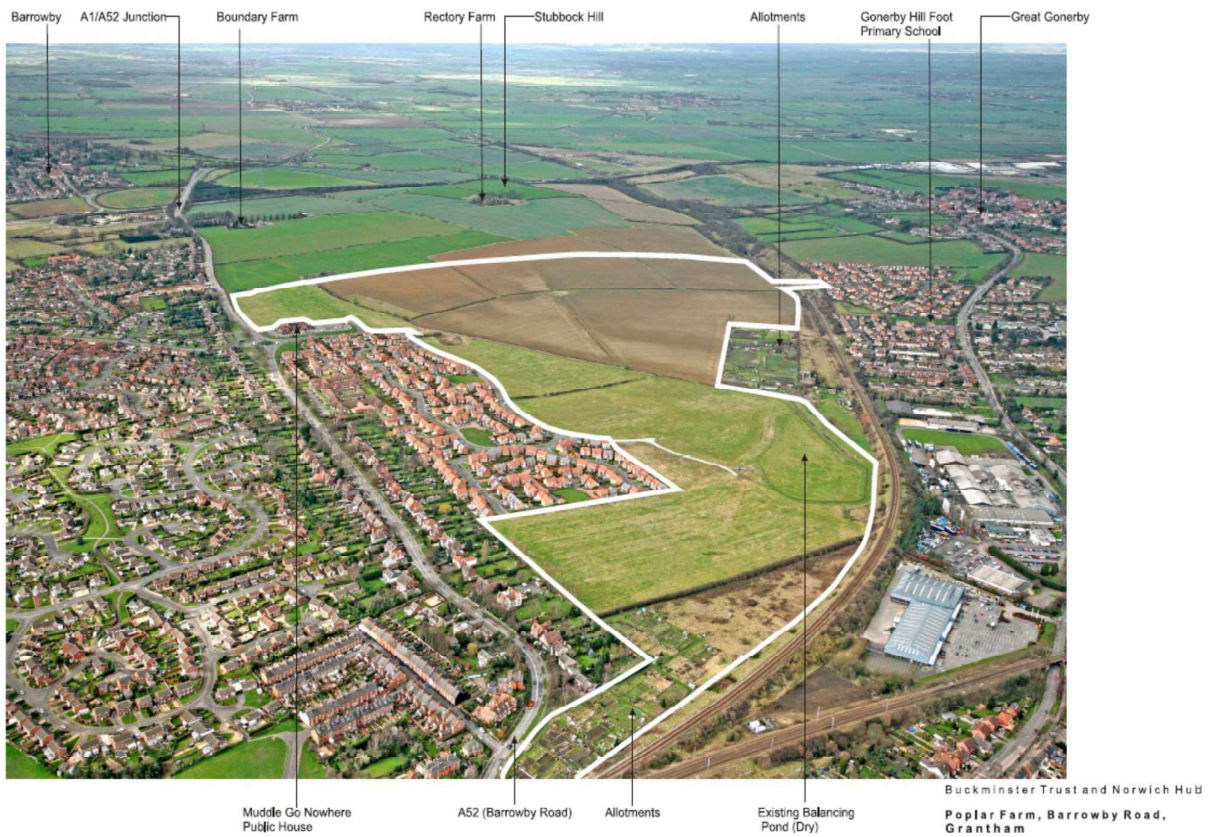


Viability Appraisal Report

Poplar Farm, Grantham



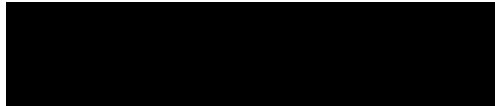
5th May 2026

This report has been prepared by:



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John Barber FRICS



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1.0 INTRODUCTION AND SITE DESCRIPTION

The site is located approximately 1km northwest of Grantham town centre. It is bounded to the north and east by the Nottingham to Grantham railway line, housing and some employment uses. To the south of the site is residential development on both sides of the A52 Barrowby Road. To the west lies Stubbock Hill and Rectory Farm.

The site was granted outline planning in June 2011 for a mixed use urban extension comprising up to 1800 dwellings, community facilities, (including a primary school, community centre, retail use classes A1, A2, A3 & A5, doctor's surgery and elderly person's accommodation) and associated open space (including new playing fields, facilities and changing rooms, children's play areas, informal networks of open space and allotments) and a new road and a new road bridge to complete the Pennine Way Link. Ref S08/1231.

Since then the site has been partially developed with completion of 673 dwellings but has stalled and a S73 application has been submitted Ref S24/2218 to vary the original consent to remove Condition 21 (Pennine Way Bridge) and vary Condition 36 (Off-site highways works) of planning permission S08/1231 to remove the obligation to deliver the Pennine Way bridge.

This viability appraisal report is an assessment to determine what affordable housing and other S106 contributions can be supported in developing out the balance of the site should the S73 application be approved taking account of the original S106 contributions and what has been paid to date in this respect. Any revisions to the obligations in the original S106 will take the form of a deed of variation to the original S106 Agreement which was signed on the 21st June 2011 should the S73 application be approved.

The undeveloped site originally comprised some 68 hectares with approximately 22 Ha now available for future phases of development. Originally the land was predominantly in agricultural use, apart from an area of the eastern part of the site, which accommodated a dry balancing pond. The south-eastern corner of the site contains allotments and an area of rough grassland.

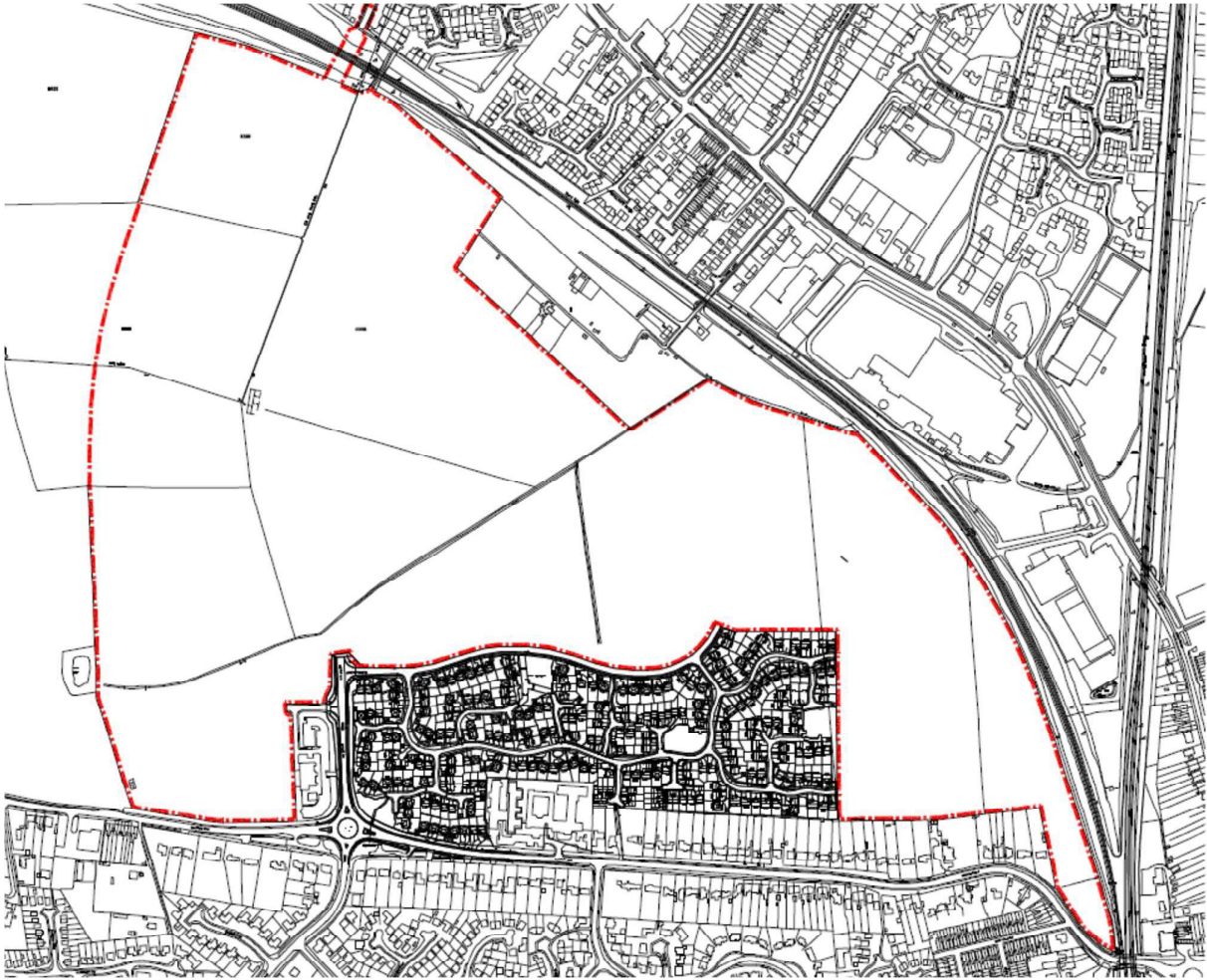
The topography of the site features a series of rising slopes with minor tributaries and undulations.

The site lies to the east of Stubbock Hill on the leeward side of the escarpment. Stubbock Hill, at its highest point, is 110m above sea level. The site itself slopes relatively gently from a height of 95m on the western boundary to 60 on the eastern boundary. Two small valleys create the undulating nature of the site. The first valley follows the line of the drainage ditch, and the second follows a hedgerow line from the western boundary down to the ditch. The eastern part of the site, adjacent to the railway line, is relatively flat.

The site is a "Greenfield" triangular wedge within the built-up area of Grantham, the eastern corner of the site being only ten to fifteen minutes walk from the town centre.

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Site Location Plan



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An illustrative masterplan has been prepared by Gleeson who the landowners are in discussion with as preferred developer for the remaining phases which is set out below :-



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The above masterplan reflects the following accommodation schedule including affordable housing to be developed over three phases :-

Housing Schedule					
House Type	Storey	Bed	Number	House Sq ft	Total Sq ft
Affordable					
150	2	1	3	452	1,356
151	2	1	3	398	1,194
251	2	2	9	753	6,777
252	2	2	36	753	27,108
253	2	2	26	753	19,578
256	1	2	10	731	7,310
259	2	2	31	864	26,784
365	2	3	39	904	35,256
369	2	3	4	1061	4,244
371	2	3	58	1033	59,914
450	2	4	3	1156	3,468
455	2	4	1	1138	1,138
Sub-Total			223		194,127

PHASE 1					
252	2	2	51	753	38,403
253	2	2	15	753	11,295
350	2	3	4	904	3,616
354	2	3	16	904	14,464
362	2	3	23	1102	25,346
365	2	3	30	904	27,120
450	2	4	2	1156	2,312
455	2	4	5	1138	5,690
Sub-Total			146		128,246

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PHASE 2					
252	2	2	39	753	29,367
253	2	2	10	753	7,530
350	2	3	16	904	14,464
354	2	3	8	904	7,232
362	2	3	5	1102	5,510
365	2	3	15	904	13,560
369	2	3	2	1061	2,122
450	2	4	5	1156	5,780
455	2	4	4	1138	4,552
Sub-Total			104		90,117

PHASE 3					
250	2	2	47	753	35,391
252	2	2	15	753	11,295
253	2	2	25	753	18,825
259	2	2	12	864	10,368
350	2	3	41	904	37,064
354	2	3	6	904	5,424
362	2	3	33	1102	36,366
363	2	3	22	1149	25,278
365	2	3	55	904	49,720
369	2	3	4	1061	4,244
371	2	3	18	1033	18,594
450	2	4	10	1156	11,560
452	2	4	2	1211	2,422
454	2	4	22	1149	25,278
455	2	4	32	1138	36,416
457	2	4	21	1399	29,379
460	2	4	7	1337	9,359
550	3	5	11	1408	15,488
551	2	4	17	1576	26,792
552	2	4	7	1421	9,947
Sub-Total			407		419,210
Total			880		831,700
Net Dev					54.50 acres
Coverage					15,260 sq ft/acre

2.0 BASIS OF REPORT

This report has been prepared in accordance with latest published guidance including the recently published RICS professional statement '*Financial viability in planning : conduct and reporting*' 1st Edition May 2019 and would confirm the following statements accordingly:

We confirm in carrying out this Financial Viability Appraisal (FVA) we have acted:

- With objectivity
- Impartially
- Without interference
- With reference to all appropriate available sources of information

We confirm that in preparing this report no performance related or contingent fees have been agreed.

We also confirm that we are not involved in the preparation of any area wide viability assessments South Kesteven District Council (SKDC) have adopted or are preparing and that no conflict of interest arises in carrying out this viability appraisal and report.

The primary objective of the assessment is to highlight the viability issues associated with the scheme and the ability of the scheme to meet the affordable housing provision and the additional contributions as set out in the original S106 Agreement.

ADS have prepared this report for the sole use of SKDC in accordance with the instructions under which our services are performed. No other warranty, expressed or implied, is made as to the professional advice included in this report or any other services provided by us. This report may not be relied upon by any other party without the prior and express written agreement of ADS.

No part of this report constitutes a valuation and the report should not be relied on in that regard.

Certain statements made in this report may constitute estimates of costs and values and even though they are based on reasonable assumptions as of the date of the report, these by their nature involve risks and uncertainties that could cause actual results to differ materially from the results predicted. ADS specifically does not guarantee or warrant any estimate or values contained in this report.

3.0 METHODOLOGY AND APPROACH

The appraisal methodology and approach follows the guidelines laid down in various RICS Professional Guidance, the National Planning Policy Framework (PPF) and in national Planning Policy Guidance (PPG).

The NPPF which sets out the government's planning policies for England and how these are expected to be applied was first published in 2012, updated in July 2018, February 2019, March 2021 and December 2024 in respect of references to viability and its application in planning.

PPG provided more detail about the application of the NPPF and in May 2019 was updated and made specific reference to viability with reference to the calculation of benchmark land value (BLV) and potential returns to developers. This followed an earlier decision in a landmark Appeal case *Parkhurst Road Ltd v Secretary of State for Communities and Local Government*.

The RICS initially published viability guidance in 2012, Professional Guidance - Viability in Planning 2012. They have subsequently issued further practice guidance with regard to viability by way of a Professional Statement, Financial Viability in Planning: conduct and reporting 1st Edition May 2019. This sets out mandatory requirements and good practice guidance for RICS members of what should be included in reports and how the process should be conducted to achieve a reasonable, objective and impartial outcome and so support the Planning process. This 2019 Professional Statement was initially published as guidance in August 2019 but has now been reissued by the RICS in April 2023 as a practice standard (there are no changes in the document itself) giving additional weight to the conduct and reporting requirements.

The RICS state 'The purpose of the professional standard is to ensure that chartered surveyors and regulated firms recognize and adhere to their professional duties when working in a context with a significant public interest obligation combined with intense commercial pressure. This professional standard provides clear requirements for meeting RICS professional standards'.

As set out in the various Policy and Guidance highlighted above there are two basic criteria that need to be satisfied for a development to be considered viable:

1. The residual value of the land calculated by reference to the total value created by the development (also referred to as the Gross Development Value, GDV) when set against the total estimated costs of development i.e. construction costs, fees, finance and profit should generate a residual land value that is positive and exceeds the existing use value in the land prior to the granting of Planning for redevelopment. The PPG makes it clear that a benchmark land value (BLV) should be calculated based on the existing use value of the land, plus a premium for the landowner (EUV +) to encourage the landowner to make land available for development.

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2. The development appraisal (i.e. considering the GDV set against the cost of development) in addition to demonstrating a positive residual value for the land (BLV) described above also needs to cover a risk adjusted development profit for the Developer which typically ranges between 15 and 20% of GDV and which is referred to in PPG.

This Viability Appraisal Report (VAR) sets out current values and costs for the future phases of development and establishes a residual profit to compare to a target profit of 17.5% of GDV as established and set out in the Whole Plan Viability Appraisal (WPVA) report prepared by HDH Planning and Development published in January 2024.

The Outline permission was for delivery of up to 1800 units on the whole site which accounting for the 673 dwellings already completed would potentially accommodate a further 1100 dwellings on the remaining land. However in looking at the density of development this would derive at 50 units per Ha (relative to the net developable area of 22 Ha) is a much higher density than has been delivered to date and a much higher density than assumed in the WPVA at 30 dwellings per Ha.

The indicative layout prepared by Gleeson accommodates 880 additional dwellings on the balance of the site. This equates to a development density of 40 dwellings per hectare which compares favourably with the assumed density in the WPVA for strategic greenfield sites.

We have therefore adopted the Gleeson indicative layout and accommodation schedule as a basis for this appraisal in terms of number, type and floorspace to be accommodated in future phases.

In terms of inputs to this appraisal in respect of market sales values, affordable sales values and percentage split between affordable types, benchmark land value, professional fee allowances, marketing and sales costs, finance rate and profit these all reflect allowances in the WPVA for a strategic greenfield site in Grantham which informed the Local Plan.

These various appraisal inputs are set out in detail in the following section of this report.

In respect of S106 contributions incorporated in the S106 attached to the original outline consent these have been increased utilising the indexation as set out in the S106 to current day levels less contributions which have already been paid in completing the 673 units to date.

This assessment sets out a series of scenarios of viability with and without the updated bridge cost included and these scenarios are summarised below :-

Base Appraisal	Scenario 1	Scenario 2	Scenario 3	Scenario 4
No Bridge	With Bridge	With Bridge	With Bridge	With Bridge
Full S106	Full S106	No S106	No S106	Reduced S106
With Sports Pitches	With Sports Pitches	No Sports Pitches	No Sports Pitches	With Sports Pitches
25.34 % Affordable	25.34 % Affordable	25.34 % Affordable	Reduced Affordable	Reduced Affordable

The base appraisal above is on the same basis as set out in the previous draft viability appraisal report dated 6th March 2026

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4.0 DETAILED APPRAISAL COMMENTARY

The various costs and values set out in this section of the report relate to the development proposed on the Gleeson illustrative layout ref: n2882 006 dated 13.11.2025 and accommodation schedule as set out earlier in this report in Section 1.0.

In consideration of the various values, costs and allowances our assessment of these may be summarised as follows and establishes the base appraisal without the updated bridge cost included :-

Gross Development Value

Values per m2 adopted in the WPVA for Grantham are as follows :-

Type	Value / m2
Market Sales	£ 3,300.00
Affordable Rent	£ 1,310.00
Social Rent	£ 1,700.00
Affordable Home Ownership	£ 2,310.00

Applying these values to the market sales and affordable units (applying the same split as in the WPVA between Affordable Rent, Social Rent and Affordable Home Ownership being 30%,30% and 40% respectively) to the overall areas in the accommodation schedule would give the following average values per unit.

Type	No.	m2	total m2	Value / m2	Value per unit
		<u>Ave</u>			<u>Ave</u>
Market Sales	657	90.19	59257	£ 3,300.00	£ 297,636
Affordable Rent	67	90.19	6034	£ 1,310.00	£ 118,152
Social Rent	67	90.19	6034	£ 1,700.00	£ 153,328
Affordable Home Ownership	89	90.19	8045	£ 2,310.00	£ 208,345
	223		20112		
Totals	880		79,370		

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The WPVA was published in January 2024 and to check whether the values derived above would represent current values we have sourced evidence from Land Registry Housing Index for average sold prices in South Kesteven between 2024 and 2025 which is set out below :-



UK House Price Index

Average price by type of property in South Kesteven

January 2024 – January 2026

	Reporting period	Sales volume	Average price All property types
January 2024	monthly	135	£245,739
February 2024	monthly	126	£246,488
March 2024	monthly	167	£251,449
April 2024	monthly	130	£251,955
May 2024	monthly	171	£251,259
June 2024	monthly	179	£248,483
July 2024	monthly	187	£250,774
August 2024	monthly	240	£250,666
September 2024	monthly	227	£249,251
October 2024	monthly	206	£248,720
November 2024	monthly	226	£254,051
December 2024	monthly	222	£258,357
January 2025	monthly	151	£260,428
February 2025	monthly	222	£252,991
March 2025	monthly	326	£253,210
April 2025	monthly	71	£250,601
May 2025	monthly	152	£253,017
June 2025	monthly	159	£252,587
July 2025	monthly	181	£255,425
August 2025	monthly	185	£256,040
September 2025	monthly	145	£253,289
October 2025	monthly	170	£250,703
November 2025	monthly		£255,056
December 2025	monthly		£255,822

On the above basis the market sales average price using the £3,300 per m2 value applied to the market sales units in the Gleeson accommodation schedule derives an average value per unit of £ 297,636 which compares favorably with the latest average price of £255,822 per unit given above published by Land Registry House Price Index for South Kesteven.

On this basis we have adopted the WPVA value per m2 rates in this appraisal and when applied to the market sales and affordable units gives an overall Gross Development Value (GDV) of £232,294,150 which is set out below :-

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DEVELOPMENT VALUE						
Type	No.	m2	total m2	Value / m2	Value per unit	Income
		<u>Ave</u>			<u>Ave</u>	
Market Sales	657	90.19	59257	£ 3,300.00	£ 297,636	£195,549,085
Affordable Rent	67	90.19	6034	£ 1,310.00	£ 118,152	£7,904,111
Social Rent	67	90.19	6034	£ 1,700.00	£ 153,328	£10,257,243
Affordable Home Ownership	89	90.19	8045	£ 2,310.00	£ 208,345	£18,583,711
	223		20112			£36,745,065
Gross Development Value	880		79,370			£ 232,294,150

Benchmark Land Value

The WPVA adopted a benchmark land value of £250,000 per Ha (£100,806 per Acre) for greenfield land in Grantham and applying this to the gross site area of 54.5 Acres across the three remaining phases derives a land value of £6,592,792 overall calculated as follows :-

Land Costs							£ Total
Phase 1	12.11	Acres					£1,465,054
Phase 2	8.627	Acres					£1,043,600
Phase 3	33.76	Acres				£6,592,742	£4,084,088
	54.5	Acres					
Stamp Duty					5.00%		£73,253
Agent					1.00%		£14,651
Other Legal					0.50%		£7,325
Total Land Cost							£6,687,970

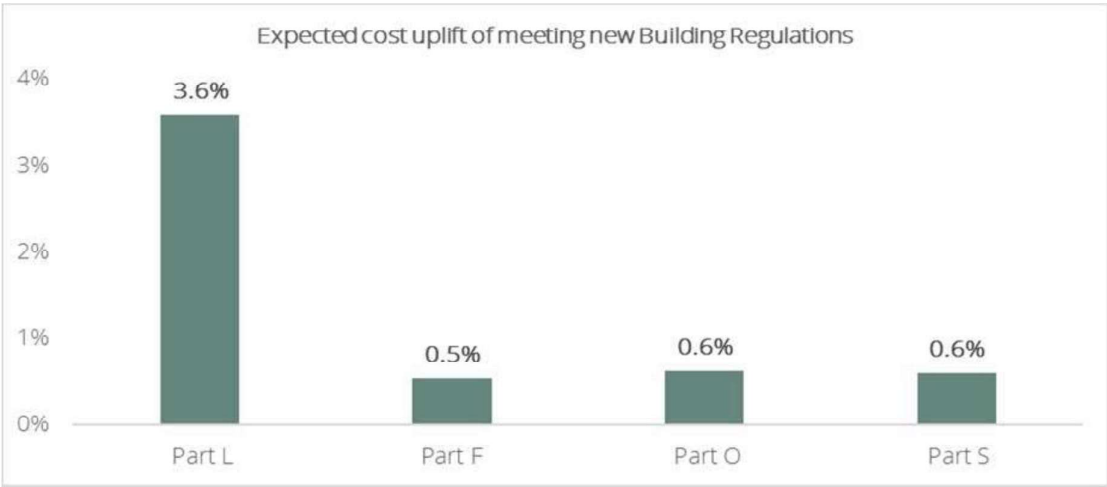
Building Costs

For base build cost we have applied BCIS lower quartile costs rebased to South Kesteven and calculated a blended rate to reflect the differing property types ie a mix of detached, semi detached and terraced which all have differing average rates per m2 as follows:-

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			£/m2
BCIS LQ	Estate Housing Generally	Terraced	£ 1,316
		Semi Det	£ 1,366
		Detached	£ 1,525
			£ 4,207
	Blended Rate	Ave	£ 1,402

BCIS published rates do not include additional costs to meet the new Building Regulations Parts L,F,O and S which only came fully into force in 2025 so are not yet captured in BCIS rates. A survey of the housebuilding industry carried out by BCIS concluded that these new building regs requirements would add 5.3% to base build costs as summarised below :-



In addition BCIS costs do not include external works costs or contingencies we have added these to base build costs at 15% for external works (plot development) and 3% for contingencies in line with allowances in the WPVA.

We have also made an allowance of 1.5% to cover abnormal foundation and associated costs reflecting site topography and ground conditions.

In respect of site wide infrastructure costs these were identified in the original appraisal for the outline permission as follows :-

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Off site Highways	£	330,000
Off Site Drainage	£	1,900,000
Off Site Services	£	3,750,000
	£	5,980,000

Applying these costs across the remaining units gives the following cost contributions :-

Site Wide Infrastructure	Remaining Phases	Pro Rata
Delivered	673	
Remaining	880	
	1553	
Off site Highways	£ 330,000	£ 186,993
Off Site Drainage	£ 1,900,000	£ 1,076,626
Off Site Services	£ 3,750,000	£ 2,124,920
	£ 5,980,000	£ 3,388,538

On the above basis total construction costs for the future phases can be summarised as follows :-

Construction Costs					£ Total
Phase 1	£ 1,402	per m2	15,965		£22,387,915
Phase 2	£ 1,402	per m2	11,217		£15,730,169
Phase 3	£ 1,402	per m2	52,188	£111,302,552	£73,184,467
			79,370		
Part L,F,O and S Building Regs			5.30%	£111,302,552	£5,899,035
Plot Development			15%	£111,302,552	£16,695,383
Infrastructure					£3,388,538
Abnormals			1.50%	£ 3,794	£222,605,103
Contingency			3.00%	£140,624,584	£4,218,738
Total Construction					£144,843,322

Professional Fees

We have made allowances for professional fees in line with allowances in the WPVA as follows :-

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Design			%			£ Total
Architect			3.00%			£4,345,300
Highways Engineer			2.00%			£2,896,866
Structural Engineer			1.75%			£2,534,758
QS			1.00%			£1,448,433
CDMC			0.25%			£362,108
Total Design			8.00%			£11,587,466

Planning Cost including S106 Contributions

The S106 Agreement set out contributions in the original outline approval for delivery of up to 1800 units as follows :-

S106 Contributions	Base Contributions Nov-11
Education	£ 4,816,000
Health Care	£ 858,000
Community Hall	£ 538,000
Transport	£ 195,000
POS Maint	£ 1,884,000
CCTV + PA	£ 106,000
Admin	£ 30,000
	£ 8,427,000

Amounts have been paid against these relating to delivery of the 673 units completed to date as follows :-

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S106 Contributions	Base	Paid to Date
	Contributions	
	Nov-11	
Education	£ 4,816,000	£ 942,348
Health Care	£ 858,000	£ 85,444
Community Hall	£ 538,000	£ 53,549
Transport	£ 195,000	£ 19,388
POS Maint	£ 1,884,000	£ 187,590
CCTV + PA	£ 106,000	£ 10,576
Admin	£ 30,000	£ 3,106
	£ 8,427,000	£ 1,302,001

This leaves a balance outstanding out of the original amounts as follows :-

S106 Contributions	Base	Paid to Date	Balance at Nov 2011
	Contributions		
	Nov-11		
Education	£ 4,816,000	£ 942,348	£ 3,873,652
Health Care	£ 858,000	£ 85,444	£ 772,556
Community Hall	£ 538,000	£ 53,549	£ 484,451
Transport	£ 195,000	£ 19,388	£ 175,612
POS Maint	£ 1,884,000	£ 187,590	£ 1,696,410
CCTV + PA	£ 106,000	£ 10,576	£ 95,424
Admin	£ 30,000	£ 3,106	£ 26,894
	£ 8,427,000	£ 1,302,001	£ 7,124,999

The S106 includes a provision to apply indexation to the 2011 amounts to bring the balance of contributions up to date. We have therefore applied the relevant indexation to increase the base amounts outstanding which gives the following current contributions required applied to the 880 units in the remaining phases of development :-

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								Units	Units
								1100	880
S106 Contributions	Base	Paid to Date	Paid to Date	Balance at Nov 2011	Index		Balance at Nov 2025		
	Contributions		incl Indexation		Nov-11	Nov-25			
	Nov-11				223	407			
						1.83			
Education	£ 4,816,000	£ 942,348	£ 1,011,881	£ 3,873,652			£ 7,069,849	PR	£ 5,655,879
Health Care	£ 858,000	£ 85,444	£ 170,497	£ 772,556			£ 1,410,001	PR	£ 1,128,001
Community Hall	£ 538,000	£ 53,549	£ 106,905	£ 484,451			£ 884,177	PR	£ 707,342
Transport	£ 195,000	£ 19,388	£ 38,746	£ 175,612			£ 320,512	PR	£ 256,409
POS Maint	£ 1,884,000	£ 187,590	£ 374,374	£ 1,696,410			£ 3,096,138	PR	£ 2,476,911
CCTV + PA	£ 106,000	£ 10,576	£ 21,066	£ 95,424			£ 174,159	PR	£ 139,328
Admin	£ 30,000	£ 3,106	£ 5,975	£ 26,894			£ 49,085	PR	£ 39,268
	£ 8,427,000	£ 1,302,001	£ 1,729,444	£ 7,124,999			£ 13,003,922		£ 10,403,138
Sports Facilities									£ 1,228,500
									£ 11,631,638

The above summary includes a cost for providing the sports pitches and changing rooms etc of £1,228,500.

There will now also be a cost in complying with the Building Safety Levy which will become payable from October 2026 and is a Levy set by central government applied to the gross internal area of floorspace constructed. The rate for greenfield development in South Kesteven is £27.47 per m2 which when applied to the overall GIA of 79,370 m2 give a cost of £1,942,173.

In addition there will be a requirement for Bio Diversity Net Gain and we have allowed £3,427 per Ha in line with the allowance in the WPVA.

In summary this gives a total for planning and associated costs of £19,764,031 which can be summarised as follows :-

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Planning								
S106 Contributions								
Education								£0
Health Care								£0
Community Hall								£0
Transport								£0
POS Maint								£0
CCTV + PA								£0
Admin								£0
SB HOTS								£12,232,985
Sports Pitch								£1,228,500
Railway Bridge								£0
BDNG					£ 3,427.00	per Ha		£90,373
Building Safety Levy					£ 24.47			£1,942,173
CIL					£ -			£0
Warranty costs					£2,000			£1,760,000
Planning Fees								£750,000
Building Regulations Fees					£2,000			£1,760,000
Total Planning								£19,764,031

Finance Costs

We have calculated finance costs using standard detailed appraisal software utilising the costs and values as set out above, a base finance rate of 7.5 % and an arrangement fee of 1.5% reflecting current market rates for development finance.

In respect of programme we have assumed a overall timescale of 11 years to deliver and sell the 880 units proposed.

Finance costs can be summarised on the above basis as follows :-

Finance								
Interest charges								£4,168,476
Finance Arrangement				1.50%				£301,359
Debit Rate				7.50%				
Credit Rate				0.00%				
Total Finance								£4,469,835

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Marketing and Disposal Costs

Marketing and disposal costs have been allowed in line with allowances in the WPVA as follows :-

Marketing and Disposal				%				£ Total
Marketing				2.00%				£4,645,883
Legals				0.50%				£1,161,471
Sales Agents				1.00%				£2,322,942
Total Marketing and Disposal				3.50%				£8,130,295

Developers Profit

We have allowed a 6% profit on affordable sales in line with the profit allowance in the WPVA and calculated what residual profit on market sales this derives using the costs and values set out above.

The residual profit on the GDV on market sales on the above basis is 17.7% which is marginally above the 17.5% target profit to align with the WPVA.

A summary of the base appraisal is set out below :-

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 Grantham
 Viability Appraisal Report

		Base Appraisal
03 May 2026		Residual Profit
		Appraisal
DEVELOPMENT VALUE		
Units		
Market Sales	Market Sales	£ 195,549,085
Affordable Rent	Affordable Rent	£ 7,904,111
Social Rent	Social Rent	£ 10,257,243
Affordable Home Ownership	Affordable Home Ownership	£ 18,583,711
		£ 36,745,065
Gross Development Value		£ 232,294,150
DEVELOPMENT COST		
Land Costs		£ 6,687,970
Construction Costs		£ 144,843,322
Design		£ 11,587,466
Planning		
	S106 Contributions	£ 12,232,985
	Sports Pitch	£ 1,228,500
	Railway Bridge	£ -
	BDNG	£ 90,373
	Building Safety Levy	£ 1,942,173
	CIL	£ -
	Warranty costs	£ 1,760,000
	Planning Fees	£ 750,000
	Building Regulations Fees	£ 1,760,000
Marketing and Disposal		£ 8,130,295
Finance		£ 4,469,835
Developers Profit		
	Market Sales	£ -
	Affordable	£ 2,204,704
Total Development Costs		£ 197,687,623
Residual Profit MS		17.70% £ 34,606,527

6. UPDATED RAILWAY BRIDGE COST ESTIMATE

The original estimate for the road bridge over the railway was prepared by JMP Consultants and based on Spon's 2008 'Approximate Estimate for a reinforced concrete road bridge with steel beams for a maximum span of 20 metres' and derived a cost estimate of £4.2 million.

Updating the previous estimate on the same basis but using Spons 2025 applicable rate would derive an updated estimate as follows :-

Spons 2025			
	Approx Estimate £/m2	Bridge Area m2	Base Cost
Road bridge up to 20m span	£ 5,800.00	720	£ 4,176,000.00
JMP Railway bridge factor	x3		£ 12,528,000.00
Updated Bridge Cost			£ 16,704,000.00
Say			£ 17,000,000.00
Design and supervision	20%		£ 3,400,000.00
Overall Bridge Cost			£ 20,400,000.00

7. OPTIONS AND VIABILITY SCENARIOS WITH AND WITHOUT THE BRIDGE COSTS

Against a viable base appraisal excluding the bridge we have modelled various viability scenarios with the updated bridge costs being included and how inclusion of the bridge costs might impact on the original S106 contributions and affordable housing provision.

These scenarios can be summarised as follows :-

Base Appraisal	Scenario 1	Scenario 2	Scenario 3	Scenario 4
No Bridge	With Bridge	With Bridge	With Bridge	With Bridge
Full S106	Full S106	No S106	No S106	Reduced S106
With Sports Pitches	With Sports Pitches	No Sports Pitches	No Sports Pitches	With Sports Pitches
25.34 % Affordable	25.34 % Affordable	25.34 % Affordable	Reduced Affordable	Reduced Affordable

The impact on viability has been modelled on the above basis for each scenario set against a base viable appraisal excluding the bridge and a viability summary for each of the various scenarios is set out below :-

Poplar Farm
 Grantham
 Viability Appraisal Report

Base Appraisal				Scenario 1			
No Bridge				With Bridge			
Full S106				Full S106			
With Sports Pitches				With Sports Pitches			
25.34 % Affordable				25.34 % Affordable			
Total Development				Total Development			
Market Sales		657	Units	Market Sales		657	Units
Overall Affordable	25.34%			Overall Affordable	25.34%		
Affordable Rent	30%	67	Units	Affordable Rent	30%	67	Units
Social Rent	30%	67	Units	Social Rent	30%	67	Units
Affordable Home Ownership	40%	89	Units	Affordable Home Ownership	40%	89	Units
Total		880	Units	Total		880	Units
Network Rail Payment		0%		Network Rail Payment		33%	
Bridge Costs	£ -			Bridge Costs	£ 20,400,000		
S106 Costs	£ 12,232,985			S106 Costs	£ 12,232,985		
Sports Pitch	£ 1,228,500			Sports Pitch	£ 1,228,500		
Residual Profit MS	£ 34,606,527	17.70%		Residual Profit MS	£ 6,288,196	3.22%	
Target Profit	£ 34,221,090	17.50%		Target Profit	£ 34,221,090	17.50%	
Surplus Profit / Shortfall	£ 385,437			Surplus Profit / Shortfall	-£ 27,932,894		
	VIABLE				NOT VIABLE		

Poplar Farm
 Grantham
 Viability Appraisal Report

Scenario 2				Scenario 3			
With Bridge				With Bridge			
No S106				No S106			
No Sports Pitches				No Sports Pitches			
25.34 % Affordable				Reduced Affordable			
Total Development				Total Development			
Market Sales		657	Units	Market Sales		750	Units
Overall Affordable	25.34%			Overall Affordable	14.75%		
Affordable Rent	30%	67	Units	Affordable Rent	30%	39	Units
Social Rent	30%	67	Units	Social Rent	30%	39	Units
Affordable Home Ownership	40%	89	Units	Affordable Home Ownership	40%	52	Units
Total		880	Units	Total		880	Units
Network Rail Payment		33%		Network Rail Payment		33%	
Bridge Costs	£ 20,400,000			Bridge Costs	£ 20,400,000		
S106 Costs	£ -			S106 Costs	£ -		
Sports Pitch	£ -			Sports Pitch	£ -		
Residual Profit MS	£ 24,176,603	12.36%		Residual Profit MS	£ 39,180,307	17.55%	
Target Profit	£ 34,221,090	17.50%		Target Profit	£ 39,075,113	17.50%	
Surplus Profit / Shortfall	-£ 10,044,487			Surplus Profit / Shortfall	£ 105,194		
	NOT VIABLE				VIABLE		

Poplar Farm
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 Viability Appraisal Report

Scenario 4			
With Bridge			
Reduced S106			
With Sports Pitches			
Reduced Affordable			
Total Development			
Market Sales		810	Units
Overall Affordable	8.00%		
Affordable Rent	30%	21	Units
Social Rent	30%	21	Units
Affordable Home Ownership	40%	28	Units
Total		880	Units
Network Rail Payment		33%	
Bridge Costs	£ 20,400,000		
S106 Costs	£ 4,000,000		
Sports Pitch	£ 1,228,500		
Residual Profit MS	£ 42,317,665	17.56%	
Target Profit	£ 42,169,037	17.50%	
Surplus Profit / Shortfall	£ 148,628		
VIABLE			

Poplar Farm
 Grantham
 Viability Appraisal Report

5. VIABILITY APPRAISAL SUMMARY AND CONCLUSION

Based on the illustrative Gleeson layout and number of units proposed in the remaining phases and allowing for removal of the requirement to construct the Pennine Link bridge over the railway the base appraisal is viable and can provide 25.34% (223) affordable units in addition to meeting the original uplifted S106 contributions and provision of the sports facilities.

If the PL bridge is to be delivered there would need to be significant reductions in the provision of affordable housing and S106 contributions as outlined 3 and 4 above.

A summary of viability is set out below :-

Viability Summary	Base Appraisal	Scenario 1	Scenario 2	Scenario 3	Scenario 4
	No Bridge	With Bridge	With Bridge	With Bridge	With Bridge
	Full S106	Full S106	No S106	No S106	Reduced S106
	With Sports Pitches	With Sports Pitches	No Sports Pitches	No Sports Pitches	With Sports Pitches
	25.34 % Affordable	25.34 % Affordable	25.34 % Affordable	Reduced Affordable	Reduced Affordable
Overall Affordable	25.34%	25.34%	25.34%	14.75%	8.00%
Network Rail Payment	0%	33%	33%	33%	33%
Bridge Costs	£ -	£ 20,400,000	£ -	£ 20,400,000	£ 20,400,000
S106 Costs	£ 12,232,985	£ 12,232,985	£ -	£ -	£ 4,000,000
Sports Pitch	£ 1,228,500	£ 1,228,500	£ -	£ -	£ 1,228,500
	VIABLE	NOT VIABLE	NOT VIABLE	VIABLE	VIABLE

Appendix A | Detailed Appraisal Summary Base Appraisal

**Poplar Farm
Grantham
03 May 2026**

BASE APPRAISAL

	Net	Gross
Acres	54.50	65.40
Hectares	21.98	26.37

Start :	1	month
Year :	2028	year
Period :	132	months

DEVELOPMENT VALUE									
Units	Type	No.	m2	ft2	total m2	total ft2	Value / m2	Value per unit	Income
			Ave		Ave				
Market Sales		657	90.19	971	59257	637846	£ 3,300.00	£ 297,636	£195,549,085
Affordable Rent		67	90.19	971	6034	64946	£ 1,310.00	£ 118,152	£7,904,111
Social Rent		67	90.19	971	6034	64946	£ 1,700.00	£ 153,328	£10,257,243
Affordable Home Ownership		89	90.19	971	8045	86595	£ 2,310.00	£ 208,345	£18,583,711
		223			20112	216488			£36,745,065
Gross Development Value	Totals	880			79,370	854,334			£ 232,294,150
DEVELOPMENT COST									
Land Costs									
Phase 1		12.11	Acres						£1,465,054
Phase 2		8.627	Acres						£1,043,600
Phase 3		33.76	Acres					£6,592,742	£4,084,088
		54.5	Acres						
NR Payment									£0
Stamp Duty						5.00%			£73,253
Agent						1.00%			£14,651
Other Legal						0.50%			£7,325
Total Land Cost									£6,687,971
Construction Costs									
Phase 1		28	£ 1,402	per m2	15,965				£22,387,915
Phase 2		20	£ 1,402	per m2	11,217				£15,730,169
Phase 3		78	£ 1,402	per m2	52,188			£111,302,552	£73,184,467
		126			79,370				
Part L,F,O and S Building Regs						5.30%		£111,302,552	£5,899,035
Plot Development						15%		£111,302,552	£16,695,383
Infrastructure									£3,388,538
Abnormals					1.50%	£ 3,794	per unit	£222,605,103	£3,339,077
Contingency					3.00%			£140,624,584	£4,218,738
Total Construction									£144,843,322
Design									
Architect					3.00%				£4,345,300
Highways Engineer					2.00%				£2,696,866
Structural Engineer					1.75%				£2,534,758
QS					1.00%				£1,448,433
CDMC					0.25%				£362,108
Total Design					8.00%				£11,587,466
Planning									
S106 Contributions									
Education									£0
Health Care									£0
Community Hall									£0
Transport									£0
POS Maint									£0
CCTV + PA									£0
Admin									£0
SB HOTS									£12,232,985
Sports Pitch									£1,228,500
Railway Bridge									£0
BDNG						£ 3,427.00	per Ha		£90,373
Building Safety Levy						£ 24.47			£1,942,173
CIL						£ -			£0
Warranty costs						£2,000			£1,760,000
Planning Fees									£750,000
Building Regulations Fees						£2,000			£1,760,000
Total Planning									£19,764,031
Marketing and Disposal									
Marketing					2.00%				£4,645,883
Legals					0.50%				£1,161,471
Sales Agents					1.00%				£2,322,942
Total Marketing and Disposal					3.50%				£8,130,295
Finance									
Interest charges									£4,168,476
Finance Arrangement					1.50%				£301,359
Debit Rate					7.50%				
Credit Rate					0.00%				
Total Finance									£4,469,835
Developers Profit									
Developers Profit	MS				0.00%				£0
Developers Profit	AH				6.00%				£2,204,704
Total Development Costs									£197,687,624
Residual Profit MS								17.70%	£34,606,527

Appendix B | Detailed Appraisal Summary Scenario 1

Poplar Farm
Grantham
05 May 2026

	Net	Gross
Acres	54.50	65.40
Hectares	21.98	26.37

Start :	1	month
Year :	2028	year
Period :	132	months

SCENARIO 1

DEVELOPMENT VALUE									
Units	Type	No.	m2	ft2	total m2	total ft2	Value / m2	Value per unit	Income
			Ave		Ave				
Market Sales		657	90.19	971	59257	637846	£ 3,300.00	£ 297,636	£195,549,085
Affordable Rent		67	90.19	971	6034	64946	£ 1,310.00	£ 118,152	£7,904,111
Social Rent		67	90.19	971	6034	64946	£ 1,700.00	£ 153,328	£10,257,243
Affordable Home Ownership		89	90.19	971	8045	86595	£ 2,310.00	£ 208,345	£18,583,711
		223			20112	216488			£36,745,065
Gross Development Value	Totals	880			79,370	854,334			£ 232,294,150
DEVELOPMENT COST									
Land Costs									
Phase 1		12.11	Acres						£1,465,054
Phase 2		8.627	Acres						£1,043,600
Phase 3		33.76	Acres					£6,592,742	£4,084,088
		54.5	Acres						
NR Payment									£2,175,605
Stamp Duty						5.00%			£73,253
Agent						1.00%			£14,651
Other Legal						0.50%			£7,325
Total Land Cost									£8,863,575
Construction Costs									
Phase 1		28	£ 1,402	per m2	15,965				£22,387,915
Phase 2		20	£ 1,402	per m2	11,217				£15,730,169
Phase 3		78	£ 1,402	per m2	52,188			£111,302,552	£73,184,467
		126			79,370				
Part L,F,O and S Building Regs						5.30%	£111,302,552		£5,899,035
Plot Development					15%		£111,302,552		£16,695,383
Infrastructure									£3,388,538
Abnormals					1.50%	£ 3,794	per unit	£222,605,103	£3,339,077
Contingency					3.00%			£140,624,584	£4,218,738
Total Construction									£144,843,322
Design									
Architect					3.00%				£4,345,300
Highways Engineer					2.00%				£2,696,866
Structural Engineer					1.75%				£2,534,758
QS					1.00%				£1,448,433
CDMC					0.25%				£362,108
Total Design					8.00%				£11,587,466
Planning									
S106 Contributions									
Education									£0
Health Care									£0
Community Hall									£0
Transport									£0
POS Maint									£0
CCTV + PA									£0
Admin									£0
SB HOTS									£12,232,985
Sports Pitch									£1,228,500
Railway Bridge									£20,400,000
BDNG						£ 3,427.00	per Ha		£90,373
Building Safety Levy						£ 24.47			£1,942,173
CIL						£ -			£0
Warranty costs						£2,000			£1,760,000
Planning Fees									£750,000
Building Regulations Fees						£2,000			£1,760,000
Total Planning									£40,164,031
Marketing and Disposal									
Marketing					2.00%				£4,645,883
Legals					0.50%				£1,161,471
Sales Agents					1.00%				£2,322,942
Total Marketing and Disposal					3.50%				£8,130,295
Finance									
Interest charges									£9,904,013
Finance Arrangement					1.50%				£308,548
Debit Rate					7.50%				
Credit Rate					0.00%				
Total Finance									£10,212,561
Developers Profit									
Developers Profit	MS				0.00%				£0
Developers Profit	AH				6.00%				£2,204,704
Total Development Costs									£226,005,954
Residual Profit MS								3.22%	£6,288,196

Appendix C | Detailed Appraisal Summary Scenario 2

Appendix D | Detailed Appraisal Summary Scenario 3

Poplar Farm
Grantham
05 May 2026
SCENARIO 3

	Net	Gross
Acres	54.50	65.40
Hectares	21.98	26.37

Start :	1	month
Year :	2028	year
Period :	132	months

DEVELOPMENT VALUE									
Units	Type	No.	m2	ft2	total m2	total ft2	Value / m2	Value per unit	Income
			Ave		Ave				
Market Sales		750	90.19	971	67663	728320	£ 3,300.00	£ 297,636	£223,286,358
Affordable Rent		39	0.00	0	3512	37804	£ 1,310.00	£ -	£4,600,854
Social Rent		39	0.00	0	3512	37804	£ 1,700.00	£ -	£5,970,574
Affordable Home Ownership		52	0.00	0	4683	50406	£ 2,310.00	£ -	£10,817,275
		130			11707	126014			£21,388,702
Gross Development Value	Totals	880			79,370	854,334			£ 244,675,060
DEVELOPMENT COST									
Land Costs									
									£ Total
Phase 1		12.11	Acres						£1,465,054
Phase 2		8.627	Acres						£1,043,600
Phase 3		33.76	Acres					£6,592,742	£4,084,088
		54.5	Acres						
NR Payment									£2,175,605
Stamp Duty						5.00%			£73,253
Agent						1.00%			£14,651
Other Legal						0.50%			£7,325
Total Land Cost									£8,863,575
Construction Costs									
	Construction Costs		mths						£ Total
Phase 1		28	£ 1,402	per m2	15,965				£22,387,915
Phase 2		20	£ 1,402	per m2	11,217				£15,730,169
Phase 3		78	£ 1,402	per m2	52,188			£111,302,552	£73,184,467
		126			79,370				
Part L,F,O and S Building Regs					5.30%		£111,302,552		£5,899,035
Plot Development					15%		£111,302,552		£16,695,383
Infrastructure									£3,388,538
Abnormals					1.50%	£ 3,794	per unit	£222,605,103	£3,339,077
Contingency					3.00%			£140,624,584	£4,218,738
Total Construction									£144,843,322
Design									
	Design								£ Total
Architect					3.00%				£4,345,300
Highways Engineer					2.00%				£2,696,866
Structural Engineer					1.75%				£2,534,758
QS					1.00%				£1,448,433
CDMC					0.25%				£362,108
Total Design					8.00%				£11,587,466
Planning									
	Planning								
S106 Contributions									
Education									£0
Health Care									£0
Community Hall									£0
Transport									£0
POS Maint									£0
CCTV + PA									£0
Admin									£0
SB HOTs									£0
Sports Pitch									£0
Railway Bridge									£20,400,000
BDNG						£ 3,427.00	per Ha		£90,373
Building Safety Levy						£ 24.47			£1,942,173
CIL						£ -			£0
Warranty costs						£2,000			£1,760,000
Planning Fees									£750,000
Building Regulations Fees						£2,000			£1,760,000
Total Planning									£26,702,546
Marketing and Disposal									
	Marketing and Disposal								£ Total
Marketing					2.00%				£4,893,501
Legals					0.50%				£1,223,375
Sales Agents					1.00%				£2,446,751
Total Marketing and Disposal					3.50%				£8,563,627
Finance									
	Finance								
Interest charges									£3,348,948
Finance Arrangement					1.50%				£301,948
Debit Rate					7.50%				
Credit Rate					0.00%				
Total Finance									£3,650,896
Developers Profit									
									£ Total
Developers Profit	MS				0.00%				£0
Developers Profit	AH				6.00%				£1,283,322
Total Development Costs									£205,494,754
Residual Profit MS								17.55%	£39,180,307

Appendix E | Detailed Appraisal Summary Scenario 4

