

**APPRAISAL OF FINANCIAL
VIABILITY**



PLANNING REF: 4/18/2215/0B1

**TARN BANK
BRAYSTONES
BECKERMET
WORKINGTON
CA21 2YL**

**FOR
PETER LOCKHART**

DATE: 10 May 2022

**Carigiet
Cowen**

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1.0 EXECUTIVE SUMMARY

This section of the report provides a summary of site, the appraisal undertaken and correlates matters arising from site into defined opinion.

1.1 BACKGROUND

This viability assessment is in respect of a planning application for residential development on land within the administrative area of Copeland Borough Council, being a development of land within Braystones. The grant of planning to which this report applies is 4/18/2215/0B1.

1.2 PERTINENT ISSUES

Viability of a development scheme is considered by reference to anticipated sales values (at date of Appraisal or at a point of future marketing) versus known and professionally defined construction costs for site (or industry accepted rates). These are formulated in form to determine a residual output, being a measure of developer's profit once overheads, finance and extra over expense are accounted for.

It is acknowledged that until a scheme is comprehensively costed and site specific incurrences are suffered, a residual appraisal can only be compiled on the basis of varied assumptions and industry market data. Greater levels of professional judgement versus incurred cost certainty is therefore evident.

1.3 SUMMARY

This viability assessment makes consideration of a development scheme for 7 dwellings, excluding an existing dwelling to site. It concludes that of the 7 dwellings proposed the 5 affordable designated units are not financially viable to construct. At the current proposed threshold a developer's profit of -4.93% arises, on the construction of one affordable unit this developer profit increases to 5.63%.

A minimum developer's profit of 18-25% would be anticipated, as a result this viability appraisal determines that no designation for affordable dwellings should apply.

The date of this assessment is noted at Point 2.6 below.

2.0 INSTRUCTION DETAILS

This section of the report confirms the scope of work and professional opinion provided.

2.1 ADDRESSEE & CLIENT

Peter Lockhart

2.2 PURPOSE OF APPRAISAL

Carigiet Cowen Chartered Surveyors are appointed by the client to undertake an independent, evidence-based Appraisal of Financial Viability of the approved development which considers development costs, revenue return and planning policy.

With regard to current inflationary pressures and house price indexation, this Appraisal should be considered valid for not more than 3 months from the date of assessment.

2.3 SUBJECT OF THE APPRAISAL

Land at Tarn Bank Farm, Braystones, Cumbria, CA21 2YL.

A parcel of land, formerly comprising a single dwelling plot, now subdivided to offer 7 new properties (whilst also retaining the original dwelling - Tarn Bank). The original property requires extensive refurbishment and is excluded from the consideration of this report, falling outside the grant of planning.

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The approximate site area measured from Ordnance Survey extract via Promap notes the following site areas:

Gross 0.351 Ha (0.868 acres) – This includes for the existing dwelling of Tarn Bank.

The defined boundary to which the current planning consent applies is marginally smaller, than the full site on which these construction works are being completed, being:

Gross 0.307 Ha (0.76 acres)

Net 0.238 Ha (0.59 acres)

A scheme plan and site boundary is noted at **Appendix 01** of this report. A location plan is attached at **Appendix 02**.

A planning application was historically submitted, now superseded by the current application and which this valuation appraises.

To date, of this grant, 3 terraced units to front of site have been constructed to a weather tight shell form, internal fit out of all hard and soft finishes is required to include for plaster boarding out, piping & plumbing, first and second fix electrical installed, kitchens and bathroom space fitted. Decoration and floor coverings need to be fitted.

The balance of accommodation, being 2 plots for a semi-detached construction and 2 plots for detached houses remain unbuilt. The original dwelling remains standing but is as noted excluded from this appraisal and the grant of planning.

Photographs are at **Appendix 07** attached to this report.

2.4 SCOPE OF THE APPRAISAL

To undertake an independent, evidence-based Appraisal of Financial Viability of an approved consent for residential development. The existing dwelling, Tarn Bank, is not within the approved development and is excluded from scope of this report.

The client has provided:-

- i) Site Plan, drg no. 2014.622.01A
- ii) House type A drawing, drg no. 2014.622.02
- iii) House type C drawing, drg no. 2014.622.03
- iv) Dwelling B1 drawing, drg no. 2014.622.04
- v) Dwelling B2 drawing, drg no. 2014.622.05
- vi) Confirmation of Utility Connections Costs, Crown Energy, dated 26th July 2019
- vii) Copeland Borough Council Planning application approval dated 8th September 2006
- viii) S106 Agreement dated 8th September 2006
- ix) Copeland Borough Council letter dated 5th February 2019
- x) H.F.T Gough letter dated 19th June 2007
- xi) Copeland Borough Council letter dated 12th August 2021

Carigiet Cowen has not been instructed to carry out any third-party specialist reports.

The basis of this report is limited to the information provided, market evidence and industry information available at the time of inspection or at date of reporting.

2.5 FRAMEWORK

This Appraisal has been prepared by reference to the Royal Institution of Chartered Surveyors Professional Guidance Note "Financial Viability and Planning" (GN94/2012). This defines Financial Viability as:-

"an objective financial viability test of the ability of the development project to meet its costs including the cost of planning obligations, while ensuring an appropriate site value for the landowner and the market risk adjusted return to the developer in delivering that project"

Site Value should equate to the Market Value as defined within the Royal Institution of Chartered Surveyors Professional Standards (the Red Book) 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."

Subject to the following assumption:

..."that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan."

In considering this updated Appraisal, regard has been taken of the following:

- i) Copeland Local Plan
- ii) Copeland Economic Viability Assessment

- iii) RICS Guidance Note "Financial Viability and Planning" (GN94/2012).
- iv) RICS – Assessing viability in planning Under the National Planning Policy Framework 2019 for England, 1st Edition, March 2021

2.6 DATE OF ASSESSMENT APPRAISAL

11th May 2022

2.7 DATE OF INSPECTION

22nd of March 2022

2.8 COMPLIANCE WITH STANDARDS

The surveyor is unaware of any material dealings with the property, owner, or the local authority which may cause a conflict of interest in the matter of this Appraisal.

2.9 CONFIRMATION

Value and cost information (whether provided to the surveyor or not) has been benchmarked against Royal Institution of Chartered Surveyors market data published and rates published by BCIS. Construction rates are noted at **Appendix 05**.

The surveyor provides an honest opinion, impartially based on his own investigations, knowledge and experience. No investigations of ground conditions have been undertaken. No alternative use valuations have been prepared to provide alternative viabilities. Planning matters, insofar as they reflect the Applicant's Appraisal, will be considered but not otherwise.

2.10 CONFIDENTIALITY

Neither the whole nor any part of this Appraisal or any reference thereto may be included in any published document, circular or statement, nor published in any way without the surveyor's prior written approval of the form and context in which it may appear.

This Appraisal is confidential to the client although it may be disclosed to other professional advisers assisting the Client and Copeland Borough Council ('CBC') and their advisers in connection with the determination of the planning application for which this Appraisal is prepared but shall not be disclosed to any other person without our prior consent. Liability is restricted to the addressee only.

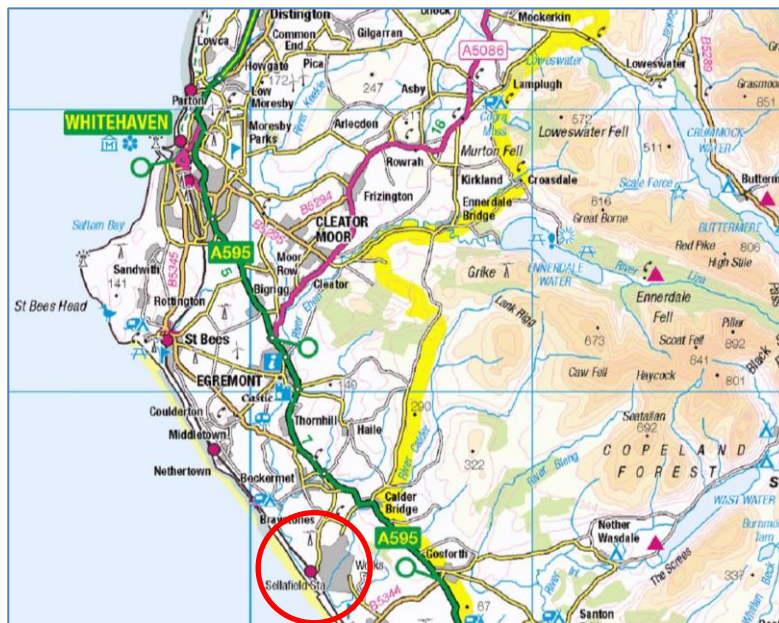
3.0 PROPOSED DEVELOPMENT

The section of the report provides details of the development proposed, its location and factors arising which influence the development form and residual value.

3.1 LOCATION

The site is located remotely in west Cumbria within the hamlet of Braystones which is approximately 9 miles south of Whitehaven and 4 miles south of Egremont. Sellafield Nuclear Station sits approximately 3 miles to the south of this subject site. The site holds an elevated position and backs onto Braystones Tarn and Tarn Bank caravan park.

The hamlet benefits from a railway station which in turn links to the west coast mainline at Lancaster in the south and Carlisle in the north. The vicinity has access to the Eskdale hopper, a community initiative local bus link to Copeland and surrounding Lake District National Park areas. The M6 motorway is most easily accessed at J40 (Penrith), a 1hr 15mins drive north east of site via the A595 and A66 trunk roads (50miles); the A595 via A590 also gives access to the M6 motorway at J36 (Crooklands) south east of site, being the south lakes turning (55miles).



3.2 SITE AREA

Noted at point 2.3 above.

3.3 DESCRIPTION

The approved application is for the development of 7 dwellings, 5 of which are proposed as affordable dwellings.

A1	2 bed end-terrace	Affordable
A2	2 bed mid-terrace	Affordable
A3	2 bed end-terrace	Affordable
B1	3 bed semi-detached	Affordable
B2	3 bed semi-detached	Affordable
C1	4 bed detached	Open Market
C2	4 bed detached	Open Market

Plans in respect of the proposed accommodation are noted at **Appendix 01**.

3.4 ACCESS

The approved development is with the hamlet of Braystones accessed off an unnamed single width road. As part of the approved works this minor road will be widened to 6m, the additional width comes from the Client's land. This work has already been implanted.

To front of site are three terraced dwellings (marked in **Appendix 01** as properties A1, A2 and A3), these properties take driveway access off the unnamed single width road.

The balance of the scheme (are marked as properties B1, B2, C1, C2 and the existing dwelling) is accessed from a newly formed link, originally the exclusive driveway to Tarn Bank, proposed by grant of planning to be substantially improved (partially implemented to date). This will give shared access to the semi-detached and detached properties on site or proposed by this grant of planning consent.

3.5 EXISTING SITE FEATURES

The site to which this planning application applies contains a number of existing structures and or features, these are noted as:

There is a tank to the northern boundary which belongs to the property and would be redundant upon development of the site.

There is a tree noted on the boundary with the adjacent property, Stonelea. The Valuer is not aware of an existing TPO on the tree. There are dense bushes to the northern and western boundaries of the site.

The boundaries are formed by post and wire fencing, with the exception of the boundary to the adjacent property Stonelea which is a concrete post and timber fence. The frontage to the site is secured with heras fencing.

The rear of the site falls away sharply to the west towards Braystones Tarn.

At time of inspection the external shell of properties A1, A2 and A3 had been constructed, their internal fitout required.

The roadway had been widened and the link road to properties at rear of site had had its bell mouth constructed.

The original dwelling (Tarn Bank) is outside the scope of this report and the grant of planning but remains standing, ready for refurbishment.

3.6 PLANNING (Incl. LISTINGS ETC)

The site was subject to a first outline application 4/05/2219/0 for six dwellings (after the demolition of Tarn Bank). This was subject to a section 106 agreement. CBC approved this application on the 8th of September 2006.

The second outline application 4/18/2215/0B1 sought to vary the layout of the first, and adjust the access and designation of affordable units. This was approved by CBC on the 5th February 2019. This revised application increased the total number of dwellings to 7 units, reduced the number of affordable dwellings to 5 and proposed the retention of Tarn Bank as the original dwelling on site.

This appraisal assesses the viability of application 4/18/2215/0B1; CBC publish 4 affordable housing designations in respect of affordable accommodation, being:

- Low Cost Home Ownership,
- Shared Ownership,
- Shared Equity,
- Discounted Sale (this applies to the subject site)

CBC require that an affordable dwelling designated as a Discount Sale unit are ... *'properties which can be sold to eligible households for up to 80 per cent of their open market value, opening up home ownership to those who may be otherwise excluded from the market.'*

The grant of planning for this site designates 5 units as affordable (3 terraced / 2 semi-detached) and requires that these properties are occupied by households which can demonstrate a Local Connection ('LC'). This applies to units A1-3 and B1-2. The LC in this instance requires that household purchasing a property are members of the local community within:

- Loweside Quarter,
- St John's Beckermets,
- St Bridgets Beckermets,

This restriction is defined in the Third Schedule of the signed Section 106 agreement, dated 8th September 2006 (see **Appendix 06** of this report).

The criteria CBC require households to demonstrate is noted herewith:

1. Resident has lived there as a permanent resident for at least three years,
2. Previously a permanent resident there for at least three of the last five years and is currently or was in the armed forces, prison or hospital accommodation during that time,
3. Family association with an existing resident of at least five years residence in the town or surrounding parishes. Family association is defined as spouse, civil partner, parent, children over 18 years of age and siblings. We will also allow family associations through marriage and civil partnership e.g. stepparents, children over 18 years of age and siblings.
4. Permanent employment in the area will be taken to mean a contract for two years or more of over 16 hours per week or written proof of acceptance of the offer of employment on that basis. Self-employment will also be considered on the provision of evidence of a viable business.

CBC confirm that when a discounted sale property becomes available, the local connection must be to the stated area (as noted above in this circumstance). However, the area that counts as a local connection gets wider, moving out to the whole district incrementally, the longer the property is available.

The affordable designation is in perpetuity unless application in planning to CBC is made and consent granted to lift the s106 restriction. Residents who seek to sell their property must first make application to CBC and in advance of this obtain market valuation. It is this valuation on which CBC will determine the discounted sale calculation.

The site is not within or situated near a Conservation Area and nor are any of the structures (either on site or in periphery) are listed.

4.0 MARKET CONTEXT

This section of the report examines market factors, comparable values being achieved and influences which affect development output.

4.1 NATIONAL MARKET & REGIONAL HOUSING

At the date of appraisal, the UK economy has been recovering from the ravages of the Covid-19 pandemic announced by the World Health Organisation in March 2020. The Office of National Statistics (ONS) along with the Bank of England (BoE) confirmed a contraction in the economy by approximately 20% by Quarter 2 2020, recovering by Quarter 4 to within 5% of pre-pandemic levels.

ONS reports the economy at January 2022 was 0.8% above pre-pandemic levels, anticipated to grow at <0.5% per quarter throughout 2022/23 – evidence that the economy continues to nervously gain traction, some economic sectors and property occupations still struggle to adjust. The coronavirus pandemic was <3 months post Brexit finalised negotiations with the EU ending a 3-4 year period of economic uncertainty.

Industrial property investment has continued to grow, yields have hardened, and capital values have strengthened. The same for residential property both in terms of rents and capital values. Both sectors are suffering substantial escalations in build cost. Anecdotal commentary suggests construction rates have risen by as much as 30% in some sectors, 15% across the general tone of industry. Factors being related to labour, and mainstream construction elements which are affected by supply chain and raw material resource issues. BCIS, the RICS project cost database, substantiates a general aggressive rise in specific costs but not all pricing.

In the preceding 24 months to the date of valuation, the retail sector has extensively changed its delivery form, accelerating e-commerce to accommodate pandemic restrictions implemented by the UK Government. Online retailing has led to an expansion of demand for warehousing & distribution space, this pressure meaning industrial occupier rates have risen. High Street retail demand has further declined in place of other destination leisure / service outlets.

The office sector, although slowly adjusting to longer term trends for flexible, agile and home working, struggled to find its place during the early part of lock-down. Anecdotal commentary suggested that ‘the office is dead’. Data sets prove this sector is resilient. Serviced co-working office solutions appear to have grown in popularity and availability.

Russia invaded Ukraine on 24 February 2022. The financial markets including the FTSE initially plummeted however, there has been slow but steady recovery as traction towards market certainty takes hold. G20 government-imposed sanctions have now meant a restriction on Russian based imports and raw materials. Western corporations have now been pressured to remove their operations from Russia, pay penal tariff or cease trading.

This conflict in Ukraine coincides with an international market energy crisis where home energy and electricity prices are set to rise to excess of £3,000 per annum for an average UK dwelling. Russia and Ukraine supply Europe more than 40% of their raw material consumption. The war, combined with wholesale market price rises and the removal of the UK Government energy price cap, means the economy is suffering a period of hyperinflation which, in turn, will influence UK disposable incomes, consumer capacity to spend, and therefore tenant occupier performance.

Consumer certainty is therefore limited in outlook, this will by trend feed into consumer spending and therefore consumption and derivable values.

- *The Land Registry UK House Price Index*

HM Land Registry produces the UK House Price Index (HPI) on a monthly basis and is calculated by the Office for National Statistics (ONS) using data from the Land Registry. As of January 2022, the average house price in the UK is £273,762, and the index stands at 143.58. Property prices have risen by 0.4% compared to the previous month and risen by 9.6% compared to the previous year.

- *Rightmove.co.uk (Northwest)*

Most of the sales in North West over the past year were semi-detached properties which on average sold for £225,204. Terraced properties had an average sold price of £158,782 and detached properties averaged at £390,949.

North West, with an overall average price of £230,893, was similar in terms of sold prices to nearby Yorkshire and the Humber (£224,647), but was more expensive than North East (£183,213) and cheaper than East Midlands (£248,516). The most expensive area within North West was Cheshire (£294,264) and the cheapest was Lancashire (£197,203).

In the past year house prices in North West were similar to the year before and 16% up on 2019 when they averaged at £199,845.

- *Rightmove.co.uk (Cumbria)*

Most of the sales in Cumbria over the past year were terraced properties which on average sold for £146,532. Semi-detached properties had an average sold price of £194,248 and detached properties averaged at £358,378.

Cumbria, with an overall average price of £210,454, was similar in terms of sold prices to nearby Merseyside (£209,523), but was more expensive than Lancashire (£197,203) and cheaper than Greater Manchester (£242,392). The most expensive area within Cumbria was Grasmere (£754,902) and the cheapest was Moor Row (£98,837).

In the past year house prices in Cumbria were similar to the year before and 6% up on 2019 when they averaged at £197,653.

Average salaries, published by Plumpot.co.uk is £47.8k but disregards the 'Nuclear' effect which disproportionality raises this threshold and which effect is public noted by national press and Local MP's. Plumpot's findings for Allerdale and South Lakes (both neighbouring to Copeland) show a lower average salary of only £29.6k. Accepting for this principal and that these districted widely accepted as being more affluent than Copeland, it is reasonable to project that Copeland's underlying market average salary (when excluding the Sellafield effect) is less than these surrounding authorities.

Nationwide report an average house price to mortgage multiplier rate for the local authority area of Copeland at 2.5 times affordability, adopting the higher average salary expectations noted above, an average house in Copeland would be £120k; lower as salary thresholds fall off.

4.2 LOCAL HOUSING

The borough of Copeland and specifically the areas of Whitehaven and Egremont are popular residential areas, the coastal area and perimeter to the western Lake District and Wasdale cannot be ignored, however, it is fair to say that the local population has limited financial resource, some of CBC's residential areas are noted as being some of the most economically deprived places within the UK.

- *The Land Registry UK House Price Index*

As of January 2022, the average house price in Copeland is £144,359. Property prices have risen by 5.5% compared to the previous month and risen by 9.2% compared to the previous year.

By comparison but similarly Rightmove identifies that:

... 'properties in Copeland had an overall average price of £159,858 over the last year.

'The majority of sales in Copeland during the last year were terraced properties, selling for an average price of £106,692. Semi-detached properties sold for an average of £148,225, with detached properties fetching £287,145.

'Overall, sold prices in Copeland over the last year were 2% up on the previous year and 9% up on the 2017 peak of £146,068.

Rightmove then go on to confirm that house prices within:

... 'Properties around Braystones had an overall average price of £210,125 over the last year.

The majority of sales around Braystones during the last year were detached properties, selling for an average price of £220,167. Semi-detached properties sold for an average of £180,000.

Overall, sold prices around Braystones over the last year were 21% down on the previous year and 25% down on the 2010 peak of £280,000.

The ONS determines (as at 2020) that the Copeland area had a 2.6 multiplier of property price to earning ratio. This being very low by comparison to the adjacent South Lakes area (including South Lakeland and Lake District National Park authorities) at a multiplier of 9.9.

Rightmove, for the Braystones village location (as at the date of reporting), records 4 properties selling in the previous 2yrs to date. Widening the search area to 1mile of Braystones (over the same period) increases the total number of properties recorded as sold to 30.

4.2 COMPARABLE EVIDENCE

The below tables provide comparable evidence of detached, semi-detached and terraced residential properties in the Copeland Borough Council area. This represents new build rates within the wider district.

Table of Comparable Evidence (New Build)

Address	Configuration	Price	Gross Area (m ²)	£/m ²
Langhorn Court, Egremont	3 Bed Detached	£229,950	82	£2,804.27
Clintz Road, Egremont	4 Bed Detached	£239,950	144	£1,666.32
Watson Lane, Whitehaven	4 Bed Semi	£285,000	143	£1,993.01
Dove Way, Whitehaven	4 Bed Detached	£279,950	129	£2,170.16
Beckstones, Rheda North Park, Frizington	4 Bed Detached	£310,000	123	£2,520.33
Beckstones, Rheda North Park, Frizington	4 Bed Detached	£320,000	122	£2,622.95
Clarendon Drive, Whitehaven	3 Bed Semi	£199,500	98	£2,035.71
Clarendon Drive, Whitehaven	3 Bed Mid Terraced	£184,950	78	£2,371.15
Clarendon Drive, Whitehaven	3 Bed Semi	£181,000	98	£1,846.94
Dallam Way, Whitehaven	3 Bed Semi	£174,950	74	£2,364.19
Clarendon Drive, Whitehaven	3 Bed Semi	£164,950	78	£2,114.74
The Hewson, Plot 225, Edgehill Park, Whitehaven	4 Bed Detached	£309,950	145	£2,137.59
Market Street, Egremont	3 Bed Semi	£183,995	66	£2,787.80
Market Street, Egremont	3 Bed Semi	£168,995	66	£2,560.53

Average Rate £/m ²	£2,285
Top Rate £/m ² (all properties)	£2,804
Bottom Rate £/m ² (all properties)	£1,666
Average Detached £/m ²	£2,327
Average Semi-Detached £/m ²	£2,230

Table of Comparable Evidence (Second Hand – Braystones)

Address	Configuration / Date of Sale	Price	Gross Area (m ²)	£/m ²
3 Beck Close, Braystones CA21 2YH	3 Bed Semi December 2021	£180,000	94	£1,914.89
Scawfell View, Braystones CA21 2YL	Detached September 2021	£188,000	143	£1,258.74
103, Tarnside, Braystones CA21 2YW	3 Bed Semi (Bungalow) August 2021	£142,500	180	£791.66
Garden House, Braystones CA21 2YL	Detached June 2021	£330,000	180	£1,833.33
8, Beck Close, Braystones CA21 2YH	3 bed Detached (Bungalow) September 2020	£185,000	80	£2,312.50
Bridge End House, Braystones CA21 2YL	Detached September 2020	£345,000	160	£2,156.25

Average Rate £/m ²	£1,711.23
Top Rate £/m ²	£2,312.50
Bottom Rate £/m ²	£791.66
Average Detached £/m ²	£1,890.21
Average Semi-Detached £/m ²	£1,353.28

The Valuer's opinion of an appropriate new build rate for semi-detached accommodation is £2,250/m² (£209.03 per sq ft), for detached property £2,350 per m² (£218.32 per sq ft).

5.0 BUILD COST ANALYSIS

This section of the report confirms and comments on costs arising for construction of the proposed dwellings. These are defined as known incurred expenses, industry generic assumptions or figures directly experienced by Valuer.

5.1 PRE-COMMENCEMENT INVESTIGATIVE WORKS AND FINDINGS

A topographical survey has been provided by the Client. The Valuer has not been made aware of when this was produced; it does confirm that the site falls to west and southern corners of site rising from street level at east. In a north south orientation, the site is relatively level.

The Valuer understands that no other specialist investigations have been carried out.

To progress an assessment of viability, it has been necessary to assume there are no abnormal ground conditions or contaminated land areas to remediate. The appraisal therefore makes no cost allowance for such items. Informed findings would affect values reported and calculated.

5.2 BASIC BUILD COST

BCIS (Building Cost Information Service) cost data, a commercial cost database operated by the Royal Institution of Chartered Surveyors, indicates a north Cumbria construction rate for Q2 2022 for Estate Dwelling Construction at **£1,372 per m² (£127 per sq ft)**. This is an industry regarded authority and published this mixed housing development rate by assessment of excess of 15 schemes within preceding quarters. The assessed projects have been geographically recentred to north Cumbria.

Applying the lower quartile BCIS rate of **£1,171 per m² (£108.79 per sq ft)** for the basic build cost would generate a Developers Profit of 17.93%. Accounting for Copelands viability threshold of 15%, the scheme might reasonably accommodate one affordable dwelling of 15% at 16.07%. Allowing for two affordable dwellings would reduce the margin below the Copeland threshold to 13.77%. In the valuers' opinions, given the geographical remoteness of the schemes location that the lower quartile rate cannot be achieved. In any case, given the volatility of construction rates at this present time it would not be prudent to adopt the lower quartile rate. Anecdotally industry commentary is suggesting a build rate increase of 8% and 15% per quarter.

The BCIS rates utilised make allowances for the following items;

- The cost of the building with preliminaries apportioned,
- Nominal strip foundations
- The contractors' overheads and profits included in the contract

BCIS rates do not include the following items;

- External works
- Extra over costs of development
- Demolition
- Contingencies
- Cost of finance
- Design, planning and professional fees
- Legal fees, land costs and estate agency expenses

5.3 INFRASTRUCTURE COSTS

Utility connection costs have been provided by the local network providers, investigations were made by Crown Energy and reported to the client on 26th July 2019. These allow for mains extension and reinforcement as required, in addition to the plot connection costs. This breaks

down to **£8,367 per plot** which in the valuer's opinion is within the upper limit of the normal parameters.

The combined sewer was extended from the minor road's junction with Beck Close to facilitate the development of the site. These works were undertaken some time ago and an approximate cost has been provided by the client which is £5,000. In addition, an allowance has been made for plot connections of £1,500 per plot.

An allowance has been made for the estate road/shared drive which is in addition to the standard dwelling build cost. A rate of **£175 per m² (£16.26 per sq ft)** which equates to £420 per lm of single width carriageway. BCIS provides a rebased build cost for a two lane road of £1,050 to £1,300 per lm. Therefore, in the valuer's opinion the allowance for a shared drive is within the normal parameters.

A small allowance of **£25,000 per gross acres** has been made for minor earthworks and site levelling, including any cut and fill works. This is within normal parameters in the valuer's opinion.

External plot works for gardens, fencing, driveway and paths are not included within the BCIS basic build cost data for dwelling construction, a separate allowance is therefore added. A sum of **£3,850 per plot** has been allowed which in the valuer's opinion is within the normal threshold for a development of this size and scale.

In addition, communal landscaping, curtilages and verges must be allowed, this expense falls outside the published rate for dwelling house construction. These works have been allowed at **£3,150 per plot** which is in the valuer's opinion with the normal threshold for a development of this size and scale.

5.4 ABNORMALS

Other than the Topographical Survey that has been provided, there has not been any Ground Investigation, Percolation Testing, Ecological Surveys, or other specialist investigation works carried out. It has been assumed there is no abnormal ground conditions or contaminated land, and this appraisal does not make any cost allowance for such items.

A modest allowance of **£3,000 per plot** has been made for rainwater harvesting and soakaway systems as they are noted on the Site Plan. In the Valuers opinion this is a small allowance for the management of surface water and has the ability to increase.

5.4 CONTINGENCY

An allowance of **3% of Gross Build Cost** has been made, which in the valuer's opinion is appropriate for a development of this size and scale. This is marginally below industry normal parameter, being 5% to 10%.

5.5 PROFESSIONAL FEES

An allowance of **8.5% of Total Construction Cost** has been made, which in the valuer's opinion is appropriate for a development of this size and scale. This is regarded low by comparison to industry normal parameter, being 10-15% for projects at >£1.5m.

No allowance has been made for any additional specialist reports or investigation works.

6.0 PERFORMANCE MEASURES

This section of the report provides comment and analysis on development appraisal for this proposed scheme highlighting the elements of significant influence to developer's profit.

6.1 GDV, DEVELOPERS PROFIT & ANALYSIS

Based on the comparable evidence presented in section 4.2 of this report, the Valuer is of the opinion that the following proposed sale values would apply:

- 3 no. Units - House type A - £180,000 (Affordable @ 80% OMV)
- 2 no. Units - House type B - £240,000 (Affordable @ 80% OMV)
- 2 no. Units - House type C - £390,000 (OMV)

The affordable properties have been allowed as intermediate with a sale price which is 80% of Open Market Value. This provides for a **GDV of £1,800,000**. Adopting these sales values determines that the scheme **is not able** to withstand any affordable dwelling and return a reasonable developer's profit.

The Valuer's opinion of a fair reflection for residual output adopting this GDV is noted at Appraisal 5 in Appendix 04.

Contrasting, were the highest comparable rate adopted (see Point 4.2 of this report), being £2,804 per sq m then a higher GDV output is derived - £2,240,000. This would show the following alternative sale values, sums in Valuer's opinion which are in excess of the market trend for Braystones and the wider locality:

- 3 no. Units - House type A - £240,000 (80% OMV)
- 2 no. Units - House type B - £300,000 (80% OMV)
- 2 no. Units - House type C - £460,000 (OMV)

Were such hypothetical values adopted, when having regard to the other costs proposed, with developer profit being at a minimum 18% threshold, means the scheme could theoretically accommodate affordable housing. Again, applying an executive detached housing rate to semi and terraced forms of housing is unreasonable and unrealistic as in general context this sales rate is <£519 per m² greater than market average expectation.

6.2 LAND VALUE

The Copeland Economic Viability Assessment (stage one) by Lamber Smith Hampton, dated December 2017, provides a land value threshold for Local Centres/Villages at £225,000 per net developable acre. Applied against the subject property, and a figure which has been adopted in appraisal, a rate of £132,750 for site arises.

The Assessed against this proposed development of 7 units an average rate of **£18,964 per plot** is derived. This development on a net developable area of 0.50 acres provides for a density rate of **11.86 units per acre**. The above policy document published by CBC prescribes/targets a scheme density rate of 30 units per hectare, or 12.14 units per acre.

The Valuer's opinion of a fair reflection for residual output when adopting this land value rate is noted at Appraisal 5 in Appendix 04.

6.3 PROFIT TARGET

For a residential development of this size and scale in this area, a developer would anticipate profit to be in the region of 18% and 25%. Therefore, a margin in the order of 18% should be targeted. Some developments on retrospective analysis show Developer's Profit at as low as 14%, a threshold anecdotally determined as being the industry's lowest return that would deliver development.

The Valuer's opinion of a fair reflection for residual output when seeking the lowest profit target is noted at Appraisal 5 in Appendix 04.

6.4 FINANCE COSTS

A finance rate of **7% per annum** is adopted, this reflecting an industry assumption. This rate is applied to half the construction costs incurred and is multiplied by an assumed construction period. The construction period adopted is 1yr.

Finance has been applied to construction costs. Finance has not been applied against the land value element, this site by reflection of industry practice would be a site which in acquisition terms is fully funded by developer.

The Valuer's opinion of a fair reflection for residual output when adopting this reasonable finance rate is noted at Appraisal 5 in Appendix 04.

7.0 OUTPUT ANALYSIS

This section of the report identifies the Valuer's opinion of profit and provides sensitivity analysis on which returns and outputs may vary dependant on residual appraisal assumptions adopted.

7.1 APPRAISALS

Carigiet Cowen has undertaken 5 appraisals. These are summarised below at figure 01, their full details can be found in the appendices of this report.

The appraisals have been calculated in Residual Profit Value model. An acceptable level of profit is laid out in this report at Point 6.3.

figure 01: Appraisal Summary

	Appraisal 1	Appraisal 2	Appraisal 3	Appraisal 4	Appraisal 5
Description	Current affordable designation	Block A affordable	Block B affordable	One affordable (Block A)	No Affordable
Affordable Units No.	5	3	2	1	0
GDV £	£1,870,000	£1,990,000	£1,990,000	£2,070,000	£2,110,000
GDC £	£1,598,639	£1,547,883	£1,683,952	£1,548,683	£1,685,152
Profit %	-4.93%	0.54%	3.06%	5.63%	7.74%
Profit £	-£88,726	£10,239	£59,722	£112,523	£158,687

Attached as **Appendix 03** is Appraisal 1 which is the detailed appraisal for the scheme as per the approved application. Conversely, attached as **Appendix 04** is Appraisal 5 which is the detailed appraisal for the scheme without the provision of any affordable units.

8.0 CONCLUSION

Carigiet Cowen has conducted a review and appraisal of the approved development, and 4 further proposed development options for the site.

The approved application for 5 affordable dwellings and 2 open market dwellings is not financially viable for a developer, on the basis that any developer would be seeking a profit in the region of 18% to 25%.

The development of the site would provide reasonable quality living accommodation but not bespoke or of a particularly high quality, as the market would not withstand the increased build cost of a higher specification. Construction costs proportionately outweigh sales values and as a result when a developer's reasonable profit is accounted for a scheme's capacity for affordable provision is restricted.

Carigiet Cowen has undertaken 5 appraisals reviewing the viability of the development, assuming a reduced volume of affordable properties and in each case developer's profit does not exceed <9%.

Only when a sales rate <£519 per m² above average market tone is adopted (for the detached non-affordable accommodation) is an affordable housing offering viable. This rate being for an executive detached house within more centralised and high demand location. Beyond this, adopting such a sales rate would still mean that the detached dwellings are priced at 17.5% above the most recent highest selling detached property in Braystones (in the last 24 months to date). Such an avenue is unviable.

It is the opinion of the Valuer that no affordable designation should apply to this development and therefore no affordable housing designation should apply against the grant of planning referenced: 4/18/2215/0B1

Reported by:

Jody Lauder, BSc (Hons) MRICS

Lewis Fuller



For and on behalf of:

CARIGIET COWEN

Suite 2 Telford House, Riverside, Warwick Road, Carlisle CA1 2BT

Dated this 9th day of May 2022.

APPENDICES

PROPERTY ADDRESS:

**TARN BANK
BRAYSTONES
BECKERMET
WORKINGTON
CA21 2YL**

**Carigiet
Cowen**

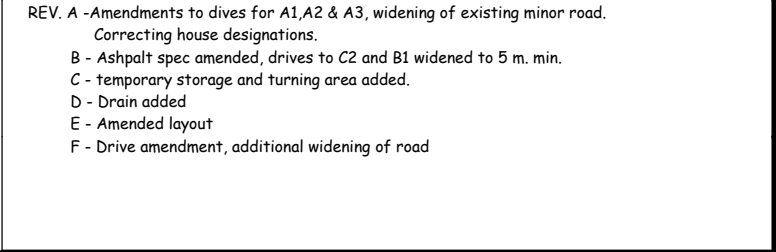
Chartered Surveyors

Telford House, Riverside,
Warwick Road, Carlisle,
CA1 2BT
Tel: 01228 544733

email: carlisle@carigietcowen.co.uk
Regulated by RICS

APPENDIX 01

SCHEME LAYOUT PLAN



APPENDIX 02
LOCATION PLAN



Braystones



Ordnance
Survey

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SITE LOCATION PLAN

APPENDIX 03

**VIABILITY ASSESSMENT –
APPRAISAL 1**

Housing Viability Model:		Tarn Bank, Braystones										
Brief Description		Whitehaven Rural										
Location:		Copeland										
Date of Assessment:		18/03/2022										
SCHEME		7		UNIT development								
FEATURING		72%		Affordable/Discount								
STATUS 1												
STATUS 2												
PRIVATE & CONFIDENTIAL												
DEVELOPMENT VALUE												
Property Design		Plot No.	Form:	Bed No:	Garage	Status:	Size (GIA ex garage):	Unit Measure:	Headline Sale Price:	Value 1	Market Type 1:	Sales Rate
Type:												£:
Type	A	1	Terrace	3	N	For sale	100.0 m2		£ 180,000	£ 180,000	Intermediate (80% OMV)	£1,800 per m2
Type	A	2	Terrace	3	N	For sale	100.0 m2		£ 180,000	£ 180,000	Intermediate (80% OMV)	£1,800 per m2
Type	A	3	Terrace	3	N	For sale	100.0 m2		£ 180,000	£ 180,000	Intermediate (80% OMV)	£1,800 per m2
Type	C	4	Detached	4	Detached	For sale	164.0 m2		£ 390,000	£ 386,000	OMV	£2,350 per m2
Type	C	5	Detached	4	Detached	For sale	164.0 m2		£ 390,000	£ 386,000	OMV	£2,350 per m2
Type	B	6	Semi	3	Integ	For sale	128.0 m2		£ 240,000	£ 231,000	Intermediate (80% OMV)	£1,800 per m2
Type	B	7	Semi	3	Integ	For sale	128.0 m2		£ 240,000	£ 231,000	Intermediate (80% OMV)	£1,800 per m2
Count		7.00		Garages	3.00		GIA	884.00	GDV	£ 1,800,000		
DEVELOPMENT COSTS												
Site acquisition costs												
Land purchase £132,750												
Stamp duty £0												
Legal fees @ 1.5% of Site value £1,991												
Agent fees @ 1% of Site value £1,328												
Total Acquisition costs (AC) £136,069												
Costs of construction												
Prelims Site Management - @ - -												
Investigative Works - @ - -												
Site compound and running costs - @ - -												
Plus Basic Buildcost Detached 328 Sqm @ £1,372 per m2 £450,016												
Semi-Detached 256 Sqm @ £1,372 per m2 £351,232												
Terrace 300 Sqm @ £1,372 per m2 £411,600												
Garages 3 Per Garage Unit £45,000												
Basic Build Cost £1,257,848												
Plus Infrastructure Plot Works 7.00 @ £3,850 per plot £26,950												
Site Works 7.00 @ £3,350 per plot £23,450												
Earthworks 0.75 acre @ £25,000 per m2 £18,750												
Roads & Sewers 270.00 Sqm @ £175 Basic Build Cost £47,250												
Footpaths - Sqm @ £175 Basic Build Cost £0												
Water Main 1.00 @ £16,242 lump sum £16,242												
Electricity Main 1.00 @ £20,602 lump sum £20,602												
Gas Main 1.00 @ £21,727 lump sum £21,727												
FW & SW drainage connections 7.00 @ £1,500 per plot £10,500												
£185,471												
Plus Abnormal / Enabling Works Retaining Walls - Sqm @ £250 per m2 £0												
Gabion Wall - Sqm @ £120 per m3 £0												
Deep Foundations @ £5,000 per plot £0												
Part L @ £8,000 per plot £0												
Additional Landscaping 1.00 @ £10,000 lump sum £10,000												
Contaminated land @ £365 per m3 £0												
Rainwater Harvesting 7.00 @ £2,000 per plot £14,000												
Soakaways 7.00 @ £1,000 per plot £7,000												
Combined main extension 1.00 @ £5,000 lump sum £5,000												
Gross Build Cost £36,000												
Plus Contingency @ 3.0% £44,380												
Total construction costs (BC) £1,523,698												
Other costs												
Other S106/CIL costs												
Town Planning Fees @ 1.50% of Build Cost £22,855												
Building Regs @ 0.25% of Build Cost £3,809												
Professional Fees @ 8.50% of Build Cost £129,514												
Cost of disposal (Market Sale) @ 1.00% of Gross DV £18,000												
Total £174,179												
Cost of finance @ 7.0% per annum £54,779												
Total Other Costs (OC) £228,959												
GDC £1,752,657												
SUMMARY OF DEVELOPMENT SCHEME												
Gross Development Value £1,800,000												
Less												
Gross Development Costs, plus land £1,888,726												
Equals Residual Developer Profit												
Developer profit Equating to: -4.93% of Gross DV -£88,726												
2,136.57 per sqm excluding the garages.												
Source: Typical rate of Developer return considered @ 17-20% of GDV.												

APPENDIX 04
VIABILITY ASSESSMENT –
APPRAISAL 5

Housing Viability Model:		Tarn Bank, Braystones																																																																																																																																																																																													
Brief Description		Whitehaven Rural																																																																																																																																																																																													
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SUMMARY OF DEVELOPMENT SCHEME	
Gross Development Value	£2,050,000
Less	
Gross Development Costs, plus land	1,891,313
Equals Residual Developer Profit	
Developer profit	£158,687
Equating to:	7.74% of Gross DV

2,139.49 per sqm excluding the garages.
Source: Typical rate of Developer return considered @ 17-20% of GDV.

APPENDIX 05

BCIS CONSTRUCTION RATES

£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 23-Apr-2022 00:41

› Rebased to 2Q 2022 (359; forecast) and Eden (99; sample 14)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
810. Housing, mixed developments (15)	1,372	752	1,203	1,335	1,494	3,097	1216
810.1 Estate housing							
Generally (15)	1,374	669	1,171	1,323	1,501	4,753	1463
Single storey (15)	1,545	876	1,315	1,494	1,712	4,753	238
2-storey (15)	1,327	669	1,154	1,293	1,447	2,881	1129
3-storey (15)	1,418	856	1,136	1,359	1,594	2,818	91
4-storey or above (15)	2,891	1,405	2,323	2,594	3,861	4,272	5
810.11 Estate housing detached (15)	1,769	1,015	1,392	1,532	1,780	4,753	22
810.12 Estate housing semi detached							
Generally (15)	1,372	811	1,177	1,342	1,501	2,530	352
Single storey (15)	1,525	1,005	1,324	1,502	1,682	2,530	73
2-storey (15)	1,333	811	1,175	1,308	1,460	2,357	266
3-storey (15)	1,306	973	1,038	1,285	1,394	1,972	13
810.13 Estate housing terraced							
Generally (15)	1,416	856	1,151	1,333	1,561	4,272	260
Single storey (15)	1,635	1,042	1,367	1,676	1,899	2,247	19
2-storey (15)	1,362	862	1,143	1,309	1,496	2,881	197
3-storey (15)	1,446	856	1,129	1,338	1,651	2,818	42
4-storey or above (10)	4,067	3,861	-	-	-	4,272	2
816. Flats (apartments)							
Generally (15)	1,616	799	1,346	1,533	1,825	5,554	848
1-2 storey (15)	1,534	939	1,295	1,465	1,718	2,832	189
3-5 storey (15)	1,592	799	1,343	1,519	1,803	3,371	560
6 storey or above (15)	1,922	1,170	1,563	1,815	2,049	5,554	96

APPENDIX 06

**SIGNED SECTION 106
AGREEREEMENT**

DATED 8th September 2006

COPELAND BOROUGH COUNCIL

-AND-

PETER LOCKHART

Duplicate
S106 AGREEMENT

Relating to

Tarnbank, Braystones, Cumbria

THIS AGREEMENT is made as a Deed the 8th day of September 2006
BETWEEN COPELAND BOROUGH COUNCIL of The Council Offices,
Catherine Street, Whitehaven, Cumbria (hereinafter called "the Council") of the one
part and PETER LOCKHART of The Red Admiral, Boonwood, Gosforth,
Cumbria (hereinafter called "the Applicant") of the other part

WHEREAS

1. The Council is the Local Planning Authority for the purpose of the Town and Country Planning Act 1990 for the area within which the property described in the First Schedule hereto is situated (hereinafter called "the Property") which Property is shown edged red on the plan attached hereto (hereinafter called "the Plan")
2. The Applicant has by an application registered on the 29th March 2005 applied to the Council for planning permission to develop the Property in accordance with the plans specifications and particulars deposited with the Council and set out in the Second Schedule hereto (hereinafter called "the Development")
3. The Council is satisfied that the Development is such as may be approved subject to conditions and the provisions of this Agreement

NOW THIS DEED WITNESSETH

1. This Agreement is made as a planning obligation in pursuance of Section 106 of the Town and Country Planning Act 1990 (as amended) and in consideration of the covenants by the Owner hereinafter contained
2. The Council hereby approves the Development and grants planning permission in accordance with the Grant of Planning Permission ("the Grant") annexed hereto but subject to the conditions set out in the Grant
3. The Applicant hereby covenants with the Council that the Property shall be subject to the restrictions and provisions specified in the Third Schedule hereto

4. The Applicant hereby covenants to carry out the Development (once commenced) in strict conformity with the said plans specifications and particulars (save for such minor modifications and variations thereof as shall be approved by the Council in writing)
5. The expressions "the Council" and "the Applicant" shall include their respective successors in title and assigns
6. The parties hereto intend this Agreement to take effect as a Deed

FIRST SCHEDULE

All that piece or parcel of land at Tarnbank, Braystones, Cumbria as shown edged red on the Plan

SECOND SCHEDULE

The demolition of Tarnbank, Braystones, Cumbria and the erection of three, three-bedroomed link houses and three detached single storey dwellings on the site of Tarnbank as shown edged red on the Plan.

THIRD SCHEDULE

- 1 That the dwellings to be erected on the land shown edged red on the Plan shall not be occupied other than by members of the local community of Loweside Quarter, St John's Beckermest and St Bridget's Beckermest together with their dependants. This definition includes those who: -
 - (i) have at least 5 years residency in the locality, or
 - (ii) have strong connections with the locality through previous residency of at least 5 years duration within the last 10 years or close family association – which could include the need to give care – with an existing resident of at least 5 years residency or
 - (iii) have permanent employment in the locality or have accepted the offer of such employment.

The definition of locality is the Parishes of Loweside Quarter and St Johns Beckermest but if no person can be found who is resident or has connections or

has employment in those Parishes after three months of the relevant dwelling being first marketed then the definition of locality shall be the District of Copeland.

2 That the dwellings to be erected shall not be sold or let unless any sale or lease is within the following definition of affordability: -

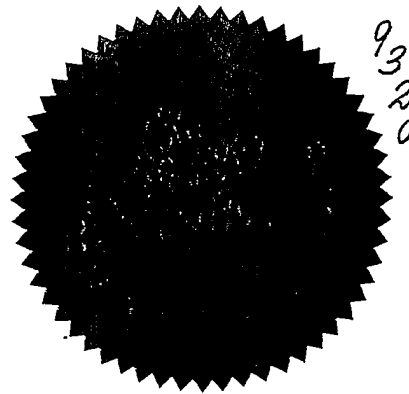
- i) housing that is available for an occupier who has
 - (a) purchased an equity share in the property from 25% to 80% of the total market value for a price that at the date of purchase or lease does not equate to more than 3.5 times the local (ie ward level) average in-work income as defined by Cumbria County Council's or any successor local authority's Household Income Survey where such data exists, or by reference to the Copeland average where such ward level data does not exist, and
 - (b) is renting the unpurchased equity share, or
- ii) housing that is available for rent at a weekly rent that does not and will not exceed for a period of not less than 60 years the target rent set by the Housing Corporation or any regulatory successor for an equivalent property provided by a Registered Social Landlord or other not-for-profit organisation, or
- iii) housing that is available for purchase at a price that does not equate to more than 3.5 times the local average in work income (as defined above), or
- iv) housing that is available for an occupier who has purchased an equity share in the property from 25% to 100% of the total market value and is renting the unpurchased equity share (if any) from a Registered Social Landlord and that in the case of subsequent resales is subject to a first opinion in favour of a Registered Social Landlord to purchase for resale on a shared ownership basis.

IN WITNESS whereof the Common Seal of the Council has hereunto been affixed and the Applicant has hereunto set his hand the day and year first before written

THE COMMON SEAL OF COPELAND

BOROUGH COUNCIL was hereunto

affixed in the presence of:



[REDACTED]

HEAD OF LEGAL AND DEMOCRATIC SERVICES

SIGNED AND DELIVERED

as a DEED by the said

PETER LOCKHART in the

presence of:

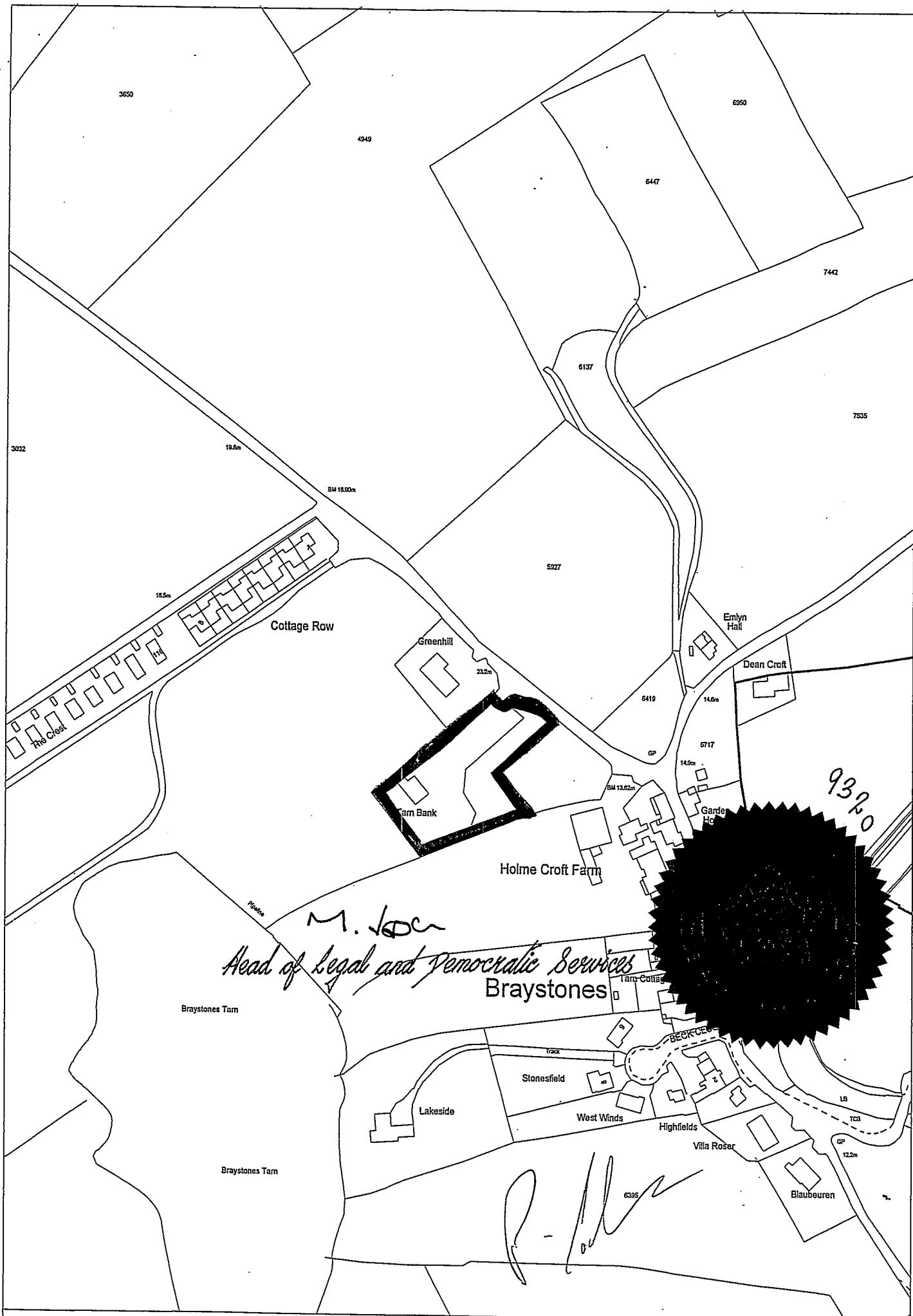
[REDACTED]

SIGNATURE:

[REDACTED]

ADDRESS:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]



This copy has been produced specifically for Planning and Building Control purposes only. No further copies may be made

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Scale: 1:2,500

Date: 18/1/2006

COPELAND BOROUGH COUNCIL

The Copeland Centre, Catherine Street, Whitehaven, Cumbria, CA28 7SJ



**THIS CONSENT IS SUBJECT TO AN AGREEMENT UNDER SECTION 106
OF THE TOWN & COUNTRY PLANNING ACT 1990**

Town and Country Planning Act 1990

App No 4/05/2219/0

MR P LOCKHART
THE RED ADMIRAL
BOONWOOD
GOSFORTH
CUMBRIA.

OUTLINE APPLICATION FOR SIX DWELLINGS AFTER
DEMOLISHING TARNBANK
TARNBANK, BRAYSTONES, CUMBRIA.
MR P LOCKHART

The above application dated 29/03/05 has been considered by the

1. The siting, design and external appearance of the building/s, means of access thereto, and the means of disposal of surface water therefrom, shall be as may be approved by the Local Planning Authority.
2. Detailed plans and drawings with respect to the matters reserved for subsequent approval shall be submitted to the Local Planning Authority within three years of the date of this permission.
3. The development hereby permitted shall be commenced not later than the expiration of two years from the final approval of the reserved matters or, in the case of approval on different dates, the final approval of the last reserved matters to be approved.
3. Notwithstanding the plans hereby approved full details of site layout, access and parking arrangements shall be submitted for approval by the Local Planning Authority at the detailed design stage.
4. No development shall commence until the applicant has secured the implementation of a programme of archaeological work in accordance with a written scheme of investigation which has been submitted to and approved in writing by the Local Planning Authority.
5. Details of the design, construction and drainage of the access road/driveway and parking areas shall be submitted to and approved in writing by the Local Planning Authority. The development shall be completed in accordance with the approved details.

COPELAND BOROUGH COUNCIL

The Copeland Centre, Catherine Street, Whitehaven, Cumbria, CA28 7SJ



6. The site shall be drained on a separate system with only foul drainage connected into the foul sewer.
7. Notwithstanding Part 2 of Schedule 2 of The Town and Country Planning (General Permitted Development) Order 1995 no wall, fence or other means of enclosure shall be erected without the prior written consent of the Local Planning Authority.

Reasons for the above conditions:-

For the avoidance of doubt.

To afford reasonable opportunity for an examination to be made to determine the existence of any remains of archaeological interest within the site and for the preservation, examination or recording of such remains.

In the interests of highway safety.

To safeguard the amenities of the locality.


To ensure a satisfactory drainage scheme.

Reason for decision:-

An appropriate scheme to provide affordable rural housing compliant with Policy HSG 11 of the Copeland Local Plan 2001-2016 2nd Deposit Version.

Please read the accompanying notice

08 Sep 06


Development Services Manager

MAIN AGENDA

In the interests of highway safety and environmental management.

To afford reasonable opportunity for an examination to be made to determine the existence of any remains of archaeological interest within the site and for the preservation, examination or recording of such remains.

Reason for decision:-

An acceptable scheme of residential development for this presently dilapidated site within Egremont Conservation Area in compliance with Policies HSG 4 and ENV 26 of the Copeland Local Plan 2001-2016 2nd Deposit Version.

APPROVED AS ABOVE ✓

2 4/05/2219/0

OUTLINE APPLICATION FOR SIX DWELLINGS AFTER
DEMOLISHING TARNBANK
TARNBANK, BRAYSTONES, CUMBRIA:
MR P LOCKHART

Parish

Lowside Quarter

Strongly object to demolition of Tarnbank, stating that:-

1. This is a substantial house that could be converted into 3 dwellings if extended on one end.
2. There is a lack of statement of local need.

At the last meeting Members resolved to refuse this application. As this resolution was contrary to the officer recommendation a decision was deferred to this meeting in accordance with para. 9.2 of the Planning Code of Conduct approved by Council on 5 March 2002.

In September 2004 an outline planning application to demolish Tarnbank and divide the site into 3 plots was withdrawn (4/04/2516/001 refers). Prior to the application being withdrawn Members had undertaken a site visit.

Tarnbank is a large, detached property occupying a prominent elevated site to the north of Braystones. Tarnside Caravan Park is located immediately to the north. The land to the south separates Tarnbank from Braystones village. However, this land is currently being developed for three detached dwellings (4/04/2168/0F1 refers).

MAIN AGENDA

This application seeks outline planning permission to erect 3 x 3 bedroomed link houses and 3 detached single storey dwellings. It is proposed to realign the existing access road and create a courtyard arrangement to serve five of the dwellings.

A single bungalow will be accessed directly from the adjacent public road. It should be noted that this is an outline application and the house types could vary in any subsequent detailed application.

In the Copeland Local Plan 2001 the site was located within the settlement boundary for Braystones. Accordingly, the proposal would have been considered as infill development. However, the Copeland Local Plan 2001-2016 has reclassified settlements and Braystones no longer has a settlement boundary.

The applicant seeks to rely on Policy HSG 11 of the Copeland Local Plan 2001-2016 2nd Deposit Version to justify the proposal as a form of affordable rural housing. As a previously developed site immediately adjoining the village it satisfies Criteria 1 and 3 of Policy HSG 11. In response to the Parish Council's comments the applicant's agent has pointed out that the existing house is in a state of extreme disrepair and does not lend itself to be sub-divided without substantial demolition, alterations and extension works which would not be economically viable.

Criterion 2 of Policy HSG 11 requires the proposal to be supported by evidence to show that there is a need for the development within the local community as a whole. The applicant has independently undertaken a housing needs survey in Lowside Quarter Parish and the adjoining Parish of St John's Beckermest. A copy of the questionnaire survey and report findings is appended to this report.

The housing need survey concludes that there is a housing need in Lowside Quarter for a minimum of fourteen units. This relates to a variety of house types and sizes. Eleven respondents to the survey wish to live in Braystones, two stating that Braystones is the sole place where they wish to live. However, only three respondents live in or closest to the village of Braystones. The majority of respondents state that their reason for wishing to move relates to the desire to establish their first independent home.

It should be noted that some housing need will be met through general housing provision. This includes housing allocations and existing permissions in Egremont which is the nearest key service centre. Similarly, Beckermest is a Local Centre with an allocated housing site and infill potential. Also, there are a number of existing permissions in Nethertown which will help meet some demand in the Parish.

During the life of the Copeland Local Plan 2001 very few permissions for housing development were granted in Braystones. This probably

MAIN AGENDA

resulted from a tightly drawn infill boundary restricting infill potential and the majority of the village being in an area of high flood risk.

The elevated nature of this site means that it is not subject to flood risk. This, together with its proximity to the physical form of the village and its previously developed status, make it the most viable site for further housing in Braystones.

If Members are minded to grant planning permission the consent should be subject to an obligation under Section 106 of the Town and Country Planning Act 1990. This obligation should ensure that the dwellings are restricted to persons living or working in the locality. Also, the housing should be affordable. Definitions of "locality" and "affordability" are contained within the Copeland Local Plan 2001-2016.

In this case the "locality" should be restricted to Lowside Quarter and St John's Beckermeth Parishes. Given that this is a proposal submitted by a private developer the involvement of a social landlord or a shared equity scheme is considered unlikely. However, "affordability" could be secured by control of the rent or purchase price as outlined in the Copeland Local Plan 2001-2016.

As an indicator the average gross weekly pay in Copeland is £499.20. 3.5 times the local average income provides a purchase price of £90,854. Capping the purchase price at this level should ensure affordability for the majority of people who require housing in the area. However, properties subject to a restrictive Section 106 obligation may be difficult to mortgage or to secure a high percentage loan.

In determining this application Members should consider carefully whether the scheme will deliver genuinely affordable housing in the area for a sustained period of time.

Given the size and characteristics of the site it is likely to deliver a variety of house types and sizes. The incorporation of single storey accommodation should help meet various housing needs including those of the elderly and people with disabilities.

The Highway Authority comment that the road serving the development should be constructed to adoptable standards. Also, it is unclear whether there is adequate space within the site to meet car parking and turning standards.

It should be noted that this is an outline application. There is adequate space to provide turning and parking arrangements but this must be demonstrated at the detailed design stage. One dwelling would be served directly from the public road. It is likely that the remainder of the site could be served by a private driveway.

MAIN AGENDA

On balance this site is considered to represent the most appropriate means of delivering affordable local needs housing in Braystones. The housing development would serve local housing needs at least for the duration of the Copeland Local Plan 2001-2016.

Recommendation

That subject to the applicant entering into an obligation under Section 106 of the Town and Country Planning Act 1990 requiring that:-

- i) The dwellings erected shall only be occupied by members of the local community as defined in the Copeland Local Plan 2001-2016. The definition of locality shall be restricted to the Parishes of Lowside Quarter and St John's Beckermest, and
- ii) The dwellings erected shall only be sold or let within the definition of affordability provided by the Copeland Local Plan 2001-2016.

Outline planning permission be granted subject to the following conditions:-

1. The siting, design and external appearance of the building/s, means of access thereto, and the means of disposal of surface water therefrom, shall be as may be approved by the Local Planning Authority.
2. Detailed plans and drawings with respect to the matters reserved for subsequent approval shall be submitted to the Local Planning Authority within three years of the date of this permission and the development hereby permitted shall be commenced not later than the later of the following dates:-
 - (a) the expiration of five years from the date of this permission; or
 - (b) the expiration of TWO years from the final approval of the reserved matters or, in the case of approval on different dates, the final approval of the last such matter to be approved.
3. Notwithstanding the plans hereby approved full details of site layout, access and parking arrangements shall be submitted for approval by the Local Planning Authority at the detailed design stage.

MAIN AGENDA

4. No development shall commence until the applicant has secured the implementation of a programme of archaeological work in accordance with a written scheme of investigation which has been submitted to and approved in writing by the Local Planning Authority.
5. Details of the design, construction and drainage of the access road/driveway and parking areas shall be submitted to and approved in writing by the Local Planning Authority. The development shall be completed in accordance with the approved details.
6. The site shall be drained on a separate system with only foul drainage connected into the foul sewer.
7. Notwithstanding Part 2 of Schedule 2 of The Town and Country Planning (General Permitted Development) Order 1995 no wall, fence or other means of enclosure shall be erected without the prior written consent of the Local Planning Authority.

Reasons for the above conditions:-

For the avoidance of doubt.

To afford reasonable opportunity for an examination to be made to determine the existence of any remains of archaeological interest within the site and for the preservation, examination or recording of such remains.

In the interests of highway safety.

To safeguard the amenities of the locality.

To ensure a satisfactory drainage scheme.

Reason for decision:-

An appropriate scheme to provide affordable rural housing compliant with Policy HSG 11 of the Copeland Local Plan 2001-2016 2nd Deposit Version.

Vote 8 for
3 against

APPROVED, IN OUTLINE, AS ABOVE
SUBJECT TO SECTION 106 AGREEMENT

HOUSING NEEDS QUESTIONNAIRE LOWSIDE QUARTER PARISH

INTERPRETATION OF ANALYSIS

A questionnaire survey was undertaken in September/October 2005 to determine the extent of housing needs in Lowside Quarter parish. Following discussions with Copeland Planners, it was suggested that the survey should cover the parish of Lowside Quarter and the adjoining parish of St Johns Beckermest. A draft of the questionnaire was sent to Copeland Planners for comment before being circulated. A copy of the questionnaire circulated is attached as Appendix 1.

Approximately 800 questionnaires were hand delivered to addresses in the two parishes. A stamped addressed envelope was included and responses were requested within seven days. The detailed analysis of the returns is attached as Appendix 2.

298 questionnaires were returned, representing a 37% response, of which 73 (24.5% of those responding) indicated that someone in the household wished to set up home separately. 22 of these were within 1 - 2 years, 8 were 3 - 4 years, 11 were 5 - 6 years and 32 did not specify precisely when.

The reasons for wishing to set up home separately varied, but the largest group (25) indicated a desire for their first independent home.

41 were already home owners (but this did not differentiate between the head of the household and those seeking to move). 15 specified that they were living with parents, 4 were renting from a private landlord and 2 were in tied housing. 11 respondents did not complete this question.

59 respondents were not on housing benefit, whereas 9 indicated that they were.

53 described the property they were living in as in good condition, 15 fair condition and 2 in a poor state of repair. 23 had central heating and 35 double-glazing.

39 indicated that they wished to buy their next home and 15 said "no".

29 respondents lived in or near Thornhill; 24 Beckermest; 4 Egremont with 10 from within Lowside Quarter Parish.

When asked what price they could afford, 15 indicated between £70,000 - £80,000; seven between £80,000 - £90,000; four £90,000 - £100,000; one each in the ranges £110,00 - £120,000, £120,000 - £130,000 and £130,00 - £140,000; with nine in the range £140,00 - £150,000. 34 did not specify.

Nineteen respondents had income below £200 per week, with 34 above and 20 not responding. Fifteen respondents were currently renting and three paid under £40 per week, three £41 - £50 per week; five £51 - £60, three £61 - £70 and one £71 - £80.

45 were in full or part time employment and 6 in further or higher education. Four were employed and seeking work and 19 were retired.

Travel distances to work/college are relatively low. 21 are less than 5 miles with seventeen 5 - 10 miles.

Only two respondents required wheelchair access, 3 accommodation on one level, none sought sheltered accommodation, two needed help with personal care and two had other requirements.

When asked where they would choose to live, 38 replied Thornhill, 33 Beckermest, 10 Braystones, 9 Nethertown, one Middletown and 16 were not specific.

Where they lived now (35) or near to close family (22) were the main determinants of where people wished to live, with 17 near work/college and 12 being born and brought up there.

The types of accommodation required were; 23 seeking 3 bed house; 19 - 2 bed house; 14 - 2 bed bungalow; 13 - 3 bed bungalow; 10 - 4 bed house; 7 - 2 bed flat; 1 - 1 bed house; 4 - 4 bed bungalow; 2 - 3 bed flat and one 1 bed flat. Respondents were asked to tick all that applied.

Conclusions

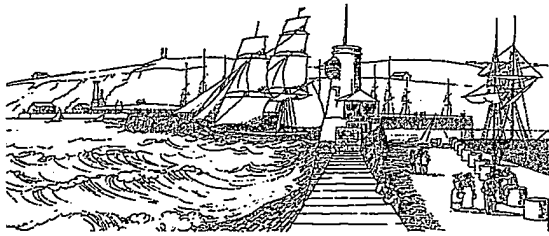
The survey has confirmed that there is a need for affordable housing in Lowside Quarter Parish. Eleven have indicated that they wish to live in Braystones (2 exclusively Braystones and 9 including Braystones with other areas). Additionally, two have mentioned only Nethertown and one Middletown, making 14 positive responses in Lowside Quarter. A further 14 have not been specific where they wish to live.

Of the fourteen showing an interest in low cost housing in Lowside Quarter Parish, 2 sought a one bed house; four a 2 bed house; three a 3 bed house; two a 4 bed house; one a 2 bed bungalow and one a 3 bed bungalow, with one unspecified. There were some multiple answers giving alternatives: - two 2 bed house, one 3 bed houses, one 4 bed house, one 2 bed bungalow, one four bed bungalow and one 2 bed flat.

Of the fourteen who were not specific where they wished to live within the survey area, there were four requests for a 3 bed house, one for a 2 bed bungalow, one for a 3 bed bungalow and eight who did not specify their requirements. Alternatives were given for a 1 bed house and a 2 bed house.

From a 37% response rate to the survey, there has been a positive response from 28 respondents who are seeking low cost housing within the next five years in the Lowside Quarter Parish area. Whereas it is not statistically accurate to interpolate results from a percentage return, it is highly likely that the need figure is significantly higher than that resulting from the survey.

The survey does prove a housing need in Lowside Quarter Parish for a minimum of fourteen housing units. In addition there are a further fourteen, which are needed within the area to the south of Egremont, which could include Lowside Quarter Parish. The need is for a mix of housing accommodation, as above, ranging from one to four bed houses and bungalows.



Whitehaven, Cumberland

H. F. T. GOUGH & CO.

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Development Services Manager
Copeland Borough Council
DX 62905
Whitehaven

Your ref TP/SC/4/05/2219/001

Our ref MTS/JC/13629/1

Contact M T Sandelands

Date 19 June 2007

COPELAND BOROUGH COUNCIL
DEVELOPMENT SERVICES

25 JUN 2007

RECEIVED

Dear Sirs

Re: - Section 106 Agreement Tarn Bank Braystones Cumbria

We act for Mr Peter Lockhart the owner of the above site.

Please accept this letter as a formal request to vary the Section 106 Agreement dated 8th September 2006 relating to the above property. The proposed variation is to delete clause 2 of the Third Schedule to the agreement.

The applicant wishes to submit the following information in support of the application:

Planning History

On the 8th September 2006 the Council granted outline planning permission for the demolition of Tarnbank and the erection of 6 dwellings (4/05/2219/0 refers). The planning permission is subject to a Section 106 Agreement relating to local affordable housing.

The application was accompanied by a local Housing Needs Survey of Lowside Quarter Parish. The survey concluded that there was a housing need in Lowside Quarter for a minimum of 14 units. The need related to a variety of house types and sizes. A significant number of the respondents to the survey expressed a wish to live in Braystones. A majority of the respondents stated that their housing need related to a desire to establish their first independent home.

It is clear from the report to the Planning Panel on the 7th December 2005 that the Council agreed that there was a need to provide local affordable housing in this area of the Borough where housing development has historically been limited. In recent years the trend for new housing development in Lowside Quarter has been for large high value detached houses.

Cont...

PARTNERS

J. C. Taylor (*H. M. Coroner*) D. Ll. Roberts, LL.B. *Solicitor - Advocate (Higher Courts Criminal)* R. J. Eastoe, BSc.
*Claire Madden, LL.B. ~ S.P.P. Ward, LL.B. M.A. Little, LL.B. *Elizabeth C. Sandelands, LL.B. *Ryan T. Reed LL.B.
Assistant Solicitor: Michael T. Sandelands, BSc. LL.B. MRTPI *Legal Executives*: Jacqui Herbert FILEX. Joann O'Neill

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⌘Member of the Criminal Law Solicitor Association

Cont/2...

The Planning Panel report notes that the Council accepts that the involvement of a social landlord or a shared equity scheme for this development is unlikely. At the time, the Council considered it appropriate to control the future rent or purchase price of the properties by the obligations in clause 2 of Schedule 3 of the Section 106 Agreement.

Following the Council's resolution to grant planning permission the applicant was happy to sign the Section 106 Agreement. However, since the grant of planning permission the applicant has sought advice from a chartered surveyor and other professionals regarding the development of the site.

Following the grant of planning permission it has become clear that the planning permission is not capable of implementation in its current form. Furthermore, if the development were to be implemented in its current form the effect of the affordability clause would be to cap the purchase price at 3.5 times the local average income. This will seriously affect the ability of buyers to raise mortgage finance against the properties. It is likely that lenders will lower their loan to value ratios. The effect of this is that the buyers will be required to contribute a higher than normal cash contribution towards the purchase price. This will adversely affect first time buyers and others who have difficulty entering the property market. This is precisely the sector which the Council is seeking to assist through the Section 106 Agreement.

Planning Policy

The obligations contained in the Section 106 Agreement are justified on the basis of policy HSG11 of the Copeland Local Plan 2001-2016. This policy is subject to four criteria. As a brownfield site well related to the village of Braystones the site satisfies criteria's 1 and 3. Criteria 2 is satisfied by the evidence of local housing needs demonstrated in the Local Housing Needs Survey.

Criterion 4 requires the proposal to be the subject of a planning obligation or condition which requires occupation of the dwelling in perpetuity to be by households which conform to requirements to meet a need within the local community as a whole for such development.

Although the plan provides definitions of locality and affordability in the narrative the direct application of the definitions is not required by the policy. These definitions primarily relate to development by social landlords and not private developments.

If local affordable housing is to be provided by private developers some degree of flexibility is required. The obligation that the market value of the properties must not equate more than three and a half times the local average income means that the value of the property approximately equates to the building cost. Clearly local affordable housing cannot be delivered on this basis.

Clause 1 of the Third Schedule of the Section 106 Agreement requires future residents to live or work in the locality. The locality is defined as the parishes of Lowside Quarter, St. Johns Beckermat and St. Bridgets Beckermat. The rural nature of these parishes means that there is a very limited number of people who would be eligible to occupy the development. The retention of this clause in itself will secure affordability. It is estimated that the open market value of the properties will be reduced by approximately one third by this obligation. The applicant is happy for this obligation to be retained to ensure the housing meets local affordable needs.

Cont...

Alternative Development

Retention of clause 2 of the Third Schedule of the agreement renders the scheme unviable. In planning terms normally the viability of a scheme is not material. It is usually the choice of the developer whether or not to progress the scheme.

However, as a site for local affordable housing this site offers a unique opportunity to Braystones and Lowside Quarter Parish. Due to proximity to the River Ehen, the vast majority of Braystones village is located in an area of high flood risk. The majority of land immediately adjoining the village is not suitable for residential development due to flood risk. This site is elevated, previously developed and adjoins existing development.

Abandonment of this local affordable housing scheme will result in the only viable alternative use being the refurbishment of the existing large house. This unique opportunity for development will be lost. Given the size and characteristics of the existing house it will add to the stock large high value housing of which there is already a considerable supply in Lowside Quarter.

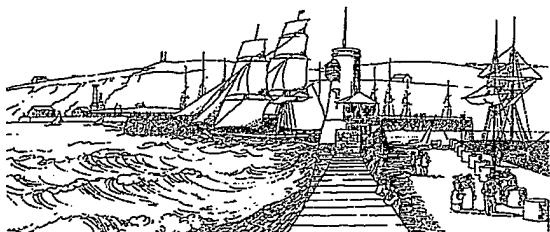
There is proven evidence that some residents of Lowside Quarter (particularly the young and elderly) cannot access the property market. Some find accommodation on the numerous caravan sites within this part of the borough. Whilst the standard of accommodation on these sites may be high in terms of tourist accommodation it does not represent the quality and opportunities of traditional housing stock. Ownership of these units does not allow residents the opportunity to build equity and therefore it restricts social mobility. Furthermore, the large site at Lakeland View Nethertown restricts occupancy to over 50's.

In conclusion, it is clear that the Council supports the proposal to provide housing within this area to meet local affordable housing needs. This site represents a considerable opportunity to make a valuable contribution towards the variety of affordable housing stock in this area. Clause 2 of the Third Schedule of the Section 106 Agreement is preventing development progressing. Without variation the opportunity to provide local affordable housing on this site will be lost with limited or no viable options to provide affordable housing in the Braystones area in the medium or long term future.

Yours faithfully

A large black rectangular redaction box covering the signature of the sender.

HM South & Co



Whitehaven, Cumberland

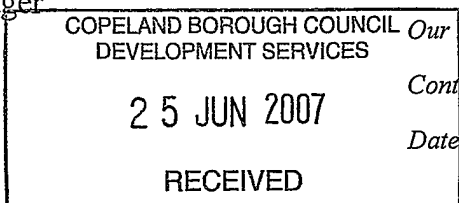
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Tony Pomfret
Development Services Manager
Copeland Borough Council
DX 62905
Whitehaven

Your ref



Our ref

MTS/JC/13629/1

Contact

M T Sandelands

Date

19 June 2007

Dear Mr Pomfret

Re: - Tarn Bank Braystones Cumbria

Further to our meeting on the 4th June 2007 Mr Lockhart has instructed that I submit a formal request to vary the Section 106 Agreement.

Please find enclosed a letter which I should be grateful if you would accept as Mr Lockhart's request to vary. I understand that the proposal must be determined by the Planning Panel.

If further information is required please do not hesitate to contact me. Also, I would be happy to discuss the terms of any Deed of Variation.

Mr Lockhart thanks you for your helpful advice regarding alternative forms of development on the site. Having considered the various options the only viable schemes are the refurbishment of the existing house as a single dwelling or implementation of the local affordable housing scheme with the Section 106 Agreement varied as submitted.

During our meeting you suggested use of the existing house as either tourist accommodation or a restaurant. The house is located immediately adjacent to the large Tarnside caravan park. Tarnside provides caravan and bungalow accommodation. The repair costs of the house are estimated to be in the region of at least £100,000. Refurbishment of the house as tourist accommodation is not a viable option. In addition, existing hotels and bed and breakfast accommodation are readily available closer to the A595 which serves the needs of Sellafield.

Similarly, the cost of repairing the building and then fitting it out as a restaurant is unviable. Again, a restaurant in this location would be seriously disadvantaged in terms of its location.

Cont...

PARTNERS

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*Claire Madden, L.L.B. * S.P.P. Ward, L.L.B. M.A. Little, L.L.B. *Elizabeth C. Sandelands, L.L.B. *Ryan T. Reed L.L.B.
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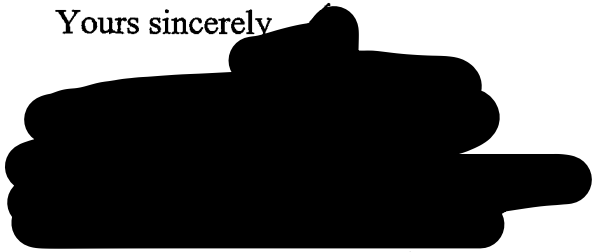
*Member of the Children Panel #Advanced Member of the Family Law Panel °Resolution Accredited Specialist *Member of APIL

⌘Member of the Criminal Law Solicitor Association

Cont/2...

Mr Lockhart considers that the proposal to amend the Section 106 Agreement represents the most appropriate form of development on this site delivering local affordable housing in an area of identified need.

Yours sincerely

A large, irregular black redaction mark covers the signature and the first line of the letter body.

APPENDIX 07

PHOTOGRAPHS















