

APRIL 2021



**WHITE LAND STRATEGIES LTD**  
Viability Delivery Planning

**PROOF OF EVIDENCE:**

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LAND OFF EAKRING ROAD, BILSTHORPE  
APPEAL REF: APP/B3030/W/20/3265876

FOR: NEWARK & SHERWOOD DISTRICT COUNCIL

## CONTENTS

1.0	Qualifications and Experience.....	2
2.0	Viability Background .....	3
3.0	Objectives of My Proof.....	4
4.0	Market Scope .....	4
5.0	Summary Opinion .....	7
	Appendices.....	9
	.....	9

## 1.0 QUALIFICATIONS AND EXPERIENCE

1.1 My name is Christopher Paul White.

1.2 I hold a BSc in City and Regional Planning from Cardiff University (1993) and Diploma in Town Planning since 1995. I have been a member of the Royal Town Planning Institute since 1995. I hold a Diploma in Surveying from the College of Estate Management, at Reading University since 2001. I have been registered with the Royal Institute of Chartered Surveyors since 2000.

1.3 White Land Strategies Ltd (WLSL) is a niche advisory consultancy specialising in independent assessment of development options and viability assessments established in 2016.

1.4 The practice is owned by myself and I have over 20 years' experience working in the property industry and specialise in development/viability appraisals, development consultancy, developer procurement, development agreements, delivery models and implementation advice to assist in the S106 negotiations, development of masterplans, development briefs and the redevelopment of surplus assets.

1.5 My experience, having operated as a consultant, a developer and within Local Authorities provides a valuable broad range of understanding of private and public drivers for viability assessments.

1.6 I was formerly head of the Midlands Development Consulting team in BNP Paribas Real Estate for 3 years to 2016. Prior to this I was National Director at CBRE for the Development Consulting practice for 6 years to 2013. Prior to these core consultancy periods I was Managing Director of developer, Castlemore Securities' Regeneration company Spring Urban Regeneration. Prior employment roles were as Deputy Chief Executive of Urban Regeneration Company, RegenCo Sandwell, Development Director at Leicester Regeneration Company and senior consultant at Chesterton International Plc.

1.7 I regularly provide ‘route to market reports’ analysing viability and development obstacles. My specialism within the field of development advice focusses on commercial deliverability of option appraisals and viability appraisals. I also sell land for residential development.

1.8 My evidence should be read together with that of Alison Hutchinson, who is providing planning evidence on the appeal.

1.9 The evidence that I have provided is true and has been prepared and in accordance with the guidance of my professional institution, the RTPI and RICS.

1.10 My proof of evidence is structured as follows:

Section 2: Viability Background

Section 3: Objectives of My Proof

Section 4: Market Scope

Section 5: Summary Conclusions

Appendices

## **2.0 VIABILITY BACKGROUND**

2.1 White Land Strategies Ltd was instructed by Newark & Sherwood District Council to undertake a viability appraisal of the residential development proposed at Eakring Road, Bilsthorpe.

2.2 The Viability Assessment concluded that there was a viability issue caused by the combination of lower values to cost ratio, compounded by the Existing Use Value which was established as a consented site value and not a strategic land site value.

- 2.3 The viability assessment found that the majority of assumptions submitted by the Applicant were reasonable and it is understood that the viability is not a matter in dispute for the Appeal.

### **3.0 OBJECTIVES OF MY PROOF**

- 3.1 White Land Strategies Ltd was further instructed by Newark & Sherwood District Council to undertake to review the local residential market to ascertain the scope for variation to the housing mix to support the planning policy position on density and quantum.

- 3.2 The objectives of the commission are as follows:

- To consider the scope of an alternative development of lower density/lower volume density in the local market and whether this represents a reasonable alternative form of development.

- 3.3 The issue with any viability assessment is the limitation to only assess the scheme as submitted by the Applicant and to test the reasonableness of those assumptions.

- 3.4 The role at Appeal stage is to briefly outline that flexibility of housing product can improve values and address the issues of quantum raised by the Council.

### **4.0 MARKET SCOPE**

- 4.1 The review identified a current housing site in Bilsthorpe, known as Farnsfield Road. Bilsthorpe. This small development has been reviewed as it provides evidence of an alternative housing product being promoted in Bilsthorpe.

- 4.2 The site is a small development just under 1.5 miles from the subject site to the south.

- 4.3 The site is identified as 7 plots. The Appendix of this Proof has a summary description of the detail of the Farnsfield Road scheme that is currently available.
- 4.4 The developer of the Farnsfield Road scheme is ISP Developments who are a small local developer and are providing high quality units. The site is currently under construction and due for completion in September 2021.
- 4.5 Discussions with the Estate Agent responsible for marketing the site, Alasdair Morrison of Southwell, two properties have been pre-sold and they are in discussions on other plots.
- 4.6 In terms of product offer the table below summarises the development.

*ISP Developments Unit Mix*

Unit	Type	Size	Asking Price
Plot 1	2 Bed Detached	104sqm / 1119 sqft	£280,000 / £250 psft
Plot 2	2 Bed Detached	102sqm / 1098 sqft	£290,000 / £264 psft
Plot 3	3 Bed Detached	n/k	n/k
Plot 4	3 Bed Detached	110sqm / 1184 sqft	£300,000 / £253 psft
Plot 5	3 Bed Detached	110sqm / 1184 sqft	£300,000 / £253 psft
Plot 6	3 Bed Detached	88sqm / 947 sqft	£310,000 / £327 psft
Plot 7	4 Bed Detached	126sqm / 1356 sqft	£335,000 / £247 psft

- 4.7 The table shows that the units range in value between £247 psft and £327 psft. Plot 6 is a smaller 3 bed unit reflecting a higher price per square sqft/metre as advertised.

- 4.8 By comparison the Applicant submitted values at an average of £200 psft for the open market units, ranging between £166,400 for a 2 bed, £170,000 to £207,400 for a 3 bed and £206,000 to £259,400 for a 4 bed unit.
- 4.9 In terms of average pricing this equates for the 6no. properties data available to equate to an average unit asking price of £302,500 at £263psft/£2,836 psm.
- 4.10 It is accepted that the Bilsthorpe area is not a high value area and it was accepted at the Viability assessment stage that whilst the values for the development submitted within the appraisal were generally low they were not unreasonably low in the context of local averages and the product offered by the Applicant.
- 4.11 It is accepted that the Farnsfield Road scheme is not directly comparable in terms of its equivalent scale of development and the development is in Bilsthorpe Moor rather than Bilsthorpe however the site is circa a mile and a half away.
- 4.12 It is also accepted that the product offered by ISP Developments at Farnsfield Road will be more bespoke than that offered by the Applicant of the subject site.
- 4.13 It is arguable that the extent between the average values between the two sites suggests that an alternative product of higher quality is capable, in the local market, of selling and being a sustainable development type for buyers in this area as demonstrated by the pre-sales on Farnsfield Road to date.
- 4.14 It is not possible to properly compare the two sites as it is not possible to compare build costs and profit rate, however the relative differences between the pricing would imply that there is scope to conclude increased build costs and profitability could be accommodated at relative levels, particularly given that a micro-developer such as ISP Developments would not benefit from the economies of scale that the Applicant of the subject site is likely to benefit from.

- 4.15 The purpose of this exercise is to demonstrate that the Farnsfield Road development is likely to cost more to build but is selling at a higher value per sqft and that is unlikely therefore to be in any worse position in terms of the level of profitability to the developer.
- 4.16 As the percentage rate of profitability is a measure of viability not a specific amount of money and the Farnsfield Road scheme is progressing and selling it would be assumed that the lower density, higher value option is providing an acceptable level of profit to the developer in that instance.
- 4.17 It is therefore suggested that, as a matter of principle, a high volume, higher density, lower value typology of scheme is not the only option for redevelopment of sites in this local market.
- 4.18 It is accepted that the scale of the subject site would preclude the entire site from being fully low density and higher average pricing.
- 4.19 It does not preclude the option, from a viability point of view, for part of the site to be developed in a form to take advantage of higher quality, lower density, higher value.

## **5.0 SUMMARY OPINION**


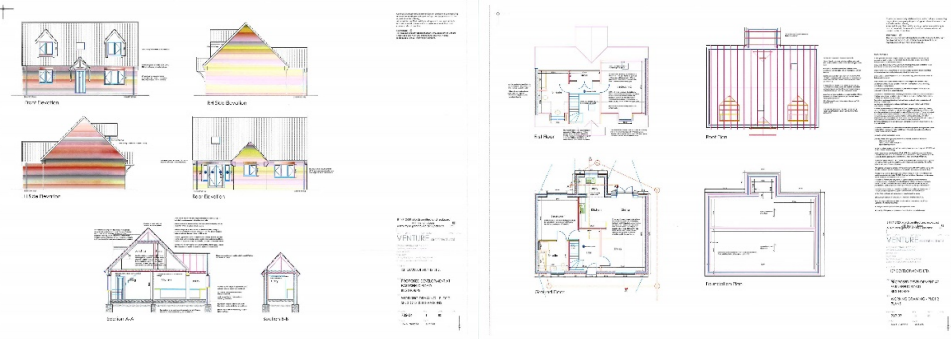
- 5.1 To reiterate, the viability summary is not disputed.
- 5.2 The purpose of this Proof is to consider the alternative of lower density/lower volume density in the local market and whether this represents a reasonable alternative form of development.
- 5.3 Whilst there are few local comparables to test the theory the Farnsfield Road scheme provides a site in close proximity, albeit of a smaller scale but demonstrating the concept of lower density, high value.


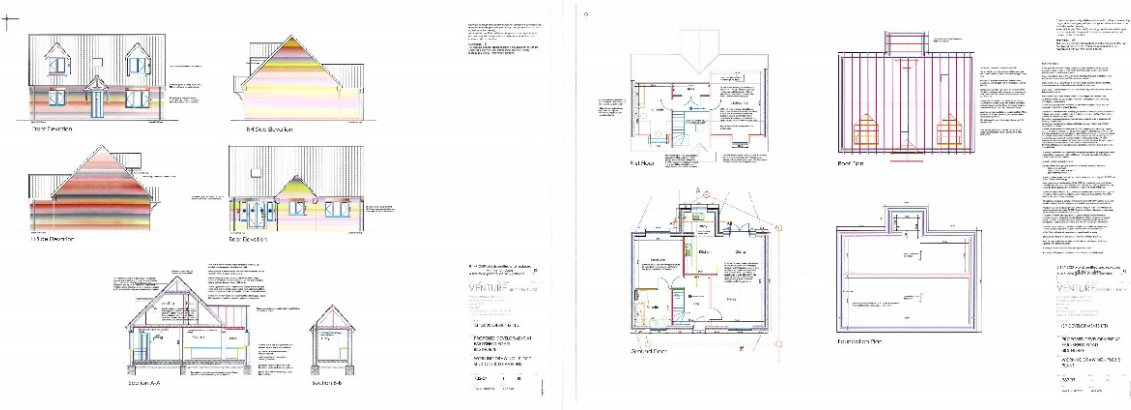


- 5.4 The pricing differential is considerable between the sites with the Farnsfield Road site (asking gross price) at £263psft and the subject site at £200psft (assumed received net).
- 5.5 It would not be unreasonable to assume that the differential could reasonably allow for price reductions relating to achieved prices and lack of location/scale and maintain acceptable profitability.
- 5.6 The concept of less is more is demonstrable at Farnsfield Road and that high volume low margin is not the only form of delivery available locally.
- 5.6 It is concluded that the existence of the Farnsfield Road scheme demonstrates that an alternative lower density higher value scheme can be and is being delivered locally and therefore shouldn't be dismissed as an alternative concept.


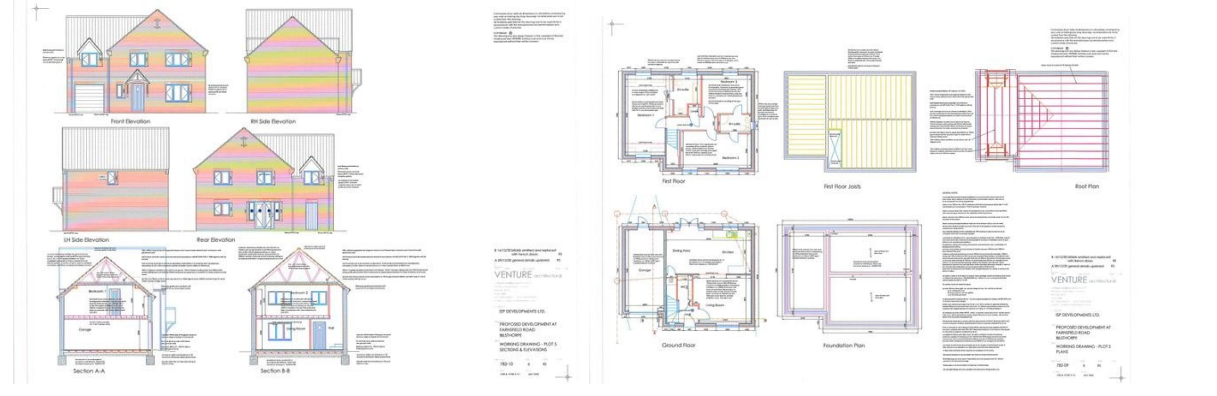



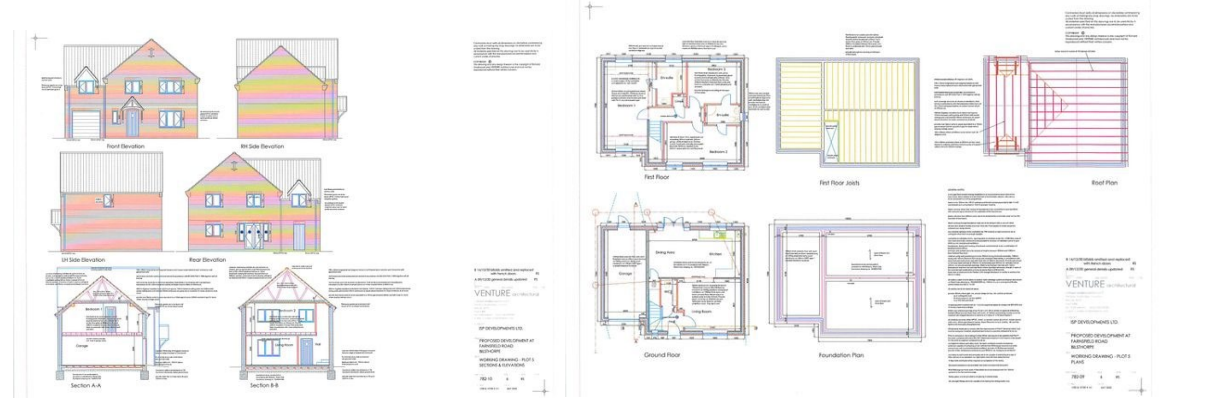
**Farnsfield Road Development Particulars**


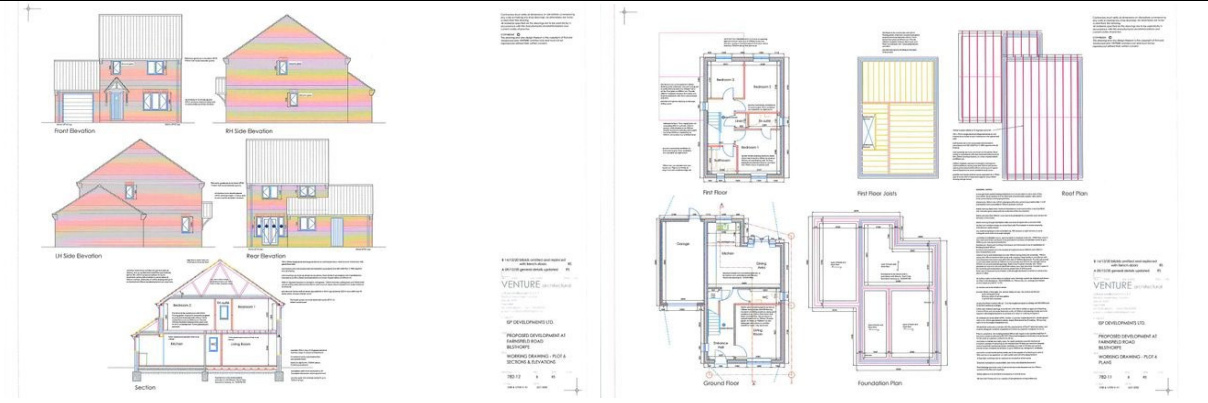
Property	Price	Size	
<p><u>Plot 1</u> 2 bed detached house for sale</p>	<p>£280,000 / £250psft</p>	<p>104 sqm / 1119sqft</p>	
			

Property	Price	Size	
<p><u>Plot 2</u> 2 bed detached house for sale</p>	<p>£290,000 / £264psft</p>	<p>102sqm / 1098sqft</p>	
			

Land off Eakring Road, Bilsthorpe

Property	Price	Size	
<b>Plot 4</b> 3 bed detached house for sale	£300,000 / £253psft	110sqm / 1184sqft	
			

Property	Price	Size	
<b>Plot 5</b> 3 bed detached house for sale	£300,000 / £253psft	110sqm / 1184sqft	
			

Property	Price	Size	
<b>Plot 6</b> 3 bed detached house for sale	£310,000 / £327psft	88sqm / 947sqft	
			

Property	Price	Size	
<b>Plot 7</b> 4 bed detached house for sale  2 bathroom	£335,000 / £247psft	126sqm / 1356sqft	