establish a range of values across different sites in the area.

**3.5.7** Any strategic sites assessed should reflect the proposed land uses in the plan, as well as the likely density, height and massing. It may be appropriate (depending on how far the plan-making task has developed) to test variations, such as alternative land use mixes.

**3.5.8** Having established site typologies, the range of scheme typologies appropriate for those sites should be considered. Some schemes may not be achievable in certain locations as they may be unviable regardless of the policies applied, e.g. office development in secondary locations. Consideration of these options may however inform the strategic approach in the plan, rather than the nature and level of policy requirements, and their relevance to the delivery of the plan.

**3.5.9** The assessor should agree the development typologies with the LPA, ensuring they:

- include a range of sites and build typologies that reflect the range of sites likely to come forward for development during the plan period
- include an appropriate mix of specific local sites identified in the land supply and hypothetical sites
- link development to transport and other infrastructure requirements and
- test a range of cost and value assumptions based on appropriate available evidence.

**3.5.10** The assessor should bear in mind that testing all permutations for typologies may not be proportionate. More detailed guidance on the assessment of development typologies is given in Appendix A.

## 3.6 FVAs for plan making: testing a CIL

**3.6.1** The CIL section of the PPG sets out requirements in respect of the testing of sites and typologies, and the latest guidance should be considered in detail by the assessor when scoping the proposed FVA. Much of the CIL section of the PPG mirrors the viability section, but the following elements of the CIL section are particularly relevant for FVAs:

- Where the CIL is tested alongside a draft plan, this should be used as the basis for testing (CIL PPG paragraph 012).
- It is important for the assessor to consider the guidance on setting differential rates across an area, either within geographical zones or by type or scale of development (CIL PPG paragraph 022).
- Levy rates can be set to reflect differences in land value uplift created by development across an area. For example, viability may show that rates can be set at a higher level in existing low-value areas where high-value uses will be created (CIL PPG paragraph 025).
- Although testing for the CIL is a broad test of viability across an area, a sample range of sites should also be assessed in line with the CIL section of the PPG (CIL PPG paragraph 020).
- The approach to testing and setting rates for strategic sites should be considered (CIL PPG paragraph 026).

**3.6.2** The assessor should ensure that strategic sites and sample sites, or development typologies identified, should be considered alongside those used to test the plan and aligned where appropriate.



**3.6.3** More detailed information in respect of FVAs for the purposes of setting the CIL is included in Appendix A.

## 3.7 FVAs for plan making: reporting

**3.7.1** Assessors should refer to the current edition of RICS' [Financial viability in planning: conduct and reporting](#) for mandatory reporting requirements.

**3.7.2** The assessor should ensure that the evidence base, the approach and rationale behind the viability testing, and the findings are presented clearly and in a way that will also support the decision-taking stage of the planning process.

**3.7.3** The report should include the examination of all relevant policies, both national and local; feature a market assessment; set out the assessment methodology; and report the results, including the sensitivity analysis and the conclusions.

**3.7.4** The assessor should consider whether to structure the report by site or typology (with the approach, assumptions and outcomes for that site all together), or whether it is more logical to set out the approach to all the testing, followed by the assumptions and then the findings at the end.

**3.7.5** The approach to testing sites or typologies should be explained, with a summary of the cost and value assumptions, and viability findings, included in the main body of the report.

**3.7.6** It should be straightforward to find the assumptions used in testing development typologies so that, when detailed applications come forward, they can be easily compared.

**3.7.7** Sensitivity analysis will be particularly important, and the basis of this testing should be clearly set out (see section 4.3 for further details).

**3.7.8** Reporting should be relevant and proportionate to the emerging plan policies. The level of testing and the number of tests reported should be proportionate to the level of complexity in the plan and the locality. For example, after reviewing the results, it may be appropriate to report a small number of tests of the overall level of affordable housing, but more tests with different tenure mixes, as this has a significant impact on viability. Reporting on the testing of different cost and value assumptions is mandatory.

**3.7.9** The reporting of BLVs will be an important part of the report. A range of methods and outcomes will be generated from the approach to testing viability set out in Chapter 5 of this professional standard, based on the PPG.

**3.7.10** FVA findings can be reported in a variety of ways to meet the LPA's requirements.

**3.7.11** The FVA should demonstrate whether emerging plan policy requirements would make the plan undeliverable. This would enable the decision-maker to choose between different policy requirements if necessary to ensure the overall deliverability of the plan, bearing in mind the land market adjustment process with respect to changing policies. The report should indicate the level at which policies would be viable.

**3.7.12** A statement of the limitations of the FVA should be appended to the report.

**3.7.13** Area-wide FVAs may report that certain development typologies are unlikely to come forward in some areas regardless of the policies that are applied. This does not provide an indication of the relevant policies that should be applied, but should be helpful in informing the strategic approach adopted in the plan.

**3.7.14** The impact on viability of a CIL, whether proposed or existing, should be considered alongside the policy requirements of the plan. Charging authorities should be able to show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area (CIL PPG paragraph 010). This should be clearly set out either in the FVA or a separate LPA document.

## 3.8 FVAs for decision taking: background

**3.8.1** PPG paragraph 007 states the expectation that, where up-to-date policies have set out the contributions expected from development, planning applications that fully comply with them should be assumed to be viable and no FVA will be required.

**3.8.2** The PPG states that it is up to the applicant to justify an FVA at the decision-taking stage of the planning process, so that justification should be regarded as the first stage of the process.

**3.8.3** Where up-to-date plans are in place, a decision-taking FVA can still be allowed but only in certain circumstances. The applicant must demonstrate whether particular circumstances justify the need for an FVA. Such circumstances could include, for example, where development is proposed on unallocated sites of a wholly different type to those used in the FVA that informed the plan, where further information on infrastructure or site costs is required, where particular types of development are proposed that may significantly vary from standard models of development for sale, or where a recession or similar significant economic changes have occurred. It is expected that site owners and land promoters would have engaged with the process at the plan-making stage, so the onus is on the applicant to demonstrate why a decision-taking FVA is needed (PPG paragraph 007).

**3.8.4** When considering whether a proposed scheme is a significantly different development type, the assessor should reference the typologies used in the original plan-making FVA and assess whether they are representative of the development proposed. The typologies may reflect only some of the characteristics of the subject site and scheme, but still provide adequate justification that a decision-taking FVA is not required.

**3.8.5** The PPG identifies a recession or similar significant economic change as possible justification for a decision-taking FVA. For a change in economic circumstances to be taken into account, it needs to be a recession or similar significant change to the values and costs of development – well beyond more normal cyclical movements and outside any sensitivity testing parameters, which are already allowed for in the developer's return. For this reason, assessors at the plan-making stage need to provide sensitivity testing to inform viability over

the life of the plan. This can be referred to at the application stage to form a judgement on whether there has been significant divergence from the plan-making viability assumptions.

**3.8.6** Changes in on- and off-site costs could also be related to:

- detailed site investigations and surveys after plan making
- assumptions made in the plan-making FVA on the cost of the infrastructure required to deliver the scheme
- costs associated with planning contributions but not identified at the plan-making stage, such as those relating to s.106, CIL and Strategic Infrastructure Tariff, and
- directly-related sunk (historic) costs not accounted for in the development and site typologies tested.

**3.8.7** Sunk costs relate to costs incurred in relation to the site that have brought it to its present state in anticipation of development. This expenditure would normally be expected to enhance the development site value and so should be reflected in the BLV via the premium.

**3.8.8** A scheme-specific FVA may be required as part of a review mechanism included in the original planning permission derived from a policy requirement. A review mechanism can take a variety of forms, a number of which are outlined in section 3.11.

## 3.9 FVAs for decision taking: date of assessment

**3.9.1** The date upon which the LPA or the Secretary of State resolves to grant or refuse a planning application is the date upon which all relevant information is considered.

**3.9.2** In practical terms, reports and supporting documentation are prepared well in advance of this date. It follows that the assessment date should be carefully considered and agreed with the LPA. If the FVA is provided before the application, then the date of the assessment will clearly be prior to the submission of an application.

**3.9.3** If the FVA is submitted with a planning application, the date of the application (not the date of registration) may be the appropriate assessment date. It is important to note that the decision of the LPA regarding a planning application needs to be based on material considerations at the date of determination, so the findings of an FVA undertaken at the date of application will still be relevant at the date of decision but an LPA may request further information. The FVA assessment date can be used by local planning authorities to anchor any subsequent s.106 indexation clause.

**3.9.4** FVAs may need to be updated for market movements during the planning process prior to a determination or appeal. This may also be necessary during the plan-making process.

**3.9.5** Paragraph 009 of the PPG requires plans to set out the circumstances in which review mechanisms may be appropriate, and to provide a clear process and terms of engagement regarding how and when viability will be reviewed over the lifetime of the development.

Where a review takes place, the date of valuation needs to be clearly set out in the s.106 agreement.

## 3.10 FVAs for decision taking: reporting

**3.10.1** A decision-taking FVA tests whether the residual land value of a development, assuming policy-compliant developer contributions, is sufficient to allow the reasonable landowner a minimum return. It can also test whether the residual profit is sufficient to allow the developer a reasonable return, based on an agreed and fixed BLV.

**3.10.2** The assessor should consider whether their advice represents the most effective and efficient way to deliver the optimum development proportionate to the scheme being tested. This is sometimes referred to as 'value engineering'. The assessor will need to give the LPA and their advisors confidence that the FVA reflects the way the development would be carried out. If this is not the case, it should be stated and explained.

**3.10.3** The main differences in FVAs for decision taking, compared to for plan making, are that:

- the level of planning requirements has been determined in the plan
- the site will be identified
- the scheme will be specified in more detail
- any abnormal costs can be identified, including any remediation costs and related land remediation relief tax allowances that may be available, and any costs incurred in readying the site for development, and
- the evidence base can be more specifically related to the actual site (where the site was not assessed at the plan-making stage).

## 3.11 Viability reviews in planning agreements (s.106 obligations)

**3.11.1** Paragraph 009 of the PPG sets out the circumstances where viability review mechanisms might be appropriate, and the process for implementing them.

**3.11.2** Policy requirements may be reduced or relaxed to provide flexibility in the early stages of a phased development, where this is clearly demonstrated in a decision-taking FVA and agreed by the LPA as being the maximum reasonable level of contributions at that point in time. In those circumstances, there should be clear agreement as to how policy compliance can be achieved over time in later phases of the development.

**3.11.3** Viability reviews assess the level of surplus that can be used to deliver a higher level of affordable housing or meet other policy requirements that were not provided at the planning application stage.

**3.11.4** Reviews are generally based on either:

- a review of key viability inputs, for example changes in gross development value or build costs, or
- a full review of all viability inputs.

**3.11.5** The PPG requires a clear process and terms of engagement for any review mechanism. If a review clause is included in the s.106 agreement, an assessor should consider advising on when the review will need to be triggered, and the circumstances and timing of that trigger may need to be specified.

**3.11.6** The review clause may need appropriate dispute resolution clauses. This could include reference to RICS or the Law Society to appoint an arbitrator or independent expert for valuation or legal disputes, respectively.

**3.11.7** The viability review mechanism may be set out in the s.106 agreement, and the assessor should provide advice to ensure this will be effective in delivering a greater level of policy compliance over time. This may include, for example, specifying any formulaic approach and/or the basis of any modelling and the approach to inputs. Supplementary planning documents may provide guidance supplementing planning policies in the local plan, and provide assistance and consistency in the use of such mechanisms.

**3.11.8** The advantage of a formulaic approach is that the review will be more straightforward and involve only limited updating of information. It is usually based on a formula, with the LPA taking a proportion of surplus over and above the original estimates agreed by decision-takers at the application stage.

**3.11.9** If a full review is undertaken, fixing certain inputs and incorporating these into the s.106 agreement may streamline the FVA process at review.

**3.11.10** Reviews could be based on the most robust data available; this will generally be evidenced build costs and the sale price or rental value of completed units.

**3.11.11** The applicant could be required to provide detailed evidence of actual income and expenditure to support the review.

**3.11.12** For reviews that take place towards the end of the development programme, the review provisions could set out how any surplus revenue can be split between the developer and LPA once the threshold level of viability has been reached, to ensure that a developer remains incentivised to maximise the value from a scheme.

**3.11.13** Once the surplus has been determined, the assessor may be required to provide advice on the additional amount of affordable housing that the surplus would enable to be delivered on site, or the equivalent level of financial contribution, so that these can be compared. An obligation can specify how any surplus should be utilised.

**3.11.14** When a surplus has been determined as a result of a late-stage review, it may be unlikely that the additional contributions will be in the form of additional affordable housing, and are more likely to be in the form of a financial contribution.

**3.11.15** If a scheme comes forward with a higher level of policy compliance than that agreed to be viable by the LPA, it may be appropriate for an earlier viability deficit to be taken into account as part of the review, provided that this has been robustly assessed and is realistic.

**3.11.16** Reviews should be capped at a policy-compliant level of contributions. For example, if the policy requirement was for 50% affordable housing and the application scheme provided 35% affordable housing, the maximum additional contribution would be capped at the cost of delivering a further 15% affordable housing. This can be calculated at the time of the review, based on costs and values at that time.

# 4 FVA methods and inputs

## 4.1 FVA methods

**4.1.1** The method used should be proportionate to the complexity of the typology or site. It should also be proportionate to the quality of the evidence underpinning the inputs. Approaches should be representative of appraisal methods used by participants in development property markets set within the viability assessment framework of the PPG, which is the authoritative requirement. Sections 6.2, 6.3 and Appendix B of the current edition of RICS' [Valuation of development property](#) set out detailed information on best practice when applying both basic residual and cash flow residual methods of valuation, and pay particular attention to the different input interpretations required to apply either method.

**4.1.2** Where a cash flow model is used, it is particularly important to refer to guidance on inputs included in the PPG and in the current edition of RICS' [Valuation of development property](#), Appendix B, regarding the treatment of finance and other inputs. The model should reflect the cash flows generated by the development over time and apply a risk-adjusted target rate of return (the internal rate of return or IRR), which can be compared with the developer return metric of return on GDV set out in PPG paragraph 018.

**4.1.3** It is important to note that the IRR of a project needs to be reconciled with the return on GDV profit metric identified in paragraph 018 of the PPG. They are different measures, which should not be expected to be at the same level for any given site or typology. IRRs are time-dependent, whereas basic return on value or cost measures are not and may require adjustment. Therefore, in addition to the mandatory reporting requirements set out in the current edition of RICS' [Financial viability in planning: conduct and reporting](#), assessors could report the return on cost and the IRR of every financial appraisal undertaken in an FVA, in addition to the primary metric of return on value set out in PPG paragraph 018. This would accord with good valuation practice set out in the current edition of RICS' [Valuation of development property](#), while not overriding or compromising the authoritative requirements of PPG paragraph 018. Where only a basic residual valuation is undertaken, proprietary software can generate an IRR and the reporting of all of these measures will increase the transparency and veracity of the results.

**4.1.4** The PPG is silent over the use of current or projected levels of values and costs. The only exception relates to the assessment of the EUV, where PPG paragraph 014 states 'Existing use value should be informed by market evidence of current uses, costs and values'.

**4.1.5** While the prospect of future value and cost change may be reflected in current market pricing, there is always some uncertainty and therefore market prices cannot be analysed or interpreted in a static environment. Simply using current costs and values, and ignoring changes over the life of a development, can distort the analysis in all but the



simplest of cases. For example, where residual development values are positive, equal growth in both values and costs will always increase current residual land values, and the use of current values and costs in FVAs in a rising market has been shown in peer-reviewed academic research (e.g. *Town Planning Review*, (2019), 90, (4), 407–428) to have been instrumental in reducing the level of developer contributions over time.

**4.1.6** It is recommended that, where assessors consider that the impacts of value and cost change are a significant factor in the market, these changes are identified and taken into account in the FVA, and sensitivity testing of these projections is undertaken in accordance with the current edition of RICS' [Valuation of development property](#). Any assumptions made concerning projections of costs and values in FVAs must be stated, and the evidence used to underpin projections explained.

**4.1.7** The use of current or projected values has implications for the discount rate or return measure. Using current levels of costs and values, where the expectation is that both costs and values are expected to grow over the development period, produces under-valuation of the cash flows unless compensating adjustments are used on the rate of return. Where values and costs are expected to fall, it produces over-valuation. Where current costs are used, real interest rates should be applied to what is in effect real cash flows when projections are not used. In normal economic conditions, real returns are lower than nominal returns, and the use of current costs should be accompanied by the use of lower returns and vice versa.

**4.1.8** Overall, an FVA is based on a large number of inputs and assumptions. There are a number of checks and balances set out in the PPG and this professional standard, but no assessment model can take into account all the factors that impact on the delivery of planning policy. The assessor in the first instance, and then the decision-maker, should stand back from any modelling results and assure themselves that they pass a sense check. The current edition of RICS' [Financial viability in planning: conduct and reporting](#) describes this process:

'Following a detailed component review of the inputs into an FVA and running the appraisal, to stand back is to consider the output(s) objectively, and with the benefit of experience, given the complexity of the proposed scheme. This may often be assisted by reviewing the sensitivity analysis.'

Section 2.3 of the current edition of RICS' [Valuation of development property](#), in particular paragraphs 2.3.2 to 2.3.6, gives additional advice on weighting evidence and sense-checking the results. It should be recognised that such an exercise in this context is being conducted for planning purposes.

## 4.2 Standardised inputs and evidence

**4.2.1** Under the general heading of 'Standardised inputs to viability assessment', the PPG provides guidance on each of the main inputs into an FVA, and also discusses the different approaches that can be taken concerning the input data in either plan making or decision



taking. The PPG also gives guidance on the hierarchy of evidence and the different sources in property and construction markets (for example direct market evidence versus indices or market intelligence).

**4.2.2** Additional guidance on the individual inputs is provided in RICS standards and information, particularly in the current edition of RICS' [Valuation of development property](#), but also relating to market evidence, environmental issues and the valuation of individual property types.

**4.2.3** PPG paragraph 010 states:

'Any viability assessment should be supported by appropriate available evidence informed by engagement with developers, landowners, and infrastructure and affordable housing providers'.

**4.2.4** Using standardised inputs in the PPG means using appropriate inputs to underpin FVAs, and that the normal hierarchy of evidence quality for those inputs can apply (for example, RICS guidance on comparable market data sets out primary, secondary and tertiary data sources).

**4.2.5** Assessors will be aware of the limitations of both the sources and quality of property market data and should set out these limitations clearly in the FVA report.

**4.2.6** The normal approach to the valuation of development property is to assume the optimal use of the asset, and if individual owners, developers and asset managers want to proceed with a significantly less-than-optimum investment or development, that should not affect price in a competitive environment. But in the case of an FVA, a less-optimal development should not be used to reduce developer contributions. In FVAs undertaken at the decision-taking stage, it is normal to start by reference to the FVA undertaken at the plan-making stage, which, other than for key strategic sites, will have been most likely undertaken on a typology basis. Even in an application-specific FVA where the actual scheme is assessed, assessors need to be aware of schemes that are not optimal and make any necessary adjustments.

**4.2.7** Market information concerning costs, values and optimal assumptions can be used. This means that standardised inputs are market, not individual developer, orientated. The types of evidence could include, but are not restricted to, the following:

- market evidence of rents and yields/sales values, in the context of an understanding of demand and supply relationships across all land uses sourced from public and (where made available) private sources
- where appropriate, other market evidence informing the dynamics of values and costs within development markets and existing uses
- relevant planning, property and economic studies carried out by the LPA and other bodies
- evidence from local developers/promoters, landowners and other stakeholders

- other relevant viability studies for similar area-wide plans or for similar sites
- assessments undertaken by the LPA of viability information submitted in relation to development proposals, at the application stage and as part of s.106 review clauses, and
- land transaction evidence adjusted for policy compliance and for any abnormal costs.

**4.2.8** PPG paragraph 004 outlines the use of evidence of costs and values in the plan-making process. It states that the ‘characteristics used to group sites should reflect the nature of typical sites that may be developed within the plan area and the type of development proposed for allocation in the plan’. Paragraph 004 then states that ‘Average costs and values can then be used to make assumptions about how the viability of each type of site would be affected by all relevant policies’. Since value is often highly location-dependent, assessors should identify the high- and low-value locations within a plan area. Area-wide assessments should test typologies in different value bands to reflect value variations within an LPA area based on the available evidence. Failure to do this could have a serious impact on the delivery of government policy to decrease the dependence on viability appraisals at the decision-taking stage of the planning process. Individual typologies may include a range of individual characteristics and sub-locations, and paragraph 011 allows for averages to be deployed across each typology. There is a balance to be struck between the number of typologies identified, the range of characteristics within each typology and the accuracy of the FVA for individual sites within each typology.

## Gross development value evidence

**4.2.9** The approach to the assessment of gross development value (GDV) is set out in PPG paragraph 011. The GDV input is the only major input where the PPG differentiates standardised inputs between plan making and decision taking.

**4.2.10** Paragraph 011 states:

‘For broad area-wide or site typology assessment at the plan making stage, average figures can be used, with adjustment to take into account land use, form, scale, location, rents and yields, disregarding outliers in the data.’

This would accord with the normal valuation practice (disregarding outliers within any evidence base and establishing the most likely level of any input). Average figures of GDVs can be used across an individual typology but assessors should be aware of the limitations of this approach set out above where there is a wide range of characteristics represented within an individual typology.

**4.2.11** At the site-specific level, market evidence from the actual site or from comparable developments can be used.

**4.2.12** Commercial values should be assessed based on the likely built form and fit-out of space, and should be reflected in appropriate construction costs. The data collected should include as much as appropriate of the following list:

- any existing income that will continue to be received over the development period

- yields for the commercial (where relevant) elements of the scheme, and supporting evidence
- details of likely incentives, rent-free periods and voids
- anticipated letting rates (per quarter) and
- deductions from the commercial GDV to reach the net development value (NDV): Stamp Duty Land Tax (SDLT), agent and legal fees, and VAT.

## Direct development cost evidence

**4.2.13** Paragraph 012 of the PPG states that ‘Assessment of costs should be based on evidence which is reflective of local market conditions’. Additionally, it states that build costs should ‘be based on appropriate data, for example that of the Building Cost Information Service’ (BCIS).

**4.2.14** Wherever possible, cost estimates should be based on market evidence from similar developments. BCIS and other indices are ‘appropriate’ but are not always reflective of local market conditions. The basis for the construction of any cost indices or other data used should be explored and reported, and limitations noted.

**4.2.15** The evidence collected to support assumptions on costs could include, but is not restricted to, the following:

- expected build cost (a full quantity surveyor’s cost report showing how costs have been estimated should be made available for site-specific information; plan making may have to rely on BCIS or other online information)
- demolition and site preparation costs
- any planning costs after the granting of permission
- any anticipated abnormal costs
- details of expected finance rates and fees
- professional fees, including architect, planning consultant, quantity surveyor, structural engineer, mechanical/electrical engineer and project manager
- letting agent fee/letting legal fee and
- environmental standards (e.g. BREEAM or specific policy costs such as urban greening).

**4.2.16** When assessing hypothetical typologies during plan making, average costs across the typology can be assumed for build costs (PPG paragraph 004), as well as for items such as demolition and abnormal site costs.

**4.2.17** Development costs and values should be assessed based on the likely built form and specification of space. For example, building height should be taken into account where evidence shows that values change with height. Consideration should also be given to the additional costs of fitting out where higher values are tested.

**4.2.18** Existing studies of the area that reflect the current built form, and any historical issues with contamination or increased flood risk, should be referenced. BCIS can be used if appropriate, but supporting evidence of costs and duration in the local market should be used where available.

**4.2.19** Infrastructure costs associated with a specific site should be considered, e.g. highway improvement, district heating, etc. For both typologies and specific sites, the impact of infrastructure provision and any potential abnormal costs, including those associated with brownfield sites, should be considered.

**4.2.20** Survey, design and cost analysis work may be required in order to obtain a greater degree of certainty in allocating site development plans and setting strategic policies. This should be considered and discussed with the LPA, and potentially with landowners as site promoters may need to provide some of this information.

**4.2.21** Where a CIL charging schedule is in place, the relevant rates can be applied to the development typology, with appropriate adjustments for any reductions for existing buildings and relief allowable under the CIL regulations.

**4.2.22** All evidence and outcomes of costs and values used should be tested with stakeholders as set out in section 3.4. The consultation should include the approach in the FVA to anticipated changes to costs and values during the plan period, including projections and mandatory sensitivity testing.

**4.2.23** PPG paragraph 012 also states:

‘Explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for a contingency element relative to project risk and developers return’.

## Existing use value evidence

**4.2.24** Paragraphs 014 and 015 of the PPG both identify the evidence base for EUV.

**4.2.25** The EUV in the PPG does not conflict with normal valuation practice, and existing valuation guidance can be utilised in this valuation. For example, the current edition of RICS’ [Comparable evidence in real estate valuation](#), with guidance on the hierarchy of evidence, should be followed in assessing the EUV. Further information is included in Appendix B.

## Evidence of premiums

**4.2.26** The evidence base for the premium above EUV is set out in paragraph 016. This is the main area in which the PPG overrides the general hierarchy above, placing land transactions below that of other evidence specified in PPG paragraph 016. The approach to setting the premium is discussed in Chapter 5.

## Return to the developer

**4.2.27** In paragraph 018, under the heading of ‘Standardised inputs to viability assessment’, the PPG provides some guidance on how a return to developers is defined for the purposes of the FVA. The paragraph’s focus is on a suitable return for plan making, rather than individual returns for scheme-specific decision taking. It identifies a standardised input of 15% to 20% of GDV as a suitable return for the purpose of plan making, but is silent on a decision-taking developer return. However, PPG paragraph 008 states that where a site-specific FVA accompanies a specific planning application, it ‘should be based upon and refer back to the viability assessment that informed the plan; and the applicant should provide evidence of what has changed since then’. This implies, in addition to other inputs, a similar test regarding developer’s profit to that used at the plan-making stage.

**4.2.28** The PPG acknowledges other alternative outcomes according to the type, scale and risk profile of planned development.

**4.2.29** Practitioners should therefore be familiar with the current edition of RICS’ [Valuation of development property](#) when establishing the return to the developer in FVAs for both plan-making and decision-taking FVAs.

**4.2.30** The timescale of the development is crucial to the formulation of development return. The FVA should be based on evidence of the anticipated length of the pre-build and construction period, the length of the marketing period and any phasing, and the assessor should report all assumptions made.

**4.2.31** The situation where inputs or outcomes are known at the time of the FVA, or subject to little expected variation from the most likely estimate used in the FVA (for example, the forward sale of the affordable housing component), is more likely with decision-taking FVAs. In these cases, where development risks are reduced significantly, lower rates of return can be used. Equally, where a site has particular characteristics that introduce additional uncertainty to the development cash flow, this should be reflected in a higher rate of return/development profit. Using the full range of development return metrics when undertaking FVAs is an integral part of determining an appropriate developer return based on the return on GDV identified in PPG paragraph 018.

## Benchmark land value

**4.2.32** The benchmark land value (BLV) is addressed in paragraphs 013 to 016 of the PPG, as well as section 5.1 of this professional standard. These paragraphs apply equally to plan making and decision taking, with one exception. There is a specific reference to decision-taking FVAs in paragraph 014, where it states that the cost implications of all relevant policy requirements, including developer contributions and, where relevant, any CIL, should be taken into account.

**4.2.33** Under no circumstances will the price paid for the specific site be a relevant justification for failing to comply with relevant policies in the plan. LPAs can request data

on the price paid for land (or the price expected to be paid through an option or promotion agreement) if they feel it is appropriate.

4.2.34 The primary approach to determine the BLV is EUV plus a premium. Where appropriate, the BLV can be informed by the AUV. Guidance on the assessment of the EUV, AUV and BLV is the subject of Chapter 5 and Appendices B to D.

## 4.3 Sensitivity testing

4.3.1 It is mandatory in the current edition of RICS' [Financial viability in planning: conduct and reporting](#) that FVAs include sensitivity analysis to examine the effect of changes in key inputs. Where projection models are used, this is particularly important given the reliance on forecasting costs and values.

4.3.2 There are a number of techniques for testing the sensitivity of assessments to changes in inputs, ranging from simple scenarios to simulation modelling.

4.3.3 Sensitivity testing should be proportionate to the site or typology under review, and the reporting of sensitivity should reflect the needs of the various stakeholders in the process, not all of whom will be familiar with the implications of valuation variation. It is important that the assessor sets out and explains the sensitivity testing undertaken when reporting the findings.

4.3.4 Variations in key inputs can be modelled in sensitivity analysis and the results used to judge the appropriate level of development profit/return, either as a blended rate or as differential rates on different parts of the development.

## 4.4 Abnormal costs and enabling infrastructure

4.4.1 Abnormal costs are associated with abnormal site conditions such as contamination, flood risk, listed buildings, etc.

4.4.2 Enabling infrastructure is that necessary to bring the site or sites forward for development, such as new or improved highways/junctions, schools, medical facilities, etc.

4.4.3 In plan making, site typologies should take account of possible abnormal costs, perhaps testing a range of cost scenarios. The assessor can make generic assumptions about abnormal costs relating to, for example, contamination. In plan making, enabling infrastructure may impact on the cost of the development of more than one site.

4.4.4 In decision taking, the abnormal costs and any enabling infrastructure should be estimated in the FVA.

4.4.5 Abnormal costs should not include those design elements (such as more elaborate facades or landscaping) that a developer chooses to provide without due regard to the increase in value and the optimum development.

**4.4.6** The EUV is not normally affected by any abnormal costs or enabling infrastructure included as part of bringing the development forward. The only costs that impact the EUV are those that would stop the existing use if not remedied. For example, clean-up costs for contamination, works to address changing health and safety legislation, or changing energy efficiency requirements may render an existing use obsolete. The cost of rectification should be deducted from the EUV based on the assumption of the use continuing in the future.

**4.4.7** Abnormal costs related to the development and enabling infrastructure normally impact on the development land value and not the EUV. Each case needs to be treated on its merits, but if the development site value is reduced and the EUV is unaffected, the premium is reduced. Any land transaction evidence also needs to consider the correct adjustments for abnormal costs and enabling infrastructure.

**4.4.8** Anticipated rather than actual abnormal costs also reduce the land value and therefore the premium, rather than impacting on the developer's return or planning contributions. The risks that anticipated costs are higher or lower than anticipated, and that unanticipated costs will occur, are part of the risk premium within the profit margin required by developers. It is only where the premium above EUV falls below the minimum level needed for a reasonable landowner to bring forward the site for development that reducing emerging or actual policy requirements, taking into account the deliverability of the plan and all relevant circumstances, should be considered. The process for making this judgement is set out in Chapter 5.

**4.4.9** Where a residual valuation is being used to identify the residual planning obligations, the BLV used in that calculation must allow for the reduction in land value of a site that has abnormal costs.

**4.4.10** If abnormal costs are not taken into account at the plan-making stage, they may need to be taken into account in any decision-taking FVA, if applicable. Where contamination remediation works are taken into account, the availability of land remediation relief may reduce the net cost of remediation and should be explored; however, this information may be difficult to identify.



# 5 FVAs and benchmark land value

## 5.1 The PPG policy framework for assessing the BLV

**5.1.1** The PPG specifies the framework for the valuation task. It sets out policy parameters that will themselves influence the market(s) within which development land is traded. It specifies an overall framework for FVAs and includes specific guidance on how to assess the BLV. It sets out detailed assumptions, including standardised inputs and policy adjustments.

**5.1.2** The BLV will usually be based upon the EUV plus a premium (EUV+) but may sometimes be based on the AUV excluding a premium where appropriate.

**5.1.3** The BLV should not be expected to equate to the market value. As set out in Chapter 2, the PPG states that they could differ on account of both the assumptions made and the methods employed. The BLV is not a price to be paid in the marketplace; it is a mechanism by which the viability of the site to provide developers' contributions can be assessed. It should be set at a level that provides the minimum return at which a reasonable landowner would be willing to sell.

**5.1.4** Two important differences between market value and BLV are the methods and the resulting evidence base. The market value is normally calculated using the methods proposed in the current edition of RICS' [Valuation of development property](#), which states that the two normal approaches are the residual approach and the direct comparison approach. The PPG states that the BLV is primarily based on the EUV plus a premium. The evidence base for the market value is grounded in comparative values and costs of the developed property in a residual valuation, and in direct analysis of land transactions in the market comparison approach. The PPG reduces the status of comparable land transactions to that of a cross-check of the BLV. Land values determined by a policy-compliant residual approach or by policy-compliant direct comparison can be used to cross-check the BLV, but the primary approach is the EUV plus a premium.

**5.1.5** The BLV is a benchmark value against which the developer contributions can be assessed. Once those contributions have been set, land markets should take the level of policy requirements into account, just as all markets should take all relevant factors that affect value into account. PPG paragraph 013 states that 'Landowners and site purchasers should consider policy requirements when agreeing land transactions'.

**5.1.6** This means that the actual price paid for a site cannot be used to reduce developer contributions.



## 5.2 BLV valuation framework

**5.2.1** This chapter gives guidance to assessors and decision-makers on the assessment of the valuation components underpinning the assessment of the BLV. These are the EUV, AUV and the premium above the EUV. The EUV and AUV follow standard valuation practice; however, the premium does not and requires detailed discussion as to how it might be identified in FVAs.

**5.2.2** The primary approach is EUV+ (or AUV where appropriate). The other two approaches are cross-checks only to check the robustness of the results of the primary approach:

- The first cross-check is a policy-compliant residual land value, found by applying the residual valuation approach set out in the current edition of RICS' [Valuation of development property](#).
- The market comparison approach can be used to provide a further cross-check. Where the evidence allows, land transactions adjusted for policy compliance can be used. Outliers should be disregarded as specified in PPG paragraph 011. The normal valuation approach to the analysis of transactions is set out in the current edition of RICS' [Comparable evidence in real estate valuation](#).

**5.2.3** Both cross-checks must assume policy compliance.

**5.2.4** The plan-maker/decision-taker will establish a reasonable premium for the landowner and determine the BLV informed by the professional judgement of the assessor, based on these three approaches.

**5.2.5** The assessment of the BLV requires the assessment of five components. They should be calculated and reported to the plan-maker/decision-maker **separately** to counter circularity arguments that BLVs from one method of valuation have been used as an input into another method, in order to reduce developer contributions.

**5.2.6** The components that need assessing are:

- EUV
- premium
- AUV, where appropriate
- policy-compliant site value assessed by the residual method and
- policy-compliant site value assessed by the comparative method.

## 5.3 EUV plus premium

**5.3.1** The EUV is the first component for the calculation of the BLV. The EUV is defined in PPG paragraph 015 as the value of land in its existing use. The assessment of the EUV is not straightforward, and detailed guidance on the determination of the EUV is included in Appendix B.

**5.3.2** The landowner's premium is the second component of the BLV. The premium should provide a reasonable incentive for a landowner to bring forward land for development, while allowing a sufficient contribution to fully comply with policy requirements. It is the minimum return that would persuade a reasonable landowner to release the land for development, rather than exercise the option to wait or any other options available to the landowner.

**5.3.3** There is no standard amount for the premium and the setting of realistic policy requirements that satisfy the reasonable incentive test behind the setting of the premium is a very difficult judgement. Advice on how that judgement can be exercised is included in section 5.7.

**5.3.4** The PPG identifies the evidence base for the premium, which can include BLVs from other FVAs. The assessor should consider whether higher weight should be given to FVAs on sites or typologies that delivered policy levels of planning requirements and reflect differences in the micro-location, timing of the assessments, quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners. There is no restriction on the use of FVAs from outside the immediate locality or LPA area. Appendix D sets out technical issues appertaining to the adjustment of evidence from other FVAs.

**5.3.5** It is important not to penalise landowners or developers who have undertaken preliminary work towards delivering development, or to reward them for letting a site's existing use run down.

**5.3.6** Appendix B addresses the approach to run-down sites and identifies a lower EUV where the site requires additional work to realise the EUV.

**5.3.7** The treatment of costs expended in preparing sites for development is not addressed in the PPG. However, an adjustment to the premium may be appropriate as these costs may not affect the EUV but could affect the value of the development site. For a plan-making FVA, the EUV and the premium is likely to be the same for the same development typology, but it would be expected that a site that required higher costs to enable development would achieve a lower residual value. This should be taken account of in different site typologies at the plan-making stage.

**5.3.8** The evidence of the residual valuations may lead to lower land values for sites where less work supporting development has taken place and higher land values for more developed sites. This assumes the increased costs to enable development are included in the costs of the development appraisal. The difference in BLVs is based on differences in the values of sites rather than the actual sunk costs. As EUVs may not be affected by the level of sunk costs, it is the premium that must be adjusted for these differences.

## 5.4 AUV

**5.4.1** Paragraph 017 of the PPG states that the AUV 'of the land may be informative in establishing benchmark land value'. The AUV refers to the value of land for uses other than

its existing use. The technical issues behind the determination of the AUV for both plan making and decision taking are set out in Appendix C.

**5.4.2** The plan can set out the circumstances in which the AUV can be used. For example, this might include evidence that the alternative use would fully comply with up-to-date plan policies if the alternative use could be implemented on the site in question, and there is a market demand for that use. There is also a requirement to explain why the alternative use has not been pursued or, in the case of an extant permission, implemented.

**5.4.3** Permitted development and a use within the same use class are only the existing use when no alterations are necessary to implement the use. Where refurbishment or redevelopment are necessary, it will fall under the AUV provisions of the PPG (paragraph 017).

**5.4.4** The AUV will have to be supported by evidence of the costs and values of the alternative use. The decision-taker will have to decide on the likelihood of that alternative use being implemented if permission for the actual development is not given. This assessment should be set within the context of the other options available to the landowner.

**5.4.5** Where the BLV is based on the AUV, no premium should be added.

## 5.5 Residual valuations

**5.5.1** Assessors should undertake a residual valuation as a cross-check to the BLV, as PPG paragraph 014 requires the BLV including any premium to be tested against plan policies.

**5.5.2** At the plan-making stage, residual valuations can be used to test different levels of policy requirements on residual land values for various development typologies.

**5.5.3** Assessing viability at the plan-making stage is an iterative process and therefore a full range of policy requirements can be tested in order to reach a judgement concerning the balance between contributions and delivery. The different levels of policy requirements could be based on a number of possible policy solutions, ranging from infrastructure and housing need to existing policy requirements. Paragraph 001 of the revised PPG states that 'The policy requirements should be informed by evidence of infrastructure and affordable housing need'. Planning requirements based on need should be the first iteration tested in a residual land valuation.

**5.5.4** There will be a set of emerging plan policy requirements and the residual valuation needs to be tested, assuming planning requirements within these emerging plan policies. These emerging requirements could be compared with:

- policy requirements set out in other FVAs or comparable local plans, and
- existing policies under the old plan.

**5.5.5** The resulting land values from the various iterations can be cross-checked against the EUV and the evidence of premiums from other FVAs or plans.

**5.5.6** For a scheme-specific FVA, the policy-compliant planning requirements should be included in the valuation. For example, if the plan has a policy of 40% affordable housing, this is the percentage of affordable housing that should be included in the residual valuation. The effect of any changes to the valuation inputs should be reflected in both development costs and values, as appropriate.

**5.5.7** Where the current plan has not set precise planning requirements, emerging plan policy requirements should be given appropriate weight.

## 5.6 Market comparison

**5.6.1** Market evidence of land transactions can be used to cross-check the BLV assessment. Land transactions must be adjusted to be compliant with policy requirements in an up-to-date plan or emerging policy requirements at the plan-making stage. There should be no presupposition that a policy obligation will be waived or reduced by the LPA.

**5.6.2** The best-quality land transaction evidence is for straightforward sites where the assumptions behind the transaction can be verified as being in line with planning policy. In cases where valuers are aware of the expectations underpinning transactions, and these expectations do not comply with emerging or actual planning requirements, land transaction prices must be adjusted to reflect compliance. Appendix D provides guidance on these adjustments. The difficulties in assessing policy compliance in transaction evidence may weaken the evidence base, and transactions where the assumptions made are not clearly articulated should not be used.

## 5.7 How to determine the BLV for planning purposes

**5.7.1** PPG paragraph 013 states:

‘In order to establish benchmark land value, plan makers, landowners, developers, infrastructure and affordable housing providers should engage and provide evidence to inform this iterative and collaborative process’.

The actual process is not prescribed, but there is a clear instruction on the weight to be placed on the different assessment methods and the evidence on which each is based.

**5.7.2 Step one** is to undertake a valuation to determine EUV (see Appendix B).

**5.7.3 Step two** is the assessment, where appropriate, of the AUV (see Appendix C).

**5.7.4 Step three** is to assess a premium above EUV based on the evidence set out in PPG paragraph 016, which is ‘the best available evidence informed by cross sector collaboration. Market evidence can include benchmark land values from other viability assessments’ comparisons with existing premiums above EUV’. The EUV plus the premium equates to BLV (see Appendix D).

**5.7.5 Step four** is to determine the residual value of the site or typology, assuming actual or emerging policy requirements, and this assessment of land value can be cross checked against the EUV+.

**5.7.6 Step five** is to cross-check the EUV+ approach to the determination of the BLV of the site by reference to land transaction evidence. PPG paragraph 016 states that 'Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners'.

**5.7.7** The PPG is unambiguous that EUV+ is the primary approach. The other two valuations must be used to cross-check the resulting BLV and not be the primary determinant of BLV. Chapter 4 gives guidance on sense-checking the FVA, including the assessment of the BLV. In assessing the weight to be put on the cross-check evidence, a major consideration is the evidence base of each method. Evidence of premiums can be difficult to source and subject to very significant variations in locality, typology, site characteristics, etc. Land transaction evidence may be easier to source but may also suffer from the individuality of location, typology and site characteristics, and adjustments for not-up-to-date actual or emerging policy compliance could be virtually impossible if there is a lack of detail concerning the transaction. Residual valuations have valuation variation issues and modelling issues that have been well documented over the past few years, leading to a number of variations in application. Sensitivity modelling is therefore mandatory in order for the assessor to consider the evidence and outcomes.

**5.7.8** Where adjusted land prices are different from the BLV, this could be indicative that assumptions, including planning assumptions but also assumptions regarding inputs into the various methods adopted, are not being applied consistently across market valuations and FVAs (PPG paragraph 014). These possibilities must be tested within the residual valuation framework, for example by assessing the level of the major inputs. Sensitivity testing is mandatory in the current edition of RICS' [Financial viability in planning: conduct and reporting](#).

**5.7.9** There will be cases where the assessment is that the typology or site cannot deliver the PPG-defined returns to landowner and developer and emerging or actual policy requirements. In these cases, there are a number of planning policy responses such as removing a typology or site from the plan. One option is that developer contributions can be reduced by the plan-maker/decision-taker to allow that minimum landowner return to be reached to maintain delivery, taking into account all relevant circumstances. There is no guidance in the PPG (and therefore in this ) as to what that minimum return is, nor should there be. It is a feature of real estate markets that each typology and site is unique. The balance between premium and contributions is also unique and fixed amounts would be inappropriate. The PPG and this provide a framework for the judgement, and the actual assessment of both BLV and contributions should be based on the hierarchy of evidence within that regulatory and advisory framework.

## 5.8 Reporting requirements

**5.8.1** The determination of the BLV is an assessment of land value for planning purposes in accordance with the NPPF and PPG, and it is important that the methods and assumptions adopted are stated in the report.

**5.8.2** The specific reporting requirements are set out in the [Financial viability in planning: conduct and reporting](#). The report must include:

- EUV
- premium
- total BLV
- AUV (where it exists) and
- market evidence and all supporting considerations, including evidence of BLVs from other FVAs, assumptions and justifications.

**5.8.3** In addition, the current edition of RICS' [Financial viability in planning: conduct and reporting](#) requires reporting a sensitivity analysis of the results and an accompanying explanation and interpretation of viability calculations, having regard to risks and suitable returns. This is necessary as valuation variation in development is a well-understood phenomenon caused by the individuality of development sites and the residual nature of development land value.

**5.8.4** FVA assessors should advise on the amount of BLV that would incentivise reasonable landowners to bring the land forward for development. However, it is for the plan-maker to assess the BLV and resulting policy requirements in the plan from the advice and evidence provided by the assessor, and for the decision-taker to assess the BLV and contributions from individual schemes.

# Appendix A: Plan-making viability assessments: further guidance

## A.1 Appointment of the assessor

**A.1.1** The assessor should note the **mandatory requirements** in section 2.5 of the current edition of RICS' [Financial viability in planning: conduct and reporting](#) concerning conflicts of interest, suitable qualifications, written instructions, objectivity and transparency.

**A.1.2** RICS recommends that the appointment should be at the start of the plan-making process and the terms of the appointment must be agreed in writing, in line with these requirements.

**A.1.3** Before appointment, the assessor should:

- refine and agree a revised brief, including the scope of the FVA, in writing with the LPA and
- agree a timescale for the FVA task with the LPA, including adequate time for the consultation, reflection and plan amendment period, as well as representing the LPA on viability matters at the examination in public.

**A.1.4** The terms of engagement should clearly set out the scope of the FVA task and should include:

- purpose of the FVA: testing area-wide plan and/or CIL
- timescales
- scope of stakeholder engagement
- key assumptions and information to be used, including draft policy requirements (or policy options as appropriate)
- methodology: logical approach to site selection and typologies, taking into account the projected housing supply over the plan period
- modelling assumptions: baseline and policy tests (for example, this may include testing different quanta of affordable housing alongside a 5% increase or decrease in sales values)
- approach to projections, and scenario and sensitivity testing, and
- establishing a process to refine policies during the testing period.



## Role of the assessor and the LPA

**A.1.5** The assessor provides evidence and interpretation of data; the decision is with the LPA and the assessor should make sure stakeholders are aware of both roles in the process.

## A.2 Stakeholder engagement and consultation

### Legal framework

**A.2.1** This is set out in *The Town and Country Planning (Local Planning) (England) Regulations 2012*:

- Regulation 18 relates to the preparation of the plan, and requires that various bodies and stakeholders are notified that the planning authority is preparing that plan. It invites them to comment on what the plan ought to contain and the supporting evidence base.
- Regulation 19 is the second stage of the consultation process when forming a local plan. LPAs must make available each of the proposed submission documents that they intend to submit to the Planning Inspectorate for examination, to enable representations to come forward that can be considered at examination.

### Setting the objectives for stakeholder engagement and consultation

**A.2.2** The assessor should agree the focus and objectives of stakeholder engagement and consultation as part of the scoping process with the LPA. This should be clearly documented. The consultation should be effective and proportionate to ensure that the best possible information is obtained.

**A.2.3** Objectives for consultation may include the following:

- Gather additional information to support the FVA: this will include site- or area-specific information that might impact on development costs (e.g. rural areas with generally sloping topography, or urban areas with majority brownfield sites).
- Research the land market in terms of EUVs and BLVs (EUV plus premium).
- Find out about landowners' and promoters' intentions in respect of potential strategic or key development sites within the plan area.
- Obtain feedback on the evidence base, including cost and value assumptions, the overall methodology and approach, and the findings of the draft FVA.

### Stakeholder mapping

**A.2.4** The assessor should identify stakeholders and agree this with planning officers. The assessor should consider the consultees identified under the provisions of Regulation 18 of *The Town and Country Planning (Local Planning) (England) Regulations 2012* and identify any additional stakeholders relevant to the FVA.

**A.2.5** Possible stakeholders could include landowners, developers, utilities, other statutory undertakings, businesses, community groups, housing associations, heritage associations,



etc. In many cases, an LPA agent/developer panel or SHLAA panel will be in place who can contribute to the consultation.

## Type of consultation

**A.2.6** The assessor should agree the appropriate mode of consultation with the LPA for the particular stage in the process or the type of information required. This can include both formal and informal consultation. Assessors may need to be aware of the Statements of Community Involvement, which explain how LPAs will engage with communities in the preliminary stages of plan making.

**A.2.7** The formal consultation should include inviting comments on the FVA published as part of the evidence base for the local plan, with the formal process for making representations and with the LPA providing responses under Regulations 18 and 19 of *The Town and Country Planning (Local Planning) (England) Regulations 2012*.

**A.2.8** An informal consultation could include landowner and developer meetings for the strategic/key sites, stakeholder events, workshops and questionnaires. Informal consultation may be the most appropriate at the evidence-gathering and scoping stages.

## Information sources and exchange

**A.2.9** The iterative process set out in the PPG envisages a significant transfer of information between stakeholders regarding strategic and key development sites, which will include value and cost evidence.

**A.2.10** Consultation should provide an opportunity for stakeholders to contribute alternative evidence for consideration, but this should be robust with clearly stated sources (for example tender returns for site remediation on similar sites).

**A.2.11** The assessor may not be able to have direct contact with some stakeholders, and information will need to be obtained through planning officers to avoid duplication of work.

**A.2.12** Where an LPA has an up-to-date infrastructure development plan, the information around infrastructure requirements will already have been collated, and this information should be utilised.

## Response to consultation and application of evidence provided

**A.2.13** When analysing responses, an assessor should consider advising on a number of issues regarding the analysis of responses.

**A.2.14** A consistent approach to dealing with comments from stakeholders should be taken, such as grouping responses into categories, e.g. sales values, build costs, etc. It may then be possible to draft responses that deal with comments from a number of stakeholders on the same topic.

**A.2.15** If clear themes arise from comments from a range of stakeholders, the assessor will need to provide advice on the presentation of consultation feedback, and actions arising at an open meeting should also be considered.

**A.2.16** The assessor should advise on the evaluation of the information submitted alongside other appropriate available evidence. It is important to set out how responses have been considered and incorporated into the testing.

**A.2.17** The assessor should consider how they will weigh responses according to the level of supporting evidence provided.

**A.2.18** Any reassessment should be based on an open and transparent process, with the LPA and other stakeholders playing a full role and being kept fully briefed on the revised outputs.

### Consultation on introduction of or amendments to the CIL

**A.2.19** As with the scope of consultation with the FVA for plans, the assessor should agree the scope of the CIL consultation, taking into account the following requirements:

- Alongside the draft charging schedule, the charging authority must also publish appropriate available evidence on infrastructure costs, other funding sources and viability.
- It is up to charging authorities to decide the length of the consultation, but the CIL section of the PPG suggests a minimum of 4 weeks.
- Any person who makes representations in relation to a draft charging schedule can request to be notified when the draft has been submitted for examination, at publication of the examiner's recommendations and following approval of the charging schedule by the charging authority.

## A.3 Identifying and testing typologies and strategic sites

**A.3.1** At the plan-making stage, FVAs involve testing representative development typologies and testing actual strategic sites. This ensures proper consideration of the financial impact of policy requirements on different locations, types of site (such as greenfield or brownfield), types of development and specific (usually strategic) sites.

### Strategic sites

**A.3.2** In conjunction with the LPA, the assessor needs to identify those strategic sites on which the plan relies to meet policy objectives. This may include large sites, sites that provide a significant proportion of planned supply, sites that enable or unlock other development sites, or sites within priority regeneration areas.

**A.3.3** The assessment of strategic sites should reflect the land uses proposed for that site in the plan, as well as the likely height and massing. It may be that it is appropriate to test a number of different options or variations to test alternative land use mixes. These will need

to be tested in relation to market demand and the identified housing needs assessment, to establish an appropriate balance of mixes and/or density.

**A.3.4** It will be important to consider phasing and dependency on infrastructure, as well as any abnormal development costs for that site.

### Sample sites

**A.3.5** It may also be appropriate to test samples of sites in particular areas or key types of sites on which the delivery of the plan relies.

**A.3.6** The characteristics used to group these sites should reflect the nature of the sites and type of development proposed for allocation in the plan. Examples might include greenfield sites or sites within an existing industrial area proposed for residential or mixed-use development.

### Hypothetical development typologies

**A.3.7** Development typologies should be representative of the development that is planned and reflect the characteristics of groups of sites identified within the proposed land supply.

### Identification

**A.3.8** These typologies will be a combination of site typologies (e.g. greenfield or brownfield) and scheme typologies (e.g. houses or flats for sale or build-to-rent, other specialist housing, and commercial or mixed-use schemes), and scale (e.g. less than 50, 50–100, 250–500, over 500). They need to be able to provide a profile of viability across a geographical range and/or range of different types of site.

**A.3.9** Individual sites deemed representative of a typology should have as many points of similarity as possible, but should not be considered together where a factor such as a high EUV makes a site untypical of the typology. For example, where there is a high variation in industrial values across the plan area due to density or quality of space, it may be appropriate to test these sites separately.

**A.3.10** Schemes should reflect current market demand, and also reflect land use limitations and development parameters indicated by the LPA.

**A.3.11** It is important to assess the amount of development that each scheme typology will deliver, compared with the overall amount of development in the plan, to ensure testing is proportionate.

**A.3.12** Once the site and scheme typologies have been agreed, it may be useful to set out in a grid how site and scheme typologies can be combined to arrive at development typologies. These need to cover the majority of development typologies in terms of inputs to assessments.

**A.3.13** Account should be taken of recent local development patterns and other comparable areas, and the density requirements in the plan. Where a new form of development is being

proposed, the assessor should ensure their assumptions are based on relevant studies – an example of this may be where the LPA would like to see development coming forward that includes both residential and commercial uses.

**A.3.14** When considering the number of hypothetical development typologies to test, the assessor should remember that there is no requirement for the individual testing of every site, or the need to provide assurance that individual sites are viable.

## Testing

**A.3.15** Development typologies need to include a range of residential typologies in terms of density, but also in built form and tenure. However, densities and built form may be combined to reduce the number of typologies and include only a sample of those likely to come forward.

**A.3.16** In determining the range of non-residential typologies, it is important that the number of typologies is broadly proportionally representative of the type of commercial development likely to come forward. It will not be possible to test every type of commercial development likely to come forward (e.g. gyms, cinemas, nightclubs, etc.) in the hypothetical typologies, and this should be acknowledged. These are likely to form a relatively small component of mixed-used developments, and so are not likely to be of significant scale to warrant separate testing in most cases. In viability testing for the CIL, the limited amount of development will limit the potential for the CIL in any event.

**A.3.17** However, some central urban sites may require the testing of a broader range of commercial development typologies.

**A.3.18** As well as land use and physical characteristics, the assessment of development typologies should include a range of rental or capital value bands where these vary across the area (PPG paragraph 004). Assumptions will also need to be made in respect of appropriate development costs and these need to be clearly articulated, evidenced and reported.

## Additional requirements for testing the CIL

**A.3.19** When carrying out an FVA for the purposes of testing the CIL, assessors should consider the following:

- It is an area-based approach, involving a broad test of viability.
- An appropriate range of types of sites across the plan area should be sampled for testing.
- Differential rates may be appropriate in relation to the following:
  - Geographical zones within the charging authority's boundary. This should be granular enough to reflect significant differences in costs and values but not overly complex.
  - Types of development, e.g. residential, office, hotels, etc. This should be based on development likely to come forward within the area.

- Scale of development, where this is under or over a specific threshold agreed with the LPA.
- Uplift in land value where, for example, the site typologies are greenfield or brownfield.
- Differential rates can be set for strategic sites, where a more detailed assessment will be required. Rates can be higher or lower, reflecting the viability of that site and taking into account the requirement for the landowner to deliver specific elements of infrastructure.
- The assessor should also take into account the following (PPG paragraph 025):
  - The uplift in land value that development creates is affected by the existing use of land and its proposed use. For example, viability may be different if high-value uses are created on land in an existing low-value area, compared to the creation of lower-value uses or development on land already in a higher-value area. Charging authorities can take these factors into account in the evidence used to set differential levy rates, in order to optimise the funding received through the levy.
  - Charging authorities should set levy rates in a way that takes account of the infrastructure needs of the area and the additional value generated through planning permissions, in a way that does not undermine deliverability of the plan.
- If the CIL is to be tested as part of the emerging area-based plan, the impact of the CIL should be considered alongside the impact of other policy requirements. Charging schedules are not formally part of the relevant plan, but charging schedules and relevant plans should inform, and be generally consistent with, each other. If a CIL charging schedule is already in place, this should be included as a fixed development cost. Exemptions and reliefs may apply.
- Where a charging schedule is not in place and a CIL is to be tested alongside the policy requirements of the plan, assessors should refer to the CIL guidance when scoping the FVA in order to advise on the level of CIL to test on strategic sites, sample sites and hypothetical development typologies.

## A.4 The plan-making viability process: evidence

### Principles

**A.4.1** Any FVA should be supported by appropriate available evidence and informed by engagement with developers, landowners, and infrastructure and affordable housing providers (PPG paragraph 010).

**A.4.2** The appropriate evidence is set out in PPG paragraphs 010 to 019 under the generic heading of ‘Standardised inputs to viability assessment’.

**A.4.3** The evidence base relates to GDVs (paragraph 011), development costs (paragraph 012), BLVs based on EUV plus a premium or AUV (paragraphs 013 to 017) and a return to the developer (paragraph 018).

**A.4.4** PPG paragraph 019 deals with how viability assessment applies to the build-to-rent sector.

**A.4.5** There are a significant number of detailed requirements for the provision and use of evidence in the PPG. Assessors, information providers and decision-makers need to be fully aware of the provisions in the PPG as to what is, and what is not, appropriate evidence for the FVA.

## A.5 Reporting

### Structure of the report

**A.5.1** All reports need to adhere to the mandatory requirements set out in the current edition of RICS' [Financial viability in planning: conduct and reporting](#) and paragraph 020 of the PPG.

**A.5.2** A sample report may contain the following:

- executive summary
- introduction and background
- description of area (with map)
- planning policy context
- strategic sites and typologies
- market information summary
- build cost and programme
- methodology and approach
- outputs and results
- sensitivity analysis
- concluding statement and
- presentation of results.

### Presentation of results

**A.5.3** There are potentially a very large number of results that could be reported, and the assessor should ensure that unnecessary tests are not carried out or reported; for example, if a development typology is viable at 35% affordable housing, it will also be viable at 20% affordable housing.

# Appendix B: Existing use value (EUV)

**B.1.1** This appendix provides guidance in arriving at an EUV in accordance with paragraph 015 of the PPG.

**B.1.2** The EUV for the purposes of FVAs is the value in the existing use, ignoring any prospect of future change to that use. This may however include permitted development or change of use within the same planning use class, but only where this does not necessitate any refurbishment or redevelopment works to the existing buildings or site works. The provisions relating to refurbishment and redevelopment will apply (see paragraph 2.1.7).

**B.1.3** The PPG paragraph 015 identifies the type of evidence base that can be used to support the determination of the EUV and the sources of that evidence. At the plan-making stage, this should be accomplished with collaboration between the plan-makers, developers and landowners, and can use published sources of information on rental and capital values of land and property, such as:

- land registry records of transactions
- real estate licensed software packages
- real estate market reports
- real estate research
- estate agent websites
- property auction results
- Valuation Office Agency data and
- public sector estate/property teams' locally held evidence.

**B.1.4** PPG paragraph 015 does not limit the data sources, so there is an expectation that normal valuation methods will be employed, with the appropriate method being applied to the appropriate property type. Where possible and appropriate, the market comparison approach will be used; the analysis of transactions is a major part of that approach.

**B.1.5** Normal methods of transaction analysis will apply. In the case of FVAs, the evidence must be adjusted to disregard any hope value for development that requires planning permission, which may be present in the transaction price. Changes of use that do not require permission will be assumed to be already reflected in that price.

**B.1.6** Assessors should make the plan-maker/decision-maker aware of any limitations of data sources, especially where full knowledge surrounding the terms of the transactions is not available and assumptions have been made. These assumptions need to be reported.



**B.1.7** PPG paragraph 017 states that 'where it is assumed that an existing use will be refurbished or redeveloped this will be considered as an AUV when establishing BLV'. Where any assumption regarding the use of the property involves any alterations, including refurbishment or redevelopment, BLV will be based on AUV with no premium.

**B.1.8** What constitutes a repair versus an alteration will be determined by professional judgement as to whether the works bring the building up to standard within the existing use, or whether they go beyond that and fall into the category of refurbishment. In many circumstances, the expenditure in proportion to the building value may be a material consideration in informing this professional judgement. Each case needs to be considered on its merits but a building or site in need of substantial repair would be expected to have a lower EUV than a building or site in good repair, subject to any dilapidations claims. Furthermore, a landowner should not profit from their failure to maintain the building or site.

**B.1.9** Works undertaken to comply with building regulations or statutory requirements, such as the *Disability Discrimination Act* 1995 or the need to provide Energy Performance Certificates (EPCs), would generally constitute repairs, as these are required for the continued use of the building. Such works could of course represent a significant cost. If the property cannot be legally used for its current use at the date of valuation, that should be reported, even if the EUV is based on the assumption that remedial works will be carried out.

**B.1.10** All relevant repair and maintenance costs should be reflected in the valuation, and all assumptions made underpinning the assessment of the EUV should be reported.

**B.1.11** Where buildings have been run down and possibly let on shorter-term leases, with no right to renew, in expectation of future development – or even demolished – the EUV will be depressed below that of similar buildings that have not been so affected. It can therefore be assumed that the buildings are still occupied on standard commercial terms where they meet statutory requirements and there is a demand for that use. The condition of the buildings should however be taken into account in assessing the EUV.

**B.1.12** Where a landowner has not renewed leases, it would be inappropriate to determine a lower BLV and penalise the landowner for making the site ready for development. That would occur if a lower EUV is coupled with a premium evidenced from similar sites that had not been made ready for development in this way. A balance is required, reflecting the circumstances at the valuation date, but also the costs actually incurred in delivering the site and bringing it forward for development purposes. Such costs would generally sit in the scheme assessment, as necessary to incur in order to bring the scheme forward. They should not include payments to tenants and other parties who have an interest in the land based on hope value, but should reflect the current use value of these interests and the statutory costs of determining tenancies. Any double counting (value and cost) must be avoided in the EUV, premium and scheme assessment.

**B.1.13** The EUV of a partially implemented development could be nil. The BLV may therefore be more appropriately assessed by reference to the AUV.



# Appendix C: Alternative use value (AUV)

**C.1.1** Plan-makers can set out the circumstances in which the AUV can be used. PPG paragraph 017 sets out indicative circumstances. Where the AUV is being used as the appropriate BLV approach, the applicant must demonstrate that there is demand for the alternative use and why the proposed scheme is being promoted over the AUV, if the AUV suggests greater viability and returns.

**C.1.2** The AUV approach should be based on accurate floor plans and elevations for the alternative scheme. This is essential so that accurate gross to net assumptions can be made and for a detailed cost plan to be prepared.

**C.1.3** Where it is assumed that an existing use will be refurbished or redeveloped, this will be considered as an AUV when establishing the BLV (PPG paragraph 017). Additional commentary is provided in B.1.7 to B.1.10.

**C.1.4** The alternative use must be policy-compliant, and PPG paragraph 017 identifies this as:

‘limited to those uses which would fully comply with up-to-date development plan policies, including any policy requirements for contributions towards affordable housing at the relevant levels set out in the plan’.

**C.1.5** Extant consents also need to meet the tests set out in C.1.1. above. But, as the extant consent is capable of being implemented, assessment of the residual value of the consent as permitted should be provided.

**C.1.6** Assessment of viability for an alternative use, assuming the residual land value as a benchmark, can then be reported as part of scenario testing, to provide the decision-maker with comprehensive details of the alternative options open to the applicant. The weight to be given to an AUV is a matter for the decision-maker.

**C.1.7** Where the AUV is used, it should be supported by evidence of the costs and values of the alternative use to justify the land value.

**C.1.8** Valuation based on the AUV includes the premium to the landowner. If evidence of the AUV is being considered to inform the BLV, it includes the premium.

**C.1.9** Where the BLV is informed by the AUV, it is mandatory to report the AUV.

# Appendix D: Analysing market evidence to support the premium

**D.1.1** This appendix considers the use and application of market evidence in order to inform the second component, or premium, in arriving at the BLV in accordance with paragraph 016 of the PPG. Paragraph 016 identifies different forms of adjusted market evidence to inform the premium. These include specific references to:

- BLVs from other FVAs, and
- land transactions, but only as a cross-check to the other evidence.

**D.1.2** Chapter 5 identifies three methods of valuation to determine the BLV. These are the primary approach, which is the EUV plus a premium, with cross-checking valuations of the BLV using, where appropriate, a policy-compliant residual land value and comparable land transactions.

**D.1.3** Paragraph 016 states:

‘Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners’.

The data should ideally conform to more general principles regarding data quality set out in the current edition of RICS’ [Comparable evidence in real estate valuation](#).

## D.2 Market evidence of premiums/BLVs in other FVAs

**D.2.1** Paragraph 016 of the PPG envisages that plan-makers should establish a reasonable premium and states that doing so is an iterative process informed by professional judgement based on best available evidence. BLVs from other FVAs are relevant sources of information to assist in identifying the premium element in an EUV+ approach to the assessment of the BLV.

**D.2.2** Using this approach requires identification of the differences between comparable sites and typologies and the subject site or typology, which are set out in PPG paragraph 016. These adjustments should be made in arriving at the BLV.

**D.2.3** The assessor will need to have knowledge of the circumstances and factors that were considered in determining the EUV and premium uplift within each comparator. This also includes the policy considerations, particularly where comparables are from outside the

local plan area. The factors underpinning the assessment of EUVs and premiums in BLVs or other FVAs should be explained. If this information is available, conclusions can be reached as to whether or not these factors are similar to the site for which the BLV is required, and adjustments can be made. Where assumptions have been made concerning information about the comparables, these assumptions must be clearly stated. The more assumptions that have to be made, the less weight that can be put on the evidence.

**D.2.4** The circumstances underpinning the assessments of the EUV and premium, and which may require adjustment, could include:

- the date of the determination of the BLV
- landowner optionality, i.e. the range of options open to the landowner
- state of the property, obsolescence and compliance with environmental and building regulations
- site constraints such as ground conditions, contamination, ransom issues, planning factors, third-party rights and covenants
- uniqueness of opportunity, such as 'one-off' site assembly
- competition from alternative sites
- the weighting of individual BLV/premium evidence relative to the subject property, and
- adjustments made by the plan-maker in arriving at an adopted premium, if any.

**D.2.5** Information on BLVs and premiums in other FVAs can be requested but, if it cannot be provided, the practitioner will need to make assumptions and this will have an impact on the quality of that evidence. It is up to the decision-maker how much weight to accord to that evidence.

**D.2.6** Where the EUV part of the benchmark is a substantial element of the overall assessed value, the premium is usually stated as a percentage increase of the EUV. This is typical in urban and brownfield sites.

**D.2.7** In the case of greenfield, cleared brownfield or some *sui generis* (unique) sites outside of the normal planning use classes, where the EUV is a small proportion of the BLV, the premium is more likely to be stated as a multiplier or could be stated as an actual amount.

**D.2.8** Where the BLV has been determined directly from evidence of BLVs in other FVAs, the EUV must also be calculated and reported, even if it is zero or trivial (see the mandatory reporting and process requirements in the current edition of RICS' [Financial viability in planning: conduct and reporting](#)), and the premium reported as the difference between the EUV and BLV in either percentage or absolute terms.

## D.3 Market evidence of land transactions

### Principles

**D.3.1** PPG paragraph 016 states that evidence of land transactions can be used, but only as a cross-check to other evidence. The BLV comprises two components, the EUV and a premium; it is therefore important to state whether the comparable land transaction evidence is cross-checking the EUV component, the premium component or the BLV as a whole.

**D.3.2** Many of the same adjustments necessary for all types of market evidence, including the circumstances and factors listed in this appendix, apply equally to land transaction analysis.

**D.3.3** Land transactions should be adjusted to ensure that they are compliant with up-to-date planning policy, including affordable housing requirements, in order to circumnavigate the potential circularity issues identified in Chapter 5.

**D.3.4** The weight given to land transaction evidence will be reduced where some circumstances and facts are not known. Information is required on as many of the relevant factors in land sales as reasonably obtainable, including the sale terms, planning status, date(s) of payment, third-party arrangements and any option agreements. Land transaction information is partly in the public domain (the Land Registry and other sources), but rarely is all relevant information available. The same standards of data quality apply to land transactions as to other market evidence. Where some elements are not known, assumptions can be made but this will have an impact on the quality of that evidence. Reference should be made to the current edition of RICS' [Valuation of development property](#) for further information on the relevant factors.

**D.3.5** It should be clearly stated whether development land has been transacted with or without planning permission. Given the strategic nature of certain sites (amount, associated infrastructure and abnormal costs), sourcing directly comparable land transactions, particularly sites that have transacted without planning permission, is not straightforward.

**D.3.6** Where transacted sites have planning permission, analysis of the land price will be undertaken assuming that permission. Where that permission is not compliant with up-to-date planning policy (or emerging planning policy), it will be necessary to adjust the price to that which would have been paid, assuming full policy compliance with the up-to-date policy.

**D.3.7** The planning permission connected with the comparable transaction may not be optimal for the site. Where that is the case, the land price may reflect optimal rather than sub-optimal permissions. There is a danger here that land prices may be used to evidence a higher BLV within a residual calculation that assumes the sub-optimal permission, reducing developer contributions while protecting developer return. Where it is obvious that the actual scheme is significantly less valuable than the optimal scheme, analysis of transaction evidence should be undertaken by reference to the optimal scheme rather than a sub-optimal actual scheme.

**D.3.8** In large-scale greenfield development, a scheme may be required to provide land to facilitate the delivery of public facilities such as schools, open spaces, etc. This may on occasion be provided by a public body/landowner at nil value and, where this happens, analysis must be undertaken to reflect the intrinsic/intangible value it provides, in order to make the development acceptable in planning terms.

## Analysis of transactions

**D.3.9** The analysis of land transactions is normally undertaken by reference to units of comparison. In the case of development land, these units of comparison can be based upon a number of outcomes, such as price per developable hectare/acre, price per habitable room, price per unit, price per bedroom or price per square metre, or related to the GDV of the actual, proposed or optimum scheme.

**D.3.10** Units of comparison can be very misleading where the comparable transactions differ from each other to any great extent by location, property type or tenure. Where the comparable site includes commercial space, consideration should be given to how this element is accounted for in the analysis. Another important component of the analysis is plan policy compliance.

**D.3.11** In the case of the valuation of developments, it is rarely appropriate to undertake a valuation by one method alone, according to the current edition of RICS' [Valuation of development property](#), RICS . The same is true for land transaction analysis. It is essential in undertaking unit of comparison-based analysis of land transactions that, in addition to the adjustments noted above, a detailed examination of the transaction is also undertaken in the context of the planned development and its relationship to plan policy.

**D.3.12** Undertaking this analysis requires a residual value of the planned development, taking into account GDV, costs of development, contributions and profitability, in order to reconcile the land transaction price and the planned development. This will give clarity to the basic units of comparison generated by the transaction, and provide a context to the adjustments to be made to the comparable land transaction prices to make them policy compliant.

**D.3.13** The analysis of transactions should clearly demonstrate how any adjustment for abnormal site costs was undertaken, and how any additional and unusual costs were treated. This includes contamination remediation works and any related land remediation relief available in the market to prospective purchasers, where this can be recognised and quantified.

**D.3.14** An analysis of market transactions should enable a plan policy-compliant market 'norm' to be established and identify those transactions that are significantly above and below that market norm. A subset of transactions from a dataset, excluding outliers, may be more relevant to the subject site for cross-checking with the BLV identified by the primary approach of EUV plus a premium.

# Appendix E: Supplementary glossary

This supplementary glossary also uses definitions from the glossaries of the National Planning Policy Framework and RICS valuation standards and information current at the date of publication. All these documents may be updated from time to time and the definitions changed.

Term	Definition
<b>Assumption</b>	A valuation assumption is a supposition taken to be true. It involves facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, do not need to be verified by the valuer as part of the valuation process. Typically, an assumption is made where specific investigation by the valuer is not required in order to prove that something is true (current edition of <a href="#">RICS Valuation – Global Standards</a> ).
<b>Brownfield land</b>	'Land that is or was occupied by a permanent structure, including the curtilage of the developed land (although it should not be assumed that the whole of the curtilage should be developed) and any associated fixed surface infrastructure' (NPPF under <i>Previously Developed Land</i> ).
<b>Build-to-rent</b>	'Purpose-built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses, but should be on the same site and/or contiguous with the main development. Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control' (NPPF).
<b>Cash flow</b>	The movement of money by way of income, capital receipts, expenditure and payments throughout the development and sales period.
<b>Community Infrastructure Levy (CIL)</b>	A charge that can be levied by local authorities on new development in their area. It is a tool for local authorities to use to help them deliver the infrastructure needed to support development in their area.
<b>Conservation (of heritage assets)</b>	'The process of maintaining and managing change to a heritage asset in a way that sustains and, where appropriate, enhances its significance' (NPPF).
<b>Design code</b>	A set of illustrated design requirements that provide specific, detailed parameters for the physical development of a site or area (NPPF).

Term	Definition
<b>Designated heritage asset</b>	A World Heritage Site, Scheduled Monument, Listed Building, Protected Wreck Site, Registered Park and Garden, Registered Battlefield or Conservation Area designated under the relevant legislation (NPPF).
<b>Developable</b>	'To be considered developable, sites should be in a suitable location for housing development with a reasonable prospect that they will be available and could be viably developed at the point envisaged' (NPPF).
<b>Discounted cash flow/cash flow</b>	A method of valuation explicitly setting out the inflows and outflows of an investment/development (current edition of RICS' <a href="#">Valuation of development property</a> ). See also <i>Internal rate of return (IRR)</i> and <i>Net present value (NPV)</i> .
<b>Discount rate</b>	The periodic rate (per quarter, per annum), or rates, of interest selected when calculating the present value of some future cost or benefit (based on the current edition of RICS' <a href="#">Valuation of development property</a> ).
<b>Enabling development</b>	Development that would not be in compliance with local and/or national planning policies, and not normally be given planning permission, except for the fact that it would secure the future conservation of a heritage asset ('Enabling Development and Heritage Assets' in Historic England, <i>Historic Environment Good Practice Advice in Planning series: Note 4</i> , 30 June 2020).
<b>Environmental impact assessment</b>	'A procedure to be followed for certain types of project to ensure that decisions are made in full knowledge of any likely significant effects on the environment' (NPPF).
<b>Heritage asset</b>	'A building, monument, site, place, area or landscape identified as having a degree of significance meriting consideration in planning decisions, because of its heritage interest. It includes designated heritage assets and assets identified by the local planning authority, including local listing' (NPPF).
<b>Interest rate/finance rate</b>	The rate of finance applied in a development appraisal (current edition of RICS' <a href="#">Valuation of development property</a> ). This will represent the cost of borrowing.



Term	Definition
<b>Internal rate of return (IRR)</b>	The rate of interest (expressed as a percentage) at which all future project cash flows (positive and negative) will be discounted in order that the net present value (NPV) of those cash flows, including the initial investment/land value, be equal to zero. IRR can be assessed both gross and net of finance (current edition of RICS' <a href="#">Valuation of development property</a> ). A gross of finance IRR would be a project return; a net of finance IRR would be a return on equity.
<b>Local housing need/housing need</b>	'The number of homes identified as being needed through the application of the standard method set out in national planning guidance or, in the context of preparing strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 60 of the NPPF' (NPPF).
<b>Local plan</b>	'A plan for the future development of a local area, drawn up by the local planning authority in consultation with the community. In law, this is described as the development plan document adopted under the <i>Planning and Compulsory Purchase Act 2004</i> . A local plan can consist of either strategic or non-strategic policies, or a combination of the two' (NPPF).
<b>Local planning authority (LPA)</b>	'The public authority whose duty it is to carry out specific planning functions for a particular area. References to local planning authority include district council, London borough council, county council, Broads Authority, National Park Authority, the Mayor of London and a development corporation, to the extent appropriate to their responsibilities' (NPPF; see also <i>Decision-taker</i> ).
<b>Major development</b>	'For housing, development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more. For non-residential development it means additional floorspace of 1,000m <sup>2</sup> or more, or a site of 1 hectare or more, or as otherwise provided in <i>The Town and Country Planning (Development Management Procedure) (England) Order 2015</i> ' (NPPF).
<b>Market comparison approach</b>	A method of valuation that assesses value by comparing the circumstances of the subject land or property with that existing in respect of transactions of other similar assets. The PPG states that comparable land transaction evidence must be compliant with or adjusted for actual or emerging plan policies.



Term	Definition
Market risk	The uncertainty resulting from unknown future changes in the economy and financial and property markets, irrespective of the property being developed (see also <i>Development risk</i> and <i>Property- or project-specific risk</i> ; current edition of RICS' <a href="#">Valuation of development property</a> ).
Market value	Defined in <i>International Valuation Standards</i> (IVS) 104 as 'the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion' (current edition of <a href="#">RICS Valuation – Global Standards</a> ).
Neighbourhood development order	An order made by a local planning authority (under the <i>Town and Country Planning Act 1990</i> ) through which parish councils and neighbourhood forums can grant planning permission for a specific development proposal or classes of development (NPPF).
Neighbourhood plan	'A plan prepared by a parish council or neighbourhood forum for a designated neighbourhood area. In law, this is described as a neighbourhood plan in the <i>Planning and Compulsory Purchase Act 2004</i> ' (NPPF).
Net development value (NDV)	The gross development value (GDV) minus assumed seller's costs (current edition of RICS' <a href="#">Valuation of development property</a> ). See <i>Gross development value (GDV)</i> for explanation.
Net present value (NPV)	The sum of the discounted values of a net cash flow, including all inflows and outflows, where each receipt/payment is discounted to its present value at a specified discount rate. Where the NPV is zero, the discount rate is also the internal rate of return (IRR; current edition of RICS' <a href="#">Valuation of development property</a> ).
Optionality	Often referred to as a real option, it is the right, but not the obligation, to pursue a particular course of action, e.g. sell, hold/retain or develop a property (current edition of RICS' <a href="#">Valuation of development property</a> ).
Previously developed land	See <i>Brownfield land</i> .
Property- or project-specific risk	The uncertainty attached to the intrinsic development of a site or property (current edition of RICS' <a href="#">Valuation of development property</a> ). See also <i>Market risk</i> and <i>Development risk</i> .

Term	Definition
<b>Projections of values and costs</b>	Projecting from a base rent, sales value or cost to reflect estimated out-turn levels in an appraisal (current edition of RICS' <a href="#">Valuation of development property</a> ).
<b>Residual method of valuation</b>	A valuation/appraisal of a development based on a deduction of the costs of development and either profit or land cost from the anticipated proceeds (current edition of RICS' <a href="#">Valuation of development property</a> ). Depending upon whether the residual amount is the land value or profit, the other element must be deducted in addition to the costs of development to determine the residual amount.
<b>Residual site value/residual land value</b>	The amount remaining once the costs of development of a project are deducted from its net development value (NDV) and an appropriate profit has been deducted (based on the current edition of RICS' <a href="#">Valuation of development property</a> ).
<b>Risk-adjusted return</b>	The discount rate as varied to reflect the perceived risk of the development (current edition of RICS' <a href="#">Valuation of development property</a> ).
<b>Sensitivity analysis</b>	A series of calculations resulting from the residual appraisal involving one or more variables – rent, sales values, build costs, etc. – that are varied to show the differing results (current edition of RICS' <a href="#">Valuation of development property</a> ). See also <i>Simulation</i> .
<b>Simulation</b>	A simulation considers the probability of outcomes given certain ranges applied to key inputs in the financial viability assessment. It can quantify the level of variation in the valuation of the development based on variation of inputs. It is a method of undertaking sensitivity analysis (current edition of RICS' <a href="#">Valuation of development property</a> ).
<b>Site promoters</b>	These include all landowners, developers, infrastructure and affordable housing providers, and any other stakeholders with interests in securing development across the LPA area or on specific sites.
<b>Special assumption</b>	A valuation special assumption is made by the valuer where an assumption either assumes facts that differ from those existing at the valuation date, or would not be made by a typical market participant in a transaction on that valuation date (current edition of <a href="#">RICS Valuation – Global Standards</a> ).
<b>Statement of Community Involvement (SCI)</b>	A document that sets out how an LPA will engage with the community in the delivery of its planning functions.

Term	Definition
<b>Strategic Environmental Assessment</b>	'A procedure (set out in <i>The Environmental Assessment of Plans and Programmes Regulations 2004</i> ) that requires the formal environmental assessment of certain plans and programmes which are likely to have significant effects on the environment' (NPPF).
<b>Sunk costs</b>	Costs, already spent, that facilitate the delivery of the development, and normally reduce the remaining costs of development and increase the value of the site.
<b>Target return</b>	The required rate of return/profit from the project considering its risk, expressed as either a periodic (normally per annum) rate of return or a simple ratio of value or cost.
<b>Valuation variation</b>	A range of possible valuation outcomes based on different estimates of inputs and/or different methodologies applied.
<b>Value engineering</b>	Eliminating unnecessary cost from the project or asset, or from systems, components or processes associated with it, to improve the ratio between benefits and costs ( <a href="#">Value management and value engineering</a> , RICS guidance note).
<b>Yield</b>	Yield can be applied to different commercial elements of a project, for example office, retail, leisure, etc. but also to let housing where appropriate. It is usually calculated as a year's rental income as a percentage of the value of the property. Depending on jurisdiction, variations include capitalisation or cap-rate, all-risks yield, equivalent yield, income yield and initial yield (current edition of RICS' <a href="#">Valuation of development property</a> ).

## Delivering confidence

We are RICS. Everything we do is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure. Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.

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United Kingdom & Ireland  
**[contactrics@rics.org](mailto:contactrics@rics.org)**



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## Appendix 7 – Symonds & Sampson Informal Report

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Dudsbury Homes (Southern) Ltd  
C/o Mr Mark Sturman  
Intelligent Land  
Hillview Business Centre  
2 Leybourne Avenue  
Bournemouth, BH10 6HF

Symonds & Sampson LLP  
5 West street  
Wimborne  
Dorset  
BH21 1JN

19<sup>th</sup> April 2024

Dear Mr Sturman,

**Re: Land at Alderholt.**

You have asked us to undertake an Informal Review of the current value of the land at Alderholt as shown edged red and shaded pink on the attached plan. According to that plan the area measures a total of 121.87ha (301.14ac).

You have asked that this is an Informal Opinion of the present value and as such this does not constitute an RICS Red Book Valuation and it is provided on an informal basis, for information purposes only. If you require a formal Red Book Valuation of the land, this must be requested separately and can be provided as required, subject to further investigations and would be subject to a valuation fee being payable.

On the 18<sup>th</sup> April 2024 we undertook a brief inspection of the land and a walked inspection of the range of farm buildings found towards the centre of the land, approximately at Grid Reference SU1211 0387, and outlined blue on the attached plan titled 'Barn Location'. During our inspection we noted that the approximate following property exists:

60 acres of arable land  
187 acres of grassland  
8.5 acres of camping and caravanning land  
8 acres of equestrian land  
30 acres of woodland

The balance of the approximate 301ac will be made up of tracks, hardstanding and yard/buildings.

It should be noted that these measurements are approximate and would need to be qualified for accuracy. The extent of Grassland at 187ac, does not differentiate between Permanent Pasture and Improved Pasture that could otherwise be utilised for arable purposes.

According to the Natural England Agricultural Land Classification plans, the land is a mixture of Grade 3 (Good to moderate), Grade 4 (poor) and Grade 5 (very poor). We have not had sight of any cropping yields and are unable to comment on the productive capacity of the soil, but our brief visual inspection would suggest that it would predominantly constitute Grade 3a (good) land and as such would, subject to reasonable endeavours, attain a yield in-excess of 4-tonne per acre from a wheat crop.

In terms of flood risk, a search on the Gov.uk website shows:

## Flood map showing the flood zone your site is in

The map shows the flood risk to your site and the surrounding area.



## The range of buildings at SU1211 0387





The buildings comprise a main steel portal framed barn, with predominantly block-built walls under a corrugated fibre cement roof with outside yard area. This was being utilised for the housing of cattle and farm equipment and measured in total, approximately 626sqmts. Adjacent to this (to the north east) was the old milking parlour, measuring approximately 76sqmts, of block construction under a corrugated fibre cement roof. To the South and East of this were two further buildings, a smaller building which is considered too small to be of any notable use, but a further larger building measuring approximately 96sqmts, also of block construction under a corrugated fibre cement roof.

In undertaking a review of the site, disregarding any Hope Value relating to the wider development, but considering Hope Value in respect of redevelopment of the farm buildings, we have given consideration to the possibility of a conversion of those farm buildings under Class Q Permitted Development and we would comment on the likelihood of this below.

Attached to this letter is an extract of the Town and Country Planning (General Permitted Development) England (Order) 2015 – Schedule 2, part 3 Class Q Agricultural Buildings to Dwelling Houses Legislation. This sets out the legislation in respect of the conversion under Class Q as was originally drafted in 2015. Since that time however this has been amended to permit up to three larger properties of a size between 100sqmts and 465sqmts so long as the total does not exceed 465sqmts or up to five smaller dwellings of up to 100sqmts each. To clarify this, it means you would, for example, be able to have a singular unit at 465sqmts and four smaller units of 100sqmts as part of the development proposal.

We consider that it is perfectly reasonable to consider that on the assumption (and it is our assertion that this is the case) that the buildings could be developed under Class Q Permitted Development Rights; the main barn would be converted into three units of 155sqmts each, resulting in 465sqmts of total development, and 161sqmts of that building being demolished; with the remaining milking parlour and adjacent building also being developed to form two further separate units. This would provide for three dwellings of 155sqmts and two dwellings of 96sqmts and 75.8sqmts creating a small but attractive development set in the open countryside.

#### Evidence of relevant sales

In order to ascertain the value of the buildings as they currently stand, but with the potential for conversion as described above, we have undertaken a search for similar developments which help to establish value.

Based on our research, the below table sets out a number of relevant sales for buildings of a similar nature where they have planning consent, Class Q consent or some hope value for conversion to residential; with reference links to the relevant sales details.

It is noted that some of this comparable evidence is slightly further away than would be ideal, however within the brief context of this informal opinion, it is considered sufficient evidence upon which to form an informal opinion of value.



Location	Price (for sale)	Bedrooms	Size (sq feet)	Planning	Link
Helston	190,000	3 bedrooms	2,083 roughly	Granted Class q	<a href="https://www.onthemarket.com/details/13542961/">https://www.onthemarket.com/details/13542961/</a>
Scarning	190,000	3 bedrooms	1184	Granted	<a href="https://www.onthemarket.com/details/14054153/">https://www.onthemarket.com/details/14054153/</a>
Long Preston	250,000	3 units (2/3 bedrooms)	Roughly 957	Granted	<a href="https://www.onthemarket.com/details/14566711/">https://www.onthemarket.com/details/14566711/</a>
Paignton	400,000	2 x 3 bedroom	N/A	Granted	<a href="https://www.onthemarket.com/details/14487758/">https://www.onthemarket.com/details/14487758/</a>
Bristol	365,000	4 bedrooms	6,000 roughly	Granted	<a href="https://www.onthemarket.com/details/14476814/">https://www.onthemarket.com/details/14476814/</a>
Kirkby Stephen	195,000	3 bedrooms	664 roughly	Granted	<a href="https://www.onthemarket.com/details/13934454/">https://www.onthemarket.com/details/13934454/</a>
Lancaster	200,000	4 bedrooms	4117	Granted	<a href="https://www.onthemarket.com/details/13489175/">https://www.onthemarket.com/details/13489175/</a>
Mewith	100,000	N/A	N/A	Subject to	<a href="https://www.onthemarket.com/details/14633905/">https://www.onthemarket.com/details/14633905/</a>
Coniston	175,000	N/A	495	Subject to	<a href="https://www.onthemarket.com/details/14153511/">https://www.onthemarket.com/details/14153511/</a>

As can be seen from the above table there is a mix of size and types of planning consents granted or not yet applied for.

The lowest sale price being £100,000 to the highest being at £365,000 for a single unit. Some of these benefited from a grant of planning consent under Class Q, others were subject to a full grant of planning consent, whereas the bottom two being the ones at Mewith and Coniston neither benefited from a current grant of planning permission, but would have been sold with added Hope Value.

Whilst the above range of comparable evidence is not particularly local, it does provide an approximate guide for barn conversion development opportunities, and we would consider that the following values would apply for the various buildings:

Buildings	floor area	Developed as (Sqmt)	£/unit as is	£/unit with planning
Main	626	155	£150,000	190000
		155	£150,000	190000
		155	£150,000	190000
Parlor	75.8	75.8	£100,000	130000
	96	96	£120,000	150000

With regard to the land, attached to this letter is a range of comparable evidence, but it can be summarised as follows:

- 1.7 acres of land at Holt, Wimborne, Dorset – Sold at Auction on 2<sup>nd</sup> November 2023 for £80,000 given £47,058 per acre – equestrian.
- Land at Bay Road, Lot A, Gillingham, Dorset – Measuring 3.22ac sold at Auction in December 2023 for £144,000 giving £44,720 per acre - equestrian.
- 4.1 acres of land at Willet Road, Ashington – Sold in December 2023 for £130,000 equating to £31,707 per acre - equestrian.
- 5.04 acres of land at Sopley – Sold in April 2024 for £120,000 equating to £23,809 per acre - equestrian.
- 16.12 acres of land at West Parley – Sold in September 2023 for £277,000 equating to £17,183 per acre - arable.
- Land at Hine Town Lane – 4.08ac sold in May 2023 for £131,000 equating to £32,107 per acre - equestrian.
- Swallowfield, Woodlands, Wimborne – Measuring 7.32ac which sold in November 2023 for £200,000 equating to £27,662 per acre – woodland/amenity.
- Tarrant Rushton Airfield, Lots 6 and 7 – Sold in September 2023 measuring 52.8ac for £710,000 equating to £13,436 per acre - arable.

Based on the above assessments of comparables, we would consider that the following values would apply dependant on land type.

	ac	£/ac	£ - value
Arable	60	13,000	£780,000
Camping	8.5	25,000	£212,500
Woodland	30	7000	£210,000
Equestrian	8	30000	£240,000
Grassland	187	23000	£4,301,000

The above, coupled with the estimated value of the buildings at £520,000 as they presently stand, would suggest a base land value at the present time in the region of £6,413,500 (Six Million, four hundred and thirteen Thousand and Five Hundred Pounds).

The above is assessed on the assumption that the land would be lotted and sold as part of a logical marketing campaign, and that all of the land would not necessarily be marketed at the same time.

We trust that the above informal assessment of the land at Alderholt as shown outlined red on the attached plan is sufficient for your purposes in progressing discussions in relation to a current base value of the land. We would stress that the above is an Informal Opinion of Value based on



a brief overview of the land and a brief assessment of the attached comparable evidence. If a more detailed opinion is required, this would have to be by way of a full Red Book Valuation.

Yours sincerely

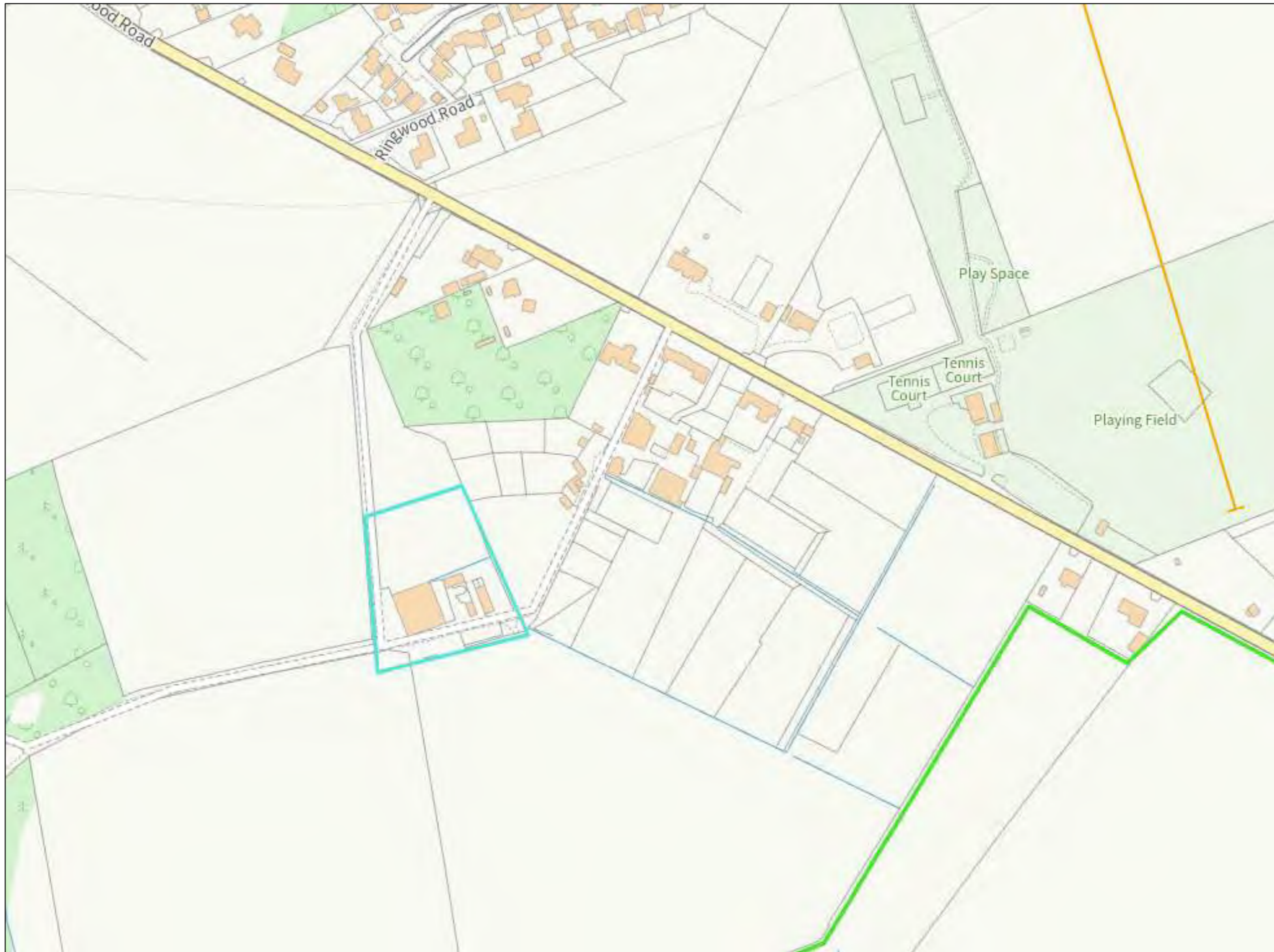
A handwritten signature in black ink, appearing to read 'A-J Monro'.

**A-J Monro BSc(Hons) MRICS FAAV  
For Symonds & Sampson LLP**

email: [amonro@symondsandsampson.co.uk](mailto:amonro@symondsandsampson.co.uk)

Direct Line: 01202 639408

BARN LOCATION – SP6 3DF (closest postcode)





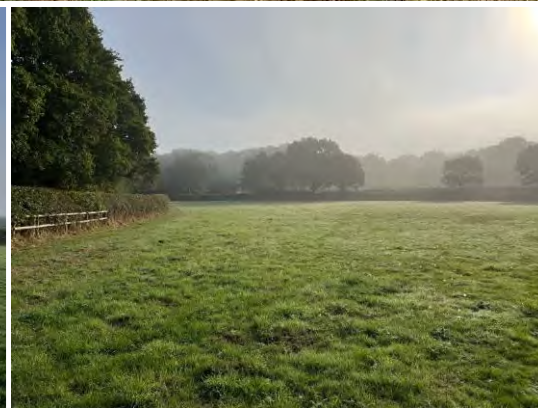
BARN LOCATION – SP6 3DF (closest postcode)





Sold at Auction - 2nd Nov 2023 - £80,000

£47,958/ac



## 1.70 acres Land at Holt Holt Road, Holt, Wimborne BH21 7DL

1.70 acres (approx.) of permanent pasture, including a single stable. For sale by Public Auction and via Livestream on Thursday 2 November 2023 at 2:00pm at the Digby Hall, Sherborne DT9 3AB

Guide Price

**£45,000\***

Freehold





# 1.70 acres Land at Holt

Holt Road, Holt, Wimborne BH21 7DL

For sale by Auction on Thursday 2 November 2023

Viewings strictly by appointment via the Wimborne Office  
01202 843190

## The Property

Situated in a tucked away location, this well-maintained paddock extends to 1.70 acres, providing grazing and stabling. The hedging and fencing are in a good stockproof condition. There is an abundant network of bridleways and footpaths perfect for hacking and walking opportunities.

Access is gained via a shared access woodland track off Holt Road.

## Situation

Situated on the fringe of the popular village of Holt, the surrounding countryside provides excellent walking, riding and cycling. The land is situated only 3 miles north of Wimborne Minster which offers a wide range of amenities.

## Local Authority

Dorset Council

## Services

Mains water and electricity not connected but are nearby.

## What3words:

///handrail.fans.tomorrow

## Solicitors

Ellis Jones Solicitors  
39a East Street, Wimborne, Dorset BH21 1DX  
01202 057676  
richard.tombs@ellisjones.co.uk

## Auction Conditions of Sale and Notes

For full details please refer to the auction catalogue available online at  
<https://www.symondsandsampson.co.uk/auctions/property-auctions>

## Legal and Information Pack

A full legal pack can be purchased online. Please telephone the office below to check availability.

**We strongly recommend you instruct a solicitor to inspect the legal pack on your behalf.**

\* Guides are provided as an indication of each seller's minimum expectation. They are not necessarily figures which a property will sell for and may change at any time prior to the auction. Each property will be offered subject to a Reserve (a figure below which the Auctioneer cannot sell the property during the auction). The reserve price is not disclosed and remains confidential between the seller and the auctioneer. Both the guide price and the reserve price can be subject to change up to and including the day of the auction. The 'Reserve Price' may exceed the 'Guide Price' listed. If so, it is customary for the 'Reserve Price' to exceed the guide price by no more than 10%.

## Additional Fees

The successful purchaser will be required to pay the Auctioneers a Purchaser's Administration Fee of £1,200 (£1000 plus VAT) payable to Symonds & Sampson. For purchases of £50,000 or less the Administration fee will be £900 (£750 plus VAT). If two or more lots are offered together in the first instance, or lots are purchased under one contract, the administration fee will apply per lot and not per contract. The charge will apply to lots bought prior to and post auction.

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Disbursements – Please see the legal pack for any disbursements listed that may become payable by the purchaser.



01202 843190

Symonds & Sampson LLP  
5 West Street, Wimborne, Dorset BH21 1JN  
wimborne@symondsandsampson.co.uk  
www.symondsandsampson.co.uk

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& Sampson**

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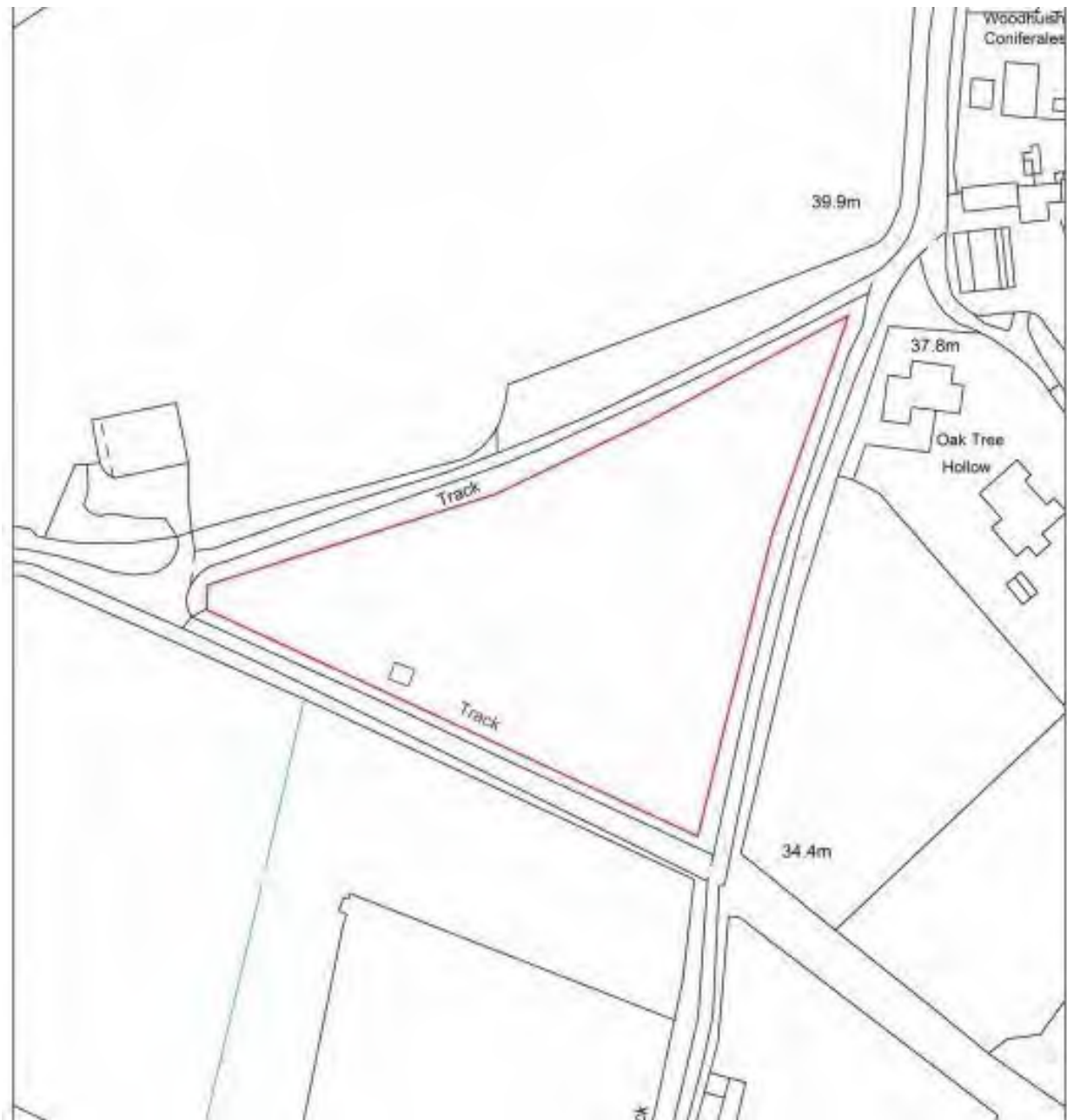
SURVEYS

VALUATIONS

PLANNING

LETTINGS





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SURVEYS

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# Auction Notes

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3. This catalogue contains details about properties being sold at auction. The vendors reserve the right to sell their properties prior to auction and these details can be subject to change up to and including the day of the auction. Please check our website regularly at: [www.symondsandsampson.co.uk](http://www.symondsandsampson.co.uk) and look out for any additional materials available on the day of the auction, in order to ensure you have all the up to date information.

## Plans and Measurements

All room sizes, site measurements and distances are approximate and may have been scaled from architects, Land Registry or Ordnance Survey plans. They are there to assist buyers in identifying the lots offered and not guaranteed to be to scale or to indicate the full extent of the property being offered. Buyers are advised to view the Special Conditions and full legal documentation in respect of the precise interest to be sold.

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We do not guarantee to attend viewings where appointments have not been confirmed.

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Deposits of 10% of the purchase price (or £2,000, whichever is the greater) are payable on the fall of the hammer. Deposits can be paid by cheque which, unless otherwise stated, should be made payable to the Solicitor for the Seller or by debit card. Please ensure that you have adequate funds in the appropriate account. Cash is not accepted. Please be aware that you may be required to provide evidence of the source of funds to the solicitor upon purchase.

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There is always the possibility of last minute withdrawals or sales prior. Please ensure you have registered your interest and we will endeavor to contact you if the lot is withdrawn or likely to be sold prior to the auction.

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## Telephone bidding

We have a limited number of telephone bidding facilities available on most lots, but we must have completed paperwork at least 24 hours before the auction day. We cannot guarantee that every request to bid by telephone will be possible.

## Proxy Bidding

We strongly recommend registering to bid online but when this is not possible, you may make a proxy bid authorising the Auctioneer to bid on your behalf up to a pre-set limit. This must be **by prior arrangement at no later than 24 hours prior to the auction**. Bidding forms must be received not less than 24 hours prior to the start of the auction to ensure that there is time for the bid to be processed. **We cannot guarantee to process bidding forms which are received later than 24 hours before or on the morning of the auction.**

# Auction Terms and Conditions

**1.** Intending purchasers must complete bidder registration via Essential Information Group Auction Passport or fill in the appropriate bidding form ensuring that all sections are completed. Failure to complete any part of the appropriate form may render the instructions ineffective or result in your registration not being approved. Copies of all relevant bidder's/purchaser's identification must be provided prior to the start of the auction. No responsibility is taken by the auctioneers for unprocessed registrations received later than 24 hours prior to the auction.

**2.** Maximum bids for proxy or telephone bidders must be for an exact figure, rounded to the nearest £1,000, and any reference to a bid to be calculated by reference to other bids will not be acceptable. In the event of there being any confusion as to the maximum bid, the auctioneer reserves the right to refuse a bid on behalf of the prospective bidder.

**3.** All bidders registered via Auction Passport must authorise a £10,000 security hold on a debit card as part of the registration. Those submitting bidding forms will be required to provide card details for security. If you are successful, the £10,000 hold will be deducted from your account and put towards the 10% deposit. If you are unsuccessful, the hold on your card will usually be removed within 5 working days. When the 10% deposit is taken, you will also be required to pay a Buyer's Administration Fee of £1,200 (£1,000 + VAT). In some cases, this figure may be higher and if so, will be stated in the addendum. For lots with a purchase price below £50,000, the Buyer's Administration Fee will be £900 (£750+VAT). Payments can be made either by BACS or debit card and must be made on the day of the auction. The Buyer's Administration Fee is payable on all lots sold at auction, prior to the auction, or post-auction. If the successful bidder fails to provide the required deposit and buyers administration charge, then Symonds & Sampson LLP and/or their seller reserves its rights to pursue the winning bidder via all legal means necessary for the deposit and the buyer's administration charge and any associated losses and interest as applicable.

**4.** The auctioneer, in accepting remote bids, acts as agent for the prospective bidder/purchaser who shall be considered to have authorised the auctioneer on the basis of all relevant conditions of sale and any amendments to the auction particulars. In the event of the prospective purchaser's bid being successful, the auctioneer or any duly authorised partner or employee of Symonds & Sampson LLP is authorised by the bidder and purchaser to sign any Memorandum of Sale or Sale Contract relating to the property concerned incorporating any addendum.

**5.** The auctioneer accepts no liability for any bid not being made on behalf of the prospective purchaser and reserves the right to bid himself or through an agent up to the reserve price for the particular property concerned.

**6.** In the event that: (a) two or more parties consider for whatever reason that they are the highest bidder; (b) there is a dispute as to which bidder is the highest bidder; (c) there is any other dispute as between any bidders and/or as between the auctioneer and any bidders; or (d) the auctioneer considers that there is a disputed bid; the auctioneer at their sole discretion have the right to declare a "Bidding Dispute" at any time during the auction. In the event of a bidding dispute, the auctioneer reserves the right to re-offer the lot on the terms they consider to be reasonable. The auctioneer shall accept no liability whatsoever if the underbidder is unable to make an increased bid. The auctioneer's decision on the conduct and outcome of the auction is final.

**7.** In the event that another bidder makes a bid equal to the maximum bid the remote bidder is prepared to make, the auctioneer reserves the right to accept either bid at their own discretion. The auctioneer's decision is final.

**8.** The auctioneer accepts no responsibility for failure of telecommunications or internet connections in respect of a telephone or internet bid, or any delays in the postal system if a bidding form is sent through the post.

**9.** Prospective bidders should check with the auctioneer's office immediately prior to the auction to ensure there are no changes to the published terms and conditions. The auctioneer will accept no liability whatsoever for any prospective bidder's failure to carry out these checks.

**10.** The auctioneer will accept no liability whatsoever for any bid not being made on behalf of the prospective buyer as a result of: Lack of clarity of instructions, error, lack of clarity or confusion regarding the bidding process or the bidder's registration or the deposit, prospective buyers becoming disconnected during bidding or are unobtainable, interruption or suspension of telephone or internet services or for any other reason whatsoever beyond the control of the auctioneer.

**11.** Successful proxy bids will be notified to the prospective buyer within 24 hours of the conclusion of the auction sale. Any alteration to the submitted bid or withdrawal must be received and confirmed in writing by the auctioneer prior to commencement of the auction. Proxy bidders are advised to telephone the Auctioneer's offices before 10am on the day of the sale in order to find out whether any addenda apply to the property for which they have authorised the Auctioneer to bid on their behalf. If we receive two proxy bids at the same level, both bidders will be notified and given the opportunity to adjust their bid.

**12.** All bidders are deemed to be making their bid with full knowledge of and in accordance with the RICS Common Auction Conditions (4th Edition), Extra Conditions, Special Conditions of Sale, Addendum, Important Notice for Prospective Buyers in the catalogue and the contents of the Legal Pack. In particular, bidders are deemed to have carefully checked the Special Conditions of Sale for any additional costs and fees payable to the seller that may be detailed therein.

**13.** All successful remote bidders will be required either to provide certified proof of identity or visit a Symonds & Sampson office with hard copies together with details of the source of their funds within 48 hours of the auction. By registering to bid, you agree to comply with our requests to verify your identity, and to answer any follow up questions that may be raised in due course, as and when necessary. We are obliged to identify buyers, bidders and payers in accordance with the requirements of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended). We are likely to request from you and retain some information and documentation for these purposes and/or make searches of appropriate databases electronically (including verification through third party data providers). For the avoidance of doubt, searches may also be conducted on individuals, directors, and shareholders of these entities as is required by the legislation. If satisfactory evidence of your identity is not provided within a reasonable time, there may be circumstances in which we are not able to proceed. Failure to satisfy our requirements can also result in a termination of the acquisition of the property. Please be aware that we may share the information and documentation you provide for this purpose with the vendor, the vendor's solicitors, agents or other authorised representatives of the vendor in order to facilitate the transaction.

**14.** The auction will be recorded and the phone lines for telephone bidders are likely to be recorded to avoid any doubts or disputes.

**15.** By registering to bid you are agreeing to these Terms & Conditions and understand that should your bid be successful the offer will be binding, and you will be legally bound jointly and separately with the intended Buyer (where the Buyer is different) by the applicable Conditions of Sale.



# Register to Bid – Live Stream Auction

If you cannot register through the online system, please complete and return this form with two ID documents. We cannot guarantee to process registrations received later than 24 hours before the auction.

Telephone\*     Proxy     Online\*     Room

\*In the event that the connection or line is lost for online or telephone bidders, the auctioneer is authorised to continue to bid on your behalf up to the maximum bid stated on this form, should you choose to provide one.

**TELEPHONE BIDDERS** – A member of staff will attempt to contact the bidder by telephone prior to the relevant lot being offered for sale. If we are successful in making contact, then the bidder may take part in the bidding via a member of staff. If we are not able to make contact the auctioneer is authorised to bid on behalf of the telephone bidder up to the maximum bid stated on this form, should you choose to provide one.

Please be aware that there are limited telephone lines and we cannot guarantee that a line will be available to you.

## LOT DETAILS

Date of Auction\*

Lot Number\*

Property Name and Address\*

Maximum Bid £ (optional but required for a proxy bid)

Maximum Bid in Words (optional but required for a proxy bid)

## BIDDER DETAILS

Title\*    Name/Company Name\* IF PURCHASE IS TO BE IN JOINT NAMES PLEASE INCLUDE PROOF OF ID AND ADDRESS FOR BOTH

Capacity

Address Line 1\*

Address Line 2\*

Postcode\*

Telephone No.

Email Address\*

## SOLICITOR DETAILS

Solicitor Company\*    Solicitor Name\*

Address Line 1\*

Address Line 2\*

Telephone No.

Email Address\*

### PROOF OF IDENTIFICATION AND ADDRESS

To comply with Anti-Money Laundering Regulations, we require scanned copies of your proof of ID AND proof of address (Passport or driving license and Council tax/utility bill or bank statement) to enable you to bid. If you are successful and are bidding remotely you will be required either to provide certified proof of ID within 48 hours of the auction or visit a Symonds & Sampson office with hard copies.

By submitting your ID, you authorise Symonds & Sampson LLP to undertake further proof of identification and anti-money laundering checks that may be required should you be successful in your bid. Please note: if you then fail anti-money laundering checks, your purchase will be in jeopardy and you will lose the buyer's administration fee, so you must satisfy yourself in advance that your purchase complies with the current Money Laundering Regulations.

### PAYMENT OF THE 10% DEPOSIT AND BUYER'S ADMINISTRATION FEE

If you are successful via the internet registration process a security deposit of £10,000 will be taken from your account. A member of staff will then contact you by phone for the balance of the deposit and the buyers administration fee, as set out in our Terms and Conditions, to be taken immediately.

### TERMS AND CONDITIONS

I agree to the terms and conditions for all bidders. I authorise the auctioneer to sign the Memorandum of Sale on my behalf and I recognise that I will then be the fully bound purchaser of the property referred to above and must complete the transaction within the time specified in the Conditions of Sale.

I have read the RICS Common Auction Conditions (4th Edition) and the Special Conditions of Sale in their entirety and am aware of any additional costs and fees payable by the buyer detailed therein. I accept that it is my responsibility to check for any amendments or addendum notes which may be read out by the auctioneer on the auction day.

Signature

Date of Signature (dd/mm/yyyy)



Sold at Auction Dec 2023 for £144,000

£44,720/ac



## Land at Bay Road - Lot A

Bay, Gillingham, Dorset SP8 4EP

**3.22 acres (1.30 ha) of level pasture in a strategic, edge of town location**

**Guide Price £95,000\*** Freehold

For Sale by Livestream Public Auction  
on Wednesday 13<sup>th</sup> December 2023 at 2.00pm  
at The Digby Hall, Hound Street, Sherborne DT9 3AB





# Land at Bay Road - Lot A

Bay, Gillingham, Dorset SP8 4EP

## The Property

3.22 acres (1.30 hectares) (yellow on sale plan)  
One field of level permanent pasture  
Mature hedgerow boundaries  
Suitable for a range of agricultural, conservation and equestrian uses  
Developmental potential subject to planning permission  
5.36 acres (Lot B) also available to the south of Bay Road

## Location

Situated on the Northeastern edge of Gillingham  
Access gained directly off adjoining council-maintained highway.  
Far reaching views towards Shaftesbury and Duncliffe Wood  
A footpath provides pedestrian access to Gillingham and surrounding countryside

## Services

Adjoining Bay Road, within the boundaries of Lot A, there is a mains water pipe. A sub-metre connection has been made. Mains electricity is not connected but does pass over the land.

## Tenure

Freehold with vacant possession

## Local Authority

Dorset Council (North), 01305 221000,  
[www.dorsetforyou.gov.uk](http://www.dorsetforyou.gov.uk)

## Agents Notes

A public footpath crosses the land, see sale plan.  
The land is not subject to any restrictive covenants or overage clauses.  
The land does not fall within an Area of Outstanding Natural Beauty or a Nitrate Vulnerable Zone.

## Solicitors

Farnfields Solicitors  
4 Church Lane, Shaftesbury SP7 8JT  
tel: 01747 825432  
email: [alaina.hopgood@farnfields.com](mailto:alaina.hopgood@farnfields.com)

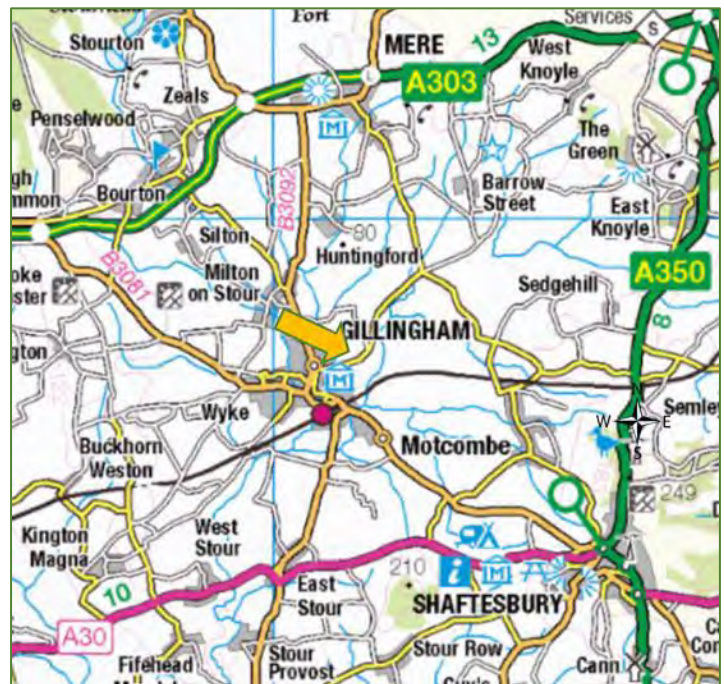
## Viewing

Unaccompanied after informing the agents and with a set of these particulars in-hand.

**What3Words** ///trailer.blotches.contoured

## Auction Notes

Please refer to the Auction Notes for guidance on additional fees, the procedure at Auction, registering to bid and legal documents.



01258 472244

Symonds & Sampson LLP  
Agriculture House, Market Place, Sturminster Newton, Dorset,  
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Whether you wish to bid online, by telephone, by proxy or in the room, please register online via the link on our website [www.symondsandsampson.co.uk/auctions/property-auctions](http://www.symondsandsampson.co.uk/auctions/property-auctions) or you can complete the form at the back of this catalogue and send via email to [auctions@symondsandsampson.co.uk](mailto:auctions@symondsandsampson.co.uk). You will be required to provide copies of proof of identification and proof of address as part of the registration process and will not be authorised to bid without these.

## Telephone bidding

We have a limited number of telephone bidding facilities available on most lots, but we must have completed paperwork at least 24 hours before the auction day. We cannot guarantee that every request to bid by telephone will be possible.

## Proxy Bidding

We strongly recommend registering to bid online but when this is not possible, you may make a proxy bid authorising the Auctioneer to bid on your behalf up to a pre-set limit. This must be **by prior arrangement at no later than 24 hours prior to the auction**. Bidding forms must be received not less than 24 hours prior to the start of the auction to ensure that there is time for the bid to be processed. **We cannot guarantee to process bidding forms which are received later than 24 hours before or on the morning of the auction.**



# Auction Terms and Conditions

**1.** Intending purchasers must complete bidder registration via Essential Information Group Auction Passport or fill in the appropriate bidding form ensuring that all sections are completed. Failure to complete any part of the appropriate form may render the instructions ineffective or result in your registration not being approved. Copies of all relevant bidder's/purchaser's identification must be provided prior to the start of the auction. No responsibility is taken by the auctioneers for unprocessed registrations received later than 24 hours prior to the auction.

**2.** Maximum bids for proxy or telephone bidders must be for an exact figure, rounded to the nearest £1,000, and any reference to a bid to be calculated by reference to other bids will not be acceptable. In the event of there being any confusion as to the maximum bid, the auctioneer reserves the right to refuse a bid on behalf of the prospective bidder.

**3.** All bidders registered via Auction Passport must authorise a £10,000 security hold on a debit card as part of the registration. Those submitting bidding forms will be required to provide card details for security. If you are successful, the £10,000 hold will be deducted from your account and put towards the 10% deposit. If you are unsuccessful, the hold on your card will usually be removed within 5 working days. When the 10% deposit is taken, you will also be required to pay a Buyer's Administration Fee of £1,200 (£1,000 + VAT). In some cases, this figure may be higher and if so, will be stated in the addendum. For lots with a purchase price below £50,000, the Buyer's Administration Fee will be £900 (£750+VAT). Payments can be made either by BACS or debit card and must be made on the day of the auction. The Buyer's Administration Fee is payable on all lots sold at auction, prior to the auction, or post-auction. If the successful bidder fails to provide the required deposit and buyers administration charge, then Symonds & Sampson LLP and/or their seller reserves its rights to pursue the winning bidder via all legal means necessary for the deposit and the buyer's administration charge and any associated losses and interest as applicable.

**4.** The auctioneer, in accepting remote bids, acts as agent for the prospective bidder/purchaser who shall be considered to have authorised the auctioneer on the basis of all relevant conditions of sale and any amendments to the auction particulars. In the event of the prospective purchaser's bid being successful, the auctioneer or any duly authorised partner or employee of Symonds & Sampson LLP is authorised by the bidder and purchaser to sign any Memorandum of Sale or Sale Contract relating to the property concerned incorporating any addendum.

**5.** The auctioneer accepts no liability for any bid not being made on behalf of the prospective purchaser and reserves the right to bid himself or through an agent up to the reserve price for the particular property concerned.

**6.** In the event that: (a) two or more parties consider for whatever reason that they are the highest bidder; (b) there is a dispute as to which bidder is the highest bidder; (c) there is any other dispute as between any bidders and/or as between the auctioneer and any bidders; or (d) the auctioneer considers that there is a disputed bid; the auctioneer at their sole discretion have the right to declare a "Bidding Dispute" at any time during the auction. In the event of a bidding dispute, the auctioneer reserves the right to re-offer the lot on the terms they consider to be reasonable. The auctioneer shall accept no liability whatsoever if the underbidder is unable to make an increased bid. The auctioneer's decision on the conduct and outcome of the auction is final.

**7.** In the event that another bidder makes a bid equal to the maximum bid the remote bidder is prepared to make, the auctioneer reserves the right to accept either bid at their own discretion. The auctioneer's decision is final.

**8.** The auctioneer accepts no responsibility for failure of telecommunications or internet connections in respect of a telephone or internet bid, or any delays in the postal system if a bidding form is sent through the post.

**9.** Prospective bidders should check with the auctioneer's office immediately prior to the auction to ensure there are no changes to the published terms and conditions. The auctioneer will accept no liability whatsoever for any prospective bidder's failure to carry out these checks.

**10.** The auctioneer will accept no liability whatsoever for any bid not being made on behalf of the prospective buyer as a result of: Lack of clarity of instructions, error, lack of clarity or confusion regarding the bidding process or the bidder's registration or the deposit, prospective buyers becoming disconnected during bidding or are unobtainable, interruption or suspension of telephone or internet services or for any other reason whatsoever beyond the control of the auctioneer.

**11.** Successful proxy bids will be notified to the prospective buyer within 24 hours of the conclusion of the auction sale. Any alteration to the submitted bid or withdrawal must be received and confirmed in writing by the auctioneer prior to commencement of the auction. Proxy bidders are advised to telephone the Auctioneer's offices before 10am on the day of the sale in order to find out whether any addenda apply to the property for which they have authorised the Auctioneer to bid on their behalf. If we receive two proxy bids at the same level, both bidders will be notified and given the opportunity to adjust their bid.

**12.** All bidders are deemed to be making their bid with full knowledge of and in accordance with the RICS Common Auction Conditions (4th Edition), Extra Conditions, Special Conditions of Sale, Addendum, Important Notice for Prospective Buyers in the catalogue and the contents of the Legal Pack. In particular, bidders are deemed to have carefully checked the Special Conditions of Sale for any additional costs and fees payable to the seller that may be detailed therein.

**13.** All successful remote bidders will be required either to provide certified proof of identity or visit a Symonds & Sampson office with hard copies together with details of the source of their funds within 48 hours of the auction. By registering to bid, you agree to comply with our requests to verify your identity, and to answer any follow up questions that may be raised in due course, as and when necessary. We are obliged to identify buyers, bidders and payers in accordance with the requirements of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended). We are likely to request from you and retain some information and documentation for these purposes and/or make searches of appropriate databases electronically (including verification through third party data providers). For the avoidance of doubt, searches may also be conducted on individuals, directors, and shareholders of these entities as is required by the legislation. If satisfactory evidence of your identity is not provided within a reasonable time, there may be circumstances in which we are not able to proceed. Failure to satisfy our requirements can also result in a termination of the acquisition of the property. Please be aware that we may share the information and documentation you provide for this purpose with the vendor, the vendor's solicitors, agents or other authorised representatives of the vendor in order to facilitate the transaction.

**14.** The auction will be recorded and the phone lines for telephone bidders are likely to be recorded to avoid any doubts or disputes.

**15.** By registering to bid you are agreeing to these Terms & Conditions and understand that should your bid be successful the offer will be binding, and you will be legally bound jointly and separately with the intended Buyer (where the Buyer is different) by the applicable Conditions of Sale.

# Symonds & Sampson

Sold Dec 2023 for £130,000

£31,707/ac

Willett Road, Ashington,  
Wimborne, Dorset, BH21

Sold



4.1 acres

Main Features

Transport Links

Stamp Duty To Pay

For sale by Auction Wednesday 13  
December 2023

## Land Sold

✉ (mailto:?subject=look at this property&body=Hi, I found this property and thought you might like it:  
https://www.facebook.com/sharer/sharer.php?u=https://auctions.symondsandsampson.co.uk/property/dwr000416/bh21/wimborne/willett-road/land)  
https://auctions.symondsandsampson.co.uk/property/dwr000416/bh21/wimborne/willett-road/land)

4.10 acres (1.66 hectares) of permanent pasture with field shelters on the edge of Wimborne.

For further information, please refer to the full brochure below.



Plans

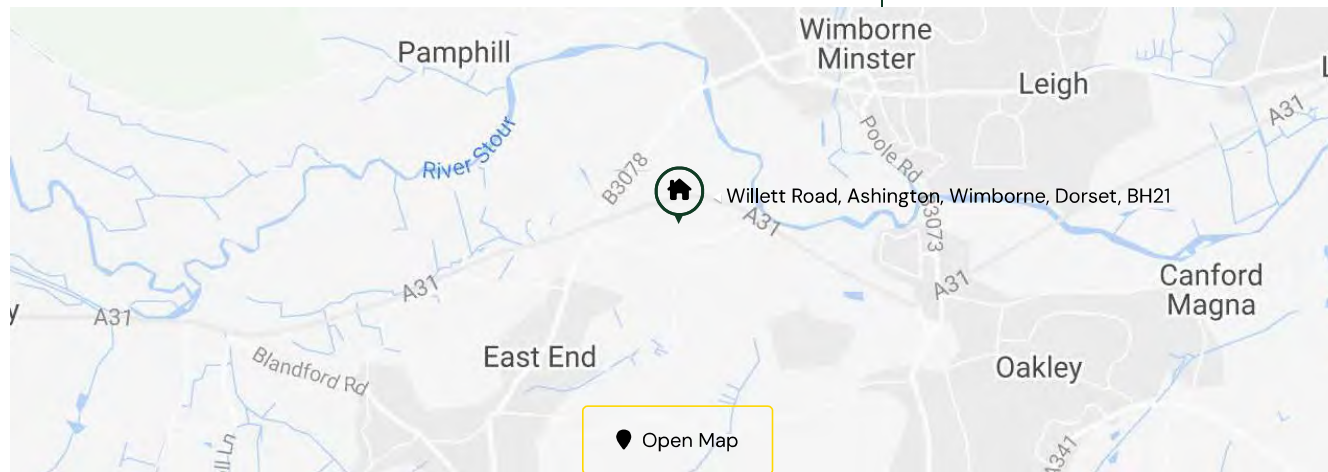
EPC

Brochure (<https://Wdcn.Co/Media/Pdf/66b59fb0-8021-4948-8382-761c5ab5f95a.Pdf>)

Map

Streetview

Schools



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Use this form to request specific information about this property or to arrange a viewing

Name  Request further information about this property

Phone

## Office Details

Wimborne  
5 West Street  
Wimborne  
BH21 1JN

 01202 843190 (tel:01202843190)



Email

DATE

TIME

wimborne@symondsandsampson.co.uk

(mailto:wimborne@symondsandsampson.co.uk)



I have a property to sell

Please tick this box if you are happy for us to contact you via phone and email. You can view our full privacy policy [here \(https://www.symondsandsampson.co.uk/privacy\)](https://www.symondsandsampson.co.uk/privacy).

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Sold - 18.4.24 for £120,000

£23,809/ac

Salisbury Road, Sopley,  
Christchurch, Dorset, BH23

Sold by Auction  
for £120,000

Guide £90,000

# Symonds & Sampson



5.04 acres

#### Main Features

For sale by Auction 18 April 2024

Approximately 5.04 acres of  
permanent pasture, woodland and  
wetland

New Forest grazing rights

Vehicular access

River frontage

#### Transport Links

#### Stamp Duty To Pay



## Land Sold by Auction

✉ ([mailto:?subject=look at this property&body=Hi, I found this property and thought you might ...](mailto:?subject=look+at+this+property&body=Hi,+I+found+this+property+and+thought+you+might+...))  
🌐 (<https://www.facebook.com/sharer/sharer.php?>)

(<https://www.symondsandsampson.co.uk/>)  
(<https://www.symondsandsampson.co.uk/property/dwr0004e9/bh23/christchurch/salisbury-road/>)  
(<https://www.symondsandsampson.co.uk/property/dwr0004e9/bh23/christchurch/salisbury-road/land/>)



5.04 acres of permanent pasture and woodland benefitting from New Forest common rights of pasture (grazing rights) on the edge of the popular village of Sopley.

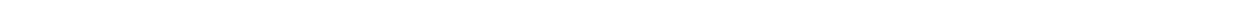
Please refer to the full brochure below for more information.

**Tenure:** Freehold

Plans



EPC



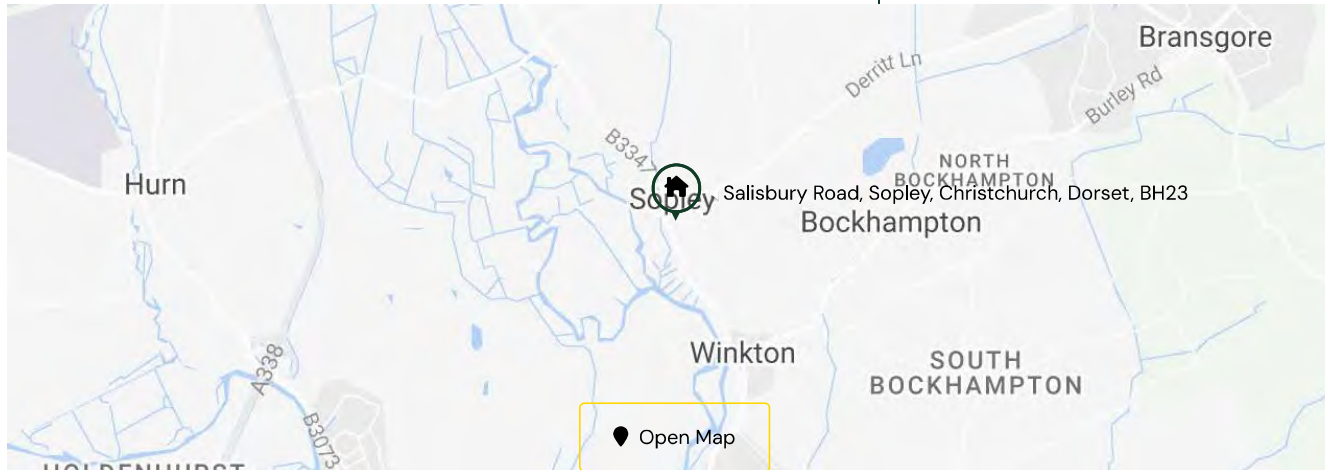
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Map

Streetview

Schools





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Use this form to request specific information about this property or to arrange a viewing

Name  Request further information about this property

Phone

Email  DATE  TIME

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5 West Street  
Wimborne  
BH21 1JN

☎ 01202 843190 (tel:01202843190)

✉  
wimborne@symondsandsampson.co.uk  
(mailto:wimborne@symondsandsampson.co.uk)

- I have a property to sell
- Please tick this box if you are happy for us to contact you via phone and email. You can view our full privacy policy [here \(https://www.symondsandsampson.co.uk/privacy/\)](https://www.symondsandsampson.co.uk/privacy/).

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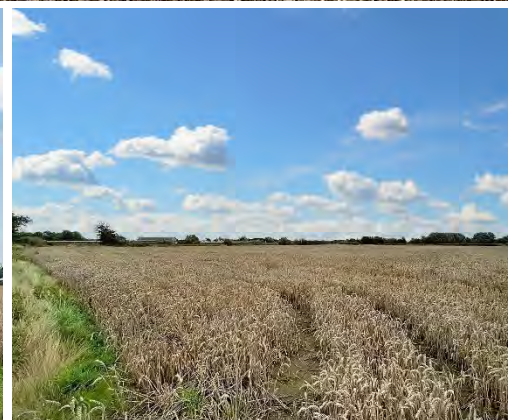
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Sold Sept 2023 Auction for £277,000

£17,183/ac



## Land at West Parley

### Christchurch Road, West Parley, Ferndown BH22 8SJ

16.12 acres (6.52 hectares) of level productive arable land situated between West Parley and Parley Green

For sale by Public Auction and via Livestream on 21 September 2023 at 2:00pm at Digby Hall, Hound Street, Sherborne DT9 3AB. Register to bid in the room, online, by telephone or by proxy via our website.

Guide Price

**£165,000\***

Freehold





# 16.12 acres (6.52 hectares)

Christchurch Road, West Parley, Ferndown

For sale by Auction on Thursday 21 September 2023

## The Property

16.12 acres (6.52 ha) of level arable land situated between West Parley and Parley Green. The land is classified Grade 2 agricultural land and is freely draining with slightly acid loamy soils. Currently planted to wheat and barley, it is potentially suitable for a range of uses.

Accessed from Christchurch Road, the land is well-located for access to West Parley, Ferndown, Christchurch and Bournemouth. There is a network of bridleways nearby with access to Parley Common and the neighbouring Parley Equestrian Centre offers arena hire and events.

## Agents Note

The current tenant will be taking the 2023 harvest prior to the end of the tenancy agreement.

## Situation

The A31 is situated approximately 3 miles north of the land giving access to Wimborne Minster which is approximately 6 miles to the west; Ringwood is approximately 7 miles to the north east, and the A341 gives access to the Coastal Town of Bournemouth, only 5 miles south.

## Services

There are no known services to the land

## Local Authority

BCP Council

## What3words

///wanted.expand.pillow

## Solicitors

Wilson Solicitors  
Salisbury SP1 2SB  
01722 412 412  
sue.pritchett@wilsonslip.com

## Auction Conditions of Sale and Notes

For full details please refer to the auction catalogue available online at  
<https://www.symondsandsampson.co.uk/auctions/property-auctions>

## Legal and Information Pack

A full legal pack can be purchased online. Please telephone the office below to check availability.

**We strongly recommend you instruct a solicitor to inspect the legal pack on your behalf.**

\* Guides are provided as an indication of each seller's minimum expectation. They are not necessarily figures which a property will sell for and may change at any time prior to the auction. Each property will be offered subject to a Reserve (a figure below which the Auctioneer cannot sell the property during the auction). The reserve price is not disclosed and remains confidential between the seller and the auctioneer. Both the guide price and the reserve price can be subject to change up to and including the day of the auction. The 'Reserve Price' may exceed the 'Guide Price' listed. If so, it is customary for the 'Reserve Price' to exceed the guide price by no more than 10%.

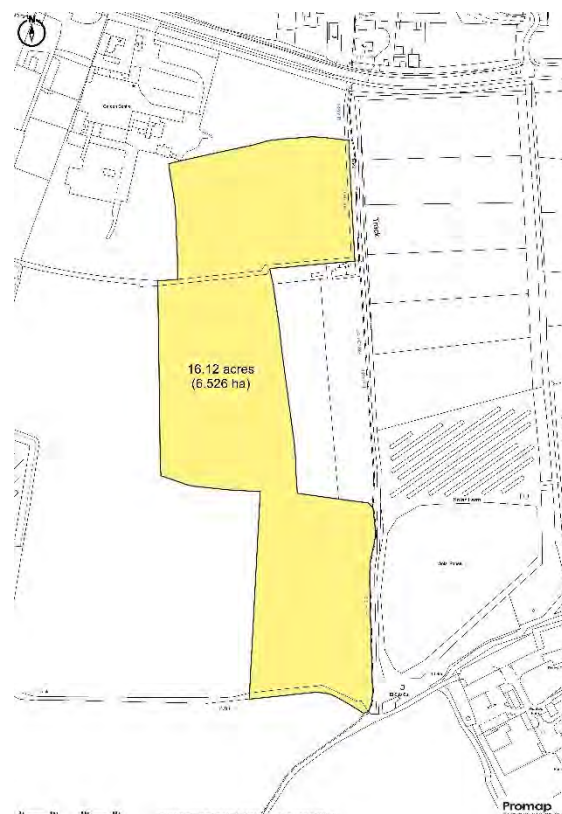
## Additional Fees

The successful purchaser will be required to pay the Auctioneers a Purchaser's Administration Fee of £1200 (£1000 plus VAT) payable to Symonds & Sampson. For purchases of £50,000 or less the Administration fee will be £900 (£750 plus VAT). If two or more lots are offered together in the first instance, or lots are purchased under one contract, the administration fee will apply per lot and not per contract. The charge will apply to lots bought prior to and post auction.

In the event of non-payment or underpayment a deduction will be made from the deposit received. A VAT receipt will be issued in the name of the buyer.

Disbursements – Please see the legal pack for any disbursements listed that may become payable by the purchaser.

**MHS/11/8/2023**



01202 843190

Symonds & Sampson LLP  
5 West Street, Wimborne, Dorset BH21 1JN  
wimborne@symondsandsampson.co.uk  
[www.symondsandsampson.co.uk](http://www.symondsandsampson.co.uk)

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# Auction Notes

**Prospective buyers are strongly advised to take note of the advice and information given in these important notes.**

## Important Notice

Symonds & Sampson LLP and their Clients give notice that:

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3. This catalogue contains details about properties being sold at auction. The vendors reserve the right to sell their properties prior to auction and these details can be subject to change up to and including the day of the auction. Please check our website regularly at: [www.symondsandsampson.co.uk](http://www.symondsandsampson.co.uk) and look out for any additional materials available on the day of the auction, in order to ensure you have all the up to date information.

## Plans and Measurements

All room sizes, site measurements and distances are approximate and may have been scaled from architects, Land Registry or Ordnance Survey plans. They are there to assist buyers in identifying the lots offered and not guaranteed to be to scale or to indicate the full extent of the property being offered. Buyers are advised to view the Special Conditions and full legal documentation in respect of the precise interest to be sold.

Each lot will be sold in accordance with the title documentation as the location plans shown in the catalogue are for identification purposes only. Interested applicants should make their own site inspections and investigations with regard to the accuracy of all measurements given in the catalogue.

## VAT

Prospective buyers should satisfy themselves as to whether VAT is chargeable on the price prior to the auction from the seller's solicitors.

## Tenure

Freehold and vacant possession will be given on completion unless otherwise stated.

## The Guide Price

is an indication of the seller's current minimum acceptable price at auction. It is given to assist consumers in deciding whether or not to pursue a purchase. It is usual, but not always the case that a provisional reserve range is agreed between the seller and the auctioneer at the start of marketing. As the reserve is not fixed at this stage and can be adjusted by the seller at any time up to the day of the auction in the light of interest shown during the marketing period, a guide price is issued. A guide price is different to a reserve price (see below). Both the guide price and the reserve price can be subject to change up to and including the day of the auction.

## The Reserve Price

is the seller's minimum acceptable price at auction and the figure below which the auctioneer cannot sell. The reserve price is not disclosed and remains confidential between the seller and the auctioneer. Both the guide price and the reserve price can be subject to change up to and including the day of the auction. The 'Reserve Price' may exceed the 'Guide Price' listed. If so, it is customary for the 'Reserve Price' to exceed the guide price by no more than 10%.

## Purchaser's Administration Fee

The successful purchaser will be required to pay to the Auctioneers a Purchaser's Administration Fee of £1,200 (including VAT) payable to Symonds & Sampson. For purchases of £50,000 or less the Administration fee will be £900 (£750 plus VAT). If two or more lots are offered together in the first instance, or lots are purchased under one contract, the administration fee will apply per lot and not per contract. The charge will apply to lots bought prior to and post auction. In the event of non-payment or underpayment a deduction will be made from the deposit received. A VAT receipt will be issued in the name of the buyer.

## Disbursements

Please see the legal pack for any disbursements listed that may become payable by the purchaser on completion.

## Viewings

Should you wish to inspect a lot please arrange for an appointment with the Auctioneers. Prospective buyers view all lots entirely at their own risk and neither the Auctioneers, or the Sellers take responsibility for any damage or injury, however caused.

It is advisable to wear appropriate footwear and clothing as some buildings, particularly those for refurbishment, may have uneven floors or missing floorboards. It may, in some cases, be advisable to bring a torch as electricity is not serviceable for safety reasons.

We do not guarantee to attend viewings where appointments have not been confirmed.

## Professional Advice

We strongly recommend that all prospective buyers take independent legal and where appropriate other professional advice.

## Legal Documents

All legal documents supplied to us, including Special Conditions of Sale, title details, leases, searches, planning permissions and plans, will be available for inspection prior to the auction. The legal documents can be downloaded from [symondsandsampson.co.uk/auctions/future-property-auctions](http://symondsandsampson.co.uk/auctions/future-property-auctions) at a cost of £12-£24 including VAT.

## Contract

The Contract will be subject to the Particulars, General and Special Conditions of Sale, stipulations and notes which may be issued before the sale.

## Insurance

You may need to insure the property at the fall of the hammer. Please check the legal pack or with the seller's solicitor.

## Identification

In compliance with Money Laundering Regulations all successful bidders are required to provide verified photographic identification and evidence of residency for all named buyers when signing the Sale Memorandum.

If the bidder is acting on behalf of another party, they will be required to provide the documents for both themselves and for the named buyers for whom they act, as well as providing a valid letter of authority from the buyers authorising them to bid on their behalf. If the bidder is acting on behalf of a company, the above document will still be required, together with written authority from the company and a copy of the Certificate of Incorporation.

## Deposit

Deposits of 10% of the purchase price (or £2,000, whichever is the greater) are payable on the fall of the hammer. Deposits can be paid by cheque which, unless otherwise stated, should be made payable to the Solicitor for the Seller or by debit card. Please ensure that you have adequate funds in the appropriate account. Cash is not accepted. Please be aware that you may be required to provide evidence of the source of funds to the solicitor upon purchase.

## Conditions of Sale

All Lots are sold subject to the Common Auction Conditions, the General Conditions of Sale for Online Unconditional (Immediate Exchange) Property Auction and all Legal Documentation.

## Registration of Interest

Prospective buyers are strongly advised to register their interest in specific lots. If you do this, we will make every reasonable effort to inform you of any changes.

## Withdrawals and Sales Prior

There is always the possibility of last minute withdrawals or sales prior. Please ensure you have registered your interest and we will endeavor to contact you if the lot is withdrawn or likely to be sold prior to the auction.

## Registering to bid

Whether you wish to bid online, by telephone, by proxy or in the room, please register online via the link on our website [www.symondsandsampson.co.uk/auctions/property-auctions](http://www.symondsandsampson.co.uk/auctions/property-auctions) or you can complete the form at the back of this catalogue and send via email to [auctions@symondsandsampson.co.uk](mailto:auctions@symondsandsampson.co.uk). You will be required to provide copies of proof of identification and proof of address as part of the registration process and will not be authorised to bid without these.

## Telephone bidding

We have a limited number of telephone bidding facilities available on most lots, but we must have completed paperwork at least 24 hours before the auction day. We cannot guarantee that every request to bid by telephone will be possible.

## Proxy Bidding

We strongly recommend registering to bid online but when this is not possible, you may make a proxy bid authorising the Auctioneer to bid on your behalf up to a pre-set limit. This must be **by prior arrangement at no later than 24 hours prior to the auction**. Bidding forms must be received not less than 24 hours prior to the start of the auction to ensure that there is time for the bid to be processed. **We cannot guarantee to process bidding forms which are received later than 24 hours before or on the morning of the auction.**

# Auction Terms and Conditions

**1.** Intending purchasers must complete bidder registration via Essential Information Group Auction Passport or fill in the appropriate bidding form ensuring that all sections are completed. Failure to complete any part of the appropriate form may render the instructions ineffective or result in your registration not being approved. Copies of all relevant bidder's/purchaser's identification must be provided prior to the start of the auction. No responsibility is taken by the auctioneers for unprocessed registrations received later than 24 hours prior to the auction.

**2.** Maximum bids for proxy or telephone bidders must be for an exact figure, rounded to the nearest £1,000, and any reference to a bid to be calculated by reference to other bids will not be acceptable. In the event of there being any confusion as to the maximum bid, the auctioneer reserves the right to refuse a bid on behalf of the prospective bidder.

**3.** All bidders registered via Auction Passport must authorise a £10,000 security hold on a debit card as part of the registration. Those submitting bidding forms will be required to provide card details for security. If you are successful, the £10,000 hold will be deducted from your account and put towards the 10% deposit. If you are unsuccessful, the hold on your card will usually be removed within 5 working days. When the 10% deposit is taken, you will also be required to pay a Buyer's Administration Fee of £1,200 (£1,000 + VAT). In some cases, this figure may be higher and if so, will be stated in the addendum. For lots with a purchase price below £50,000, the Buyer's Administration Fee will be £900 (£750+VAT). Payments can be made either by BACS or debit card and must be made on the day of the auction. The Buyer's Administration Fee is payable on all lots sold at auction, prior to the auction, or post-auction. If the successful bidder fails to provide the required deposit and buyers administration charge, then Symonds & Sampson LLP and/or their seller reserves its rights to pursue the winning bidder via all legal means necessary for the deposit and the buyer's administration charge and any associated losses and interest as applicable.

**4.** The auctioneer, in accepting remote bids, acts as agent for the prospective bidder/purchaser who shall be considered to have authorised the auctioneer on the basis of all relevant conditions of sale and any amendments to the auction particulars. In the event of the prospective purchaser's bid being successful, the auctioneer or any duly authorised partner or employee of Symonds & Sampson LLP is authorised by the bidder and purchaser to sign any Memorandum of Sale or Sale Contract relating to the property concerned incorporating any addendum.

**5.** The auctioneer accepts no liability for any bid not being made on behalf of the prospective purchaser and reserves the right to bid himself or through an agent up to the reserve price for the particular property concerned.

**6.** In the event that: (a) two or more parties consider for whatever reason that they are the highest bidder; (b) there is a dispute as to which bidder is the highest bidder; (c) there is any other dispute as between any bidders and/or as between the auctioneer and any bidders; or (d) the auctioneer considers that there is a disputed bid; the auctioneer at their sole discretion have the right to declare a "Bidding Dispute" at any time during the auction. In the event of a bidding dispute, the auctioneer reserves the right to re-offer the lot on the terms they consider to be reasonable. The auctioneer shall accept no liability whatsoever if the underbidder is unable to make an increased bid. The auctioneer's decision on the conduct and outcome of the auction is final.

**7.** In the event that another bidder makes a bid equal to the maximum bid the remote bidder is prepared to make, the auctioneer reserves the right to accept either bid at their own discretion. The auctioneer's decision is final.

**8.** The auctioneer accepts no responsibility for failure of telecommunications or internet connections in respect of a telephone or internet bid, or any delays in the postal system if a bidding form is sent through the post.

**9.** Prospective bidders should check with the auctioneer's office immediately prior to the auction to ensure there are no changes to the published terms and conditions. The auctioneer will accept no liability whatsoever for any prospective bidder's failure to carry out these checks.

**10.** The auctioneer will accept no liability whatsoever for any bid not being made on behalf of the prospective buyer as a result of: Lack of clarity of instructions, error, lack of clarity or confusion regarding the bidding process or the bidder's registration or the deposit, prospective buyers becoming disconnected during bidding or are unobtainable, interruption or suspension of telephone or internet services or for any other reason whatsoever beyond the control of the auctioneer.

**11.** Successful proxy bids will be notified to the prospective buyer within 24 hours of the conclusion of the auction sale. Any alteration to the submitted bid or withdrawal must be received and confirmed in writing by the auctioneer prior to commencement of the auction. Proxy bidders are advised to telephone the Auctioneer's offices before 10am on the day of the sale in order to find out whether any addenda apply to the property for which they have authorised the Auctioneer to bid on their behalf. If we receive two proxy bids at the same level, both bidders will be notified and given the opportunity to adjust their bid.

**12.** All bidders are deemed to be making their bid with full knowledge of and in accordance with the RICS Common Auction Conditions (4th Edition), Extra Conditions, Special Conditions of Sale, Addendum, Important Notice for Prospective Buyers in the catalogue and the contents of the Legal Pack. In particular, bidders are deemed to have carefully checked the Special Conditions of Sale for any additional costs and fees payable to the seller that may be detailed therein.

**13.** All successful remote bidders will be required either to provide certified proof of identity or visit a Symonds & Sampson office with hard copies together with details of the source of their funds within 48 hours of the auction. By registering to bid, you agree to comply with our requests to verify your identity, and to answer any follow up questions that may be raised in due course, as and when necessary. We are obliged to identify buyers, bidders and payers in accordance with the requirements of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended). We are likely to request from you and retain some information and documentation for these purposes and/or make searches of appropriate databases electronically (including verification through third party data providers). For the avoidance of doubt, searches may also be conducted on individuals, directors, and shareholders of these entities as is required by the legislation. If satisfactory evidence of your identity is not provided within a reasonable time, there may be circumstances in which we are not able to proceed. Failure to satisfy our requirements can also result in a termination of the acquisition of the property. Please be aware that we may share the information and documentation you provide for this purpose with the vendor, the vendor's solicitors, agents or other authorised representatives of the vendor in order to facilitate the transaction.

**14.** The auction will be recorded and the phone lines for telephone bidders are likely to be recorded to avoid any doubts or disputes.

**15.** By registering to bid you are agreeing to these Terms & Conditions and understand that should your bid be successful the offer will be binding, and you will be legally bound jointly and separately with the intended Buyer (where the Buyer is different) by the applicable Conditions of Sale.



Sold May 2023 Auction for £131,000

£32,107/ac



## Land at Hine Town Lane

Shillingstone, Blandford Forum, Dorset DT11 0SN

**4.08 acres pasture land off a quiet lane on the edge of the village**

**Guide Price £60,000\*** Freehold

For Sale by Livestream Public Auction

on Thursday 25<sup>th</sup> May 2023 at 2.00pm

at The Digby Hall, Hound Street, Sherborne DT9 3AB





# Land at Hine Town Lane

Shillingstone, Blandford Forum, Dorset, DT11 0SN

## The Property

4.08 acres pasture land off a quiet lane on the edge of the village.

For Sale by Auction on Thursday 25th May 2023 at 2.00pm at The Digby Hall, Hound Street, Sherborne DT9 3AB.

- Level and gently south west facing pasture land
- Relatively free draining loam soil over upper greensand
- Mature hedgerow boundaries with a number of mature broadleaf trees
- A small pond in one corner
- Suitable for a range of agricultural, equestrian, horticultural, conservation and amenity uses
- No covenants or overage
- Freehold with vacant possession

## Location

- Located off a quiet country lane on the edge of the village
- Direct highway access
- Impressive views towards Hambledon and Hod Hills
- Blandford 5 miles, Sturminster Newton 4 miles

What3words///

composer.mint.simulations

## Services

Mains water not connected but understood to be located in Hine Town Lane.

## Tenure

Freehold

## Local Authority

Dorset Council (North), 01305 221000,

[www.dorsetforyou.gov.uk](http://www.dorsetforyou.gov.uk)

## Solicitors

Kernon-Kelleher

Blandford Office DT11 7EB

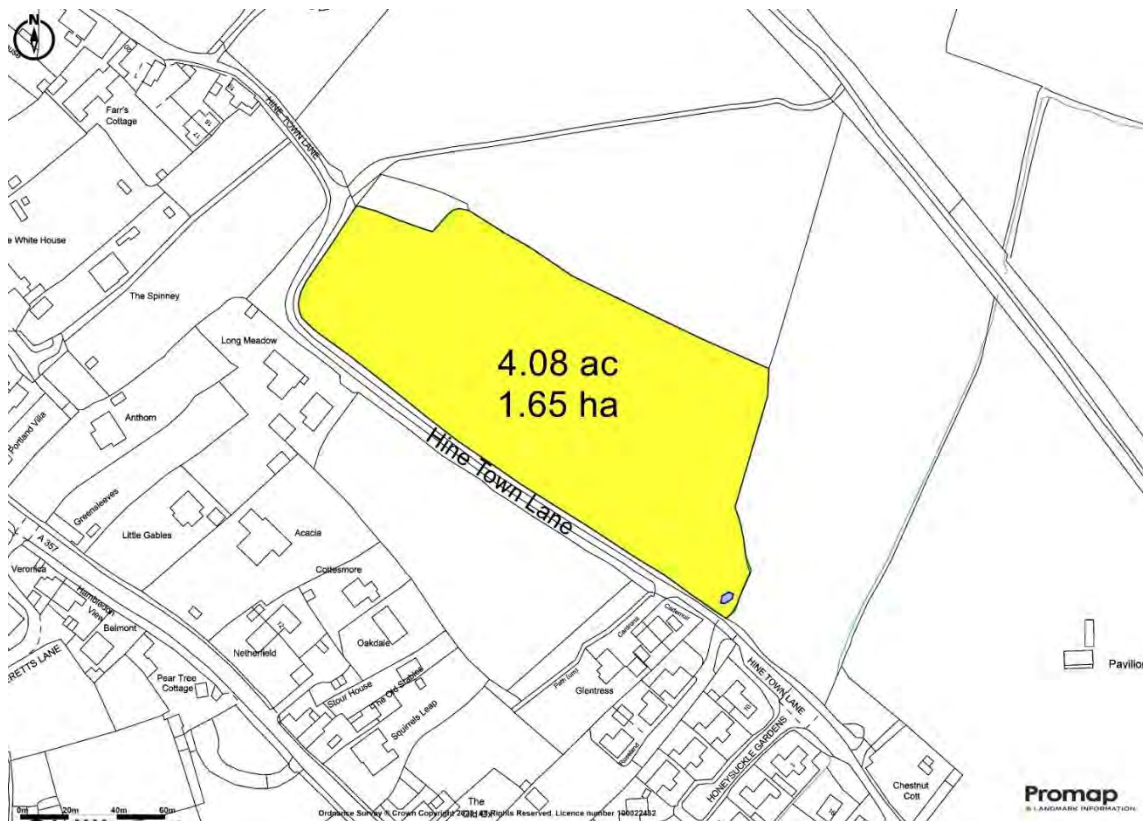
Tel. No: 01258 446288

Email: [saul.kelleher@kernonkelleher.co.uk](mailto:saul.kelleher@kernonkelleher.co.uk)

## Viewing

Unaccompanied with a set of these particulars in-hand having first informed the agents.

ATU/14/04/2023



01258 472244

Symonds & Sampson LLP  
Agriculture House, Market Place, Sturminster Newton, Dorset,  
DT10 1AR  
[sturminster@symondsandsampson.co.uk](mailto:sturminster@symondsandsampson.co.uk)  
[www.symondsandsampson.co.uk](http://www.symondsandsampson.co.uk)

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Lots 6 & 7 - sold Sept 2023 for £710,000

£13,436/ac

# TARRANT RUSHTON - DORSET











# PRESTON & CROOK FARMS AND RESIDENTIAL PROPERTY PORTFOLIO

---

TARRANT RUSHTON • BLANDFORD FORUM  
DORSET • DT11 9JQ

Rolling Dorset farmland • Substantial range of modern and traditional farm buildings  
Productive lime rich chalk soils • Significant principal Farmhouse  
A further 7 residential dwellings • Former airbase with excellent internal roads

**FOR SALE BY PRIVATE TREATY AS A WHOLE OR IN NINE LOTS**  
**IN ALL ABOUT 952.46 ACRES (385.42 HECTARES)**



**Wimborne**  
5 West Street  
Wimborne  
Dorset  
BH21 1JN

**Dorchester**  
Burraton House, 5 Burraton Square  
Poundbury, Dorchester, Dorset, DT1 3GR  
Will Wallis/Lauren Davy  
[wwallis@symondsandsampson.co.uk](mailto:wwallis@symondsandsampson.co.uk)  
Tel +44 (0) 1305 236237

**The London Office**  
40 St James Place  
London  
SW1A 1NS











# Schedule & Lotting

The property is to be offered for sale as a whole or in lots, as shown.

Lot No	Lotting	Description	Acres	Hectares
1	Preston Farm	Preston Farm comprises a mixed arable and livestock farm, together with a range of modern farm buildings, farmhouse and telecommunication mast	474.66	192.08
2	Airfield	A block of mainly level to gently sloping arable and pasture land with former hangar building	257.64	104.26
3	Crook Farm	A block of level to gently sloping productive arable and pasture land with large useful modern farm building, yard area and former RAF building	68.31	27.64
4	Hogstock Grain Store	A modern grain store building with area of hardstanding and direct road access	0.25	0.10
5	Arable Land on Witchampton Road	A block of gently sloping, free draining, productive arable land with road frontage	81.40	32.94
6	Arable Land at Hogstock	A single parcel of level, productive arable land with road access	25.43	10.29
7	Arable Land at Rawston Down	A single parcel of level to gently sloping arable land	27.41	11.09
8	Pasture Land in Tarrant Rushton	Level to gently sloping productive pasture land with a stretch of the River Tarrant	16.49	6.67
9	Tarrant Rushton Property Portfolio	Seven residential properties within the village of Tarrant Rushton, of which five are subject to tenancies and two with vacant possession	0.87	0.35
<b>The Whole</b>			<b>952.46</b>	<b>385.42</b>

## Introduction

Agricultural and residential property portfolios of this size and quality rarely come to the market in Dorset.

Preston Farm, Crook Farm and surrounding land extend in total to 952.46 acres (385.42 hectares) of highly productive farm land together with a farmhouse, substantial range of modern and traditional buildings and two airfield hangars, all offered with vacant possession.

There is a portfolio of seven residential properties within the village of Tarrant Rushton, of which five are subject to tenancies and two with vacant possession.

The estate has been farmed by the Harding family since 1938 and comprises arable, beef and pig enterprises. The land and buildings have been exceptionally well tended to by the family over the decades. Now the estate presents itself to the market in good heart with huge potential for the successful purchaser(s).





## History

RAF Tarrant Rushton was a former airbase from 1943 to 1947. It was used for glider operations during World War II and later revived for civilian operations. Some of the runways, hangars and buildings are still present today and included within the property.

Use of the airfield by Flight Refuelling ceased in 1980 and is now back in the current vendors' control and ownership.

## Situation

The estate spans across the Tarrant Valley, situated in the Cranborne Chase and West Wiltshire Downs Area of Outstanding Natural Beauty. A secluded and attractive location in rural countryside. Despite the position, it benefits from being centrally located to an excellent range of retail, recreational and commercial facilities.

The market towns of Blandford Forum and Wimborne Minster are within close proximity, with the coastal town of Bournemouth 16 miles and the County Town of Dorchester 20 miles distant.

There are good communication links with the A350 giving access to the A31/M27/M3 to London. The nearest mainline railway service is from Poole, and airport at Bournemouth.









## LOT 1 - Preston Farm 474.66 acres (192.08 ha)

Preston Farm comprises a mixed arable and livestock farm, extending to 474.66 acres (192.08 hectares) together with range of modern farm buildings and farmhouse.

### Land

The land is classified as Grade 3 farmland and has been traditionally cropped with cereals, yielding in the region of 4 tonnes/acre of winter wheat. Historically, the land has been rotationally grazed by pigs so is incredibly fertile. In addition, due to the exceptional condition that the land is kept in, the arable yields typically benefit from being free of any weed burden. Recent cropping history will be made available.

The farmland is arranged in one ring fence block over lime-rich and chalky soils to the south, moving to medium loam at the north of the airfield, with areas of reclaimed soil on the old airfield. The topography features a mixture of level lying and gently undulating land, as would be expected for quality farmland in the heart of Dorset. Fields are split into large parcels, making them easier to work and can be accessed from the main farmstead via a series of interlinking roads and tracks. The old aerodrome tracks provide excellent provision of access around the farm.

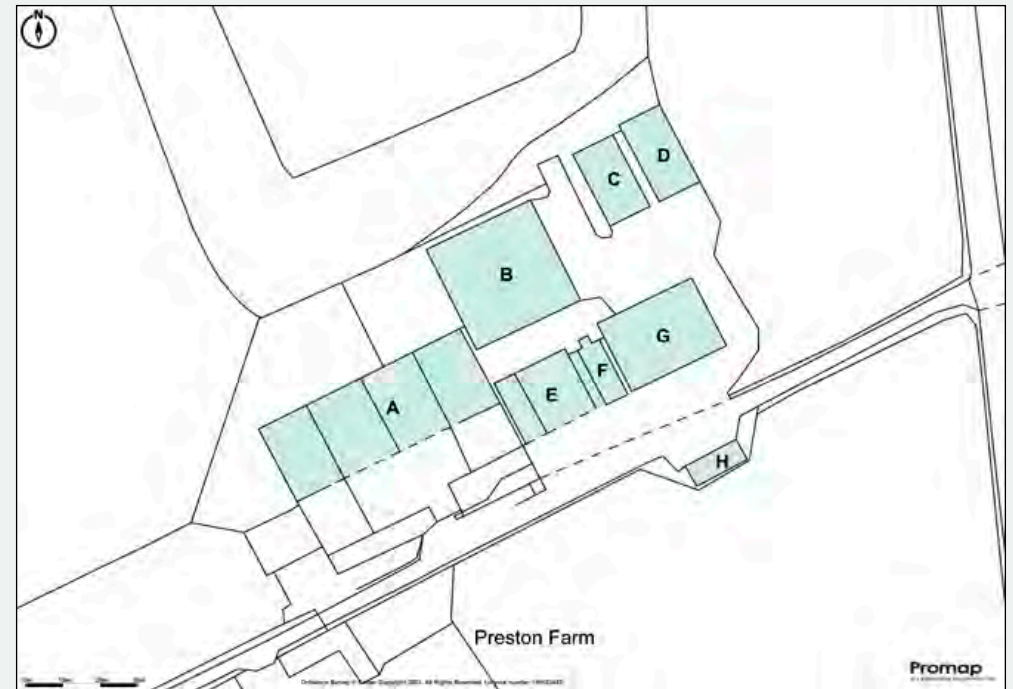


# Buildings at Preston Farm

The substantial range of farm buildings offer both useful and adaptable provision of built space, suitable for arable and/or livestock enterprises. Additionally, the buildings also boast diversification opportunities, subject to the necessary planning consents.

Both the modern and traditional range of farm buildings are predominantly used for the storage and drying of grain, with some also being used for housing livestock.

Plan Reference	Use	Description	Size	Services
A	Cattle housing and covered silage barn	Steel portal frame, dividing walls, livestock handling area. On hardstanding throughout.	58.29m x 22.51m	Mains water Electricity
B	Livestock housing	Block construction with Yorkshire boarding.	30.70m x 30.20m	Mains water Electricity
C	Grain Store	Steel portal frame with concrete panels, tin box profile sheeting and ventilated channels. 500t storage capacity.	23m x 12.20m	Electricity
D	Grain Store/ storage	Steel portal frame with concrete panels and tin box profile sheeting. 500t capacity.	24.6m x 12.20m	Electricity
E	Grain Store/ storage	A grain store with 275t capacity. Two lean-to's.	22.6m x 18.1m	Electricity
F	Grain Dryer	Oil-fired dryer with conveyor/elevator belts. 2 x 40t wet bins and 20t grain pit.	17m x 6.6m	Electricity
G	Grain Store	One 250t lean-to and cleaner. One lean-to for storage.	28m x 21.6m	Electricity
H	Workshop and Spray Store	Block construction, tin box profile roof.	15.2m x 6.4m	Electricity
	Aircraft Hangar	Galvanised tin construction.	36.93m x 16m	









## Residential

Preston Farmhouse is a five-bedroom detached dwelling of brick construction, with a generous sized garden and tennis court to the east.

The house commands an extremely prominent and central position within Preston Farm overlooking its own land and beyond over rolling Dorset countryside.

Beside the house is a large courtyard with car port, farm office and garage.





# Preston Farmhouse

Gross Internal Area (Approx.)

Main House: 348 sq m / 3,745 sq ft

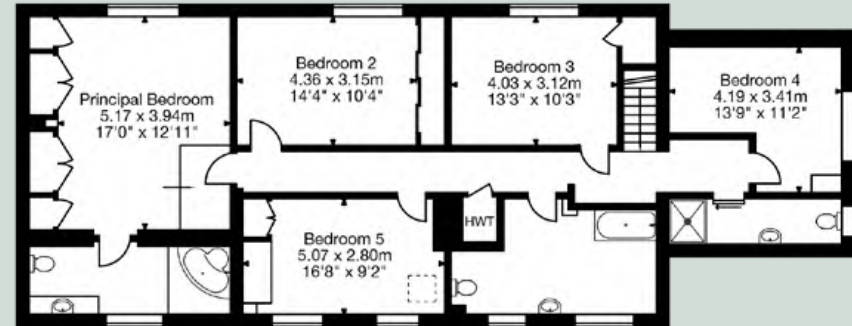
Garage Block: 44 sq m / 473 sq ft

Outbuilding: 100 sq m / 1,076 sq ft

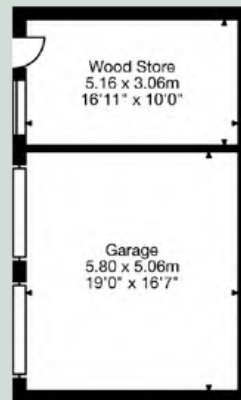
Total Area: 492 sq m / 5,294 sq ft

Carport: 47 sq m / 505 sq ft

Not to scale. For identification purposes only



First Floor

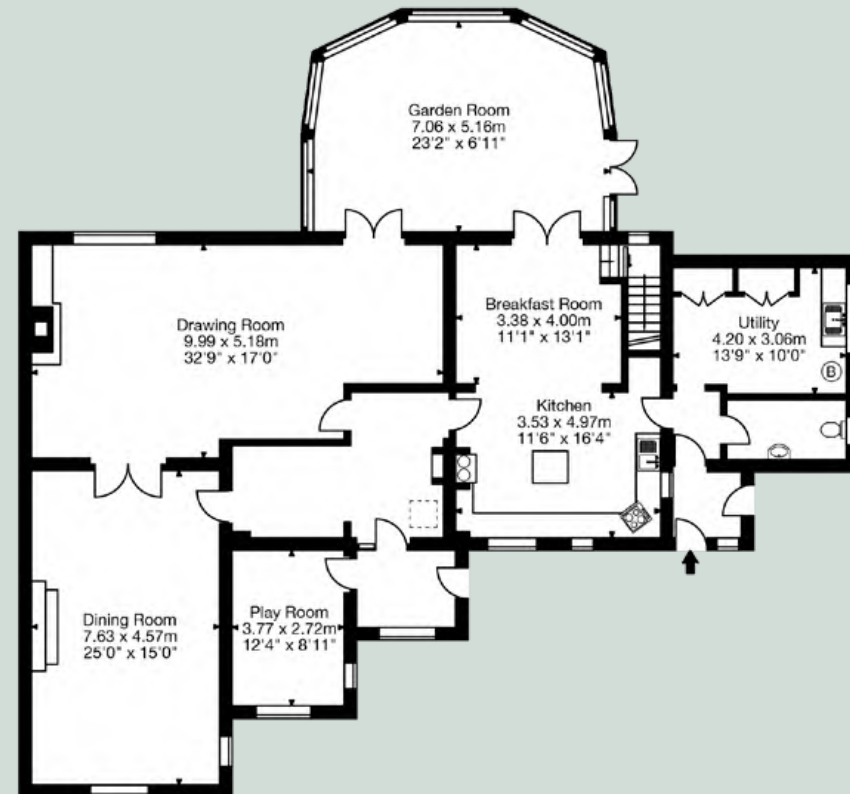


Garage Block



Outbuilding

Carport



Ground Floor









## LOT 2 - Airfield 257.64 acres (104.26 hectares)

A block of mainly level to gently sloping arable and pasture land of similar description to Lot 1, extending to 257.64 acres (104.26 hectares). The lot includes a former hangar building of 2,733 m<sup>2</sup>, which is currently used for livestock housing and general storage. Part has also been used for non-agricultural storage in recent years.

The property benefits from direct road access and is well served by a number of useful concrete trackways, making it easily farmable.

The land enjoys far reaching views over surrounding countryside and partly adjoins the River Tarrant on its most western boundary.

### Buildings

Use	Description	Size	Services
Aircraft Hangar	Block walls with galvanised tin cladding	73.4m x 37.24 (Ridge 11.77m, Eaves 9.24m)	Mains water
General Store at Tonnegar	Steel portal frame, block construction	14.9m x 4.4m	



# LOT 3 - Crook Farm

## 68.31 acres (27.64 hectares)

A block of level to gently sloping productive arable and pasture land extending to 68.31 acres (27.64 hectares). Large useful modern farm building with yard area and also separate former RAF building that has been used for general purpose storage in recent years.

### Buildings

Use	Description	Size	Services
Cattle housing and covered silage barn	Steel portal frame with cladding. On hard standing	43.5m x 27.8m	Mains water
Red brick general store	Red brick construction	13m x 12m (approx)	







## LOT 4 - Hogstock Grain Store 0.25 acre (0.10 hectare)

Modern grain storage building and useful concrete yard area with direct road access.

Use	Description	Size	Services
Grain storage	Steel portal frame with concrete walls. 500t capacity with a Challow drive on floor and CHC drying system.	18.5m x 18.35m	Mains electric Calor Gas tank Mains water nearby not connected



## LOT 5 - Arable Land on Witchampton Road 81.40 acres (32.94 hectares)

A block of gently sloping, free draining, productive arable land, enjoying road frontage. The land is bordered by fencing and mature hedgerows, with small area of mixed woodland on its southern boundary.

## LOT 6 - Arable Land at Hogstock 25.43 acres (10.29 hectares)

A single parcel of level, productive arable land with road access at two points.

## LOT 7 - Arable Land at Rawston Down 27.41 acres (11.09 hectares)

A single parcel of level to gently sloping arable land.

## LOT 8 - Pasture Land in Tarrant Rushton 16.49 acres (6.67 hectares)

An attractive parcel of level to gently sloping, productive pasture land that is split by the River Tarrant, adjoining the village of Tarrant Rushton.

There is livestock fencing to all boundaries and good direct road access.







## LOT 9 – Tarrant Rushton Property Portfolio

An unusual opportunity to acquire a residential property portfolio of seven properties, of which five are subject to tenancies and two with vacant possession. Located within the sought after and attractive village of Tarrant Rushton. The properties are either of brick, or brick and flint construction, with good sized gardens and some outbuildings. An appealing investment opportunity providing substantial rental income. Full details of rental income available from the data room.

### 4 Tarrant Rushton

4 Tarrant Rushton is a three-bedroom semi-detached cottage.

### 9/10 Tarrant Rushton

9/10 Tarrant Rushton is a three-bedroom semi-detached cottage.

### 13 Tarrant Rushton

13 Tarrant Rushton is a three-bedroom semi-detached cottage.

### 8 Tarrant Rushton

8 Tarrant Rushton is a two-bedroom semi-detached cottage.

### 12 Tarrant Rushton

12 Tarrant Rushton is a two-bedroom semi-detached cottage.

## Residential Services and Other Information

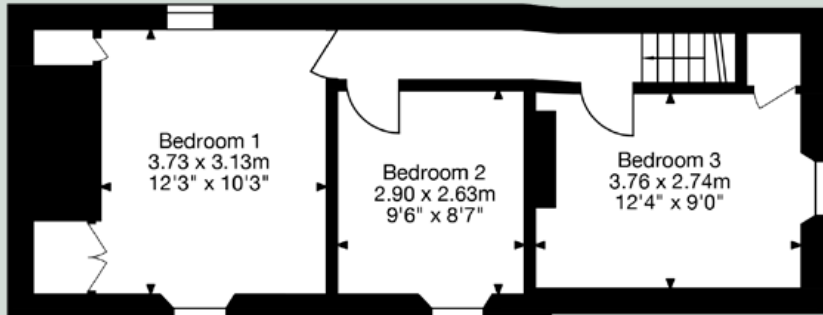
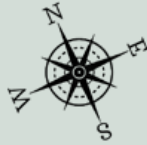
Lot Number	Property	Water	Electricity	Drainage	Heating	EPC	Council Tax Band
1	Preston Farmhouse	Mains	Mains	Private	Oil	E	F
9	4 Tarrant Rushton	Mains	Mains	Private	Electric	F	C
9	8 Tarrant Rushton	Mains	Mains	Private	Electric	G	C
9	9/10 Tarrant Rushton	Mains	Mains	Private	Electric	E	D
9	12 Tarrant Rushton	Mains	Mains	Private	Oil	E	C
9	13 Tarrant Rushton	Mains	Mains	Private	Oil	E	C
9	Old School	Mains	Mains	Private	Electric	G	C
9	Old School House	Mains	Mains	Private	Electric	G	C

# 4 Tarrant Rushton

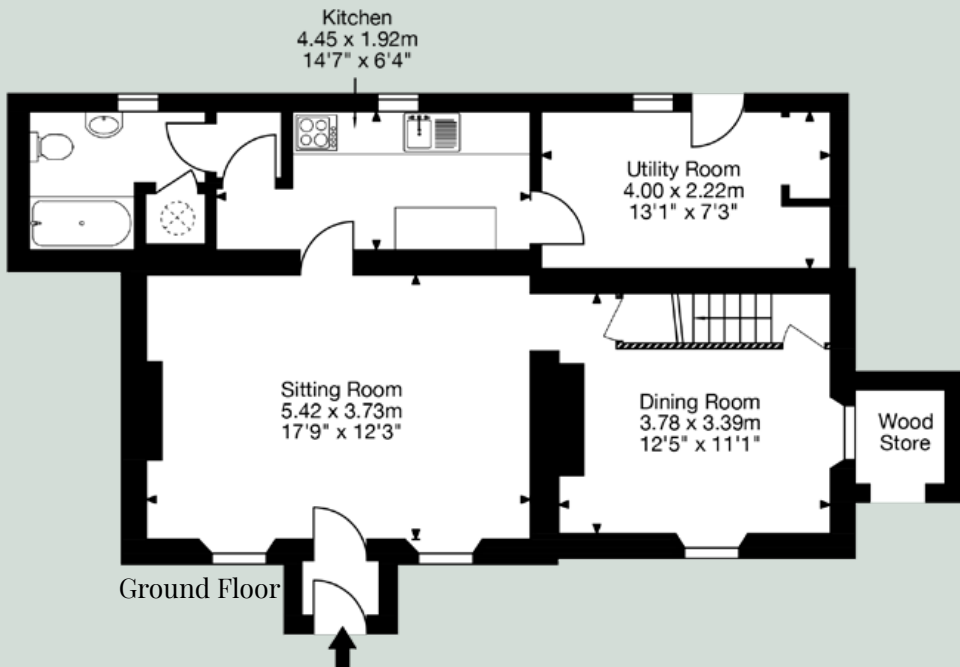
Gross Internal Area (Approx.)

102 sq m / 1,097 sq ft

Not to scale. For identification purposes only



First Floor



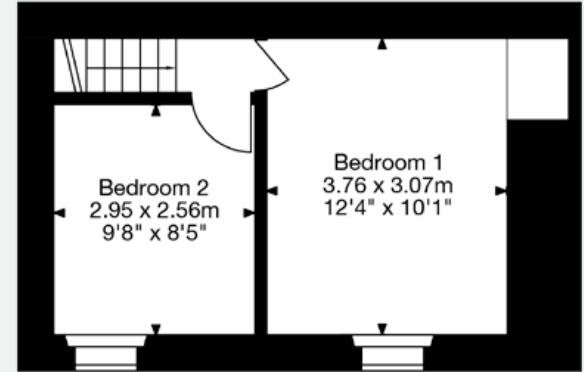
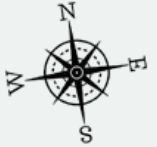
Ground Floor

# 8 Tarrant Rushton

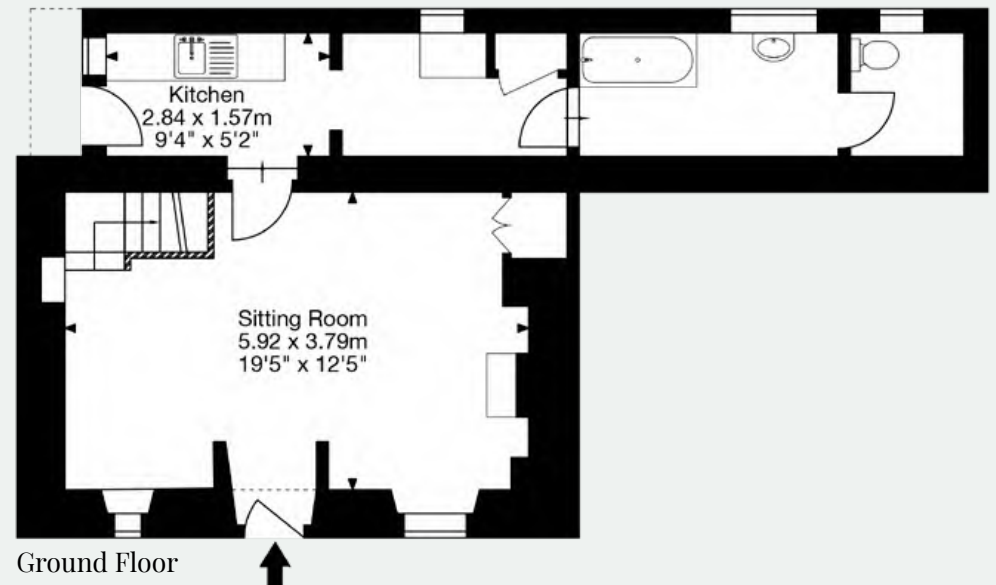
Gross Internal Area (Approx.)

65 sq m / 702 sq ft

Not to scale. For identification purposes only



First Floor



Ground Floor



8 Tarrant Rushton



9/10 Tarrant Rushton



8 Tarrant Rushton



12 Tarrant Rushton

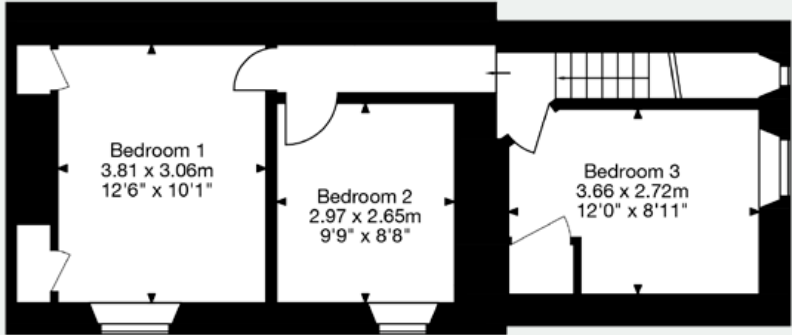
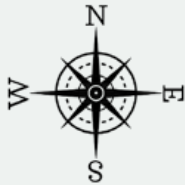


# 9/10 Tarrant Rushton

Gross Internal Area (Approx.)

95 sq m / 1,027 sq ft

Not to scale. For identification purposes only



First Floor

13 Tarrant Rushton



Ground Floor

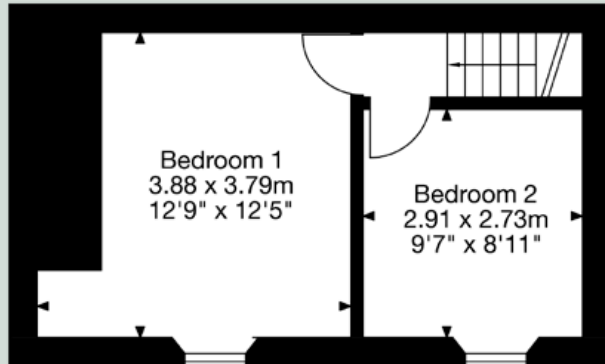
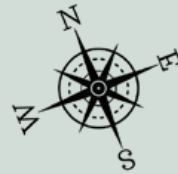


# 12 Tarrant Rushton

Gross Internal Area (Approx.)

73 sq m / 785 sq ft

Not to scale. For identification purposes only.



First Floor



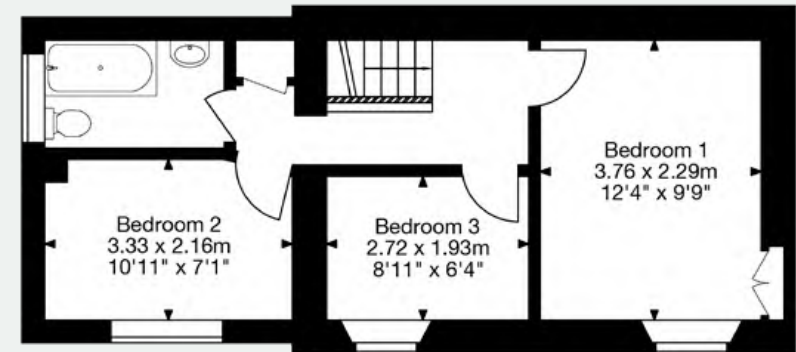
Ground Floor

# 13 Tarrant Rushton

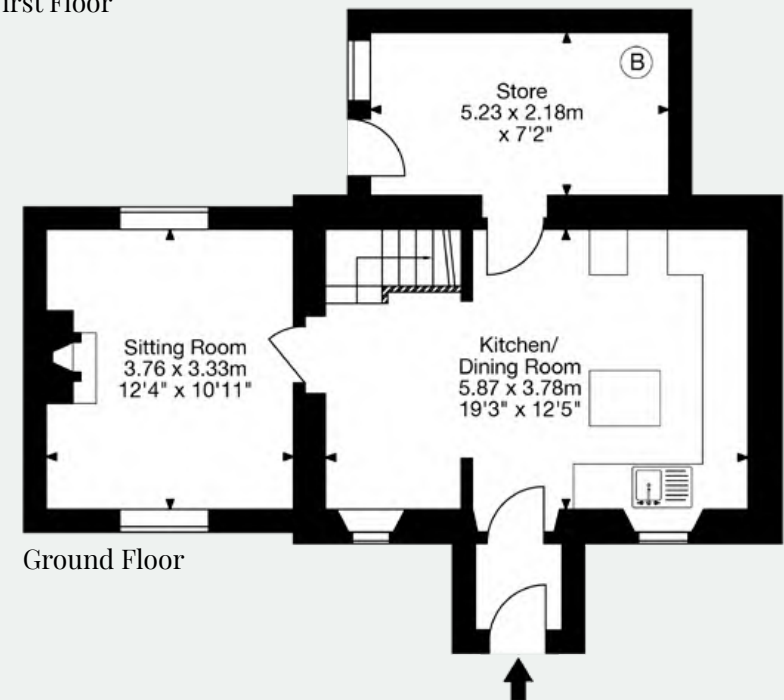
Gross Internal Area (Approx.)

84 sq m / 906 sq ft

Not to scale. For identification purposes only.



First Floor



Ground Floor





## Old School & Old School House

Old School and Old School House are two-bedroom semi-detached properties of brick construction, both benefitting from the provision of outbuilding storage and gardens.



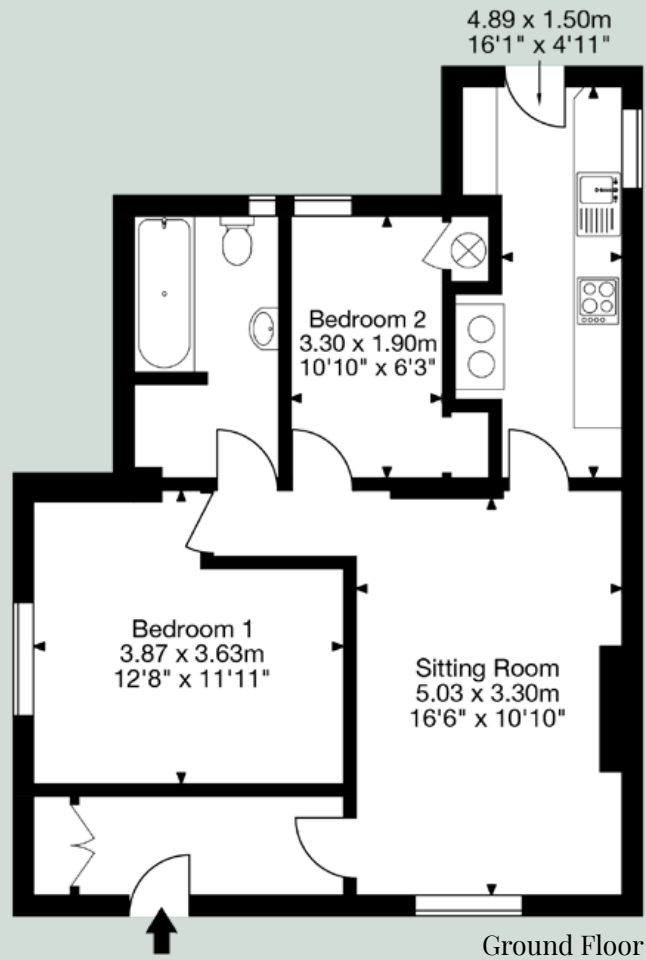
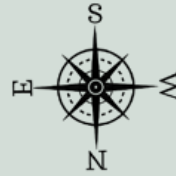


# Old School

Gross Internal Area (Approx.)

60 sq m / 645 sq ft

Not to scale. For identification purposes only.

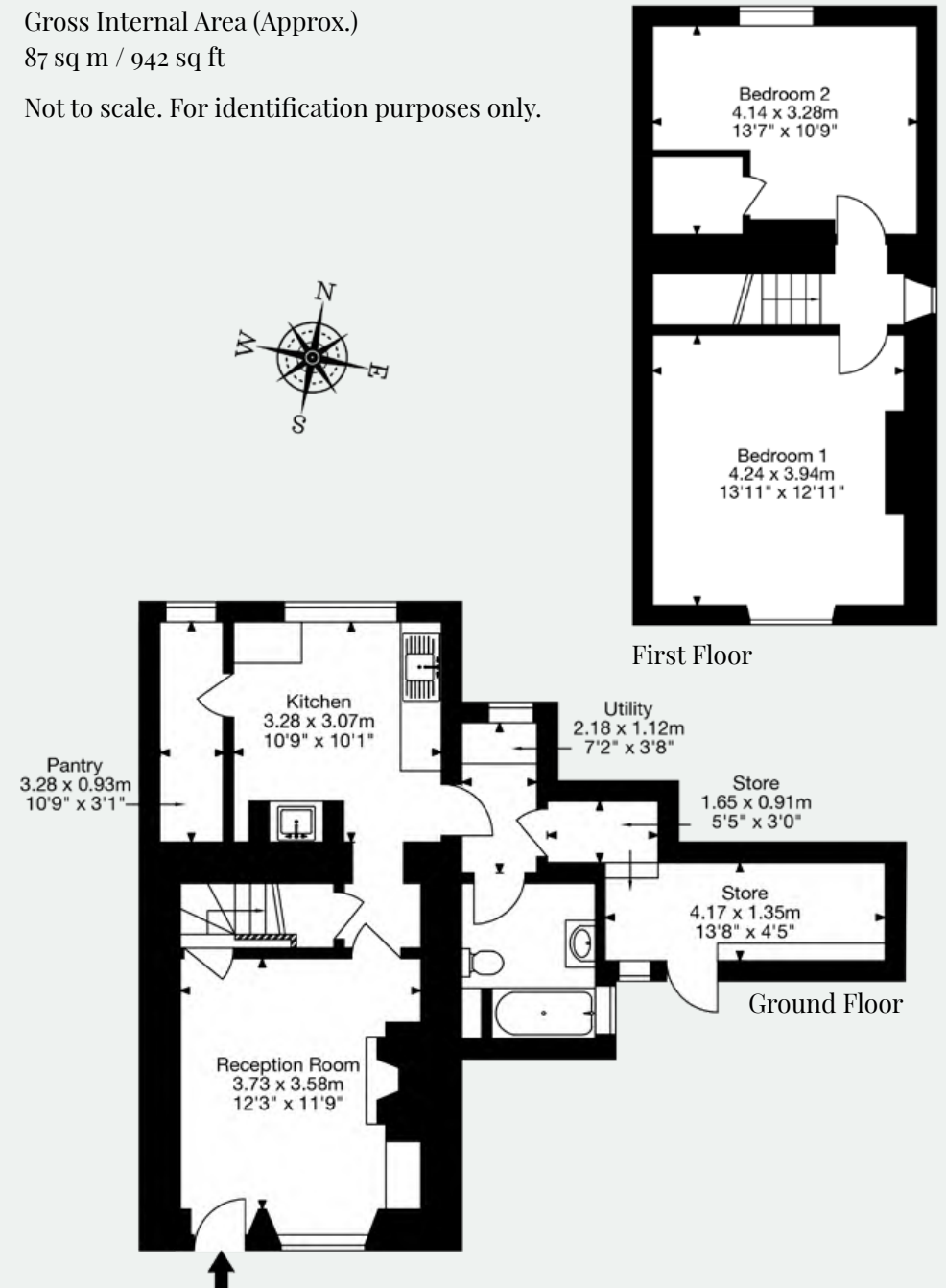
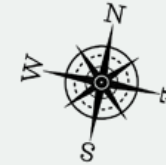


# Old School House

Gross Internal Area (Approx.)

87 sq m / 942 sq ft

Not to scale. For identification purposes only.



# General Remarks

## Agricultural Schemes

The vendors will retain the BPS payment for the current scheme year in full.

Although not currently in an agri-environment scheme, the farmland has previously been entered into a Stewardship Scheme.

## Designations

The property is situated in the Cranborne Chase and West Wiltshire Downs Area of Outstanding Natural Beauty. It is also within a Nitrate Vulnerable Zone.

Scheduled monuments are located in Lot 3 and Lot 7.

The pasture land at Tarrant Rushton (Lot 8) and the Tarrant Rushton properties are within the Tarrant Valley Conservation Area.

## Access, Easements, Wayleaves and Rights of Way

If the property is sold in lots, rights will be reserved to benefit each lot and to ensure the continued supply of services across the estate.

Lots 1 and 2 benefit from a right of access for agricultural purposes only to each lot over neighbouring properties. The same neighbours benefit from similar rights over each respective lot to their benefit.

Planning permission has been granted for a new access track to Preston Farm (Lot 1) from the (B3082) Wimborne to Blandford Forum road.

The property is sold subject to and with the benefit of all other rights, including rights of way, whether public or private, drainage, water and electricity supplies and any other rights and obligations, easements and wayleaves for masts, pylons, stays, cables, drains and water, gas and other pipes, whether referred or not.

Further details on these rights can be obtained from the selling agents.

## Tenure and Possession

The property is to be sold by Private Treaty with vacant possession on completion subject to the occupancies listed below:-

Property	Tenure
Preston Farm	Vacant
4 Tarrant Rushton	Rent Act 1977
8 Tarrant Rushton	Vacant
9/10 Tarrant Rushton	AST
12 Tarrant Rushton	Vacant
13 Tarrant Rushton	AST
Old School	AST
Old School House	Rent Act 1977

## Fixtures and Fittings

All freestanding equipment and any other equipment not specifically mentioned in the details is excluded from the sale.

## Mineral Rights

Mineral rights are included in the sale.

## Sporting

All sporting rights are included. The commercial shoot rears approximately 3,500 birds on an annual basis and it is run jointly with a neighbouring landowner. The well established shoot produces 120-300 bird days.

## Services

All services to each lot are detailed below.

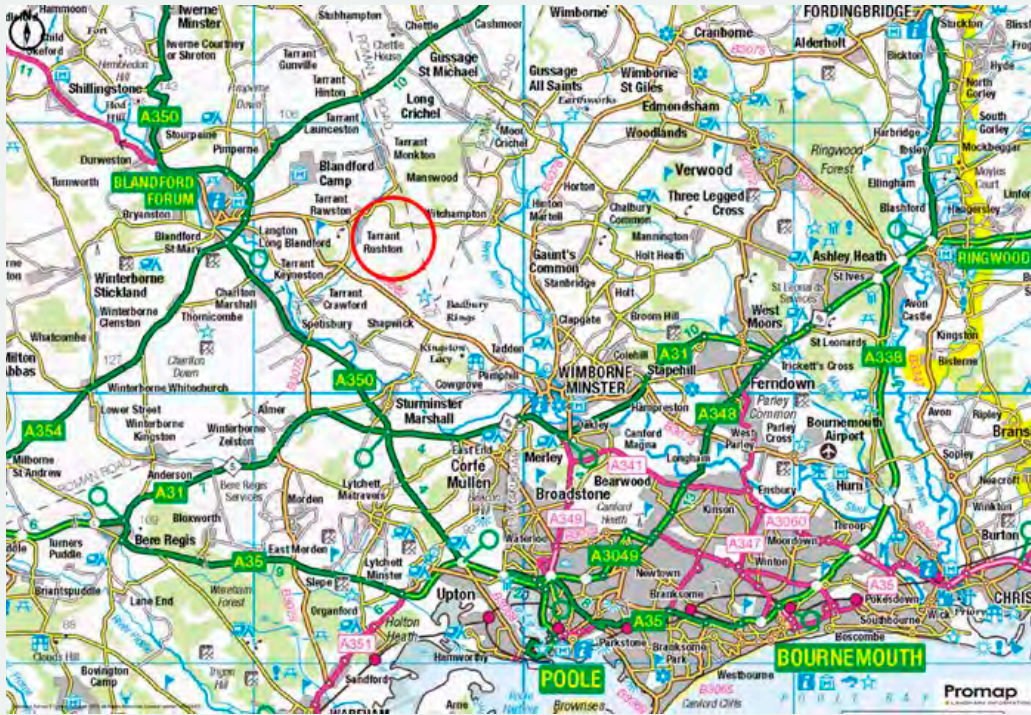
Lot Number	Water	Electricity
1	Mains and Private	Mains
2	Mains	
3	Mains	Nearby not connected
4	Nearby not connected	Mains
5	Mains	
6	Mains	
7	Mains	
8	Mains	
9	Mains	Mains

## Holdover

A right of holdover is reserved by the vendors until December 2023 for the management, storage and loading of grain. The vendors also reserves the right to hold a machinery sale on the property between completion and the end of October 2023.

## Telecommunications Mast

Within Lot 1 is a telecommunications mast. The head lease is to Cornerstone Communications Infrastructure Ltd., which runs to 2036. The current income is £4,500 per annum.



## Restrictive Covenants

Some parts of the property are subject to a covenant imposed in a Conveyance dated 25th March 1943 regarding use, further details of which are available from the data room and selling agents.

## Employees

There are currently two full time employees on the property. Where appropriate, the purchaser will be responsible for complying with the statutory provisions of the Transfer of Undertaking (Protection of Employment) Regulations (TUPE). Details of current employees can be obtained from the selling agents.

## Local Authority

Dorset Council  
Tel. 01305 221000  
[www.dorsetcouncil.gov.uk](http://www.dorsetcouncil.gov.uk)

## Data Room

An online data room has been set up which provides additional information on the property and employees. If you wish to access the data room please contact the selling agents.

## Notes

The purchaser of Lot 1 will be required to erect a stockproof fence between the points A and B on the sale plan, within six weeks of completion.

## Ingoing Valuation

If appropriate, the purchasers shall in addition to the purchase price be required to take over and pay for those items of tenant right including:

- Growing crops and other tillages, post-harvest sprays and other acts of husbandry to include costs of all cultivations, seeds, chemicals and fertilisers in accordance with CAAV costings. Hay and straw at market value.
- All purchased stores including fertilisers, seeds, sprays, feeding stuffs, fuel and oils etc. to be charged in accordance with CAAV costings.
- Tenant right shall be paid for immediately once the valuation is agreed with interest at 4% over Barclays Bank base rate for the time being at the date of valuation from completion to date of payment. Should the valuation not be agreed within four weeks of completion, the matter should be referred to the decision of a single arbitrator to be appointed by agreement or in the event of a dispute by the president of the Royal Institution of Chartered Surveyors.

## VAT

In addition to the purchase price, should any sale of the property, or any right attached to it, become a chargeable supply for the purposes of Value Added Tax, such tax shall be payable by the purchasers in addition to any monies to be paid during the course of the sale and the purchaser shall indemnify the vendors in respect thereof, including interest, or penalty.

## Viewings

All viewings are strictly by appointment with the vendors' sole agents. Please take care when inspecting the farm buildings.

## Important Notice

Symonds and Sampson and their Clients give notice that:

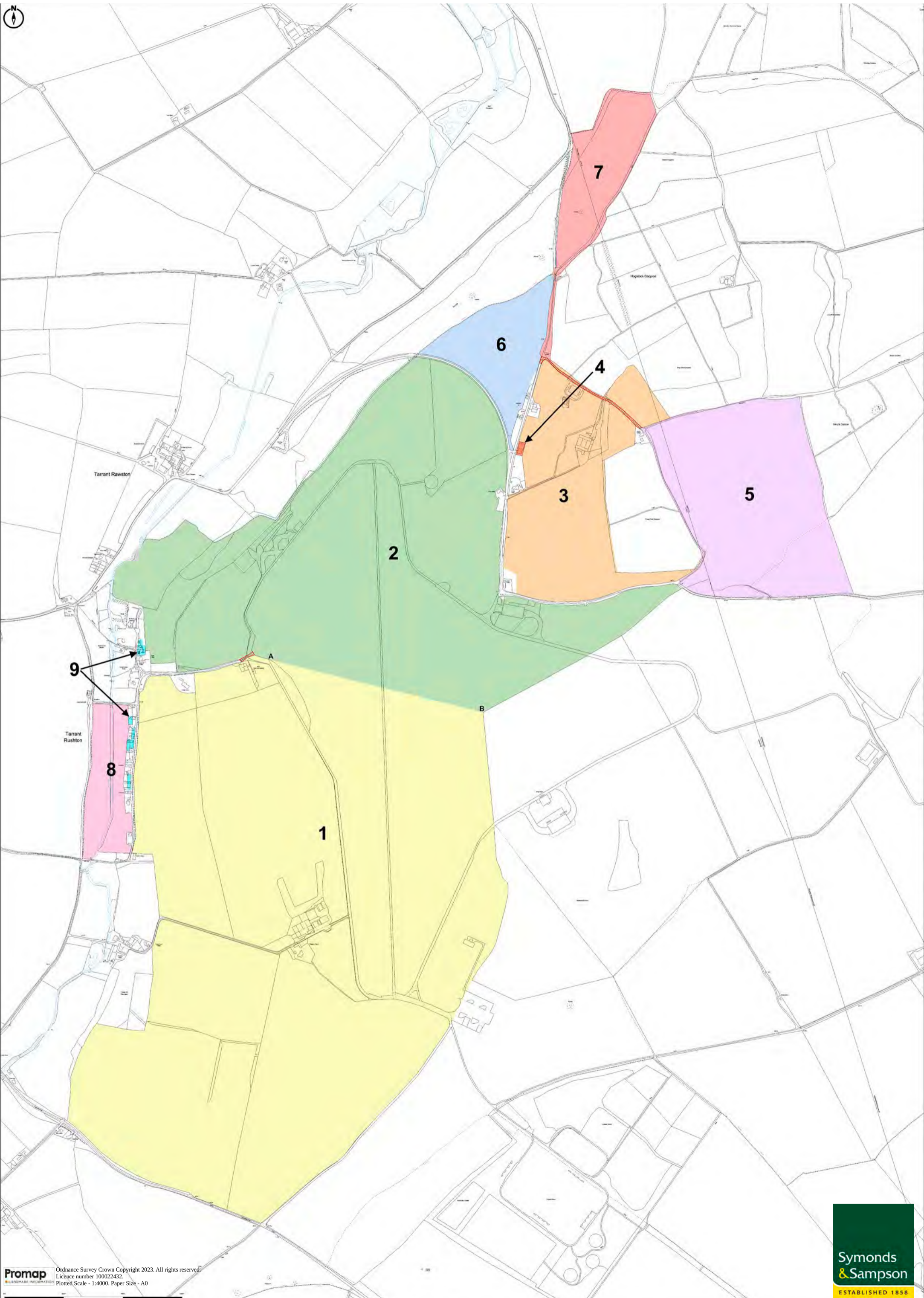
- 1 They have no authority to make or give any representations or warranties in relation to the property. These particulars do not form part of any offer or contract and must not be relied upon as statements or representations of fact.
- 2 Any areas, measurements or distances are approximate. The text, photographs and plans are for guidance only and are not necessarily comprehensive. It should not be assumed that the property has all necessary Planning, Building Regulation or other consents, and Symonds & Sampson have not tested any services, equipment or facilities. Purchasers must satisfy themselves by inspection or otherwise.

Brochure produced April 2023.

Capture Property 01225 667287.







Our Ref: WW/AMR  
April 2023

**Symonds  
& Sampson**

ESTABLISHED 1858

Dear Sir/Madam,

**PRESTON & CROOK FARMS AND RESIDENTIAL PROPERTY PORTFOLIO, TARRANT RUSHTON, DORSET**

We have pleasure in enclosing the sale particulars for the above property, which we are selling as a whole or in up to 9 lots, comprising:

Lot No	Lotting	Description	Guide Price
1	Preston Farm	Preston Farm comprises a mixed arable and livestock farm, together with a range of modern farm buildings and farmhouse - 474.66 acres (192.08 hectares)	£6,000,000
2	Airfield	A block of mainly level to gently sloping arable and pasture land with former hangar building - 257.64 acres (104.26 hectares)	£2,950,000
3	Crook Farm	A block of level to gently sloping productive arable and pasture land with large useful modern farm building, yard area and former RAF building - 68.31 acres (27.64 hectares)	£895,000
4	Hogstock Grain Store	A modern grain store building with area of hardstanding and direct road access - 0.25 acres (0.10 hectares)	£150,000
5	Arable Land on Witchampton Road	A block of gently sloping, free draining, productive arable land with road frontage - 81.40 acres (32.94 hectares)	£895,000
6	Arable Land at Hogstock	A single parcel of level, productive arable land with road access - 25.43 acres (10.29 hectares)	£295,000

**Symonds & Sampson LLP**  
Burraton House  
5 Burraton Square  
Poundbury  
Dorchester  
Dorset  
DT1 3GR  
Tel: 01305 236237

[burraton@symondsandsampson.co.uk](mailto:burraton@symondsandsampson.co.uk)  
[www.symondsandsampson.co.uk](http://www.symondsandsampson.co.uk)

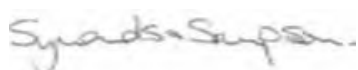
**Symonds & Sampson LLP**  
is a Limited Liability Partnership  
Registered in England & Wales  
No OC326649  
Registered Office: 30 High West St.  
Dorchester DT1 1UP



7	Arable Land at Rawston Down	A single parcel of level to gently sloping arable land - 27.41 acres (11.09 hectares)	£275,000
8	Pasture Land in Tarrant Rushton	Level to gently sloping productive pasture land with a stretch of the River Tarrant - 16.49 acres (6.67 hectares)	£185,000
9	Tarrant Rushton Property Portfolio	Seven residential properties within the village of Tarrant Rushton, of which five are subject to tenancies and two with vacant possession - 0.87 acres (0.35 hectares)	£2,250,000
The Whole		952.46 acres (385.42 hectares)	£13,895,000

If you require any further details or would like to arrange an appointment to view the property, please contact Will Wallis or Lauren Davy at our Poundbury office on 01305 236237.

Yours faithfully,



SYMONDS & SAMPSON





## Swallowfield

### Woodland, Wimborne, Dorset BH21 8AB

7.32 acres (approx.) of amenity land with replacement bungalow opportunity, subject to all necessary consents.

For sale by Public Auction and via Livestream on Thursday 2 November 2023 at 2:00pm at the Digby Hall, Sherborne DT9 3AB

Guide Price

**£200,000\***

Freehold

£27,662/ac

Nov Auction - At guide of £200,000

**Symonds  
& Sampson**

ESTABLISHED 1858



# Swallowfield

Woodlands, Wimborne BH21 8AB

For sale by Auction on Thursday 2 November 2023

Viewings strictly by appointment via the Wimborne Office  
01202 843190

## The Property

7.32 acres of amenity land comprising permanent pasture, woodland and a pond located in the popular village of Woodlands, north of Wimborne.

The land benefits from a static home which offers a replacement bungalow opportunity, subject to all necessary consents. Please refer to the legal pack for further information.

Not only does the land boast a diverse biodiversity, it also offers many opportunities to an incoming purchaser to enjoy in such a peaceful, unspoilt location.

The neighbouring fields retain a right of access over the track, within the woodland, to enable them to get to their parcels of land.

## Situation

Woodlands is a peaceful village, located north of Wimborne. There are abundant network of footpaths and bridleways near to the land that provide excellent walking, hacking and cycling opportunities.

## Local Authority

Dorset Council (East)  
01305 221000

## Services

Mains water and electricity.

## What3words:

///flags.lifted.commit

## Solicitors

Frettons  
The Saxon Centre  
11 Bargates  
Christchurch  
BH23 1PZ  
kmartin@frettons.co.uk

## Auction Conditions of Sale and Notes

For full details please refer to the auction catalogue available online at  
<https://www.symondsandsampson.co.uk/auctions/property-auctions>

## Legal and Information Pack

A full legal pack can be purchased online. Please telephone the office below to check availability.

**We strongly recommend you instruct a solicitor to inspect the legal pack on your behalf.**

\* Guides are provided as an indication of each seller's minimum expectation. They are not necessarily figures which a property will sell for and may change at any time prior to the auction. Each property will be offered subject to a Reserve (a figure below which the Auctioneer cannot sell the property during the auction). The reserve price is not disclosed and remains confidential between the seller and the auctioneer. Both the guide price and the reserve price can be subject to change up to and including the day of the auction. The 'Reserve Price' may exceed the 'Guide Price' listed. If so, it is customary for the 'Reserve Price' to exceed the guide price by no more than 10%.

## Additional Fees

The successful purchaser will be required to pay the Auctioneers a Purchaser's Administration Fee of £1,200 (£1000 plus VAT) payable to Symonds & Sampson. For purchases of £50,000 or less the Administration fee will be £900 (£750 plus VAT). If two or more lots are offered together in the first instance, or lots are purchased under one contract, the administration fee will apply per lot and not per contract. The charge will apply to lots bought prior to and post auction.

In the event of non-payment or underpayment a deduction will be made from the deposit received. A VAT receipt will be issued in the name of the buyer.

Disbursements – Please see the legal pack for any disbursements listed that may become payable by the purchaser.

**MAC 28/09/2023**



01258 473766

Symonds & Sampson LLP  
Agriculture House, Sturminster Newton DT10 1AR  
sturminster@symondsandsampson.co.uk  
[www.symondsandsampson.co.uk](http://www.symondsandsampson.co.uk)

IMPORTANT NOTICE: Symonds & Sampson LLP and their Clients give notice that:  
1. They have no authority to make or give any representations or warranties in relation to the property. These particulars do not form part of any offer or contract and must not be relied upon as statements or representations of fact. 2. Any areas, measurements or distances are approximate. The text, photographs and plans are for guidance only and are not necessarily comprehensive. It should not be assumed that the property has all necessary Planning, Building Regulation or other consents, and Symonds & Sampson have not tested any services, equipment, or facilities.



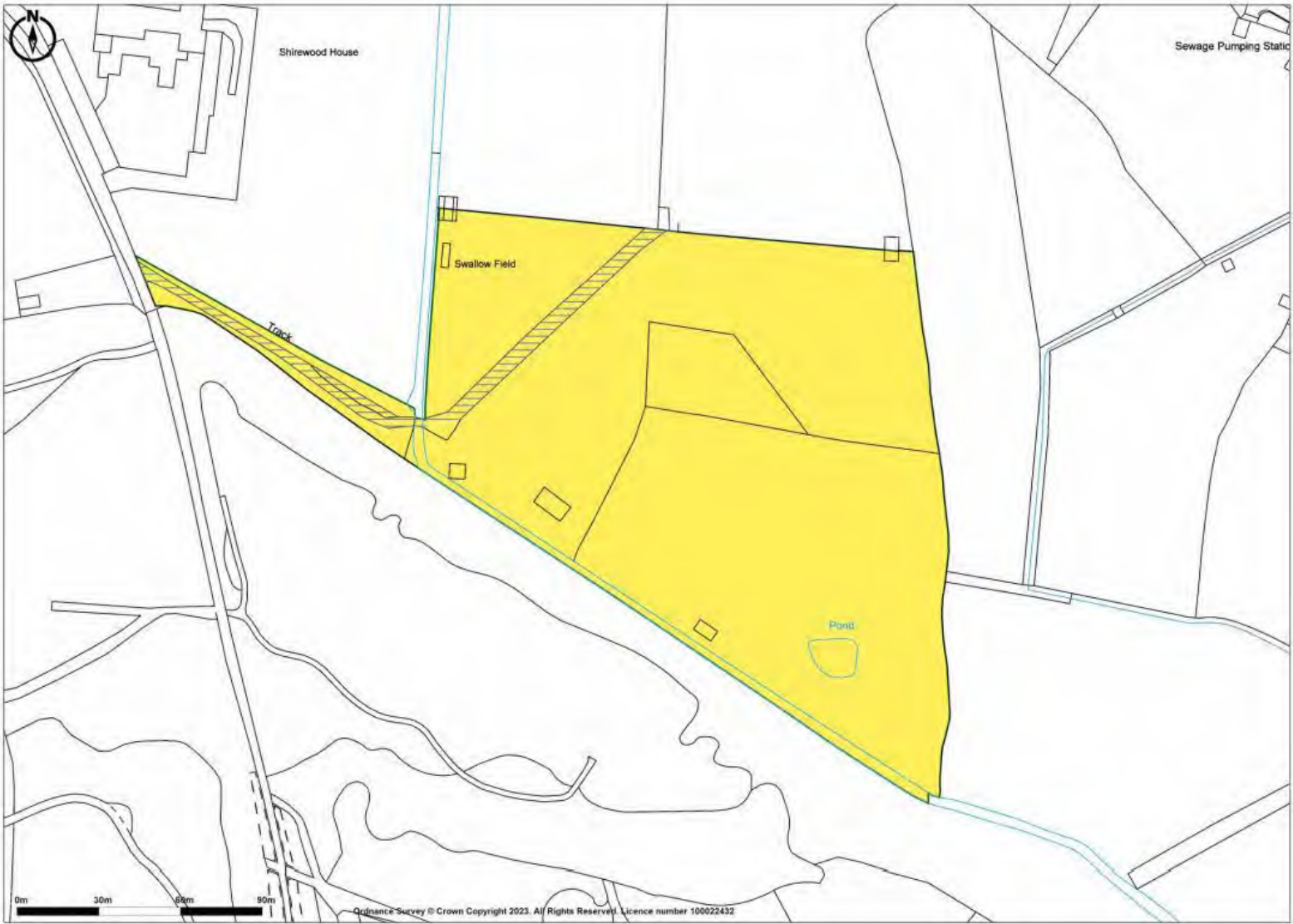
SURVEYS

VALUATIONS

PLANNING

LETTINGS





01258 473766

Symonds & Sampson LLP  
 Agriculture House, Sturminster Newton DT10 1AR  
 sturminster@symondsandsampson.co.uk  
 www.symondsandsampson.co.uk

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SURVEYS

VALUATIONS

PLANNING

LETTINGS

# Auction Notes

**Prospective buyers are strongly advised to take note of the advice and information given in these important notes.**

## Important Notice

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2. Any areas, measurements, or distances are approximate. The text, photographs and plans are for guidance only and are not necessarily comprehensive. It should not be assumed that the properties have all necessary Planning, Building Regulation or other consents, and Symonds & Sampson LLP have not tested any services, equipment or facilities. Purchasers must satisfy themselves by inspection or otherwise.
3. This catalogue contains details about properties being sold at auction. The vendors reserve the right to sell their properties prior to auction and these details can be subject to change up to and including the day of the auction. Please check our website regularly at: [www.symondsandsampson.co.uk](http://www.symondsandsampson.co.uk) and look out for any additional materials available on the day of the auction, in order to ensure you have all the up to date information.

## Plans and Measurements

All room sizes, site measurements and distances are approximate and may have been scaled from architects, Land Registry or Ordnance Survey plans. They are there to assist buyers in identifying the lots offered and not guaranteed to be to scale or to indicate the full extent of the property being offered. Buyers are advised to view the Special Conditions and full legal documentation in respect of the precise interest to be sold.

Each lot will be sold in accordance with the title documentation as the location plans shown in the catalogue are for identification purposes only. Interested applicants should make their own site inspections and investigations with regard to the accuracy of all measurements given in the catalogue.

## VAT

Prospective buyers should satisfy themselves as to whether VAT is chargeable on the price prior to the auction from the seller's solicitors.

## Tenure

Freehold and vacant possession will be given on completion unless otherwise stated.

## The Guide Price

is an indication of the seller's current minimum acceptable price at auction. It is given to assist consumers in deciding whether or not to pursue a purchase. It is usual, but not always the case that a provisional reserve range is agreed between the seller and the auctioneer at the start of marketing. As the reserve is not fixed at this stage and can be adjusted by the seller at any time up to the day of the auction in the light of interest shown during the marketing period, a guide price is issued. A guide price is different to a reserve price (see below). Both the guide price and the reserve price can be subject to change up to and including the day of the auction.

## The Reserve Price

is the seller's minimum acceptable price at auction and the figure below which the auctioneer cannot sell. The reserve price is not disclosed and remains confidential between the seller and the auctioneer. Both the guide price and the reserve price can be subject to change up to and including the day of the auction. The 'Reserve Price' may exceed the 'Guide Price' listed. If so, it is customary for the 'Reserve Price' to exceed the guide price by no more than 10%.

## Purchaser's Administration Fee

The successful purchaser will be required to pay to the Auctioneers a Purchaser's Administration Fee of £1,200 (including VAT) payable to Symonds & Sampson. For purchases of £50,000 or less the Administration fee will be £900 (£750 plus VAT). If two or more lots are offered together in the first instance, or lots are purchased under one contract, the administration fee will apply per lot and not per contract. The charge will apply to lots bought prior to and post auction. In the event of non-payment or underpayment a deduction will be made from the deposit received. A VAT receipt will be issued in the name of the buyer.

## Disbursements

Please see the legal pack for any disbursements listed that may become payable by the purchaser on completion.

## Viewings

Should you wish to inspect a lot please arrange for an appointment with the Auctioneers. Prospective buyers view all lots entirely at their own risk and neither the Auctioneers, or the Sellers take responsibility for any damage or injury, however caused.

It is advisable to wear appropriate footwear and clothing as some buildings, particularly those for refurbishment, may have uneven floors or missing floorboards. It may, in some cases, be advisable to bring a torch as electricity is not serviceable for safety reasons.

We do not guarantee to attend viewings where appointments have not been confirmed.

## Professional Advice

We strongly recommend that all prospective buyers take independent legal and where appropriate other professional advice.

## Legal Documents

All legal documents supplied to us, including Special Conditions of Sale, title details, leases, searches, planning permissions and plans, will be available for inspection prior to the auction. The legal documents can be downloaded from [symondsandsampson.co.uk/auctions/future-property-auctions](http://symondsandsampson.co.uk/auctions/future-property-auctions) at a cost of £12-£24 including VAT.

## Contract

The Contract will be subject to the Particulars, General and Special Conditions of Sale, stipulations and notes which may be issued before the sale.

## Insurance

You may need to insure the property at the fall of the hammer. Please check the legal pack or with the seller's solicitor.

## Identification

In compliance with Money Laundering Regulations all successful bidders are required to provide verified photographic identification and evidence of residency for all named buyers when signing the Sale Memorandum.

If the bidder is acting on behalf of another party, they will be required to provide the documents for both themselves and for the named buyers for whom they act, as well as providing a valid letter of authority from the buyers authorising them to bid on their behalf. If the bidder is acting on behalf of a company, the above document will still be required, together with written authority from the company and a copy of the Certificate of Incorporation.

## Deposit

Deposits of 10% of the purchase price (or £2,000, whichever is the greater) are payable on the fall of the hammer. Deposits can be paid by cheque which, unless otherwise stated, should be made payable to the Solicitor for the Seller or by debit card. Please ensure that you have adequate funds in the appropriate account. Cash is not accepted. Please be aware that you may be required to provide evidence of the source of funds to the solicitor upon purchase.

## Conditions of Sale

All Lots are sold subject to the Common Auction Conditions, the General Conditions of Sale for Online Unconditional (Immediate Exchange) Property Auction and all Legal Documentation.

## Registration of Interest

Prospective buyers are strongly advised to register their interest in specific lots. If you do this, we will make every reasonable effort to inform you of any changes.

## Withdrawals and Sales Prior

There is always the possibility of last minute withdrawals or sales prior. Please ensure you have registered your interest and we will endeavor to contact you if the lot is withdrawn or likely to be sold prior to the auction.

## Registering to bid

Whether you wish to bid online, by telephone, by proxy or in the room, please register online via the link on our website [www.symondsandsampson.co.uk/auctions/property-auctions](http://www.symondsandsampson.co.uk/auctions/property-auctions) or you can complete the form at the back of this catalogue and send via email to [auctions@symondsandsampson.co.uk](mailto:auctions@symondsandsampson.co.uk). You will be required to provide copies of proof of identification and proof of address as part of the registration process and will not be authorised to bid without these.

## Telephone bidding

We have a limited number of telephone bidding facilities available on most lots, but we must have completed paperwork at least 24 hours before the auction day. We cannot guarantee that every request to bid by telephone will be possible.

## Proxy Bidding

We strongly recommend registering to bid online but when this is not possible, you may make a proxy bid authorising the Auctioneer to bid on your behalf up to a pre-set limit. This must be **by prior arrangement at no later than 24 hours prior to the auction**. Bidding forms must be received not less than 24 hours prior to the start of the auction to ensure that there is time for the bid to be processed. **We cannot guarantee to process bidding forms which are received later than 24 hours before or on the morning of the auction.**



# Auction Terms and Conditions

**1.** Intending purchasers must complete bidder registration via Essential Information Group Auction Passport or fill in the appropriate bidding form ensuring that all sections are completed. Failure to complete any part of the appropriate form may render the instructions ineffective or result in your registration not being approved. Copies of all relevant bidder's/purchaser's identification must be provided prior to the start of the auction. No responsibility is taken by the auctioneers for unprocessed registrations received later than 24 hours prior to the auction.

**2.** Maximum bids for proxy or telephone bidders must be for an exact figure, rounded to the nearest £1,000, and any reference to a bid to be calculated by reference to other bids will not be acceptable. In the event of there being any confusion as to the maximum bid, the auctioneer reserves the right to refuse a bid on behalf of the prospective bidder.

**3.** All bidders registered via Auction Passport must authorise a £10,000 security hold on a debit card as part of the registration. Those submitting bidding forms will be required to provide card details for security. If you are successful, the £10,000 hold will be deducted from your account and put towards the 10% deposit. If you are unsuccessful, the hold on your card will usually be removed within 5 working days. When the 10% deposit is taken, you will also be required to pay a Buyer's Administration Fee of £1,200 (£1,000 + VAT). In some cases, this figure may be higher and if so, will be stated in the addendum. For lots with a purchase price below £50,000, the Buyer's Administration Fee will be £900 (£750+VAT). Payments can be made either by BACS or debit card and must be made on the day of the auction. The Buyer's Administration Fee is payable on all lots sold at auction, prior to the auction, or post-auction. If the successful bidder fails to provide the required deposit and buyers administration charge, then Symonds & Sampson LLP and/or their seller reserves its rights to pursue the winning bidder via all legal means necessary for the deposit and the buyer's administration charge and any associated losses and interest as applicable.

**4.** The auctioneer, in accepting remote bids, acts as agent for the prospective bidder/purchaser who shall be considered to have authorised the auctioneer on the basis of all relevant conditions of sale and any amendments to the auction particulars. In the event of the prospective purchaser's bid being successful, the auctioneer or any duly authorised partner or employee of Symonds & Sampson LLP is authorised by the bidder and purchaser to sign any Memorandum of Sale or Sale Contract relating to the property concerned incorporating any addendum.

**5.** The auctioneer accepts no liability for any bid not being made on behalf of the prospective purchaser and reserves the right to bid himself or through an agent up to the reserve price for the particular property concerned.

**6.** In the event that: (a) two or more parties consider for whatever reason that they are the highest bidder; (b) there is a dispute as to which bidder is the highest bidder; (c) there is any other dispute as between any bidders and/or as between the auctioneer and any bidders; or (d) the auctioneer considers that there is a disputed bid; the auctioneer at their sole discretion have the right to declare a "Bidding Dispute" at any time during the auction. In the event of a bidding dispute, the auctioneer reserves the right to re-offer the lot on the terms they consider to be reasonable. The auctioneer shall accept no liability whatsoever if the underbidder is unable to make an increased bid. The auctioneer's decision on the conduct and outcome of the auction is final.

**7.** In the event that another bidder makes a bid equal to the maximum bid the remote bidder is prepared to make, the auctioneer reserves the right to accept either bid at their own discretion. The auctioneer's decision is final.

**8.** The auctioneer accepts no responsibility for failure of telecommunications or internet connections in respect of a telephone or internet bid, or any delays in the postal system if a bidding form is sent through the post.

**9.** Prospective bidders should check with the auctioneer's office immediately prior to the auction to ensure there are no changes to the published terms and conditions. The auctioneer will accept no liability whatsoever for any prospective bidder's failure to carry out these checks.

**10.** The auctioneer will accept no liability whatsoever for any bid not being made on behalf of the prospective buyer as a result of: Lack of clarity of instructions, error, lack of clarity or confusion regarding the bidding process or the bidder's registration or the deposit, prospective buyers becoming disconnected during bidding or are unobtainable, interruption or suspension of telephone or internet services or for any other reason whatsoever beyond the control of the auctioneer.

**11.** Successful proxy bids will be notified to the prospective buyer within 24 hours of the conclusion of the auction sale. Any alteration to the submitted bid or withdrawal must be received and confirmed in writing by the auctioneer prior to commencement of the auction. Proxy bidders are advised to telephone the Auctioneer's offices before 10am on the day of the sale in order to find out whether any addenda apply to the property for which they have authorised the Auctioneer to bid on their behalf. If we receive two proxy bids at the same level, both bidders will be notified and given the opportunity to adjust their bid.

**12.** All bidders are deemed to be making their bid with full knowledge of and in accordance with the RICS Common Auction Conditions (4th Edition), Extra Conditions, Special Conditions of Sale, Addendum, Important Notice for Prospective Buyers in the catalogue and the contents of the Legal Pack. In particular, bidders are deemed to have carefully checked the Special Conditions of Sale for any additional costs and fees payable to the seller that may be detailed therein.

**13.** All successful remote bidders will be required either to provide certified proof of identity or visit a Symonds & Sampson office with hard copies together with details of the source of their funds within 48 hours of the auction. By registering to bid, you agree to comply with our requests to verify your identity, and to answer any follow up questions that may be raised in due course, as and when necessary. We are obliged to identify buyers, bidders and payers in accordance with the requirements of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended). We are likely to request from you and retain some information and documentation for these purposes and/or make searches of appropriate databases electronically (including verification through third party data providers). For the avoidance of doubt, searches may also be conducted on individuals, directors, and shareholders of these entities as is required by the legislation. If satisfactory evidence of your identity is not provided within a reasonable time, there may be circumstances in which we are not able to proceed. Failure to satisfy our requirements can also result in a termination of the acquisition of the property. Please be aware that we may share the information and documentation you provide for this purpose with the vendor, the vendor's solicitors, agents or other authorised representatives of the vendor in order to facilitate the transaction.

**14.** The auction will be recorded and the phone lines for telephone bidders are likely to be recorded to avoid any doubts or disputes.

**15.** By registering to bid you are agreeing to these Terms & Conditions and understand that should your bid be successful the offer will be binding, and you will be legally bound jointly and separately with the intended Buyer (where the Buyer is different) by the applicable Conditions of Sale.

# Register to Bid – Live Stream Auction

If you cannot register through the online system, please complete and return this form with two ID documents. We cannot guarantee to process registrations received later than 24 hours before the auction.

Telephone\*     Proxy     Online\*     Room

\*In the event that the connection or line is lost for online or telephone bidders, the auctioneer is authorised to continue to bid on your behalf up to the maximum bid stated on this form, should you choose to provide one.

**TELEPHONE BIDDERS** – A member of staff will attempt to contact the bidder by telephone prior to the relevant lot being offered for sale. If we are successful in making contact, then the bidder may take part in the bidding via a member of staff. If we are not able to make contact the auctioneer is authorised to bid on behalf of the telephone bidder up to the maximum bid stated on this form, should you choose to provide one.

Please be aware that there are limited telephone lines and we cannot guarantee that a line will be available to you.

## LOT DETAILS

Date of Auction\*

Lot Number\*

Property Name and Address\*

Maximum Bid £ (optional but required for a proxy bid)

Maximum Bid in Words (optional but required for a proxy bid)

## BIDDER DETAILS

Title\*    Name/Company Name\* IF PURCHASE IS TO BE IN JOINT NAMES PLEASE INCLUDE PROOF OF ID AND ADDRESS FOR BOTH

Capacity

Address Line 1\*

Address Line 2\*

Postcode\*

Telephone No.

Email Address\*

## SOLICITOR DETAILS

Solicitor Company\*    Solicitor Name\*

Address Line 1\*

Address Line 2\*

Telephone No.

Email Address\*

### PROOF OF IDENTIFICATION AND ADDRESS

To comply with Anti-Money Laundering Regulations, we require scanned copies of your proof of ID AND proof of address (Passport or driving license and Council tax/utility bill or bank statement) to enable you to bid. If you are successful and are bidding remotely you will be required either to provide certified proof of ID within 48 hours of the auction or visit a Symonds & Sampson office with hard copies.

By submitting your ID, you authorise Symonds & Sampson LLP to undertake further proof of identification and anti-money laundering checks that may be required should you be successful in your bid. Please note: if you then fail anti-money laundering checks, your purchase will be in jeopardy and you will lose the buyer's administration fee, so you must satisfy yourself in advance that your purchase complies with the current Money Laundering Regulations.

### PAYMENT OF THE 10% DEPOSIT AND BUYER'S ADMINISTRATION FEE

If you are successful via the internet registration process a security deposit of £10,000 will be taken from your account. A member of staff will then contact you by phone for the balance of the deposit and the buyer's administration fee, as set out in our Terms and Conditions, to be taken immediately.

### TERMS AND CONDITIONS

I agree to the terms and conditions for all bidders. I authorise the auctioneer to sign the Memorandum of Sale on my behalf and I recognise that I will then be the fully bound purchaser of the property referred to above and must complete the transaction within the time specified in the Conditions of Sale.

I have read the RICS Common Auction Conditions (4th Edition) and the Special Conditions of Sale in their entirety and am aware of any additional costs and fees payable by the buyer detailed therein. I accept that it is my responsibility to check for any amendments or addendum notes which may be read out by the auctioneer on the auction day.

Signature

Date of Signature (dd/mm/yyyy)



## Appendix 8 – Appellants Alderholt Meadows Summary BLV

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Alderholt Meadows

Calculation of Benchmark Land Value

REF	Notes Assumptions	Calculation	BLV
<b>1.0</b>	<b>Agricultural Land - Benchmark Land Value Calculations</b>		
1.1	EUV - Average sale rate per acre based on various existing uses. <i>*see report from Symmonds &amp; Sampson</i> <i>*NPPF Guidance Para 014, Para 015</i>	£19,569	
1.2	Land Owner Premium <i>*Greenfield land, benchmarks tend to be in a range of 10 to 20 times agricultural value</i> <i>*Minimum Multiplier for Greenfield Sites</i> <i>*HCA Area Wide Viability Model (Annex 1 Transparent Viability Assumptions)</i> <i>*NPPF Guidance Para 016</i> <i>*Alderholt Meadows is not allocated and therefore a lower multiplier is adopted</i>	5.1	
1.3	Agricultural Land - Benchmark Land Value Per Gross Acre	£100,000	
1.4	Alderholt Meadows - EUV Land Area As Identified by Symmonds & Sampson <i>* Gross area excludes tracks, hardstanding yard/buildings.</i>	293.50	
<b>1.5</b>	<b>Agricultural Land - Benchmark Land Value</b>		<b>£29,350,000</b>
<b>2.0</b>	<b>Sleepbrook Farm Barn - Benchmark Land Value</b>		
2.1	Existing Operational Barn Alternative Use Value (residential use) <i>*AUV based on permitted (Part Q) development rights conversion to residential</i> <i>* See report from Symmonds &amp; Sampson</i> <i>*NPPF Guidance Para 017</i>	£520,000	
2.2	Landowner premium in return for relasing site for development (mid point premium) <i>*Benchmarks and evidence from planning appeals tend to be in a range of 10% to 30% above EUV in urban areas</i> <i>*Mid-point premium for release of Jasper Cottage</i> <i>*HCA Area Wide Viability Model (Annex 1 Transparent Viability Assumptions)</i> <i>*NPPF Guidance Para 016</i>	20%	
<b>3.3</b>	<b>Sleepbrook Farm Barn - Benchmark Land Value</b>		<b>£624,000</b>
<b>4.0</b>	<b>Alderholt Meadows - Total Benchmark Land Value</b>		<b>£29,974,000</b>

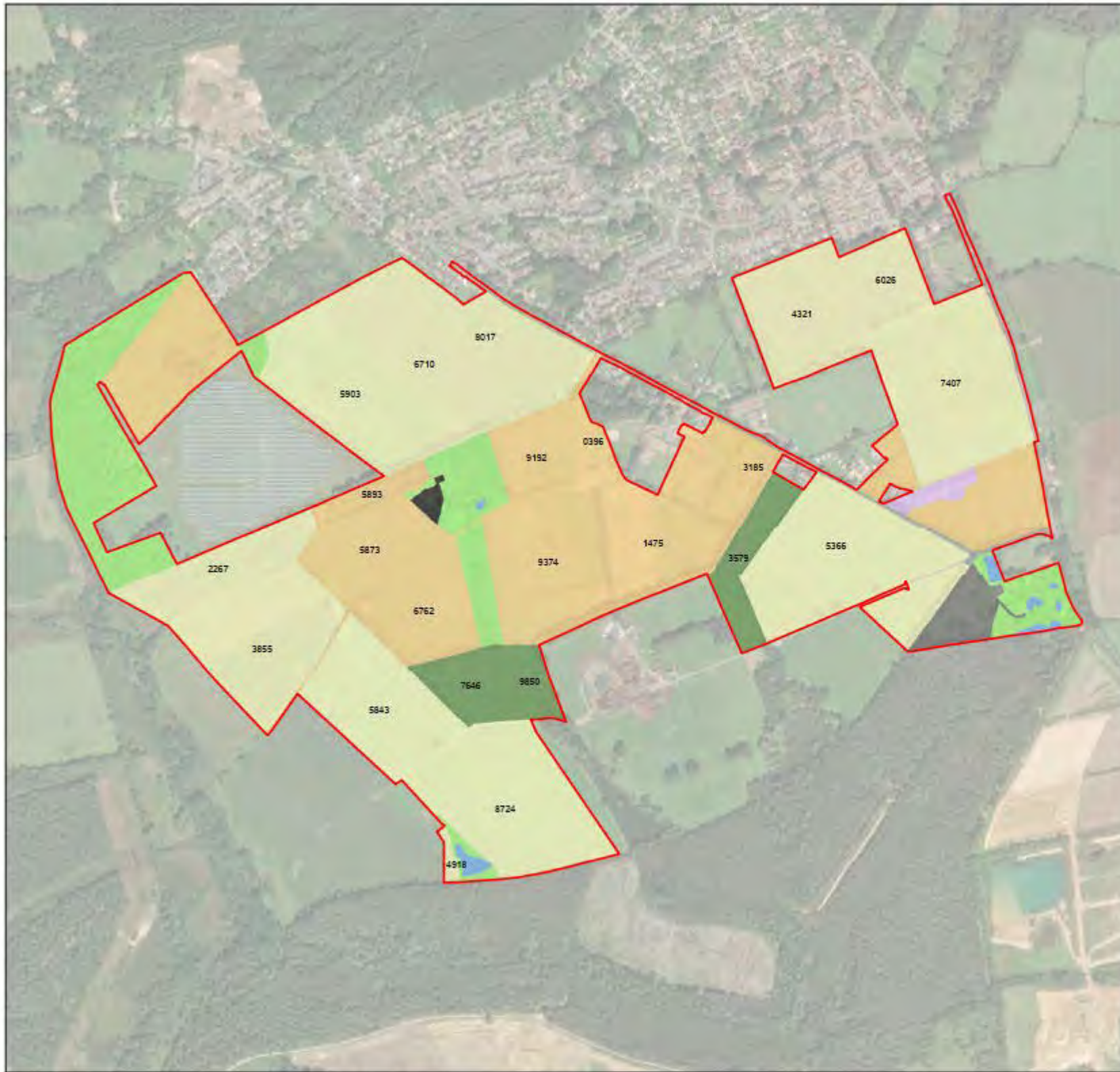
## Appendix 9 – EPR Land Use Map

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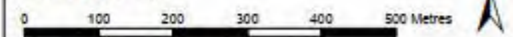
MAP 1 Pre-development Land Use

KEY

-  Site boundary
-  Dairy (5.65ha)
-  General cropping (84.73ha)
-  Greenspace (12.54ha)
-  Lowland grazing (35.04ha)
-  Open urban land (1.65ha)
-  Poultry (0.84ha)
-  Residential urban land (0.31ha)
-  Water (0.60ha)



SCALE: 1:7,500 at A3



CLIENT: Dudsbury Homes (Southern)

PROJECT: Alderholt Meadows, Fordingbridge

DATE: 01 May 2024

## Appendix 10 – AspinallVerdi – Viability Assessment Review

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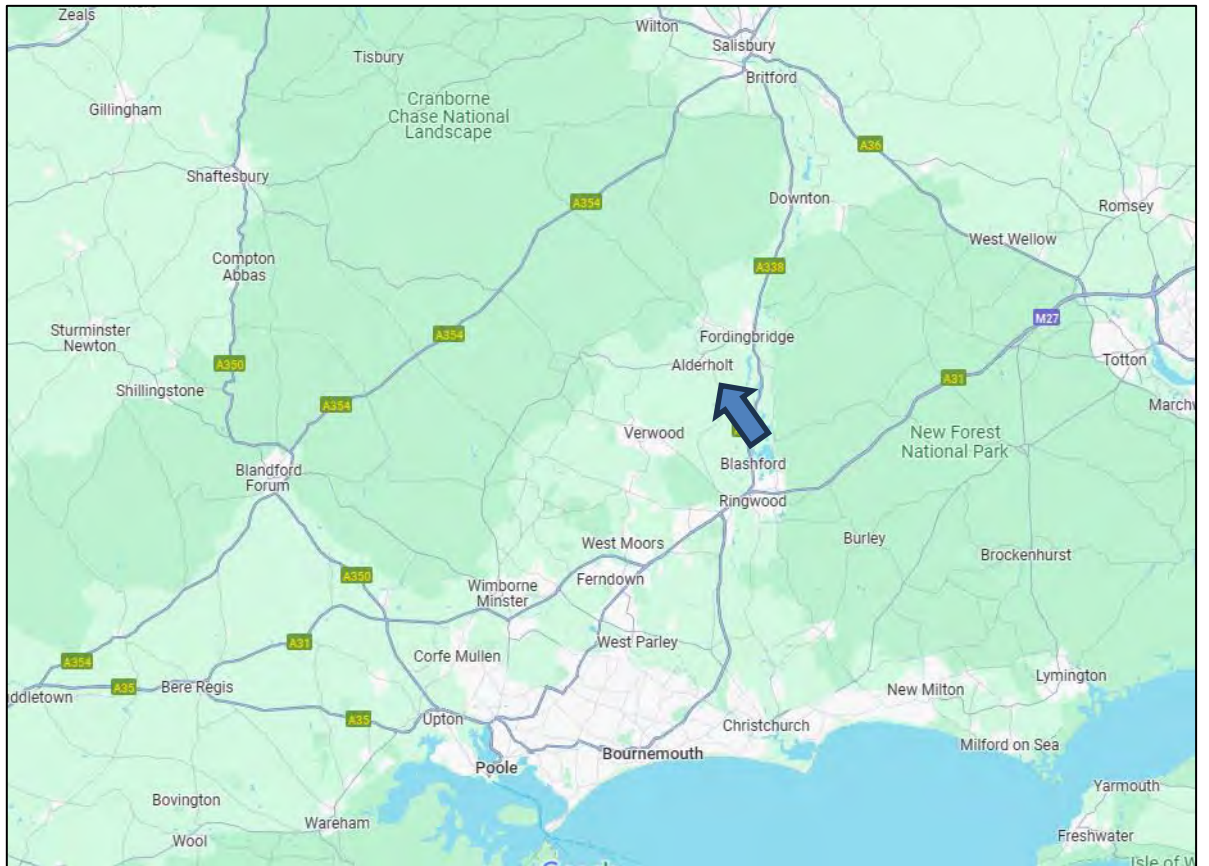
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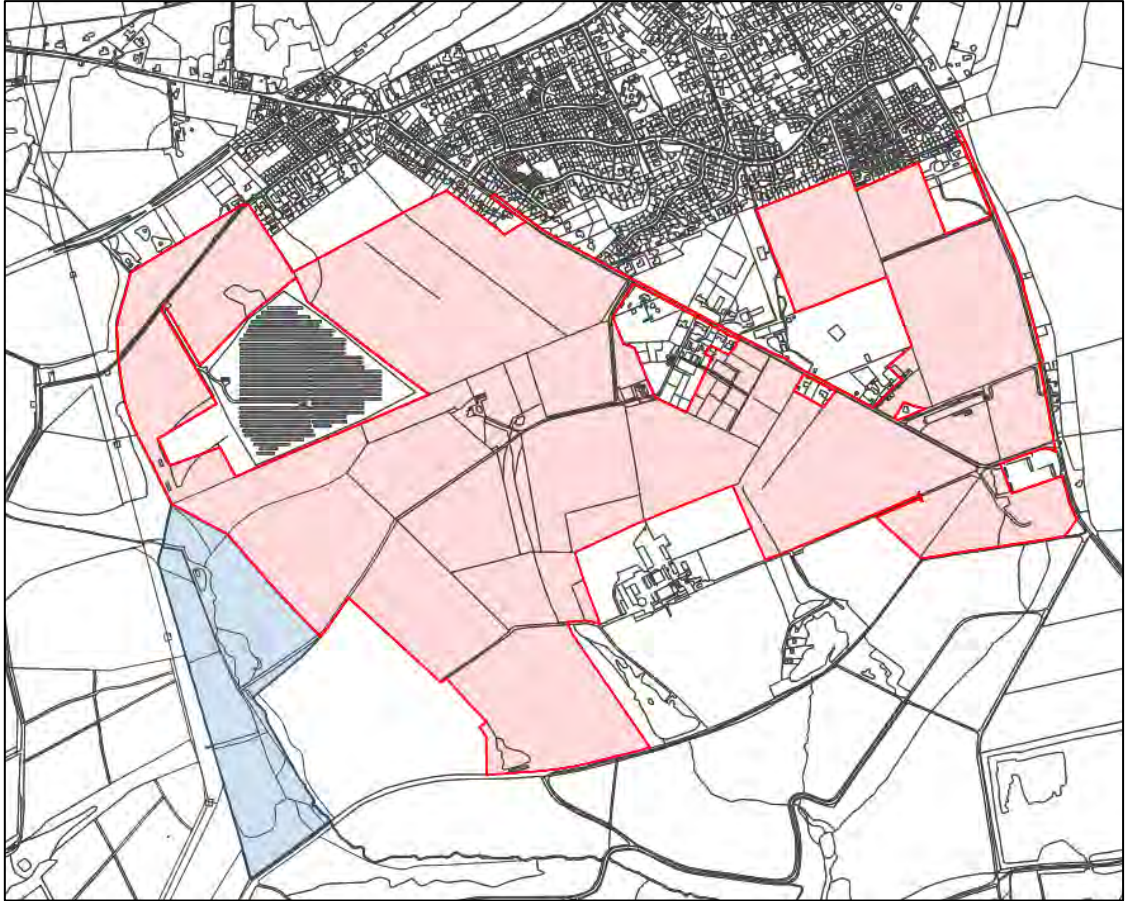


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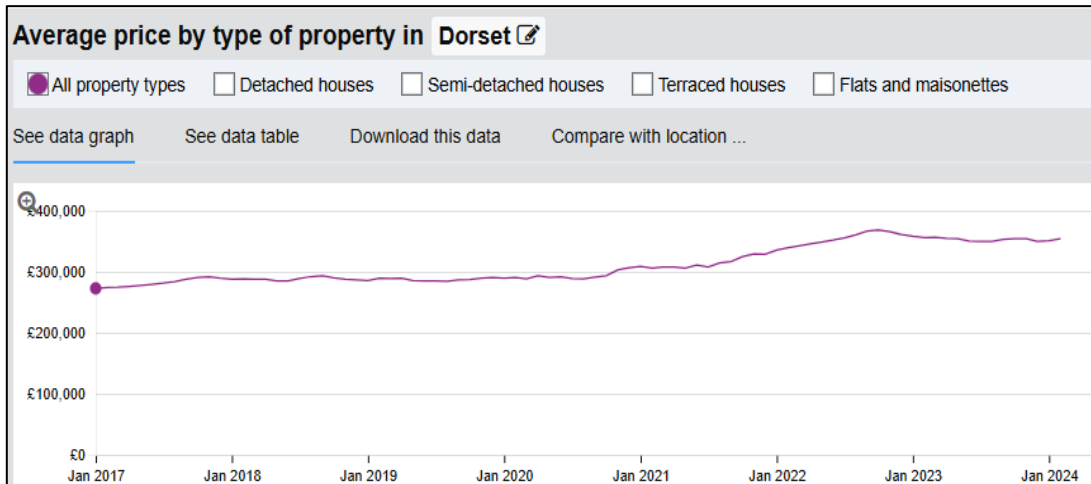


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Aspinall Verdi		




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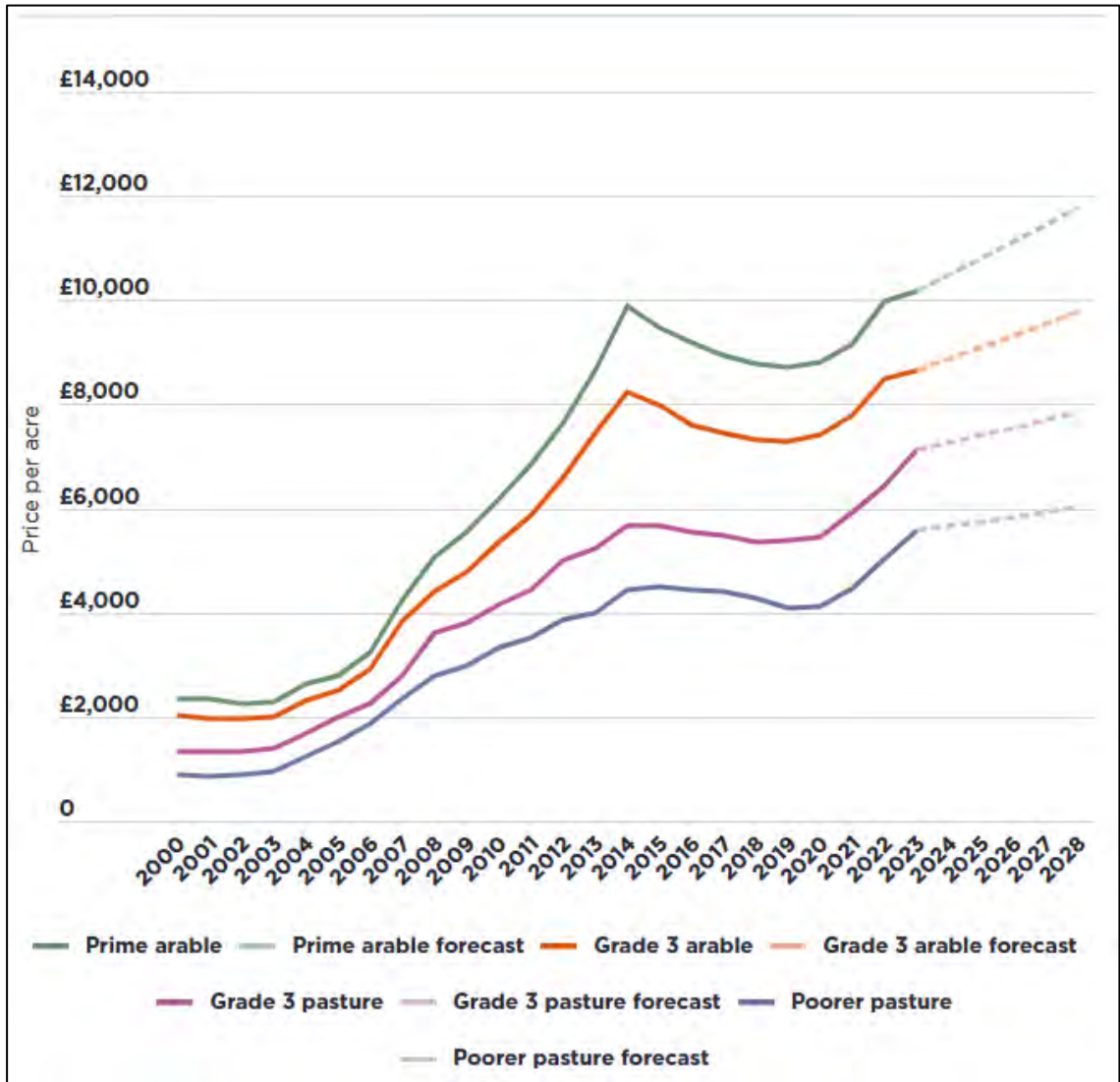
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Ursula Fay  
Lead Project Officer  
Economic Growth and Infrastructure  
Dorset Council

Studio 7  
46 The Calls, Leeds  
LS2 7EY

0113 243 6644  
atam@aspinallverdi.co.uk  
www.aspinallverdi.co.uk

Sent via Comensura Portal

Our ref: 240201 Alderholt Viability  
Assessment Review Proposal V0.1  
[F9 to update]

Your ref:

02 February 2024

Dear Ursula

**Viability Assessment Review in relation to public inquiry – Land at Alderholt Meadows, Dorset**

I write with respect to the invitation to quote which we have received via the Comensura portal. We are delighted to be requested to provide a quotation for this service and we provide details of our proposal below.

**Understanding for the requirement**

We understand that the applicant (Dudsbury Homes) submitted an outline planning application for a residential led mixed use development (P/OUT/2023/01166). The planning application was refused at committee on 7 July 2023. The applicant is now appealing the decision.

The site extends to approximately 122 Ha (301 acres) and lies to the south-west of Fordingbridge. The proposal comprises

- 1,700 dwellings – including housing and care provision
- 10,000 sqm employment space
- Village centre
- Open space
- Solar array.

The applicant has retained the services of consultants Intelligent Land and they have provided a Viability Assessment report which is dated May 2023. We note from the Council's decision notice at Paragraph 4 that the Applicant's Viability has not been assessed and as such it has not been accepted that the scheme provides the necessary quantum of affordable housing.

The development proposes 35% affordable housing and we note that policy LN3 (of the Christchurch and East Dorset Local Plan) sets out a policy requirement of "up to" 50% on greenfield sites. We note that Dorset Council published their Dorset Local Plan Viability Assessment (May 2022) in which the recommendations are to support a provision at 35%. This may have led the applicant and their advisors to propose this level.

We understand that the requirement for services includes a full review of the applicants Viability Assessment and

- the viability of affordable housing
- the deliverability/viability of the 'Class E' uses, noting these will be subject to restrictive conditions
- the impact of costs related to Habitats Sites mitigation/nitrate neutrality which may have been underestimated – the Council is seeking separately an ecologist to advise on the mitigation needed
- the impacts of a newly proposed Energy Strategy on the viability of the proposal
- how achievable the delivery timeline is.

AspinallVerdi can provide the services mentioned above, however we would stress that the costs associated with Habitats Sites and nitrate neutrality will be either informed by your specialist advisor or we would adopt rates that we have established and used elsewhere in our Whole Plan Viability work.

### **AspinallVerdi – About Us**

The firm was founded in 2009 by myself and Ben Aspinall. It is a firm of Chartered Surveyors that specialise in development consultancy work for both public and private sectors. The firm has 5 offices with the two largest being in London and Leeds.

Of relevance to this commission is that we are perhaps the market leader in plan viability work across England – we have successfully represented a number of local authorities including both urban and rural local planning authorities. Examples include

- West Oxfordshire
- Hambleton District Council
- Vale of White Horse
- Central Bedfordshire
- Northumberland National Park Authority

In addition to the above we are retained viability advisors to a number of LPAs which include Fareham, Isle of Wight, Swindon, West Oxfordshire, Vale of White Horse to name a handful.

Currently we have been working with colleagues at Dorset Council with respect to a review of the development proposals at Grade I Listed Parnham House. We have recently submitted our draft report which includes the assessment of a 103 home proposal for enabling development.

### **Our Approach**

We are a regulated firm of Chartered Surveyors that are focussed on providing our clients with services led by senior individuals. I will oversee this commission assisted by Director colleague Stephanie Eaton and Max King both of whom are experienced Chartered Surveyors in the viability sector. Both individuals have significant experience in undertaking commissions of this type. I have a BSc (Hons) and am an MRICS Chartered Surveyor with over 30 years professional experience.

Atam was a member of the working group that produced the latest RICS viability guidance and is currently a member of the Valuation Professional Group at the RICS. He has recently been working with Steph with respect to another Grade I Listed Enabling Development project on the Isle of Wight – called Norris Castle.

Atam's team has also recently advised Eastleigh Borough Council with respect to viability related matters for their own One Horton Heath development. This is a large new urban extension which proposes 2,500 new residential units, plus local centre and employment floorspace.

Our Directors have experience of Expert Witness and Examinations in Public. We would be happy to represent the Council in respect of this site.

As a firm which has a one firm structure and culture we can bring all our expertise together for your benefit.

### **Methodology**

We attach a detailed fees table in which we set out each of the key steps which we consider will be appropriate. This table also summarises the outputs and meetings to be completed. We would stress that if appointed it will be important to have an inception meeting to enable team introductions and to review the approach and timescales.

We have costed for a site visit as we consider that it will be important to have inspected the site and also this enables us to understand the site context.

We will work closely with colleagues at the Council to ensure that we communicate and that the process is managed well.

It should be noted that we have not costed the attendance at the inquiry as this will be an additional cost based on the actual time expended by us. The time required is not known at this point in time.

We can confirm that we have no conflicts of interest in acting on this scheme.

### **Timescales**

At the present time we are not aware of the timescales of when the Inquiry will be held. It will be important to commence the viability review and to produce the initial report and we would propose to issue the clarification questions to you in draft for approval within one week of being instructed. We can inspect the site within two weeks of instruction and indeed provide the initial Viability Assessment report within 4 weeks of confirmation of instructions.

We are delighted to be considered for this commission and we are seeking to further develop our relationship with Dorset Council. We can confirm that we have the skills, experience and resources to act on the Council's behalf to inform this planning process. Please do get in touch should you require further information regarding this proposal or the services needed.

We look forward to hearing from you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Atam Verdi', is centered below the text 'Yours sincerely'.

Atam Verdi MRICS  
Executive Director

Encs.   AspinallVerdi – Standard Terms /

cc       Stephanie Eaton - AspinallVerdi  
          Max King - AspinallVerdi





**Key:**

- Neighbourhood
- Local Centre/Hub/Market Square
- Employment
- Green Corridors
- Parks
- Allotments
- Alderholt Meadows Recreation Ground
- SANG



**ACRONYM KEY**  
 SANG - Suitable Alternative Natural Greenspace  
 SUDS - Sustainable Urban Drainage System  
 LEAP - Local Equipped Area for Play  
 LAP - Local Area for Play



Scale of meters @ 1:2000  
 0 10 20 30 40 50 100





### The Birches

Address	Date sold	Sold price	Subcategory	Sq Ft	Price per ft <sup>2</sup>
11, Birch Lane, Sandleheath, Fordingbridge, Hampshire SP6 1FR	21/12/2022	£850,000	Detached	1916	£444
7, Birch Lane, Sandleheath, Fordingbridge, Hampshire SP6 1FR	13/12/2022	£890,000	Detached	1916	£465
9, Birch Lane, Sandleheath, Fordingbridge, Hampshire SP6 1FR	05/12/2022	£850,000	Detached	1959	£434
5, Birch Lane, Sandleheath, Fordingbridge, Hampshire SP6 1FR	01/12/2022	£880,000	Detached	1916	£459
6, Birch Lane, Sandleheath, Fordingbridge, Hampshire SP6 1FR	13/09/2022	£400,000	Semi_Detached	1023	£391
12, Birch Lane, Sandleheath, Fordingbridge, Hampshire SP6 1FR	09/09/2022	£395,000	Semi_Detached	980	£403
4, Birch Lane, Sandleheath, Fordingbridge, Hampshire SP6 1FR	25/07/2022	£400,000	Semi_Detached	1023	£391
3, Birch Lane, Sandleheath, Fordingbridge, Hampshire SP6 1FR	22/06/2022	£825,000	Detached	1916	£431
1, Birch Lane, Sandleheath, Fordingbridge, Hampshire SP6 1FR	07/06/2022	£795,000	Detached	1938	£410
<b>AVERAGE -</b>				<b>1621</b>	<b>£425</b>

### Pennyfarthing Homes - Potters Wood, Verwood

Address	Date sold	Sold price	Subcategory	Sq Ft	Price per ft <sup>2</sup>
6 Parlour Way, Verwood, Dorset, BH31 7DQ	30/06/2022	£325,000	Semi-detached	689	£472
21 Healthpoult Road, Verwood, Dorset, BH31 7BN	30/01/2023	£340,000	Semi-detached	689	£493
23 Healthpoult Road, Verwood, Dorset, BH31 7BN	30/01/2023	£345,000	Semi-detached	689	£501
12 Parlour Way, Verwood, Dorset, BH31 7DQ	24/03/2022	£349,000	Semi-detached	904	£386
14 Parlour Way, Verwood, Dorset, BH31 7DQ	08/03/2022	£349,000	Semi-detached	904	£386
11 Eastworth Road, Verwood, Dorset, BH31 7PJ	28/01/2022	£349,000	Semi-detached	904	£386
21, Parlour Way, Verwood, Dorset BH31 7DQ	29/04/2022	£362,000	Semi_Detached	904	£400
23, Parlour Way, Verwood, Dorset BH31 7DQ	29/04/2022	£365,000	Semi_Detached	904	£404
23 Westworth Way, Verwood, Dorset, BH31 7BG	18/11/2022	£395,000	Semi_Detached	904	£437
31, Parlour Way, Verwood, Dorset BH31 7DQ	14/01/2022	£440,000	Detached	990	£444
19, Parlour Way, Verwood, Dorset BH31 7DQ	31/03/2022	£410,000	Detached	990	£414
17, Parlour Way, Verwood, Dorset BH31 7DQ	31/03/2022	£410,000	Detached	990	£414
15 Healthpoult Road, Verwood, Dorset, BH31 7BN	31/01/2022	£410,000	Detached	990	£414
27, Parlour Way, Verwood, Dorset BH31 7DQ	31/01/2022	£410,000	Detached	990	£414
13 Gamekeeper Way, Verwood, Dorset BH31 7DL	23/08/2023	£440,000	Detached	990	£444
15, Parlour Way, Verwood, Dorset BH31 7DQ	28/03/2022	£465,000	Detached	1,163	£400
33 Westworth Way, Verwood, Dorset, BH31 7DL	14/01/2022	£470,000	Detached	1,163	£404
1 Gamekeeper Way, Verwood, Dorset BH31 7DL	28/01/2022	£475,000	Detached	1,163	£408
16 Gamekeeper Way, Verwood, Dorset BH31 7DL	09/12/2022	£535,000	Detached	1,163	£460
25, Parlour Way, Verwood, Dorset BH31 7DQ	28/01/2022	£450,000	Semi-detached	1,238	£363
17 Healthpoult Road, Verwood, Dorset, BH31 7BN	28/01/2022	£450,000	Semi-detached	1,238	£363
13 Healthpoult Road, Verwood, Dorset, BH31 7BN	31/01/2022	£460,000	Detached	1,238	£372
18, Parlour Way, Verwood, Dorset BH31 7DQ	31/01/2022	£500,000	Detached	1,281	£390
16, Parlour Way, Verwood, Dorset BH31 7DQ	31/03/2022	£580,000	Detached	1,744	£333
29, Parlour Way, Verwood, Dorset BH31 7DQ	31/03/2022	£580,000	Detached	1,744	£333
19 Healthpoult Road, Verwood, Dorset, BH31 7BN	31/03/2022	£610,000	Detached	1,744	£350
<b>AVERAGES -</b>				<b>1089</b>	<b>£407</b>

### 2nd Hand Sales - Alderholt

Address	Date sold	Sold price	Subcategory	Floor area ft <sup>2</sup>	Price per ft <sup>2</sup>
56, Alder Drive, Alderholt, Fordingbridge, Dorset SP6 3EP	24/08/2023	£295,000	Terraced	786	£375
16, Churchill Close, Alderholt, Fordingbridge, Dorset SP6 3BG	23/08/2023	£340,000	Semi_Detached	926	£367
8, Camel Green Road, Alderholt, Fordingbridge, Dorset SP6 3AN	16/08/2023	£628,000	Detached	1733	£362
42, Churchill Close, Alderholt, Fordingbridge, Dorset SP6 3BG	31/07/2023	£320,000	Semi_Detached	872	£367
62, Churchill Close, Alderholt, Fordingbridge, Dorset SP6 3BG	31/07/2023	£431,000	Detached	1367	£315
61, Camel Green Road, Alderholt, Fordingbridge, Dorset SP6 3AU	18/07/2023	£560,000	Detached	1582	£354
35, Broomfield Drive, Alderholt, Fordingbridge, Dorset SP6 3HY	10/07/2023	£515,000	Detached	1464	£352
23, Fern Close, Alderholt, Fordingbridge, Dorset SP6 3HZ	29/06/2023	£423,000	Detached	947	£447
34, Station Road, Alderholt, Fordingbridge, Dorset SP6 3RB	19/05/2023	£460,000	Detached	1722	£267
22, Earlswood Drive, Alderholt, Fordingbridge, Dorset SP6 3EN	19/05/2023	£323,000	Semi_Detached	915	£353
46, Windsor Way, Alderholt, Fordingbridge, Dorset SP6 3BN	26/04/2023	£280,000	Terraced	764	£366
57, Broomfield Drive, Alderholt, Fordingbridge, Dorset SP6 3HY	24/04/2023	£443,000	Detached	1281	£346
6a, Hillbury Road, Alderholt, Fordingbridge, Dorset SP6 3BQ	31/03/2023	£351,000	Semi_Detached	947	£371
1, Beech Close, Alderholt, Fordingbridge, Dorset SP6 3DG	29/03/2023	£400,000	Detached	850	£470
104, Station Road, Alderholt, Fordingbridge, Dorset SP6 3RD	17/03/2023	£657,500	Detached	1981	£332
Cherry Tree Lodge, Camel Green Road, Alderholt, Fordingbridge, Dorset SP6 3AU	03/03/2023	£430,000	Detached	958	£449
7, Silverdale Crescent, Alderholt, Fordingbridge, Dorset SP6 3JZ	22/02/2023	£420,000	Detached	1152	£365
60, Windsor Way, Alderholt, Fordingbridge, Dorset SP6 3BN	22/02/2023	£440,000	Detached	1227	£359
35, Blackwater Grove, Alderholt, Fordingbridge, Dorset SP6 3AD	14/02/2023	£570,000	Detached	1087	£524
37, Station Road, Alderholt, Fordingbridge, Dorset SP6 3RB	14/02/2023	£168,000	Flat	646	£260
14, Down Lodge Close, Alderholt, Fordingbridge, Dorset SP6 3JA	03/02/2023	£490,000	Detached	1528	£321
2, Harts Rise, Alderholt, Fordingbridge, Dorset SP6 3AP	25/01/2023	£541,500	Detached	1550	£349
33, Earlswood Drive, Alderholt, Fordingbridge, Dorset SP6 3EN	12/01/2023	£320,000	Semi_Detached	969	£330
<b>AVERAGE -</b>				<b>1185</b>	<b>£365</b>







Address	Acres	Price	£ / acre	Comments	Link
Industrial Land at Salisbury Road, Shaftesbury, Dorset, SP7 8PT	2.1	£1,300,000	£619,048	The site benefits from outline planning permission for general industrial and light industrial uses and forms part of a wider development site comprising 135 residential units. Persimmon Homes are building the residential. This industrial site has been marketed by Savills at £1m / acre but they have not achieved that. We understand that the nature and location of the site has led to potential power supply issues. The agent has informed us that the site is under offer at £1.3m, equating to c£620,00 per acre. Site is similarly rural and in an un-established industrial location, also forming part of a wider residential scheme.	<a href="https://ahprd1cdn.csgpings.com/d2/pHDNCW0fPyaocXwbjgIPWFNmzTkADmCeqiD4svDaAUJ/Available%20Brochure%20-%20Salisbury%20Rd.pdf">https://ahprd1cdn.csgpings.com/d2/pHDNCW0fPyaocXwbjgIPWFNmzTkADmCeqiD4svDaAUJ/Available%20Brochure%20-%20Salisbury%20Rd.pdf</a>
Employment Land at Lawrence Hill, Wincanton, Somerset	6.98	c£2,100,000	£300,000	Site forms part of a mixed-use development comprising residential and commercial uses. Site is currently greenfield land. Site benefits from outline consent for B1, B2 and B8 industrial uses. Site is currently on the market at a guide price of £300,000 per acre. New road connection to the A371 proposed as part of planning obligations for wider residential scheme. All main services are to be available for connection to the site.	<a href="https://ahprd1cdn.csgpings.com/d2/f4asy0am2QYM4AC7MvMk52GCFgTqHJdsEz-IsUITnQ8/Lawrence%20Hill%20Employment%20Land%20Wincanton%20Nov%202022%20fin%20-%20Lawrence%20HI.pdf">https://ahprd1cdn.csgpings.com/d2/f4asy0am2QYM4AC7MvMk52GCFgTqHJdsEz-IsUITnQ8/Lawrence%20Hill%20Employment%20Land%20Wincanton%20Nov%202022%20fin%20-%20Lawrence%20HI.pdf</a>
Land at Wendal Road, Blandford Forum	5.23	N/A	N/A	Allocated employment land (use classes E(g), B2 and B8). Situated on the northern edge of Blandford Forum with good access to the A350. We understand from the acting agent that the site is under offer and due to exchange shortly. There was no guide price since the allocated usage for the land was so broad. The agent is unable to disclose the final price, however we understand that they have achieved 'above £500,000 per acre'.	<a href="#">Land at Wendal Road, Blandford Forum   Property for sale   Savills</a>



Sign Date	Start Date	Address	City	Floor	Total SF Leased	Rent/SF/Yr	Rent Type	Service	Rent PA	Use	Service Charge PA	Term	Review Date	Move-in Date
30/06/2023	30/06/2023	Manor Way	Verwood	1st	797	13.80	Achieved		10,998.60	Office		6 yrs		30/06/2023
15/06/2023	15/06/2023	9 Ringwood Rd	Verwood	1st	424	15.33	Achieved	FRI	6,499.92	Office		5 yrs		15/06/2023
12/05/2023	11/06/2023	Fryern Court Rd	Fordingbridge	1st	936	10.42	Asking	FRI	9,753.12	Office				11/06/2023
11/05/2022	11/06/2022	4 Station Rd	Verwood	GRND	411	18.25	Asking		7,500.75	Office				11/06/2022
01/04/2022	04/05/2022	Fryern Court Rd	Fordingbridge	GRND	908	9.91	Achieved	FRI	8,998.28	Office		4 yrs		04/05/2022
31/01/2022	31/01/2022	Manor Way	Verwood	1st	2,329	13.29	Asking	FRI	30,614.71	Office	7,569.25			31/01/2022
10/03/2021	31/03/2021	3a Ringwood Rd	Verwood	1st	370	13.51	Asking		4,998.70	Office				31/03/2021
21/03/2023	12/05/2023	5 Ringwood Rd	Verwood	GRND,1	1,699	9.42	Achieved	FRI	16,000.00	Retail				12/05/2023
03/03/2023	04/03/2023	55 High St	Fordingbridge	GRND	370	16.22	Achieved	FRI	6,000.00	Retail		3 yrs		04/03/2023
06/04/2022	08/05/2022	17-21 High St	Fordingbridge	GRND	214	31.54	Asking	FRI	6,750.00	Retail				08/05/2022
27/09/2021	27/09/2021	3-7 Station Rd	Verwood	GRND	455	27.47	Asking		12,500.00	Retail	375.00			27/09/2021
09/05/2021	09/05/2021	Manor Way	Verwood	GRND	1,395	20.80	Effective	FRI	29,017.63	Retail		10 yrs	09/05/2026	
15/12/2020	14/02/2021	18-20 Salisbury St	Fordingbridge	GRND	174	25.86	Achieved	IRI	4,500.00	Retail		6 yrs		14/02/2021








# Prime Yield Guide – April 2024

Knight Frank Intelligence

*This yield guide is for indicative purposes only  
and was prepared on 09 April 2024.*



	SECTOR		APR-23	DEC-23	JAN-24	FEB-24	MAR-24	APR-24	CHANGE	SENTIMENT
	High Street Retail (institutional lot sizes)									
	Shopping Centres (sustainable income)									
	Out of Town Retail									
	Foodstores									
	Leisure									

*Based on rack rented properties and disregards bond type transactions*





# Prime Yield Guide – April 2024

Knight Frank Intelligence

*This yield guide is for indicative purposes only and was prepared on 09 April 2024.*



## LEADING INDICATORS

Rate cuts expected with interest rate forecasts ranging between 4.0% - 4.5% by year end. Despite UK inflation falling to 3.4% (vs. expectation of 3.5%), its lowest level since September 2021, the Bank of England kept its interest rate at a 16-year high at the latest MPC meeting. BoE forecasts inflation to fall back to 2% target by Q2 2024. Money markets are currently pricing in three 25bps rate cuts in 2024, with the first move expected in August.

The UK Manufacturing PMI lifted to a 20-month high in March. The PMI hit 49.9 in March, its strongest level since July 2022, beating market expectations of 47.8, albeit remains contractionary (<50). Meanwhile, the UK Services PMI moderated to 53.4 in March, its lowest level in three months, but has remained expansionary (>50) for five months.

**UK households' personal finances outlook hit highest level since 2021.** The outlook for personal finances in the UK increased to two in March 2024, its highest level since November 2021 and the first time above zero in over two years.

## DEBT MARKET – 8 April 2024

SONIA/EURIBOR Swap Rates (3/5 Year)



Source: Macrobond, ICAP

BONDS & RATES	MAR 2023	FEB 2024	MAR 2024	5 APR 2024

## ESG



How does ESG impact commercial property valuations?

## Intelligence Lab



Momentum to gather in 2024  
The latest OBR forecasts point to improved economic and fiscal outlook.

# Prime Yield Guide – April 2024

Knight Frank Intelligence

*This yield guide is for indicative purposes only  
and was prepared on 09 April 2024.*



The latest Knight Frank UK Logistics Dashboard  
March 2024

An overview of the UK investment and occupier markets as well as several key trackers we are currently following as we observe their impact on the industrial and logistics market.



[Emily Miller](#)

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[Jeremy Tham](#)

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[Simon Gillespie](#)

\_\_\_\_\_



[Chris Galloway](#)

\_\_\_\_\_



[Matthew Dichler](#)

\_\_\_\_\_



[Will Matthews](#)

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## Did you know

In addition to valuing assets in the main property sectors and having award winning teams in the Healthcare, Student and Automotive sectors, Knight Frank also has expertise in :

Waste and Energy  
Infrastructure  
Garden Centres  
Film Studios  
Serviced Offices  
Data Centres

Life Sciences  
Income Strips  
Ground Rents  
Trading assets  
Expert Witness  
IPOs



**Alderholt Meadows Infrastructure Delivery Plan - Project Schedule**

Refer to separate phasing plan for location

		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Phase 1	174	24	48	48	48	6								
Phase 2	186		48	48	48	42								
Phase 3	195			48	48	48	48	3						
Phase 4 Flats	64				48	16								
Phase 5	189					48	48	48	45					
Phase 6	74						48	26						
Phase 7	200							48	48	48	8			
Phase 8	64								48	16				
Phase 9 SME	28								28					
Phase 10	79									48				
Phase 11	153										48	48	48	9
Phase 12	183										48	48	48	39
Phase 13	105											48	48	9
Employment	10,000m2			2,500m2	2,500m2		2,500m2	2,500m2						

Total Dwellings	1694	24	96	144	192	160	144	125	169	112	175	152	144	57
	100.00%	1.417%	5.667%	8.501%	11.334%	9.445%	8.501%	7.379%	9.976%	6.612%	10.331%	8.973%	8.501%	3.365%
		0.47225502	0.47225502	0.70838253	0.94451004	0.7870917	0.70838253	0.61491539	0.8313656	0.55096419	0.86088154	0.74773711	0.70838253	0.28040142

ALDERHOLT IDP CASH FLOW		YEAR	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	
		TENURE															
		Open Market Dwellings		16	62	94	125	104	94	81	110	73	114	99	94	37	
		Affordable Dwellings		8	34	50	67	56	50	44	59	39	61	53	50	20	
		Dwellings Total (Cumulative)		24	120	264	456	616	760	885	1,054	1,166	1,341	1,493	1,637	1,694	
1. Rapleys Forecast IDP		Estimated on site population		58	288	634	1,094	1,478	1,824	2,124	2,530	2,798	3,218	3,583	3,929	4,066	
1.1	Ground Investigation	Class B	-250,000	-125,000	-125,000												
	Demolition and Site Clearance	Class D	-500,000	-150,000	-175,000				-175,000								
	Excavation	Class E	-12,708,000	-1,588,500	-1,588,500	-1,588,500	-1,588,500	-1,588,500	-1,588,500	-1,588,500	-1,588,500						
	Pipework	Class I		15%	15%	15%	10%	10%	5%	5%	5%	5%	5%	5%	5%		
			-5,225,000	-783,750	-783,750	-783,750	-522,500	-522,500	-261,250	-261,250	-261,250	-261,250	-261,250	-261,250	-261,250		
	Timber	Class O	-500,000	-83,333	-83,333	-83,333	-83,333	-83,333	-83,333								
	Roads and Pavings	Class R		15%	15%	15%	10%	10%	5%	5%	5%	5%	5%	5%	5%		
			-14,212,000	-2,131,800	-2,131,800	-2,131,800	-1,421,200	-1,421,200	-710,600	-710,600	-710,600	-710,600	-710,600	-710,600	-710,600		
	Brickwork	Class U	-225,000			-112,500	-112,500										
	Painting	Class V	-50,000	-25,000	-25,000												
	Miscellaneous Work	Class X		15%	15%	15%	10%	10%	5%	5%	5%	5%	5%	5%	5%		
			-5,315,000	-797,250	-797,250	-797,250	-531,500	-531,500	-265,750	-265,750	-265,750	-265,750	-265,750	-265,750	-265,750		
	Utility and Services Works	Class Y		15%	15%	15%	10%	10%	5%	5%	5%	5%	5%	5%	5%		
			-14,760,000	-2,214,000	-2,214,000	-2,214,000	-1,476,000	-1,476,000	-738,000	-738,000	-738,000	-738,000	-738,000	-738,000	-738,000		
	Nutrient Mitigation	Forecast cost for 100kg phosphate mitigation @ £75k per kg. Units delivered after 2030 cost reduced to 25%.	-3,389,168	-106,257	-425,030	-637,544	-850,059	-177,096	-159,386	-138,356	-187,057	-123,967	-193,698	-168,241	-159,386	-63,090	
	Community Hall Contribution	Contribution towards community hall within Local Centre. To include sports facilities and indoor bowling.	-1,500,000		-750,000	-750,000											
	Contribution towards Medical including Doctor and Dentist Surgery	Contribution towards medical facilities within the Local Centre including Dentist and Doctors surgeries. Allowance for a 600 sq.m. facility to comprise GP consulting rooms. Contribution based on discussions with the Integrated Care Board, Fordingbridge GP practice and GP Partnerships.	-1,000,000		-500,000	-500,000											
	Upgrade LTA Tennis	Forecast contribution towards improving tennis facilities.	-500,000				-500,000										
TOTAL IDP COST			-60,134,168	-7,790,299	-8,029,890	-9,298,662	-7,623,077	-7,085,592	-3,824,529	-3,981,819	-3,702,456	-2,162,657	-2,099,567	-2,169,298	-2,143,841	-159,386	-63,090
Contractor Prelim			-1,530,000	-127,500	-127,500	-127,500	-127,500	-127,500	-127,500	-127,500	-127,500	-127,500	-127,500	-127,500	-127,500		
Contractor Overhead & Profits			-2,100,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000		
TOTAL IDP			-63,764,168	-8,092,799	-8,332,390	-9,601,162	-7,925,577	-7,388,092	-4,127,029	-4,284,319	-4,004,956	-2,465,157	-2,402,067	-2,471,798	-2,446,341	-159,386	-63,090

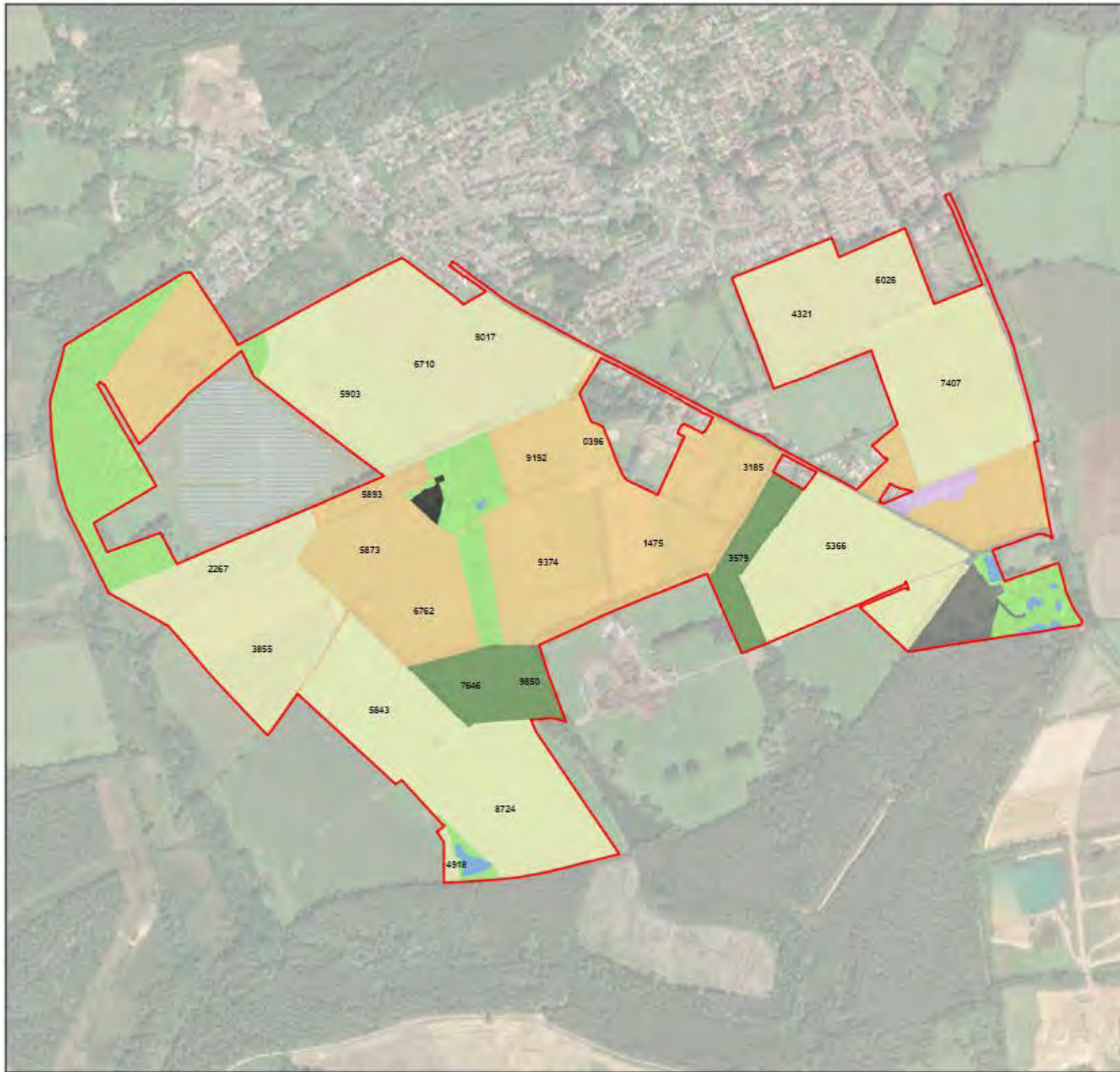




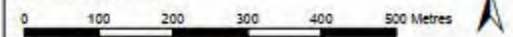
# MAP 1 Pre-development Land Use

## KEY

- Site boundary
- Dairy (5.65ha)
- General cropping (84.73ha)
- Greenspace (12.54ha)
- Lowland grazing (35.04ha)
- Open urban land (1.65ha)
- Poultry (0.84ha)
- Residential urban land (0.31ha)
- Water (0.60ha)



SCALE: 1:7,500 at A3



CLIENT: Dudsbury Homes (Southern)

PROJECT: Alderholt Meadows, Fordingbridge

DATE: 01 May 2024



Alderholt Meadows  
Main Residential Residual Appraisal - AV Inputs  
1630 UNITS

Development Appraisal  
Prepared by Max King MRICS  
AspinallVerdi  
23 May 2024

**Alderholt Meadows  
Main Residential Residual Appraisal - AV Inputs  
1630 UNITS**

**Appraisal Summary for Phase 1**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales
Market Housing	1,037	954,100	392.30	360,940	374,295,000
First Homes	148	112,700	260.05	198,024	29,307,500
Affordable Rent	312	241,219	227.53	175,916	54,885,754
Shared Ownership	<u>133</u>	<u>105,056</u>	227.53	179,728	<u>23,903,836</u>
<b>Totals</b>	<b>1,630</b>	<b>1,413,075</b>			<b>482,392,090</b>

**Commercial Revenue**

Employment Land Sale	3,000,000
Village Centre Land Sale	2,600,000
	5,600,000

**NET REALISATION**

**487,992,090**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price	15,235,640	
BSV	17,794,487	
Total Acquisition (299.27 Acres @ 110,368.99 /Acre)	33,030,127	33,030,127
Stamp Duty		1,641,006
Effective Stamp Duty Rate	4.97%	
Agent Fee	1.00%	330,301
Legal Fee	0.50%	165,151
Acquisition Surveys Due Dil		5,000
		2,141,458

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost
Market Housing	978,363	142.05	138,973,393
First Homes	123,500	147.79	18,252,332
Garage Build	100,104	45.00	4,504,680
Affordable Rent	258,979	147.46	38,188,488
Shared Ownership	<u>114,582</u>	<u>147.35</u>	<u>16,883,961</u>
<b>Totals</b>	<b>1,575,528 ft<sup>2</sup></b>		<b>216,802,854</b>

216,802,854

**Other Construction Costs**

IDP (See Cash Flow)		63,764,168
Construction Contingency	5.00%	10,840,143
IDP Contingency	10.00%	6,376,417
		80,980,728

**Section 106 Costs**

Section 106 Costs	22,699,568
	22,699,568

**PROFESSIONAL FEES**

Professional Fees	8.00%	22,445,362
		22,445,362

**DISPOSAL FEES**

Market Fees (Market Housing)		3.00%	11,228,850
Market Fees (FH & SO)		2.00%	1,064,227
AH Contract Legal Fee		0.50%	393,948
Mkt/FH/SO/AR Conveyance	1,630 un	750.00 /un	1,222,500
			13,909,525

13,909,525



**Alderholt Meadows****Main Residential Residual Appraisal - AV Inputs****1630 UNITS****TOTAL COSTS BEFORE FINANCE 392,009,621****FINANCE**

Debit Rate 5.500%, Credit Rate 0.000% (Nominal)

Land 16,691,128

Construction 7,318,444

Total Finance Cost 24,009,572

**TOTAL COSTS 416,019,194****PROFIT 71,972,896****Performance Measures**

Profit on Cost% 17.30%

Profit on GDV% 14.92%

Profit on NDV% 14.92%

IRR% (without Interest) 12.11%

Profit Erosion (finance rate 5.500) 2 yrs 12 mths

Alderholt Meadows - 50% AH  
Main Residential Residual Appraisal - AV Inputs  
1630 UNITS

Development Appraisal  
Prepared by Max King MRICS  
AspinallVerdi  
24 May 2024

**Alderholt Meadows - 50% AH  
Main Residential Residual Appraisal - AV Inputs  
1630 UNITS**

**Appraisal Summary for Phase 1**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales
Market Housing	816	747,549	392.30	359,393	293,264,747
First Homes	200	153,751	260.05	199,913	39,982,640
Affordable Rent	415	321,282	227.53	176,151	73,102,844
Shared Ownership	<u>200</u>	<u>157,466</u>	227.53	179,144	<u>35,828,872</u>
<b>Totals</b>	<b>1,631</b>	<b>1,380,047</b>			<b>442,179,104</b>

**Commercial Revenue**

Employment Land Sale	3,000,000
Village Centre Land Sale	2,600,000
	5,600,000

**NET REALISATION**

**447,779,104**

**OUTLAY**

**ACQUISITION COSTS**

BSV	17,794,487	
BSV (299.27 Acres @ 57,089.88 /Acre)		17,794,487
Residualised Price (Negative land)		(709,198)
		17,085,289
Stamp Duty		843,764
Effective Stamp Duty Rate	4.74%	
Agent Fee	1.00%	170,853
Legal Fee	0.50%	85,426
Acquisition Surveys Due Dil		5,000
		1,105,044

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost
Market Housing	765,853	142.05	108,787,015
First Homes	168,015	147.79	24,831,300
Garage Build	100,104	45.00	4,504,680
Affordable Rent	344,686	147.46	50,826,658
Shared Ownership	<u>172,641</u>	<u>147.35</u>	<u>25,439,108</u>
<b>Totals</b>	<b>1,551,299 ft<sup>2</sup></b>		<b>214,388,761</b>
			214,388,761

**Other Construction Costs**

IDP (See Cash Flow)		63,764,168
Construction Contingency	5.00%	10,719,438
IDP Contingency	10.00%	6,376,417
		80,860,023

**Section 106 Costs**

Section 106 Costs	22,699,568
	22,699,568

**PROFESSIONAL FEES**

Professional Fees	8.00%	22,252,234
		22,252,234

**DISPOSAL FEES**

Market Fees (Market Housing)		3.00%	8,797,942
Market Fees (FH & SO)		2.00%	1,516,230
AH Contract Legal Fee		0.50%	544,659
Mkt/FH/SO/AR Conveyance	1,631 un	750.00 /un	1,223,250
			12,082,081

**Alderholt Meadows - 50% AH****Main Residential Residual Appraisal - AV Inputs****1630 UNITS****TOTAL COSTS BEFORE FINANCE** **370,473,001****FINANCE**

Debit Rate 5.500%, Credit Rate 0.000% (Nominal)

Land 8,933,776

Construction 8,103,315

Total Finance Cost 17,037,091

**TOTAL COSTS** **387,510,092****PROFIT** **60,269,012****Performance Measures**

Profit on Cost% 15.55%

Profit on GDV% 13.63%

Profit on NDV% 13.63%

IRR% (without Interest) 13.07%

Profit Erosion (finance rate 5.500) 2 yrs 8 mths

Alderholt Meadows  
Local Centre Residual Appraisal - AV Appraisal  
Excludes Public House Site



**Alderholt Meadows  
Local Centre Residual Appraisal - AV Appraisal  
Excludes Public House Site**

**Appraisal Summary for Phase 1**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales
Market 1 Bed	20	10,000	390.00	195,000	3,900,000
Market 2 Bed	44	29,700	370.37	250,000	11,000,000
<b>Totals</b>	<b>64</b>	<b>39,700</b>			<b>14,900,000</b>

**Rental Area Summary**

	Units	ft <sup>2</sup>	Rent Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Community	1	4,456		0	0	
Medical	1	7,793	15.00	116,895	116,895	116,895
Office	1	9,989	12.50	124,862	124,862	124,862
Pharmacy (national)	1	2,045	15.00	30,675	30,675	30,675
Retail (Local & Agent National)	1	3,498	12.50	43,725	43,725	43,725
Retail Food (national)	1	3,595	20.00	71,900	71,900	71,900
Retail (Nursery local)	1	1,765	12.50	22,063	22,063	22,063
Retail (health local)	1	2,648	10.00	26,480	26,480	26,480
<b>Totals</b>	<b>8</b>	<b>35,789</b>			<b>436,599</b>	<b>436,599</b>

**Investment Valuation**

<b>Medical</b>						
Market Rent	116,895	YP @	6.0000%	16.6667		
		PV 1yr @	6.0000%	0.9434	1,837,972	
<b>Office</b>						
Market Rent	124,862	YP @	8.7500%	11.4286		
		PV 1yr @	8.7500%	0.9195	1,312,179	
<b>Pharmacy (national)</b>						
Market Rent	30,675	YP @	7.0000%	14.2857		
		PV 1yr @	7.0000%	0.9346	409,546	
<b>Retail (Local &amp; Agent National)</b>						
Market Rent	43,725	YP @	8.0000%	12.5000		
		PV 1yr @	8.0000%	0.9259	506,076	
<b>Retail Food (national)</b>						
Market Rent	71,900	YP @	5.5000%	18.1818		
		PV 1yr @	5.5000%	0.9479	1,239,121	
<b>Retail (Nursery local)</b>						
Market Rent	22,063	YP @	7.0000%	14.2857		
		PV 1yr @	7.0000%	0.9346	294,559	
<b>Retail (health local)</b>						
Market Rent	26,480	YP @	8.0000%	12.5000		
		PV 1yr 6mths @	8.0000%	0.8910	294,912	
<b>Total Investment Valuation</b>					<b>5,894,365</b>	

**GROSS DEVELOPMENT VALUE 20,794,365**

Purchaser's Costs (400,817)  
 Effective Purchaser's Costs Rate 6.80% (400,817)

**NET DEVELOPMENT VALUE 20,393,548**

**Alderholt Meadows  
Local Centre Residual Appraisal - AV Appraisal  
Excludes Public House Site**

**Commercial Revenue**

Community Building Contribution	1,500,000	
Medical Contribution	1,000,000	
		2,500,000

**NET REALISATION** **22,893,548**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price (2.16 Acres @ 1,205,748.45 /Acre)		2,604,417	
			2,604,417
Stamp Duty	4.00%	104,177	
Agent Fee	1.00%	26,044	
Legal Fee	0.50%	13,022	
CIL (Foodstore)		48,610	
			191,853

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>ft<sup>2</sup></b>	<b>Build Rate ft<sup>2</sup></b>	<b>Cost</b>	
Community	4,456	176.89	788,237	
Medical	7,793	204.48	1,593,485	
Office	9,989	176.88	1,766,869	
Pharmacy (national)	2,045	95.32	194,935	
Retail (Local & Agent National)	3,498	95.32	333,441	
Retail Food (national)	3,595	95.32	342,676	
Retail (Nursery local)	1,765	95.33	168,260	
Retail (health local)	2,648	95.31	252,390	
Market 1 Bed	13,000	141.21	1,835,730	
Market 2 Bed	<u>38,610</u>	141.21	<u>5,452,118</u>	
<b>Totals</b>	<b>87,399 ft<sup>2</sup></b>		<b>12,728,141</b>	12,728,141

**Other Construction Costs**

External Works	15.00%	1,790,986	
			1,790,986

**PROFESSIONAL FEES**

Other Professional Fees	5.00%	175,956	
			175,956

**MARKETING & LETTING**

Letting Agent Fee	10.00%	43,660	
Letting Legal Fee	5.00%	21,830	
			65,490

**DISPOSAL FEES**

Flats Marketing Agency		3.00%	447,000	
Flats Legal Conveyance	64 un	750.00 /un	48,000	
				495,000

**TOTAL COSTS BEFORE FINANCE** **18,051,843**

**FINANCE**

Debit Rate 5.500%, Credit Rate 0.000% (Nominal)			
Land			363,667
Construction			319,166
Total Finance Cost			682,833

**TOTAL COSTS** **18,734,675**

**PROFIT**

**4,158,873**

**Alderholt Meadows****Local Centre Residual Appraisal - AV Appraisal****Excludes Public House Site****Performance Measures**

Profit on Cost%	22.20%
Profit on GDV%	20.00%
Profit on NDV%	20.39%
Development Yield% (on Rent)	2.33%
Equivalent Yield% (Nominal)	6.92%
Equivalent Yield% (True)	7.22%
IRR% (without Interest)	28.55%
Rent Cover	9 yrs 6 mths
Profit Erosion (finance rate 5.500)	3 yrs 8 mths

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Alderholt Meadows  
Main Residential Residual Appraisal - AV Inputs  
1630 UNITS

Development Appraisal  
Prepared by Max King MRICS  
AspinallVerdi  
23 May 2024



**Alderholt Meadows  
Main Residential Residual Appraisal - AV Inputs  
1630 UNITS**

**Appraisal Summary for Phase 1**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales
Market Housing	1,037	954,100	392.30	360,940	374,295,000
First Homes	148	112,700	260.05	198,024	29,307,500
Affordable Rent	312	241,219	227.53	175,916	54,885,754
Shared Ownership	<u>133</u>	<u>105,056</u>	227.53	179,728	<u>23,903,836</u>
<b>Totals</b>	<b>1,630</b>	<b>1,413,075</b>			<b>482,392,090</b>

**Commercial Revenue**

Employment Land Sale	3,000,000
Village Centre Land Sale	2,600,000
	5,600,000

**NET REALISATION**

**487,992,090**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price	15,235,640	
BSV	17,794,487	
Total Acquisition (299.27 Acres @ 110,368.99 /Acre)	33,030,127	33,030,127
Stamp Duty		1,641,006
Effective Stamp Duty Rate	4.97%	
Agent Fee	1.00%	330,301
Legal Fee	0.50%	165,151
Acquisition Surveys Due Dil		5,000
		2,141,458

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost
Market Housing	978,363	142.05	138,973,393
First Homes	123,500	147.79	18,252,332
Garage Build	100,104	45.00	4,504,680
Affordable Rent	258,979	147.46	38,188,488
Shared Ownership	<u>114,582</u>	<u>147.35</u>	<u>16,883,961</u>
<b>Totals</b>	<b>1,575,528 ft<sup>2</sup></b>		<b>216,802,854</b>

216,802,854

**Other Construction Costs**

IDP (See Cash Flow)		63,764,168
Construction Contingency	5.00%	10,840,143
IDP Contingency	10.00%	6,376,417
		80,980,728

**Section 106 Costs**

Section 106 Costs	22,699,568
	22,699,568

**PROFESSIONAL FEES**

Professional Fees	8.00%	22,445,362
		22,445,362

**DISPOSAL FEES**

Market Fees (Market Housing)		3.00%	11,228,850
Market Fees (FH & SO)		2.00%	1,064,227
AH Contract Legal Fee		0.50%	393,948
Mkt/FH/SO/AR Conveyance	1,630 un	750.00 /un	1,222,500
			13,909,525

13,909,525

**Alderholt Meadows****Main Residential Residual Appraisal - AV Inputs****1630 UNITS****TOTAL COSTS BEFORE FINANCE 392,009,621****FINANCE**

Debit Rate 5.500%, Credit Rate 0.000% (Nominal)

Land 16,691,128

Construction 7,318,444

Total Finance Cost 24,009,572

**TOTAL COSTS 416,019,194****PROFIT 71,972,896****Performance Measures**

Profit on Cost% 17.30%

Profit on GDV% 14.92%

Profit on NDV% 14.92%

IRR% (without Interest) 12.11%

Profit Erosion (finance rate 5.500) 2 yrs 12 mths

Alderholt Meadows - 50% AH  
Main Residential Residual Appraisal - AV Inputs  
1630 UNITS

Development Appraisal  
Prepared by Max King MRICS  
AspinallVerdi  
24 May 2024

**Alderholt Meadows - 50% AH  
Main Residential Residual Appraisal - AV Inputs  
1630 UNITS**

**Appraisal Summary for Phase 1**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales
Market Housing	816	747,549	392.30	359,393	293,264,747
First Homes	200	153,751	260.05	199,913	39,982,640
Affordable Rent	415	321,282	227.53	176,151	73,102,844
Shared Ownership	<u>200</u>	<u>157,466</u>	227.53	179,144	<u>35,828,872</u>
<b>Totals</b>	<b>1,631</b>	<b>1,380,047</b>			<b>442,179,104</b>

**Commercial Revenue**

Employment Land Sale	3,000,000
Village Centre Land Sale	2,600,000
	5,600,000

**NET REALISATION**

**447,779,104**

**OUTLAY**

**ACQUISITION COSTS**

BSV	17,794,487	
BSV (299.27 Acres @ 57,089.88 /Acre)		17,794,487
Residualised Price (Negative land)		(709,198)
		17,085,289
Stamp Duty		843,764
Effective Stamp Duty Rate	4.74%	
Agent Fee	1.00%	170,853
Legal Fee	0.50%	85,426
Acquisition Surveys Due Dil		5,000
		1,105,044

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost
Market Housing	765,853	142.05	108,787,015
First Homes	168,015	147.79	24,831,300
Garage Build	100,104	45.00	4,504,680
Affordable Rent	344,686	147.46	50,826,658
Shared Ownership	<u>172,641</u>	<u>147.35</u>	<u>25,439,108</u>
<b>Totals</b>	<b>1,551,299 ft<sup>2</sup></b>		<b>214,388,761</b>
			214,388,761

**Other Construction Costs**

IDP (See Cash Flow)		63,764,168
Construction Contingency	5.00%	10,719,438
IDP Contingency	10.00%	6,376,417
		80,860,023

**Section 106 Costs**

Section 106 Costs	22,699,568
	22,699,568

**PROFESSIONAL FEES**

Professional Fees	8.00%	22,252,234
		22,252,234

**DISPOSAL FEES**

Market Fees (Market Housing)		3.00%	8,797,942
Market Fees (FH & SO)		2.00%	1,516,230
AH Contract Legal Fee		0.50%	544,659
Mkt/FH/SO/AR Conveyance	1,631 un	750.00 /un	1,223,250
			12,082,081

**Alderholt Meadows - 50% AH****Main Residential Residual Appraisal - AV Inputs****1630 UNITS****TOTAL COSTS BEFORE FINANCE** **370,473,001****FINANCE**

Debit Rate 5.500%, Credit Rate 0.000% (Nominal)

Land 8,933,776

Construction 8,103,315

Total Finance Cost 17,037,091

**TOTAL COSTS** **387,510,092****PROFIT** **60,269,012****Performance Measures**

Profit on Cost% 15.55%

Profit on GDV% 13.63%

Profit on NDV% 13.63%

IRR% (without Interest) 13.07%

Profit Erosion (finance rate 5.500) 2 yrs 8 mths



Alderholt Meadows  
Local Centre Residual Appraisal - AV Appraisal  
Excludes Public House Site

**Alderholt Meadows  
Local Centre Residual Appraisal - AV Appraisal  
Excludes Public House Site**

**Appraisal Summary for Phase 1**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales
Market 1 Bed	20	10,000	390.00	195,000	3,900,000
Market 2 Bed	44	29,700	370.37	250,000	11,000,000
<b>Totals</b>	<b>64</b>	<b>39,700</b>			<b>14,900,000</b>

**Rental Area Summary**

	Units	ft <sup>2</sup>	Rent Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Community	1	4,456		0	0	
Medical	1	7,793	15.00	116,895	116,895	116,895
Office	1	9,989	12.50	124,862	124,862	124,862
Pharmacy (national)	1	2,045	15.00	30,675	30,675	30,675
Retail (Local & Agent National)	1	3,498	12.50	43,725	43,725	43,725
Retail Food (national)	1	3,595	20.00	71,900	71,900	71,900
Retail (Nursery local)	1	1,765	12.50	22,063	22,063	22,063
Retail (health local)	1	2,648	10.00	26,480	26,480	26,480
<b>Totals</b>	<b>8</b>	<b>35,789</b>			<b>436,599</b>	<b>436,599</b>

**Investment Valuation**

<b>Medical</b>						
Market Rent	116,895	YP @	6.0000%	16.6667		
		PV 1yr @	6.0000%	0.9434	1,837,972	
<b>Office</b>						
Market Rent	124,862	YP @	8.7500%	11.4286		
		PV 1yr @	8.7500%	0.9195	1,312,179	
<b>Pharmacy (national)</b>						
Market Rent	30,675	YP @	7.0000%	14.2857		
		PV 1yr @	7.0000%	0.9346	409,546	
<b>Retail (Local &amp; Agent National)</b>						
Market Rent	43,725	YP @	8.0000%	12.5000		
		PV 1yr @	8.0000%	0.9259	506,076	
<b>Retail Food (national)</b>						
Market Rent	71,900	YP @	5.5000%	18.1818		
		PV 1yr @	5.5000%	0.9479	1,239,121	
<b>Retail (Nursery local)</b>						
Market Rent	22,063	YP @	7.0000%	14.2857		
		PV 1yr @	7.0000%	0.9346	294,559	
<b>Retail (health local)</b>						
Market Rent	26,480	YP @	8.0000%	12.5000		
		PV 1yr 6mths @	8.0000%	0.8910	294,912	
<b>Total Investment Valuation</b>					<b>5,894,365</b>	

**GROSS DEVELOPMENT VALUE 20,794,365**

Purchaser's Costs (400,817)  
 Effective Purchaser's Costs Rate 6.80% (400,817)

**NET DEVELOPMENT VALUE 20,393,548**

**Alderholt Meadows  
Local Centre Residual Appraisal - AV Appraisal  
Excludes Public House Site**

**Commercial Revenue**

Community Building Contribution		1,500,000	
Medical Contribution		1,000,000	
			2,500,000

**NET REALISATION** **22,893,548**

**OUTLAY**

**ACQUISITION COSTS**

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			2,604,417
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<b>Totals</b>	<b>87,399 ft<sup>2</sup></b>		<b>12,728,141</b>	12,728,141

**Other Construction Costs**

External Works		15.00%	1,790,986	
				1,790,986

**PROFESSIONAL FEES**

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				175,956

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