
NON-TECHNICAL SUMMARY FOR VIABILITY ASSESSMENT REPORT

**LAND ADJACENT TO BEALEY INDUSTRIAL ESTATE
DUMERS LANE
RADCLIFFE
BURY
M26 2BD**

Prepared on Behalf of

**Westchurch Homes Limited
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MAY | 2025

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NON-TECHNICAL SUMMARY

LAND ADJACENT TO BEALEY INDUSTRIAL ESTATE, DUMERS LANE, RADCLIFFE, BURY, M26 2BD

- 1.0 This Non-Technical Summary is provided in accordance with the RICS Professional Standards *Financial Viability in Planning: Conduct and Reporting (1st edition)* dated May 2019 and *Financial Viability in planning under the National Planning Policy Framework for England 2019 (AVIP)*. It accords to the requirements of the PPG (2024) to present the data and findings of a viability assessment more clearly so that the process and findings are accessible to affected communities.
- 2.0 The summary contains details of the key inputs and assumptions underpinning the assessment of site viability. This is to assess the level of Section 106 contributions that can be delivered by the application proposals.
- 3.0 The application being assessed is a planning application for the erection of 80 no affordable dwellings, landscaping, highway improvements and associated works on land adjacent to Bealey Industrial Estate, Dumers Lane, Radcliffe ("the application site"). The affordable split is to be confirmed but we have assumed 65:35 social rented to shared ownership units.
- 4.0 Bury Council ("the Council") as Local Planning Authority issued a draft planning performance agreement to the applicant dated February 2025. Based on the development of 87 dwellings this agreement seeks the planning contributions summarised in table 1. The requirement for an education contribution is to be confirmed.

Contribution	Amount
Employment	£752,700
Recreation	£217,221
Total S106	£969,921

Table 1: Planning Contributions Summary

- 5.0 It is worth highlighting that since the above planning obligations were proposed, we understand from the applicant that through discussions with the local planning authority their preference is to limit the number of proposed units to 80. By accounting for this it may result in a revised recreation contribution of **£199,744** (based off an 80-unit scheme). This would provide a slightly reduced total proposed S106 amount of **£952,444**. Aside from this, our QS has included an allowance of approximately **£165,000** within the abnormals cost in order to satisfy biodiversity net gain (BNG) requirements. To estimate the costs of this our QS reviewed the "Indicative BNG Soft Landscape Schedule" and the "Offsite BNG Provision" plan.

- 6.0 With reference to the proposed development forming the subject of the application proposals, we have assessed the development value and associated development costs appropriate to the scheme and provided our view as to its financial viability. We have considered in particular having regard to these costs and revenues whether the application proposals are sufficiently financially viable to support the package of planning contributions being sought by the Council.
- 7.0 Our assessment is based on current property and construction market circumstances as at the date of this report, and has been prepared in conjunction with our in-house Quantity Surveyor who has considered the construction related costs, contingencies and professional fees associated with the development proposals.
- 8.0 The Financial Viability Assessment (FVA) has been prepared using a residual methodology, with the total costs deducted from the value of the completed affordable housing development (GDV) including an allowance for grant, to leave a residual sum which is the land value. The residual land value is then compared to a benchmark land value (BLV) to determine viability. If the residual land value generated by the appraisal is greater than or equal to the BLV, the development is viable and able to support the planning obligations that are sought. If the residual land value is less than the BLV then the planning contributions would need to be reduced to a point where the residual land value was equal to the BLV.
- 9.0 We have prepared a financial appraisal of the application proposals using Argus Developer an industry recognised appraisal model which is well regarded and widely used. The appraisal is based on the inputs summarised in table 6.11 of our FVA report. The residual land value generated by the appraisal is assessed against a benchmark land value (BLV) of **£505,000**. If the residual land value is equal to or greater than the BLV, then the development is viable and able to support the planning contributions being sought. If the residual land value is less than the BLV then the development is not viable and the planning contributions would need to be reduced to bring the residual land value in line with the BLV.
- 10.0 The first financial appraisal that we have prepared is inclusive of the planning contributions being sought by the Council (**£952,444**) reduced pro-rata for 80 units. The appraisal shows that once all of the costs are deducted from the value of the development with an allowance for grant, then the residual land value that remains is a negative figure of **-£706,148**. This is significantly less than the BLV at **£505,000** and demonstrates that the application proposals are not viable on this basis. Table 2 summarises the outcome of this appraisal.

Element	Total
Social Rent	£5,697,670
Shared Ownership	£8,367,929
Grant	£6,240,000
Less	
Construction Costs	£10,115,013
Professional Fees	£1,233,081
Contingency	£577,098
S106 Contributions	£952,444
Abnormals	£3,727,235
Preliminaries	£1,676,569
Main Contractor O/H&P	£1,299,666
Legal and Associated Fees	£60,000
Finance Costs	£252,929
Profit	£1,117,712
Equals	
Net Residual Land Value	-£706,148

Table 2: Appraisal Summary inclusive of full S106 Contributions

- 11.0 We have then prepared a number of further appraisals with reduced developer contributions to determine the level of planning contributions that the application proposals could viably support. In the absence of developer contributions the financial appraisal generates a residual land value of **£232,990**. This is still less than the benchmark figure and indicates that for the development to come forward on this site the applicant will need to assess options to improve scheme viability. Table 3 summarises the outcome of this appraisal.

Element	Total
Social Rent	£5,697,670
Shared Ownership	£8,367,929
Grant	£6,240,000
Less	
Construction Costs	£10,115,013
Professional Fees	£1,233,081
Contingency	£577,098
S106 Contributions	£0
Abnormals	£3,727,235
Preliminaries	£1,676,569
Main Contractor O/H&P	£1,299,666
Legal and Associated Fees	£60,000
Finance Costs	£260,381
Profit	£1,117,712
Equals	
Net Residual Land Value	£232,990

Table 3: Appraisal Summary excluding S106 Contributions

- 12.0 We have prepared sensitivity testing determining the extent of construction cost savings required to support payment of a full S106 contribution and achieve the BLV at **£505,000**. This exercise demonstrates with approximately a **£1,330,000** (c. 22%) reduction in costs the scheme can cover the requested S106 amount of **£952,444** in full and the RLV would be **£505,000**. This is equal to the benchmark land value hence, the scheme would be sufficiently viable to support the planning contributions that are being requested. However, this is considered highly unlikely given the TPI forecast of continuing price rises over the next 2 years, albeit not at the same levels previously experienced.
- 13.0 We include further sensitivity testing in Table 7.1 of the Financial Viability Assessment. This shows for the base appraisal, sales values need to increase by 5% and construction costs reduce by 10% for the residual land to exceed the BLV (>**£505,000**). If construction costs remain the same, sales prices would need to increase by 10% for the residual land to exceed the BLV (>**£505,000**). We note that due to the impact on other parts of the appraisal (for instance, SDLT and finance costs) the amount that could be used towards a S106 contribution will vary from a straightforward calculation of the difference between these residual land value figures and the BLV.
- 14.0 We have prepared a reasonable, objective and impartial assessment of the viability of the application proposals in accordance with the requirements of the RICS Professional Standard *Financial Viability in Planning: Conduct and Reporting (1st edition)* dated May 2019. The assessment is based on the guidance and methodology contained in the PPG and AVIP, and

has regard to relevant evidence of costs and values. As required by AVIP our Quantity Surveyor has prepared an assessment of the dwelling construction, site works, infrastructure and abnormal costs associated with the development proposals.

- 15.0 The contents of this summary do not constitute a valuation, in accordance with the appropriate sections of the RICS Valuation – Global Standards. This summary is for the purpose of the addressee and its contents should not be reproduced in part or in full without our prior consent. Our Valuations and Reports are for the specific purpose to which they refer and no responsibility whatsoever is accepted to any third parties for the whole or part of their contents.



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For and on behalf of
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DATE: 21 May 2025



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