Rebuttal of Proof of Evidence submitted by Paul Maidment of Savills dated June 2021 in respect of:-

Local Authority Planning Application ref: 07/18/0514/F
Appeal ref: APP/W1905/W/21/3271027

Cheshunt Football Club, Theobald's Lane, Cheshunt, EN8 9LY

Submitted on the 13th July 2021.

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1. Introduction

1.1 My name is Gerard Wade. Full details of my qualifications and experience are contained in my main Proof of Evidence.

1.2. This Rebuttal Proof of Evidence has been prepared in response to the evidence of Mr Paul Maidment of Savills and Mr Dean Williamson, Chairman of Cheshunt Football Club and director of LW Developments.

1.3 This is not intended to be an exhaustive Rebuttal and this document only details with certain points where it is considered appropriate or helpful to respond in writing at this stage. Where a specific point has not been dealt with, this does not mean that these points are accepted and these other points may be addressed further at the enquiry.

2. Considering This Appeal

2.1 In paragraph 2.3 of his Proof, Mr Maidment states that I had no objections to the Financial Viability Assessment (FVA) prepared by him in August 2018, as evidenced by a letter I wrote to the Council at that time. As was stated in that letter and in confirmation of instructions to the client, our check of the Madlins Viability Cost Plan (VCP) dated 11th January 2018 contained within Mr Maidment's FVA was limited to confirming that their estimated prices were generally in line with the relevant BCIS indices as at that date, on the basis that the project was to be competitively tendered. I was also happy with the gross development values (GDV) and the general methodology used.

2.2 I was not further involved with this project until March of this year, at which time I was provided with a copy of the Statement of Case submitted on behalf of the appellant LW Developments Ltd dated the 10th March 2021. Within that document, under A3, is a statement by Mr Maidment of Savills re: financial viability which within the Executive Summary, variously makes reference to a 2,000 capacity stadium or a 2,000 seat stadium. This is of significance since the original 2018 cost plan was based on a football club with a capacity of 5,000, (2,610 seated and 2,390 standing.)

2.3 At the time of the planning determination by Broxbourne Council in December 2020, the proposed ground capacity has been reduced to 2,000 total with a reference to 1,000 total seating but the Viability Cost Assessment had not been amended from the original 5,000 capacity.

2.4 Paragraph 2.6 of Mr Maidment's Proof refers to stadium costs now being aligned to 2,000 capacity but shown in the revised VCP as a two phase scheme making reference to 1,330 seats in Phase 1. I will refer to this point later in my Rebuttal.

2.5 No amendments to the FVA had been suggested in the Appellant's Statement of Case of the 10th March 2021, other than reference to the BCIS all in tender price index, showing a change in the indices from second quarter 2018 to first quarter 2021, representing an increase of 0.31% together with an email from Madlins suggesting that this figure was "amazing" and suggesting a 2.4% increase ("as that is what I am seeing"). We are now being asked to accept overall cost increases of 22% as of second quarter 2021 on a 'like for like' basis.

2.6 Immediately prior to submitting my Proof of Evidence I received from Mr Maidment a summary table of results from four Argus Appraisals but without any supporting documentation.

3. Methodology

3.1 Whilst I fully concur with the stated principles of Financial Viability Assessments set out by Mr Maidment, as determined using the residual land valuation method, it is worth noting for the benefit of the Inspector, that the approach being taken here is slightly different. In this case, the Appellant is starting with a Fixed Land Price which was agreed in principle between the Council and the Developer and then testing the profit on cost or GDV generated by the overall scheme, including the cost of providing the new enhanced Cheshunt Football Club facilities.

3.2 Mr Maidment's development appraisals, which adopt the agreed Fixed Land Price are strictly speaking, a departure from the NPPF methodology insofar as this methodology relates to a Financial Viability Assessment (FVA). I have these initial observations.

3.3 First, I do of course acknowledge that the Fixed Land Price has been agreed between the parties and in view of this agreement I am obliged to adopt the same approach in the first instance, in this rebuttal as a counter to Mr Maidment's evidence. I have accordingly prepared my own Development Appraisal (Appendix 1) on this basis, the detail and inputs to which are discussed below.

3.4 The NPPF as paragraph 57 states:

Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. 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.

There may therefore be circumstances where the evidence will proceed at a much lower profit level or where costs are unnecessarily high.

3.5 There is also PPG guidance in relation to profit levels suggesting that policy should look to deliverability not simply whether the proposals reach a 15-20% profit level. The PPG also states:

It is the responsibility of site promoters to engage in plan making, take into account any costs <u>including their own profit expectations</u> and risks, and ensure that proposals for development are policy compliant.

(Paragraph: 002 Reference ID: 10-002-20190509)

3.6 Looking at the role of the viability assessment, it is fair to note that the general approach of the PPG is that viability will be tested by a viability appraisal. However it also states:

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 viability evidence underpinning the plan is up to date, and <u>site circumstances</u>

including any changes since the plan was brought into force, and the <u>transparency of assumptions</u> behind evidence submitted as part of the viability assessment.

(Paragraph: 008 Reference ID: 10-008-20190509).

3.7 There is an important principle stated in the PPG as follows:

In plan making and decision making viability helps to strike a balance 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.

(Paragraph: 010 Reference ID: 10-010-20180724).

3.8 For the purpose of viability assessment, a return to developers is defined as follows:

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. The cost of fully complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan. For the purpose of plan making 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 planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. <u>Alternative figures may also be appropriate for different development types.</u>

Being mindful of this guidance as to viability, I have prepared by own FVA (Appendix 2) to assist the Inspector, which approaches the question of Viability in line with Government guidance.

3.9 It is clear that that at the time of the original FVA the Developer was willing to accept a profit on cost of 6.48% (6.09% on GDV) and in subsequent discussions between the Council and the Developer, it was indicated that they still wished to proceed, even if the profit on cost fell to 3.6% (see committee report dated November 2020). The particular circumstances of this development involve LW Developments stating an altruistic desire to redevelop the Cheshunt Football Club of which Dean Williamson is Chairman using profit from a major residential development to fund their ambitions. The profit to be realised from the development, would not therefore be expected to meet the 15-20% of GDV, which may be considered a suitable return to developer's in order to establish the viability of plan policies.

4. Appraisal Summary Results

4.1 On receipt of the proof of evidence from Mr Maidment, we were provided with, in section 4, the same summary appraisal results that I referred to in paragraph 2.6 above but with supporting documentation included.

5. Description of the Options & Argus Appraisals

5.1 It is suggested in 5.1 of Mr Maidment's proof that the principle was to initially build out the 2,000 capacity option in line with the current requirements of the Football Club, with the balance of the costs put into an escrow account allowing for the enhancement of the ground up to a 5,000 capacity, when they achieved a higher status within the football pyramid. He then suggests that should this ambition not be achieved within an agreed timeline the balance was to be refunded to the Council, I am not aware that any such arrangement was put forward or agreed at the time of the application or since. I consider it entirely reasonable for any surplus development profit over and above that required to provide the already enhanced facilities to be applied to Affordable housing.

5.2 I am not clear as to what is meant by Mr Maidment when he says that there have been no changes to the base inputs. Whilst many of the items such as construction or sales timings, percentage of professional fees and the like remain unchanged, there have been significant changes to GDV and build cost both in absolute terms and in the detail.

5.3 The proposals go beyond what is required to progress up to 3 Steps in the Football League system; this appear to me to be entirely disproportionate to the need to provide Affordable housing within the Borough particularly bearing in mind that the ground capacity is limited by this application to 2,000.

5.4 The second and third appraisals (Appendix 3 and Appendix 7 of the proof) are stated to be based upon a stadium with a capacity of 2,000 but using updated costs and values as at today. The only difference between Mr Maidment's second and third appraisals involves the removal of capitalised ground rent income which I agree is appropriate but I do not agree with some of his other revised inputs.

5.5 The revised GDV figures for residential are accepted as being indicative of the local market which has seen significant well documented increases over the past 3 years. I am also happy to accept the evidence on commercial rents provided by Aaran Forbes of Paul Wallace Commercial though for the purposes of my appraisal Appendix 1) I have adopted the mid-point of his suggested yield range of 7-8% i.e 7.5% rather than the 8% used by Mr Maidment.

5.6 The revised VCP from Madlins with an issue date of the 21st June 2021 contains substantially amended build costs showing a 22% increase in costs overall on a 'like for like' basis. These increases contrast with the figures suggested in the Appellant's Statement of Case referred to in paragraph 2.5 above. Given the timing of receipt of the substantially amended VCP neither I nor my consultant QS, Mr Bryan Engwell FRICS have not been able to fully test the revised cost figures. As indicated above our review of the original VCP was limited to satisfying ourselves that the costs were generally in line with published BCIS information at the time. The inflation of the costs now shown are not in line with either the BCIS All in TPI index or the BCIS General Building Cost index (see below).

BCIS® RICS

BCIS All-in TPI #101

Base date: 1985 mean = 100 | Updated: 02-Jul-2021 | #101

Date	Index	Equivalent sample	Percentage change On year	On quarter	On month
1Q 2018	326	98	8.3%	2.8%	
2Q 2018	326	94	6.2%	0.0%	
3Q 2018	327	90	6.9%	0.3%	
4Q 2018	330	85	4.1%	0.9%	
1Q 2019	331	74	1.5%	0.3%	
2Q 2019	335	66	2.8%	1.2%	
3Q 2019	335	62	2.4%	0.0%	
4Q 2019	333	56	0.9%	-0.6%	
1Q 2020	335	Provisional	1.2%	0.6%	
2Q 2020	335	Provisional	0.0%	0.0%	
3Q 2020	330	Provisional	-1.5%	-1.5%	
4Q 2020	328	Provisional	-1.5%	-0.6%	
1Q 2021	328	Provisional	-2.1%	0.0%	
2Q 2021	331	Provisional	-1.2%	0.9%	
3Q 2021	334	Forecast	1.2%	0.9%	
4Q 2021	338	Forecast	3.0%	1.2%	

BCIS® RICS

BCIS General Building Cost Index #1011

Base date: 1985 mean = 100 | Updated: 22-Jun-2021 | #1011

Date	Index	Status	Percentage change On year	On quarter	On month
1Q 2018	345	Firm	3.6%	0.9%	
2Q 2018	347	Firm	3.9%	0.6%	
3Q 2018	353	Firm	4.1%	1.7%	
4Q 2018	354	Firm	3.5%	0.3%	
1Q 2019	356	Firm	3.2%	0.6%	
2Q 2019	358	Firm	3.2%	0.6%	
3Q 2019	362	Firm	2.5%	1.1%	
4Q 2019	361	Firm	2.0%	-0.3%	
1Q 2020	360	Firm	1.1%	-0.3%	
2Q 2020	361	Firm	0.8%	0.3%	
3Q 2020	361	Firm	-0.3%	0.0%	
4Q 2020	364	Firm	0.8%	0.8%	
1Q 2021	370	Provisional	2.8%	1.6%	
2Q 2021	378	Forecast	4.7%	2.2%	
3Q 2021	386	Forecast	6.9%	2.1%	
4Q 2021	384	Forecast	5.5%	-0.5%	

5.7 The revised VCP summary of changes from previous budgets is on page 48 of the proof and refers to increased costs based on BCIS indices + 10.025% (not applicable to all items). Mr Engwell has carried out an exercise to identify where some of the difference lies between this BCIS index and actual costs in the VCP. These are shown in the table below. At this stage we have not been provided with any details to justify the level of these rises above the BCIS index rise referred to by Madlins and consider them to be excessive. Mr Engwell reserves the right to provide further evidence as and when details are provided.

<u>Demolition & Site Clearance</u> Site clearance (basic rate increase / m2) +32% EO break out hard standings +30% Demolitions - existing buildings +44% Tree removal and tree surgery. +36% Preliminaries +100%

Total increase overall +40%

Football Clubhouse

Clubhouse construction (basic cost excluding Abnormals) +21%
Piling +50%
Gas membrane +33%
Lifts +19%
Total increase overall +23%

Commercial Space

Commercial space construction (basic cost excluding Abnormals) +17%
Piling +50%
Gas membrane +33%
Elevational treatment +29%
EO staircase and lift shafts +19%
Lifts +19%
Sprinkler installations have now been included at £143,072 net
Total increase overall +19%

Commercial Space Externals

Total increase overall +58% mainly due to a substantially increased Preliminaries cost from £40k to £430K.

Residential Flats

Residential flats construction (basic cost excluding Abnormals) +26%
Piling +50%
Gas membrane +33%
Sprinklers & Air Source Heat Pumps have now been included at £402595 net
EO for renewable energy +19%
Lifts +19%
AOV's / Dry risers +35%
Floor coverings and finishes +25%
Total increase overall +26%

Residential Houses

Residential flats construction (basic cost excluding Abnormals) +25%
Piling +50%
Gas membrane +33%
EO enhanced elevation treatments +19%
Air Source Heat Pumps have now been included at £183191 net
Floor coverings and finishes +30%
Total increase overall +26%

5.8 Whilst I accept that there are some extra costs associated with current and proposed changes in building regulations which need to be taken into account these costs are I believe overstated. For example, costs of £143,000 have been included for a sprinkler installation to the commercial block which I believe is not required. Similarly, sprinklers are included for all of the flats where I believe they are only required for the four corner blocks which exceed 11m in height. See below:-

Approved Document Part B of the Building Regulations 2019 Edition incorporating 2020 amendments, establishes the situations where sprinkler installation are required.

- *Blocks of flats with a top storey more than 11m above ground level should be fitted with a sprinkler system throughout the building. Sprinklers should be provided within the individual flats, they do not need to be provided in the common areas such as stairs, corridors or landings when these areas are fire sterile.*

- *Buildings within the 'office', 'shop and commercial', 'assembly and recreation', 'industrial' and 'storage and other non-residential' (except car parks for light vehicles) purpose groups (purpose groups 3 to 7(a)) require sprinklers where there is a top storey above 30m.*

5.9 Out of the total of 115 flats, only 60 within the four corner blocks have an upper storey above 11m and therefore we have calculated that a pro-rata adjustment would create a further net saving of approximately £93,000. The gross savings are higher once allowance is made for preliminaries, overheads and profit, professional fees and Finance.

5.10 Mr Engwell has identified a particular error in Madlins cost build-up of the Commercial Space (page 38 of the proof) where the Main Contractor's Profit & Overheads is shown as a figure of £430,000. This contrasts with a 'like for like' figure in the original 2018 VCP of £40,000 and we are assuming that the intended figure should have been £43,000. The cost of this item is therefore overstated by £390,000 to which fees and other costs would have been automatically applied in the FVA.

5.11 Making further reference to my points 2.2 to 2.4 above there is continued confusion within the revised VCP since the basis of estimate refers to a 5,000 seat stadium but in the detail then refers to a stadium development divided into two phases, the first being for 1,330 seats and the second phase referring to an additional 1,280 seats along with 2,390 standing spaces to provide a total seating/standing capacity of 5,000.

5.12 Reference is then made to the roof measured on plan to four stands measuring 6,736 square metres and phase 1 is said to include the foundations, steel roof stanchions, roofing and rainwater goods for the entire stadium, which does not correlate with the application drawings. I have checked the application drawings and cannot identify this figure referred to from the roof plans.

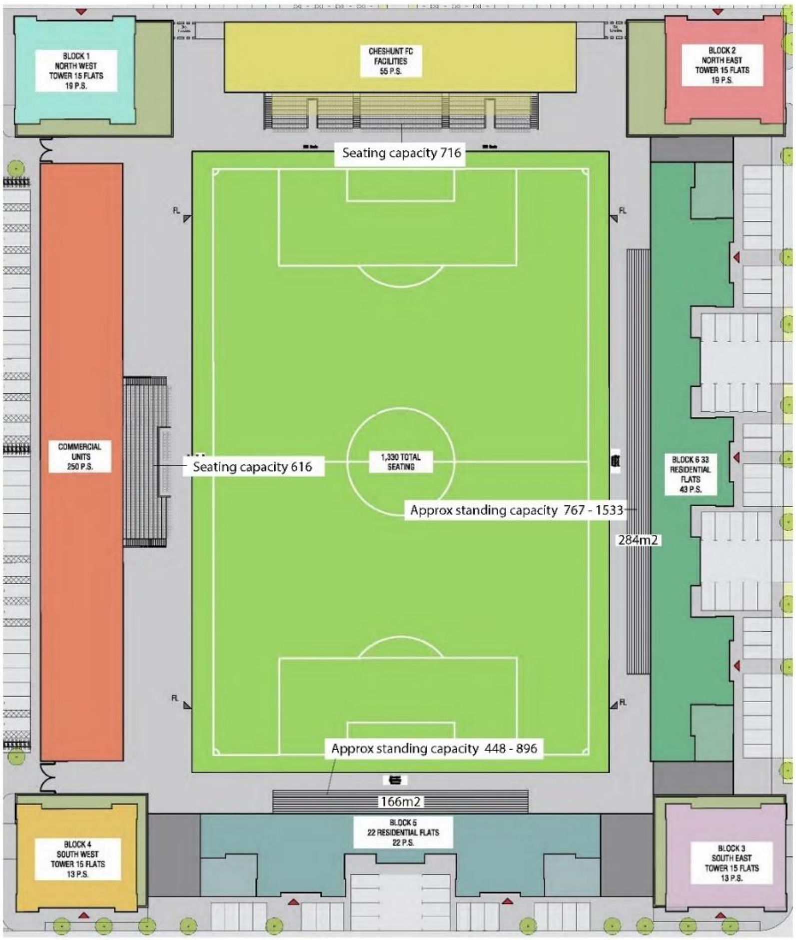
5.13 My own calculations show the following:

(a)	North stand canopy	413 sqm	(Approx. 700 seating below
(b)	East stand canopy	320 sqm	(Low level over standing terrace)
(c)	South stand canopy	177 sqm	(Low level over standing terrace))
(d)	West stand canopy	850 sqm 232 sqm	 (Approx. 600 seating below)
	Total	1,760 sqm 1,142 sqm	

Table 1

5.14 If the West stand canopy were provided to cover the 600 seated area only as shown on the application plan below, this would reduce the total roof area to approximately 1,142 sqm (figures in red in the table above). The roof plan of the commercial block (outline only) currently shows a canopy along its full length which I believe to be wholly out of scale and disproportionate to the current proposals. This appears to arise because Dean Williamson has stated that they want to have ‘the impression of a sports stadia from day one’ as stated in his proof of evidence point 4.21.

5.15 Even without the extra roof canopy area proposed to the front of the commercial building (outline only), the capacity shown on the application drawings will significantly exceed the agreed maximum ground capacity as illustrated below.



Standing terraces capacity calculation= 27 to 54 people per10m2 (referenced from New Metric Handbook)

Seating capacity marked as shown on drawing

Total minimum ground capacity: 2,547

5.16 It is my belief that much of this confusion has resulted from the original proposals for the previously refused scheme which showed four fully seated stands around all side of the pitch with a total capacity of 5,192 seats. The current application drawings show a covered seated stand (approx.700 seats) forming an ‘integral’ part of the Clubhouse along with two standing terraces along the Eastern and Southern sides of the pitch with low level canopies. The plans show a further seated stand (approx. 600) seats adjacent to the centre line of the pitch on the Western side, the roof area of which would need to be only 232 sqm not 850 sqm (see table 1 above).

5.17 Mr Engwell has carried out a cost exercise using Madlins rates clearly illustrating that the stadium costs should be much lower when related directly to what is proposed on the application drawings.

5.18 Table 2 below shows the following:

- Firstly, Madlins costs taken from their VCP dated 11/01/2018 for the entire stadium at 5,000 capacity.
- Secondly Madlins costs taken from their updated VCP dated 21/06/2021 (phase 1).
- Thirdly Madlins costs taken from their updated VCP dated 21/06/2021 (phase 2).
- Fourthly, DWW costs directly applying Madlins updated rates for a 2,000 capacity stadium, 700 seater/1,300 standing.
- Fifthly, DWW costs directly applying Madlins updated rates for a 2,000 capacity stadium, 1,000 seater / 1,000 standing.

MADLINS Football Club - Stadium			11/01/18				
2610 seater	2610	£682	£1,780,020				
2390 standing	2390	£546	£1,304,940				
Sub-total			£3,084,960				
Development of design			£60,000				
Preliminaries			£340,000				
MC Overheads & Profit			£200,000				
TOTAL			£3,684,960				
MADLINS Football Club - Stadium (Phase 1)			**21/06/21**	**MADLINS Football Club - Stadium (Phase 2)**			**21/06/21**
Foundations	6736	100	£673,600	1280 seater	1280	£360	£460,800
Roof structure, roof & rw disposal	6736	167	£1,124,912	2390 standing	2390	£278	£664,420
Seats	1330	360	£478,800				
Sub-total			£2,277,312	Sub-total			£1,125,220
Development of design			£40,000	Development of design			£20,000
Preliminaries			£208,000	Preliminaries			£102,000
MC Overheads & Profit			£120,000	MC Overheads & Profit			£60,000
TOTAL			£2,645,312	TOTAL			£1,307,220
DWW Football Club - Stadium (2000 capacity)			**09/07/21**	**DWW Football Club - Stadium (2000 capacity)**			**09/07/21**
700 seater	700	£360	£252,000	1000 seater	1000	£360	£360,000
1300 standing	1300	£278	£361,400	1000 standing	1000	£278	£278,000
Foundation, structure, roof and rw disposal	910	£267	£242,970	Foundation, structure, roof and rw disposal	1760	£267	£469,920
Sub-total			£856,370	Sub-total			£1,107,920
Development of design			£20,000	Development of design			£20,000
Preliminaries			£90,000	Preliminaries			£102,000
MC Overheads & Profit			£50,000	MC Overheads & Profit			£60,000
TOTAL			£1,016,370	TOTAL			£1,289,920

Table 2

5.18 These figures are provided to illustrate the costs of providing for the current ground capacity and it should be noted that even 700 seats exceeds the current national football league requirements at step one.

5.19 Under point 5 of paragraph 5.4, I understand Mr Maidment to be referring to appraisal 4 included at Appendix 10 in which he has removed the costs and revenue relating to the football club in order to consider the major income generating aspect of the proposal (Residential and Commercial) as a standalone position removing all CFC facilities including stadium and pitch costs. This highlights the fact that on his figures the scheme provides a development profit of £15,217,287 which represents 25.24% on costs 20.24% on GDV. Mr Maidment refers to this as being only marginally above the upper range included within the NPPF and RICS Guidance.

5.20 In response to the argument made in point 6, I would observe that the wording of Local Plan Policy CH7 does not seek to define the extent of *enhanced facilities and football stadium.*

6. Conclusion

6.1 Under point 6.1, Mr Maidment refers to advice for funding purposes, indicating that most lending institutions require a minimum of 20% profit on costs, rising dependant on the complexity and risk of the project. He invites the Inspector to use judgement and experience to have consideration to the risk and acceptable level of profit that would deem the project fundable, so able to be delivered. It is suggested that the appeal scheme carries a greater than normal risk as it is a larger mixed use development. It should be remembered however, that the Developer's risk in this case is heavily mitigated by the very low agreed land purchase price. The returns provided by the residential and commercial development are in excess of 25% profit on cost even on Mr Maidment's own figures in appraisal 4.

6.2 Under point 6.7 in his summary conclusion, Mr Maidment says that the appeal scheme cannot viably make any provision for affordable at the same time as supporting the enhancement of the CFC facilities required by the allocation policy. I would reiterate that the Local Plan Policy CH7 makes no stipulation as to the nature or scale of the enhanced facilities and the developer is in direct control of the delivery of these proposals ordinarily in consultation with the LPA.

6.3 In response to point 6.3 to 6.7, I have prepared my own alternative Development Appraisal as attached as Appendix 1 and my own Financial Viability Appraisal as Appendix 2.

6.4 My summary conclusion is that this project is clearly able to support an element of affordable housing provided that the enhanced football club facilities are proportionate to the club's current and reasonable future requirements. I have arrived at this conclusion having had regard to the profitability demonstrated in my Development Appraisal which has as I have said adopted the same methodology adopted by Mr Maidment in his Development Appraisal. Importantly, I have reached the same conclusion regarding profitability as demonstrated in my Financial Viability Appraisal, which is prepared in line with Government Guidance.

6.5 As indicated above, this is a specific and highly individual application where the Developer is largely subsidising the football club for his altruistic aims as is willing to proceed with an extremely low profit. Additionally there is no mention of alternative sources of grant funding.

Appendix 1

Development Appraisal
Gerard Wade
13th July 2021

Derrick Wade Waters

Cheshunt Sports Village - Development Appraisal
Gerard Wade FRICS - Expert Evidence

13/07/2021 APPENDIX 1

	PROFIT			**POC**	@	**21.30%**		**Profit on**	**GDV @**	**17.56%**					**£13,446,794**
GDV															
	Income Generating Commercial			34,464 sq ft	@	£15.25 psf	@	£525,576 pa	@	**7.50%**	13.3333 YP			**£7,007,680**	
	Residential			145,538 sq ft	@	£473.69 psf			@					**£68,940,000**	
	CFC								@					**£640,000**	
	TOTAL GDV														**£76,587,680**
Outlay															
	Fixed land price				@						**£1,418,051**				
	SDLT				@						**£56,424**				
	Agent fee on land acquisition				@	1.00%					**£14,181**				
	Legal fee on land acquisition				@	0.80%					**£11,344**				
	Town planning fee										**£250,000**				
	Total Outlay													**£1,750,000**	
Construction															
	CFC Stadium:														
		Seats:	700 seats		@	£360.00 per seat			@	£252,000					
		Standing:	1300 standings		@	£278.00 per stand			@	£361,400					
		Foundations, structure, roof, rw disposal		910 sq m	@	£267.00 per sq m			@	£242,970					
		Sub-total									**£856,370**				
		development of design							@			£20,000			
		Prelims							@			£90,000			
		MC overheads & profit							@			£50,000			
	CFC Stadium												**£1,016,370**		
Construction 2018 costs indexed up to 2021 prices using BCIS General Building Cost Index:															
	CFC Pitch								@		**£280,422**				
	CFC Clubhouse		2400.00 sq m	25,834 sq ft	@	£149.28 psf	@	£1,607 psm	@		**£3,856,499**				
	Undercroft parking								@	**£1,783,080**					
	Base build flats		8560.94 sq m	92,150 sq ft	@	£161.98 psf	@	£1,743.53 psm	@	**£14,926,267**					
	Total flats inc parking		8560.94 sq m	92,150 sq ft	@	£181.33 psf	@	£1,951.81 psm	@		**£16,709,347**				
	Base build houses inc garages		6747.03 sq m	72,625 sq ft	@	£153.79 psf	@	£1,655.34 psm	@		**£11,168,650**				
	Base build commercial		4002.23 sq m	43,080 sq ft	@	£173.70 psf	@	£1,869.73 psm	@		**£7,483,072**				
	Demolition & site clearance								@		**£118,375**				
	CFC Road & Site works														
	Commercial Road & Site works														
	Flats Road & Site works								@	£4,829,781	**£4,829,781**				
	Houses Road & Site works														
	Infrastructure Site works														
	Total construction		21,710.20 sq m	233,689 sq ft						2018	**£44,446,146**	**x BCIS: 1.10025**	**£48,901,872**		
Sprinkler removal from scheme															
	Residential								@	-£93,000					
	Commercial								@	-£143,000					
	Total sprinkler deduction												**-£236,000**		
	Total construction		21,710.20 sq m	233,689 sq ft										**£49,682,242**	
Professional fees															
	Total professional fees					build costs	@	£49,682,242	@	8.00%			**£3,974,579**		
	Total professional fees													**£3,974,579**	
S106 Costs															
	Stats & LA								@				**£270,000**		
	Total s106 costs		21,710.20 sq m	233,689 sq ft										**£270,000**	
Marketing & Letting															
	Marketing								@				**£50,000**		
	Marketing								@				**£81,500**		
	Letting Agent Fee	Commercial letting fee							@	15.00% of ERV			**£78,836**		
	Letting Legal Fee	Commercial letting fee							@	5.00% of ERV			**£26,279**		
	Total Marketing & Letting													**£236,615**	
Disposal Fees															
	Sales Agent Fee	Residential resales							@	1.50%			**£1,043,700**		
	Sales Legal Fee	Residential resales			@	164 units			@	£1,000 per unit			**£164,000**		
	Total Disposal Fees													**£1,207,700**	
Finance															
	Total Finance Costs													**£6,019,749**	
	TOTAL COSTS														**£63,140,886**
	PROFIT			**POC**	@	**21.30%**		**Profit on**	**GDV @**	**17.56%**					**£13,446,794**

Appendix 2

Financial Viability Appraisal
Gerard Wade
13th July 2021

Appendix 2 – commentary on details and inputs

App 2.1 – I reiterate my observations made at 1.5, that the starting point of the development appraisals produced by the parties is the agreed Fixed Land Value. For this reason, the resulting development appraisals are not technically Financial Viability Assessments (FVA) in compliance with the Government Guidance or indeed RICS' Guidance.

App 2.2 – In order to assist the Inspector, I have therefore prepared my own FVA which I believe to be in line with the Government Guidance.

App 2.3 – For the most part, the details and inputs that I have used in my FVA are the same as those adopted in my own Development Appraisal. There are however, important variables that are altered for the purpose of the FVA and compliance with Government Guidance, notably of course the land value but also the value of the completed football club facilities to Cheshunt Football Club. I can therefore provide the following commentary on these variables.

App 2.4 – **Benchmark Land Value (BLV).** NPPF requires that a BLV is the primary land value input. In my opinion, the BLV for this purpose may be fairly stated to be "£792,000". I have arrived at the BLV as follows. First, I have assessed the Existing Use Value of the property using the profits method of valuation. I agree with Mr Maidment's expert's opinion (ie Colliers) that the property's Fair Maintainable Operating Profit is £120,000. I believe that an appropriate multiplier lies in the range of 3.0x to 5.5x. Colliers have acknowledged that the lower multiplier would be applicable to a relatively short leasehold interest (see p79 of Mr Maidment's proof); and that the higher multiplier would be applicable to a longer leasehold or freehold equivalent interest (see p80). I have adopted the higher multiplier to produce an EUV of "£660,000".

App 2.5 – In order to arrive at the BLV, I have inflated the EUV with a 20% seller's premium. In fixing this percentage I have had regard to RICS' advice at "5.3 EUV plus premium" of RICS "Assessing Viability in Planning under the National Planning Policy Framework 2019 for England". Paragraph 5.3 guides that "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." It is my judgement that a 20% premium is appropriate in the circumstances of this case.

App 2.6 – In this manner I conclude the BLV as stated.

App 2.7 – **Gross Development Value of the completed football club facilities to Cheshunt Football Club**. For the purposes of the FVA, I agree with Mr Maidment's expert's opinion (ie Colliers) that the Market Value of the club after development, will be £1,000,000 (see p80 of Mr Maidment's proof).

App 2.8 – **Outlay.** Other development 'outlay' costs in the FVA are slightly different to those used in the Development Appraisal. Importantly, these include the Developer's cost of acquiring (ie for extinguishment) the Club's existing leasehold interest. Again, for the purposes of the FVA, I agree with Mr Maidment's expert's opinion (ie Colliers) that the existing Market Value of the club is £360,000 (see p79 of Mr Maidment's proof). I have added SDLT to this cost.

App 2.9 – In this manner, and after adjustments for fees etc, I arrive at a total ‘outlay’ costs of £1,453,489.

App 2.10 – Other details and inputs are the same as those within my Development Appraisal.

PROFIT				**POC @**	**22.44%**			**GDV @**	**18.33%**					**£14,103,305**
GDV														
Commercial			34,464 sq ft	@	£15.25 psf	@	£525,576 pa	@	7.50%	13.3333 YP			**£7,007,680**	
Residential			145,538 sq ft	@	£473.69 psf			@					**£68,940,000**	
Cheshunt Football Club New Facilities								@					**£1,000,000**	
TOTAL GDV														**£76,947,680**
Outlay														
Benchmark Land Value	FMOP:	£120,000 x	5.5	**EUV @**	**£660,000**	x	120%		**BLV**	**£792,000**				
SDLT				@						**£29,100**				
Agent fee on land acquisition				@	1.00%					**£7,920**				
Legal fee on land acquisition				@	0.80%					**£6,336**				
Town planning fee										**£250,000**				
Leasehold extinguishment										**£360,000**				
SDLT (lease extinguishment)										**£8,133**				
Total Outlay													**£1,453,489**	
Construction														
CFC Stadium:														
Seats:		700 seats		@	£360.00 per seat			@	£252,000					
Standing:		1300 standings		@	£278.00 per stand			@	£361,400					
Foundations, structure, roof, rw disposal			910 sq m	@	£267.00 per sq m			@	£242,970					
Sub-total										**£856,370**				
development of design								@			£20,000			
Prelims								@			£90,000			
MC overheads & profit								@			£50,000			
CFC Stadium												**£1,016,370**		
Construction 2018 costs indexed up to 2021 prices using BCIS:														
CFC Pitch								@		**£280,422**				
CFC Clubhouse		2400.00 sq m	25,834 sq ft	@	£149.28 psf	@	£1,607 psm	@		**£3,856,499**				
Undercroft parking								@	**£1,783,080**					
Base build flats		8560.94 sq m	92,150 sq ft	@	£161.98 psf	@	£1,743.53 psm	@	**£14,926,267**					
Total flats inc parking		8560.94 sq m	92,150 sq ft	@	£181.33 psf	@	£1,951.81 psm	@		**£16,709,347**				
Base build houses inc garages		6747.03 sq m	72,625 sq ft	@	£153.79 psf	@	£1,655.34 psm	@		**£11,168,650**				
Base build commercial		4002.23 sq m	43,080 sq ft	@	£173.70 psf	@	£1,869.73 psm	@		**£7,483,072**				
Demolition & site clearance								@		**£118,375**				
CFC Road & Site works														
Commercial Road & Site works														
Flats Road & Site works								@	£4,829,781	**£4,829,781**				
Houses Road & Site works														
Infrastructure Site works														
Total construction		21,710.20 sq m	233,689 sq ft						2018	**£44,446,146**	**x BCIS: 1.10025**	**£48,901,872**		
Sprinkler removal from scheme														
Residential								@	-£93,000					
Commercial								@	-£143,000					
Total sprinkler deduction												**-£236,000**		
Total construction		21,710.20 sq m	233,689 sq ft										**£49,682,242**	
Professional fees														
Total professional fees						build costs @	£49,682,242	@	8.00%			**£3,974,579**		
Total professional fees													**£3,974,579**	
S106 Costs														
Stats & LA								@				**£270,000**		
Total s106 costs		21,710.20 sq m	233,689 sq ft										**£270,000**	
Marketing & Letting														
Marketing								@				**£50,000**		
Marketing								@				**£81,500**		
Letting Agent Fee	Commercial letting fee							@	15.00% of ERV			**£78,836**		
Letting Legal Fee	Commercial letting fee							@	5.00% of ERV			**£26,279**		
Total Marketing & Letting													**£236,615**	
Disposal Fees														
Sales Agent Fee	Residential resales							@	1.50%			**£1,043,700**		
Sales Legal Fee	Residential resales			@	164 units			@	£1,000 per unit			**£164,000**		
Total Disposal Fees													**£1,207,700**	
Finance														
Total Finance Costs													**£6,019,749**	
TOTAL COSTS														**£62,844,375**
PROFIT				**POC @**	**22.44%**			**GDV @**	**18.33%**					**£14,103,305**