



**Proof of Evidence of Damien Lynch BSc (Hons) MSc MRICS**

**Viability and Affordable Housing**

**Land to rear of 156-172 South Street, Bridport, DT6 3NP**

**CHURCHILL LIVING  
CHURCHILL HOUSE  
PARKSIDE  
RINGWOOD  
BH24 3SG**

**December 2025**

**TOWN & COUNTRY PLANNING ACT 1990**

**APPEAL BY CHURCHILL LIVING LTD AGAINST DORSET COUNCIL'S REFUSAL OF AN APPLICATION FOR REDEVELOPMENT FOR ERECTION OF RETIREMENT LIVING ACCOMMODATION COMPRISING 48 APARTMENTS, 25 COTTAGES, COMMUNAL FACILITIES, ACCESS, CAR PARKING AND LANDSCAPING TO CREATE AN INTEGRATED RETIREMENT COMMUNITY.**

**SITE AT: LAND TO REAR OF 156-172 SOUTH STREET, BRIDPORT, DT6 3NP**

**LPA REF: P/FUL/2024/04613**

**PLANNING INSPECTORATE REF: APP/D1265/W/25/3372602**

**PLANNING INQUIRY DATE: 13<sup>th</sup> January 2026**

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## **1.0 Executive Summary**

- 1.1 My evidence relates to an appeal made under Section 78 of the Town and Country Planning Act 1990 against Dorset Council's refusal of an application for the demolition of existing buildings and redevelopment to form 48 no. Retirement Living apartments and 25 Retirement Living cottages with associated communal facilities, vehicular access, car parking and landscaping at land to the rear of 156 – 172 South Street, Bridport, DT6 3NP.
- 1.2 This evidence relates to the financial viability of the proposed development and the assessment of the maximum reasonable payment towards an off-site affordable housing payment in this case.
- 1.3 The Council in their Statement of Case (CD4.5) set out the reasons why planning permission was refused. My statement deals with Reason for Refusal 3 which states that the proposed development is contrary to paragraph 66 NPPF, Policy HOUS1 and HOUS3 of the West Dorset, Weymouth and Portland Local Plan (2015) and policy H1, H4 and H6 of the BANP (2019) due to the lack of affordable housing provided. The second part of this refusal reason relates to housing balance, and this will be addressed by Mr Shellum in his evidence. Mr Shellum also addresses matters relating to flood risk and planning balance.
- 1.4 It is accepted by the Local Planning Authority that the form of contribution towards affordable housing should be a financial payment rather than on site provision (CD6.10).
- 1.5 A Viability Statement of Common Ground (VSOCG) (CD4.3) has been agreed with the council's appointed consultant (the DVS) dated 28<sup>th</sup> November 2025. This details the matters agreed and the matters which remain in dispute. I have not had sight of any subsequent changes made by the Council's witness and so I therefore refer to the 28<sup>th</sup> November 2025 position within my considerations. However, the parties were informed by the Council on 9<sup>th</sup> December 2025 that the assessed CIL liability was slightly lower than previously assumed (£885,385). I have therefore updated my position to account for this change.
- 1.6 The matters which remain in dispute are now limited to:
  - 1 – Gross development value, or sales values.
  - 2 – Sales rates, or how quickly the development will sell.

- 1.7 The Council and their consultant set out on 28<sup>th</sup> November 2025 that the total viable sum would be in the region of £850,000 together with Community Infrastructure Levy payments of £892,874.
- 1.8 My evidence concludes that the maximum viable sum is £337,419 together with Community Infrastructure Levy payments of £885,386 (this CIL sum is now confirmed by the Council).
- 1.9 My proof of evidence therefore focusses on the outstanding differences in inputs to the viability appraisal which are gross development values (sales values of the 1- and 2-bedroom apartments, noting that the value of the cottages has been agreed) and sales rates (the rate at which the completed development will sell and the impact on empty property costs and finance costs).
- 1.10 My evidence has been prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) professional standard on Financial Viability in Planning: conduct and reporting (1st Edition, May 2019). In line with the requirements of this professional standard I can confirm the following is true.
- The author of this report has acted with objectivity, impartiality, without interference and references all appropriate sources of information.
  - No performance-related or contingent fees have been agreed.
  - Information used is market led and not client driven.
- 1.11 I have also had regard to the RICS Professional Standard (PS) on Assessing viability in planning under the National Planning Policy Framework 2019 for England – 1<sup>st</sup> Edition, March 2021, the RICS PS Comparable evidence in Real Estate – 1<sup>st</sup> Edition, October 2019 and RICS PS Valuation of Development Property – 1<sup>st</sup> Edition October 2019.

## **2.0 Professional Qualifications, Experience and Declaration**

- 2.1 I am Damien Lynch BSc (Hons) MSc MRICS, Associate Director at Planning Issues Ltd, where I have held the post for over 9 years. I hold a degree in Spatial Planning from the Technological University of Dublin and a post graduate degree in Real Estate Management from the University of the West of England. I am a member of the Royal Institution of Chartered Surveyors.
- 2.2 In my role at Planning Issues, I review in the region of 100 - 120 development opportunities each year and provide advice to the Appellant in relation to affordable housing, community infrastructure levy, financial viability, legal agreements, general planning issues and planning policy matters. Since joining Planning Issues, I have led on viability negotiations on an average of 15-20 planning applications each year over the last 9 years. All of these applications related to retirement living developments as proposed here.
- 2.3 Prior to joining Planning Issues in 2016, I worked for two separate London local authorities and was involved in a range of regeneration, compulsory purchase and affordable housing delivery programmes over a 6-year period. I also acted in a housing enabling capacity, reviewing viability submissions on behalf of the local authority, ensuring delivery of S106 affordable housing as well as partnership working with local registered providers.
- 2.4 From 2006 – 2010 I worked in consultancy roles which included advising McCarthy Stone, the largest retirement house builder in the UK, in respect of affordable housing policy and financial viability matters.
- 2.5 Planning Issues Ltd. provides a range of planning related advice to the Appellant on all its development proposals nationwide and have been involved with this appeal site since January 2024 and acted as agent on behalf of the Appellant in submitting and pursuing the planning application that is now subject to this appeal.

### **Declaration**

- 2.6 I confirm that I have made clear which facts and matters referred to in this report are within my own knowledge and which are not. Those that are within my own knowledge I confirm to be true. The opinions I have expressed represent my true and complete professional opinions on the matters to which they refer.
- 2.7 I confirm that my report has drawn attention to all material facts which are relevant and have affected my professional opinion.

- 2.8 I confirm that I understand and have complied with my duty as an expert witness which overrides any duty to those instructing or paying me, that I have given my evidence impartially and objectively, and that I will continue to comply with that duty as required.
- 2.9 I confirm that I am not instructed under any conditional or other success-based fee arrangement.
- 2.10 I confirm that I have no conflicts of interest.
- 2.11 I confirm that my report complies with the requirements of RICS – Royal Institution of Chartered Surveyors, as set down in the RICS practice statement Surveyors acting as expert witnesses.



**Damien Lynch BSc (Hons) MSc MRICS**  
**Associate Director**  
**Planning Issues**

### **3.0 Appeal Site, Planning Process and Proposal Background**

#### Appeal Site

- 3.1 The site is located in Bridport, to the south of the town centre. The site is an irregular plot of land of circa 1.05 hectares. The site is in use as a building supplier merchant and considered to be in a sui generis use. The site contains existing buildings which currently provide storage for building materials and accommodation for ancillary office and staff facilities. The site provides open storage for aggregates and various stone and building materials.
- 3.2 The site is bounded by South Street to the east of the site with Dr Roberts Close and several residential properties to the north. The River Brit flows along the western and southern site boundaries, with a tributary, the River Asker, immediately to the southeast. The site contains a flood wall on the southern and western boundary.

#### Planning Process

- 3.3 The planning application, subject of this appeal was submitted on the 9<sup>th</sup> August 2024 and was validated by the authority on the 27<sup>th</sup> September 2024. A full list of plans and documents submitted with the application are set out in the Appellant's Statement of Case (CD4.4) at paragraphs 3.2 and 3.3.
- 3.4 The application was refused by the Council on the 21st March 2025 for 4 cited reasons which are set out at paragraph 3.5 of the Appellant's Statement of Case (CD4.4).
- 3.5 In respect of affordable housing and viability matters, the Appellant submitted a Financial Viability Appraisal (FVA) and Affordable Housing (AH) Statement (CD1.21) in August 2024 which concluded that owing to site abnormal costs, the proposal could not provide additional contributions towards affordable housing beyond the required CIL payment. It was noted within this report that the Appellant had reviewed the Council's commuted sum calculator available on the Council website and that a compliant commuted sum payment towards off site affordable housing was £646,738 (Appendix 1).
- 3.6 The Council instructed the District Valuer Service (DVS) to review the submission, and their report was dated 19<sup>th</sup> February 2025 (CD5.12). This review concluded that the full 35% affordable housing provision was unviable, but that 30% affordable housing may be provided with further contributions off site.
- 3.7 The Appellant submitted an updated FVA and AH Statement in September 2025 (CD5.13) which concluded that a small surplus was available of £95,702 for off-site

affordable housing provision allowing for changes in costs and values since the original FVA and AH Statement was submitted over a year before.

- 3.8 On 10<sup>th</sup> November 2025, the DVS issued a 'Provisional Viability Position' (CD5.14) which advised that they considered that a compliant payment of £1,219,769 was viable together with a CIL payment of £892,769.
- 3.9 The expert witnesses on each side continued to engage on the areas of disagreement and resolved matters relating to extra over (abnormal site costs) and professional fees.
- 3.10 On 27<sup>th</sup> November 2025, the Appellant was advised that the Council considered the policy compliant sum was £1,573,993. Clarification was sought in respect of the background to these calculations but at the time of writing, no clarification has been received. It is expected that this clarification will be provided by the Council in their evidence.
- 3.11 On 28<sup>th</sup> November, a viability statement of common ground was signed by the parties (CD4.3). The Appellant position is that the maximum viable sum payable towards and off-site affordable housing payment is £337,419 (allowing for the now confirmed CIL amount as of 9<sup>th</sup> December 2025). The Council's position was that this sum should be 'in the order of' £850,000. We understand that that there may have been some additional changes to the Council's position since that time which will be reported in evidence.
- 3.12 The matters in dispute are limited to the value of the 1- and 2-bedroom apartments (a £575,000 difference to overall gross development value) and the sales period (the Appellant assumes a 60-month sales period whereas the DVS assume 42 months). The difference in sales period results in differences in empty property costs (£36,618) and scheme finance costs (£29,969).

#### Appeal Proposal

- 3.13 The appeal proposal is for a retirement community of apartments and cottages. All occupants have access to communal areas including the communal lounge within the main apartment block, communal gardens, the assistance and support of the Lodge Manager and Careline support in the case of an emergency. All occupants therefore pay a service charge to cover these costs.
- 3.14 Given the services offered and the profile of residents, the development proposal is built in one phase, and sales of apartments and cottages commence at the same time. The Appellant is an experienced developer of older persons housing having completed

over 200 new developments throughout the UK. They know their customer's preferences and are committed to ensuring that purchasers move into a completed development on day one which is free from construction related disruption. At that time, each resident will have access to the various amenity and assistance offered by the lodge manager.

- 3.15 An age restriction applies to purchasers of 60 years or older (or a spouse over 55). Despite this, the Appellant's data confirms that the average age of a purchaser is 81 years old within their completed apartment schemes and 80 years old for those who have purchased a cottage. This demonstrates a similar age profile of resident who tend to move to such housing following the loss of a spouse or following the realisation they are no longer able to manage the day-to-day upkeep or expense of a larger property.
- 3.16 The decision to leave the family home is a decision often made with family members following consideration over a period of time. Purchasers of this type of housing often wish to visit the completed development on multiple occasions before committing to purchasing a property. Purchasers often avail of the opportunity to stay in the guest suite overnight before committing to purchasing. Only at that stage will their existing property go on the market often leading to an extended period of time before a property sale occurs. The age profile and circumstances of purchasers of this product result in a different sales profile in comparison to mainstream housing typologies.

#### **4.0 Development Plan Policy**

- 4.1 The submitted FVA and AH Statement from August 2024 provides a review of development plan policy.
- 4.2 The following sections provide a summary of development plan policy as referenced in the third reason for refusal relating to affordable housing and viability. Other relevant policy is considered here for ease of reference including updates since August 2024.

#### **West Dorset, Weymouth and Portland Local Plan (2015)**

- 4.3 **Policy HOU1** (CD3.1) is referenced in the third reason for refusal and relates to the provision of affordable housing and advises that the Council's target level of affordable housing in West Dorset is 35%. Criteria (iii) of the policy allows for the consideration of a lower level of affordable housing having regard to the assessment of development viability of the scheme. The Council will accept a lower level of affordable housing provision if there are good reasons to bring forward the development and the assessment shows that it is not economically viable to provide the 35% provision.
- 4.4 **Policy HOU3** was referenced in the third reason for refusal in respect to the provision of affordable housing. The policy relates to the provision of a range of housing mix, type and affordability for new residential developments having regard to likely demand in the changing demographics in that locality. Supporting paragraph 5.4.1 acknowledges that there is a trend towards smaller households requiring a continuing market for apartments.

#### **The Bridport Area Neighbourhood Plan 2020-2036 (2020)**

- 4.5 The Bridport Area Neighbourhood Plan was made in May 2020 (CD3.2). It is currently the subject of a light review by the Town Council. Given the age of the plan, it needs to be read in conjunction with more recent national planning policy contained within the NPPF (2024) and the PPG.
- 4.6 **Policy H1** is the Plan's affordable housing policy which defers to the West Dorset Local Plan policy HOU1. It does advise on a local level that the mix of affordable housing will be guided by the latest Bridport Area Housing Needs Assessment.
- 4.7 Under the titled of Towards a Balanced Community on page 23 the Neighbourhood Plan advises.

*'The strongest need is for smaller, 1-and 2-bedroom properties. Provision of more of these will enable younger residents to remain in the neighbourhood area, provide*

*suitably sized homes for the large number of residents without dependents, and also make it easier for older people to downsize should they wish.'*

#### **The West Dorset Planning Obligations SPD (2010)**

- 4.8 Although dated, the above SPD is still included on the council website as a supplementary planning document.
- 4.9 The SPD states that on site affordable housing delivery will normally be required. However, in exceptional circumstances the council may agree to a payment in lieu which will be calculated based upon the private subsidy that would have been required on the original scheme.
- 4.10 A calculator was provided online when the application was submitted suggesting that if a commuted sum was acceptable the compliant sum in West Dorset for a 73-unit scheme would be £646,738 (Appendix 1).

#### **Plan Wide Viability**

- 4.11 The latest plan wide viability study undertaken by the Council was in 2022 by the consultants, Three Dragons (CD5.22). This study was prepared in respect of the emerging Dorset Wide Local Plan. The study did seek to test the viability of sheltered housing, testing a single typology being a relatively average size 40-unit apartment scheme.
- 4.12 The study concludes the following:
- The results suggest that older person housing is not as viable as standard residential development. An alternative affordable housing percentage of 10% (for sheltered and extra care housing), alongside meeting wider policy and mitigation costs is generally viable and should not harm delivery of development. (paragraph 5.11)*
- 4.13 The study therefore recommends that a much lower policy target is applied for sheltered housing within the forthcoming local plan in recognition of viability constraints.
- 4.14 It is also noted that Dorset East and Dorchester are considered the high value areas and that Bridport is considered mid value within the study (Bridport is located within the Dorset Central and West value band) (Appendix 2).

## **National Planning Policy Framework (2024)**

- 4.15 The FVA and AH Statement submitted with the application provides an overview of national planning policy. However, a new version of the NPPF was published in December 2024. I will briefly set out the elements of the latest NPPF which are relevant here.
- 4.16 In relation to this proof of evidence, the following sections of the NPPF are particularly material:

**Para 58** - Planning obligations must only be sought where they meet all of the following tests: a) necessary to make the development acceptable in planning terms; b) directly related to the development; and c) fairly and reasonably related in scale and kind to the development.

**Para 59** - Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning practice guidance, including standardised inputs, and should be made publicly available.

**Para 63** – Within the context of establishing need, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. These groups should include (but are not limited to) those who require affordable housing; families with children; older people (including those who require retirement housing, housing-with-care and care homes) etc.

**Para 64** - Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required (including the minimum proportion of Social Rent homes required), and expect it to be met on-site unless: a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and b) the agreed approach contributes to the objective of creating mixed and balanced communities.

**Para 65** - Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer). To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount.

### **National Planning Policy Guidance (PPG)**

4.17 The National Planning Policy Guidance (PPG) was published in March 2014 and has been subject to multiple revisions. It is considered that the following sections are of particular relevance to matters dealt with within this proof of evidence:

- Housing for Older and Disabled People
- Viability
- Planning Obligations

### **Housing for Older and Disabled People PPG**

4.18 Paragraph 016 Ref ID: 63-016-20190626 advises that decision makers should consider the location and viability of a development when assessing planning applications for specialist housing for older people. Local planning authorities can encourage the development of more affordable models and make use of products like shared ownership. Where there is an identified unmet need for specialist housing, local authorities should take a positive approach to schemes that propose to address this need.

### **Viability PPG**

4.19 The National Planning Policy Guidance (NPPG) relating to viability matters was comprehensively updated in July 2018 with further updates in September 2019 and again in 2024 to reflect national policy changes on green belt and biodiversity net gain.

4.20 The NPPG reiterates the NPPF position that proposed developments should not be subject to a scale of obligations and policy burdens that threaten development viability. It emphasises that the guidance of the NPPF applies to decision making on individual sites. It confirms that plans should set out required levels of contribution, including affordable housing, and advises that:

*'These policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into*

*account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106.'*

*'Different requirements may be set for different types or location of site or types of development'.*

(Paragraph: 001 Reference ID: 10-001-20190509)

- 4.21 Paragraph 007 states that it is up to the applicant to demonstrate whether circumstances justify the need for a viability assessment at the decision-making level. Such circumstances could include development on unallocated sites, where further information on site and infrastructure costs is required, or where the proposed development significantly varies from standard models (for example build to rent or housing for older people) (Paragraph: 007 Reference ID: 10-007-20190509).
- 4.22 Paragraph 008 states that where a viability assessment is submitted it should refer back to the information that informed the plan, and it is a matter for the decision maker as to the weight to be attached to it. This should include matters such as the most up to date evidence, change in circumstances and the transparency of assumptions behind the viability assessment (Paragraph: 008 Reference ID: 10-008- 20190509).
- 4.23 In terms of the review of viability during the lifetime of a project the NPPG states that plans should set out circumstances when review mechanism may be appropriate as well as clear process and terms of engagement regarding how and when viability will be reassessed over the lifetime of the development (Paragraph: 009 Reference ID: 10-008- 20190509).
- 4.24 The NPPG considers the inputs required for a viability assessment to determine if a site is financially viable by looking at whether the value generated by a development is greater than the costs of developing it. This includes reviews of gross development value, costs, land value, landowner premium and developer return supported by appropriate evidence following the Government's recommended approach (Paragraph: 010 Reference ID: 10-010-20180724).
- 4.25 In respect of gross development value, Paragraph: 011 Reference ID: 10-011-20180724 states that for viability assessment of a specific site or development, market evidence (rather than average figures) from the actual site or from existing developments can be used. Any market evidence used should be adjusted to take into account variations in use, form, scale, location, rents and yields, disregarding outliers.

- 4.26 The NPPG confirms that information used in viability assessment is not usually specific to that developer and thereby need not contain commercially sensitive data (Paragraph: 021 Reference ID: 10-021-20190509).

### **Planning Obligations PPG**

- 4.27 The PPG in respect of Planning Obligations establishes that policies for planning obligations should be set out in plans and examined in public. Policies should be informed by evidence of need and a proportionate assessment of viability. (Paragraph: 004 Reference ID: 23b-004-20190901)
- 4.28 This section of the PPG also sets out that it is not appropriate for plan-makers to set out new formulaic approaches to planning obligations in supplementary planning documents or supporting evidence base documents, as these would not be subject to examination. Whilst standardised or formulaic evidence may have informed the identification of needs and costs and the setting of plan policies, the decision maker must still ensure that each planning obligation sought meets the statutory tests set out in regulation 122 (Paragraph: 004 Reference ID: 23b-004-20190901).

### **Evidence of Housing Need**

- 4.29 The most recent Dorset wide recent assessment of housing need was undertaken in 2021 by Icení (CD5.6). In relation to housing for older people, this assessment states that in Dorset, the total number of people aged 65 and over is projected to increase by 36% over the 17- years to 2038. This compares with overall population growth of 10% and a small decrease in the under 65 population of 1%. The projections show an increase in the population aged 65 and over of 41,400 people. This is against a backdrop of an overall increase of 38,300 – population growth of people aged 65 and over therefore accounts for over 100% of the total projected population change.
- 4.30 The data shows that the majority of older persons households are owner occupiers (79% in BCP and 82% in Dorset), and indeed most are owner occupiers with no mortgage and thus may have significant equity which can be put towards the purchase of a new home.
- 4.31 The study concludes that 20% of all supply to 2038 needs to be specialist housing for older people based upon population projections. A range of housing types will be required to address that need but a significant requirement for market tenures is set out in table 10.22. As of 2021, the study suggests an oversupply of older person's affordable tenures and an undersupply of market housing for older people of 443 units. Projecting forward to 2023, 77% of all supply is for market tenures.

### **Conclusions on National Planning Policy and Guidance**

- 4.32 I consider that the development plan allows for the consideration of viability on a site-by-site basis. The council's latest plan wide viability assessment considers an older person's housing typology and concludes that such typologies are not as viable as standard residential typologies and that a variation in the affordable housing percentage and tenure sought might be explored within the forthcoming local plan. The study suggests a different target of 10% affordable housing in respect of older person's housing typologies.
- 4.33 The Council's latest housing needs evidence base also concludes a different and much smaller affordable housing requirement within the older persons housing typologies.
- 4.34 National policy and guidance in the form of the NPPF and PPG clearly sets out that older person's housing is considered a non-standard form of residential accommodation and that the viability of the proposals may be considered on a site-by-site basis. The PPG also states that where there is an identified unmet need for specialist housing, local authorities should take a positive approach to schemes that propose to address this need.

## **5.0 Consideration of the Main Issues**

### **Whether the proposal would make appropriate provision for affordable housing**

- 5.1 In respect of affordable housing provision, the third reason for refusal refers to Policy HOUS1 of the Local Plan and Policy H1 of the Neighbourhood Plan which are the affordable housing policies from the development plan.
- 5.2 Policy HOUS1 (iii) of the Local Plan advises that it expects that levels of affordable housing provision below the minimum target amount will require the applicant to provide an assessment of viability and demonstrate that it is not economically viable to provide the minimal level sought by the policy. Policy H1 of the Neighbourhood Plan defers to the development plan policy HOUS1.
- 5.3 Criteria (iii) of Policy HOUS1 states that a lower level of provision will only be permitted if there are good reasons to bring the development forward and the assessment shows that it is not economically viable to make the minimum level of provision.
- 5.4 The Appellant submitted a viability assessment with the application in August 2024. This assessment was updated in October 2025 to allow for the passage of time and changes in terms of the inputs to the assessment. Positive discussions continued between the parties, culminating in the signed Viability Statement of Common Ground on 28<sup>th</sup> November (CD4.3).
- 5.5 I now deal with the points not in agreement, being the sales values of the 1- and 2-bedroom apartments, and the sales period for the proposed units.

### **Sales Values**

- 5.6 For context, at the time of writing, the property website Rightmove shows the average house sold in Bridport had an overall average value of £365,013 over the last year. Most properties sold in Bridport during the last year were detached properties, selling for an average price of £532,092. Terraced properties sold for an average of £291,904, with flats fetching £186,716.
- 5.7 Rightmove also reports that overall, sold prices in Bridport over the last year were 3% down on the previous year. Zoopla reports that the average semi-detached houses sold for £372,165 over the last year in Bridport. Included at Appendix 3 is a general index for Dorset which shows a peak average value in October 2022 of £352,000 for all property types with the latest index showing an overall average value of £340,000.

- 5.8 In terms of newbuild development of a similar size to that proposed, there are relatively few newbuild properties available at the time of writing. Chesil Mews, Rax Lane is a small newbuild scheme of 2-bedroom cottages near the centre which came on the market in August 2025. These 86 m<sup>2</sup> houses have asking prices of £395,000 to £415,000 (£4,651 m<sup>2</sup>). One (mid terrace) now appears to be sold subject to contract (Appendix 6).
- 5.9 Smaller newbuild 2-bedroom cottages are available at Crewkerne Place near the town centre and have been on the market since the original FVA was prepared in August 2024. One of these appears to be sold subject to contract and these units come with allocated parking and private courtyards. The asking price is £287,500 (£5,227 m<sup>2</sup>) (Appendix 6).
- 5.10 It is noted that newbuild retirement apartments remain available at the McCarthy Stone Gordon Court development on Flood Lane to the south of the appeal site. These are offered for rent although there is no known restriction in place which stops the developer selling these units. The asking rent on apartment 27 was reduced in February 2025 and the apartment remains available for rent at the time of writing (Appendix 6).
- 5.11 Set out below are the differences between the parties in relation to the assumed value for 1- and 2-bedroom apartments (at the time the viability statement of common ground was signed on 28<sup>th</sup> November 2025).

Table 1 – Sales Values of 1- and 2-bedroom apartments

Type	Appellant (Planning Issues)	Council (DVS)
<b>1-bedroom apartments</b>	£275,000 (£5,204 m <sup>2</sup> )	£288,906 (£5,467 m <sup>2</sup> )
<b>2-bedroom apartments</b>	£415,000 (£5,108 m <sup>2</sup> )	£423,125 (£5,208 m <sup>2</sup> )
<b>Overall value for apartments</b>	£15,440,000	£16,014,992
<b>Difference</b>	£574,992	

- 5.12 The RICS Comparable Evidence in Real Estate Valuation Professional Standard (1<sup>st</sup> Edition, October 2019) (CD5.21) provides guidance in respect of a hierarchy of evidence. Category A is direct comparable evidence e.g. nearly identical properties for which full and accurate information is available or asking prices for nearly identical properties. Category B includes general market data including indices or historic

evidence. Category C evidence may include other sources which might be relevant including interest rates and general market analysis.

- 5.13 The PPG in respect of viability sets out that for viability assessment of a specific site or development, market evidence (rather than average figures) from the actual site or from existing developments can be used to derive gross development value. Any market evidence used should be adjusted to take into account variations in use, form, scale, location, rents and yields, disregarding outliers (Paragraph: 011 Reference ID: 10-011-20180724).
- 5.14 In reviewing the local market, the following completed developments have been identified and are considered relevant comparable transactions together with live asking prices against which to benchmark the likely achievable sales values for the proposed 1- and 2-bedroom units.

McCarthy Stone – Flood Lane (Gordon Court)

- 5.15 The most recent and geographically closest (0.3 miles to the south of the appeal site) comparable scheme is the McCarthy Stone development at Flood Lane known as Gordon Court. This development is a retirement living scheme of similar nature to the apartment block with owner's lounge lodge manager and communal gardens. The development includes 31 parking space (0.82 ratio) which is higher than that provided by the appeal scheme (0.35 ratio). The scheme commenced sales in August 2022 and finished sales in June 2024. However, it is noted that some of the units were held for private rent and 2 units remain unoccupied and available for rent on the McCarthy Stone website at the time of writing. There are also several resale properties available at this development which will be discussed below.
- 5.16 I have sourced the publicly available transaction data available on the Land Registry and linked the sales information to property energy performance certificate which notes unit measurements. I have then applied indexation from the date of the sale to the latest available index for Dorset available on the Land Registry in the same way the Council's Plan Wide Viability Study applies indexation to allow for movement in values over time (Appendix 2). A summary of sales transactions is shown below and a full schedule provided at Appendix 4.

Table 2 – Gordon Court Values

Type	Average Area (number)	Average Value	Average £m2	Range
<b>1 bed apartments</b>	48.64 (14)	£259,675	£5,336 m2	£4,712 - £6,060 m2
<b>2 bed apartments</b>	64.52 (17)	£393,544	£6,099 m2	£5,669 m2 - £6,898 m2

- 5.17 The average unit sizes at Gordon Court are smaller than those proposed at the appeal scheme (where the averages are 52.84 m2 for 1 bed and 81.24 m2 for 2 bed units). Typically, larger units will achieve a higher sales value on average. However, the value on a £/m2 will typically decrease for larger units in my experience. Other variations in the rate achieved will likely be related to outlook, private amenity or incentives offered to purchasers to secure a sale which vary from sale to sale and are tailored to the individual circumstances of each purchaser.
- 5.18 There are multiple properties available for resale at Gordon Court. Although resales, these are high-quality apartments in a development which is only 3 years old with 996 years remaining on the lease. I therefore consider that these units are relevant comparable properties given that a prospective purchaser at the appeal site is likely to consider good quality resale alternatives.

Table 3 – Resales at Gordon Court

Resale Asking Prices	Asking	Time on Market
<b>1 bed 33 Gordon Court</b>	£180,000 (£4,090 m2)	Reduced Oct 25
<b>1 bed 22 Gordon Court (48)</b>	£195,000 / £4,062m2	Reduced in Sept 25
<b>1 bed 7 Gordon Court (48 m2)</b>	£225,000/£4,687 m2	April 25 Reduced Oct 25
<b>1 bed 36 Gordon Court (48 m2)</b>	£240,000 /£5,000 m2	Nov 24 Taken off market
<b>2 bed</b>	£340,000 / £5,312 m2	Nov 24 (reduced from £385,000 in

<b>1 Gordon Court (64 m2)</b>		Aug 25 and reduced to £340,000 in September 2025)
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McCarthy Stone – Dorchester (Casterbridge Court)

- 5.19 A further, more up to date comparable is the currently selling McCarthy Stone scheme in Dorchester. This example of a live selling scheme is located 14 miles to the west of the appeal site (a 20-minute drive). The scheme consists of 44 apartments with communal lounge, lodge manager and communal gardens. It is located to the south of Dorchester town centre within walking distance of local amenities. This is a comparable form of accommodation to the appeal proposal.
- 5.20 This development has been selling since January 2022 and according to the McCarthy Stone website, 12 units remain available. Once again, I have obtained information from the Land Registry for sold properties and linked these to the EPC unit area.
- 5.21 To date, Typical 1 bed flats of circa 52 m2 achieved £5,198 m2 after house price indexation. 2 further smaller units of 45 m2 have achieved a higher rate (£322,321 or £7,162) but I note these are ground floor apartments in the quietest corner of the development with private patios opening to the communal garden water feature. Average 2 bed flats at 72.6 m2 have achieved circa £5,298 m2 (House price index adjusted). The unit sizes at this development are more comparable to those proposed as part of the appeal scheme.
- 5.22 A summary of scheme transactions is shown below and a full schedule provided at Appendix 5 in respect of the properties registered on the Land Registry to date.

Table 4 – Sales Values at Casterbridge Court

<b>Type</b>	<b>Average Area (number)</b>	<b>Average Value</b>	<b>Average £m2</b>	<b>Range</b>
<b>1 bed apartments</b>	52.8 (5)	£271,402	£5,141 m2	£4,716 - £5,764 m2
<b>2 bed apartments</b>	72.66 (15)	£385,069	£5,298 m2	£4,807 m2 - £6,127 m2

5.23 I have noted on the McCarthy Stone website that remaining units are now heavily discounted. An extract is included at Appendix 5. Of the remaining 8 × 1-bed units ranging from 45-53 m<sup>2</sup>, the average asking price is now just £228,120 or £4,731 m<sup>2</sup>. There are 4 remaining 2-bed units (average 72.25 m<sup>2</sup>) now asking £324,995 on average or £4,494 m<sup>2</sup>.

Table 5 – Asking Prices for Remaining Units at Casterbridge Court

Type	Average Area (number)	Average Value	Average £m <sup>2</sup>
<b>1 bed apartments</b>	48.4 (8)	£228,120	£4,731 m <sup>2</sup>
<b>2 bed apartments</b>	72.25 (4)	£324,995	£4,994 m <sup>2</sup>

5.24 Considering the above heavy discounts, the average achieved value across this comparable is likely to be considerably lower than the values I have adopted within my appraisal for 1 bed units of a similar size and 2 bed units applying a higher £m<sup>2</sup> rate.

Table 6 – Blended Achieved and Asking prices at Casterbridge Court

Type	Average Area (number)	Average Value	Average £m <sup>2</sup>
<b>1 bed apartments</b>	49.40 (15)	£255,107	£5,192 m <sup>2</sup>
<b>2 bed apartments</b>	72.57 (19)	£372,420	£5,130 m <sup>2</sup>

5.25 I consider Casterbridge Court to be a relevant and more recent comparable which includes larger unit sizes more comparable to the appeal scheme, located within the same local authority area.

5.26 I noted earlier in my proof that the Council Plan Wide Viability Study considers Dorchester to be a slightly higher value location compared to Bridport. The study subsequently applies higher values for Dorchester than Bridport (located within Dorset Central and West). This study is dated May 2022 and the Land Registry House Price index for Dorset shows a modest 2% increase in house prices since that date (all property types) or a 3% fall for apartments over the same period (Appendix 3).

Table 7 – Dorset Plan Wide Viability Study (2022) Sheltered Housing Values

Value Area	1 bed Sheltered	2 bed Sheltered
Dorset East and Dorchester	£261,000/	£348,000/

	£5,220 m2	£4,640 m2
Dorset Central and West (including Bridport)	£242,000/ £4,840 m2	£322,000/ £4,293 m2
Dorset North and South	£233,000/ £4,660 m2	£310,000/ £4,133 m2

### Conclusions on Sales Values

- 5.27 I have considered the local market evidence available and consider that the McCarthy Stone scheme at Gordon Court is a good comparable albeit with smaller unit sizes which require adjustment for time since sales took place and for unit size differences. Multiple resale properties are available which I consider must be considered given the site's proximity to the appeal site and the fact they are less than 4 years old. Units remain available for rent at this scheme which could in theory also be sold, but they have not. Clearly the availability of high-quality second-hand properties will have an impact on sales values at the subject site.
- 5.28 I consider Casterbridge Court to be highly relevant also. This is the closest live selling comparable and is only 14 miles away. The unit sizes are more comparable to the appeal site average unit sizes. There have been significant reductions in asking prices for the remaining units.
- 5.29 As set out, the Council plan wide viability study assesses Dorchester to be a higher value area in comparison to Bridport, and I therefore consider the reduced asking prices for the remaining units at Casterbridge Court to be a material consideration in assessing asking prices for a newbuild scheme in Bridport. 1-bedroom properties at this development are available asking £228,120 vs the average £275,000 value I assign similar units at the appeal site. 2-bedroom properties are available asking circa £324,995 vs the average asking £415,000 I assign units at the appeal site.
- 5.30 I set out at Appendix 7 a unit-by-unit assessment of 1- and 2-bedroom apartments for the proposal. Against each unit I assign a proposed £m2 value with reference to comparable transactions and asking prices for similar sized units within the local market area.
- 5.31 I maintain that the average 1 bed apartment value is £275,000 and the average 2 bed apartment value is £415,000. Agreement has already been reached in respect of the cottages which average £450,000. I consider these to be appropriate values based upon the evidence and comparable information available locally.

### Sales Period

- 5.32 The development period assumed within a financial viability appraisal has an impact on finance (borrowing costs) and in the case of older person's housing, empty property costs. The Appellant does not offer private rental or shared ownership options which some other older person's housing providers do (e.g. McCarthy Stone at Gordon Court and Casterbridge Court) which might result in faster occupancy and income. I have already included at 3.13 onwards a description of the typology and how it is different to mainstream housing in terms of purchaser characteristic.
- 5.33 There is no dispute between the parties in respect of construction period (20 months) or the principle of applying empty property costs to the appraisal. The difference between the Appellant and the DVS relates to the rate of sale of units and may be summarised as follows:

Table 8 – Assumptions on Sales Rates

	<b>Appellant</b>	<b>Council</b>
<b>Month 1</b>	15%	20%
<b>End of year 1</b>	48%	50%
<b>Thereafter</b>	0.7 per month	1.22 per month
<b>Overall rate</b>	1.22 per month 60 months	1.74 per month 42 months

- 5.34 The net result of these different assumptions is as follows:

Table 9 – Assumptions on EPCs and Finance Costs

	<b>Appellant</b>	<b>Council</b>	<b>Difference</b>
<b>Empty Property Costs</b>	£515,771	£479,153	£36,618
<b>Finance Costs</b>	£2,168,902	£2,138,933	£29,969

- 5.35 A scheme of 48 retirement living apartments together with 25 retirement living cottages represents a comparatively large age restricted proposal in my experience. By comparison, the Appellant's historic scheme in Bridport (Alfred Lodge) built in 2016 was for 26 units, the McCarthy Stone Gordon Court development was for 38 units (2 units remaining for rent) and the McCarthy Stone scheme at Casterbridge Court in

Dorchester was for 44 units. Casterbridge Court as already noted is still selling despite commencing sales in January 2022 (47 months with 12 units remaining).

- 5.36 It is worth noting the sales saturation rates in terms of nearby and recent developments of a smaller scale and reviewing this in terms of unit numbers rather than % of scheme. This illustrates the number of units the local market has taken in the recent past for sheltered or retirement living accommodation.

Table 10 – Local Sheltered Housing Unit Saturation Comparison

<b>Units sold at (units available)</b>	<b>Month 1</b>	<b>Month 12</b>	<b>Month 24</b>	<b>Month 36</b>	<b>Month 48</b>	<b>Month 60</b>
<b>Appeal Scheme Units <u>Proposed</u> (73)</b>	11	35	55	65	69	63
<b>McCarthy Stone Gordon Court (38)</b>	12	25	30	Rental Remaining	Rental remaining	N/A
<b>McCarthy Stone Casterbridge Court (44)</b>	4	15	18	23	Units remaining for sale	N/A
<b>Appellant Alfred Lodge (26)</b>	8	16	25	26	N/A	N/A

- 5.37 The Council's local plan viability analysis tested a typical retirement living scheme of 40 units. In respect of this scale of development, the plan wide viability study assumed that sheltered/retirement living development would take 18 months to first sale and then assumed first year of sales 40%, second year of sales 30%, third year of sales. On a scheme of 40 units this would see 16 sales in year 1, 12 in year 2 and 12 in year 3 with an overall sales rate of 1.11 per month (CD5.22 – Table 4.11).
- 5.38 The Appellant's average sales rate for all selling developments in their South-West Division is 0.65 sales per month (Appendix 8). The average scheme size within this sample is 44 units.
- 5.39 Given the scale of this proposal, I have analysed larger sold and selling schemes over 65 units to understand the sales profile, saturation and length of sales period which might typically apply. The following table shows a range of schemes (all apartment

schemes) over 65 units. Some have been selling since 2018 and contain significant levels of unsold units.

Table 11 – Large Scheme Sales Rates

<b>Scheme (units)</b>	<b>Month 1</b>	<b>Month 12</b>	<b>Month 24</b>	<b>Month 36</b>	<b>Month 48</b>
<b>Andover (69) 0.64/month Sold out Aug 23 (108 months)</b>	13% or 9 units	49% or 34 units	66% or 46 units	79% or 61 units	88% or 61 units
<b>Dartford (67) 1.18/month Sold out Feb 22 (57 months)</b>	18% or 12 units	38% or 27 units	73% or 50 units	83% or 58 units	94% or 65 units
<b>Portswood (73) 0.64/month Still selling (84 months)</b>	2% or 1 unit	25% or 17 units	30% or 21 units	38% or 26 units	45% or 31 units
<b>Taunton (72) 1.32/month Still Selling (44 months)</b>	3% or 2 units	43% or 30 units	47% or 33 units	59% or 41 units	N/A

- 5.40 On average, the first month sales on the larger schemes examined is circa 10% and 39% in the first 12 months. Including Taunton, which is still selling, the average sales rate is circa 0.9 sales per month.
- 5.41 A further consideration is the Appellant’s Cheltenham scheme of 65 units which has been selling since December 2018 at a rate of 0.65 sales per month with 3% sold at month 1 (1 units), 15% or 11 units at month 12, and 46% or 32 units sold at month 48. 20 units remain unsold on this site. The rate of sale overall is currently 0.65 sales per month, and the development has been selling for 84 months to date.
- 5.42 The Appellant’s Kendal scheme is slightly smaller at 64 units and has been selling since October 2023. It sold 12% or 9 units in month 1, 27% or 18 units in the first 12 months and 32% or 23 units within the first 24 months. Kendal’s rate of sale to date is 0.88 per month.

- 5.43 These examples demonstrate larger schemes selling over much longer periods and, in some cases, taking beyond 60 months to fully sell.

Mixed Apartment and Cottage Schemes

- 5.44 It is acknowledged that the appeal proposal offers variation in the form of retirement cottages. The provision of larger numbers of cottages is a relatively new concept for the Appellant. Historically, a small number may have been provided where the site allowed. The first scheme where they have been provided at scale is at the Appellant’s Diss development in Norfolk where 15 cottages have been provided together with 57 retirement living apartments as part of an integrated retirement scheme. This scheme completed in October 2023 and has been selling for 26 months. Combined, the sales rate to date is 1.21 sales per month. 8 of the 15 cottages have sold over this period or 0.33 per month.
- 5.45 A further smaller example is the Appellant’s development at Evesham which began sales in December 2024 and consists of 49 retirement living apartments and 7 retirement cottages. Combined this scheme has sold at a rate of 0.58 sales per month and the cottages have sold at a rate of 0.25 per month.

Table 12 - Mixed Cottage Scheme Sales Rates

<b>Scheme</b>	<b>Number</b>	<b>Month 1</b>	<b>Month 12</b>	<b>Month 24</b>	<b>Month 36</b>	<b>Rate</b>
<b>Diss</b>	72 (15 cottages)	2 (3%)	22 (32 %)	28 (40%)	Not reached	1.21
<b>Evesham</b>	56 (7 cottages)	2 (4%)	7 (13%)	Not reached	Not reached	0.58

- 5.46 Although a variation of offer, the Appellant’s data on purchasers at Diss shows that the average age of a cottage purchaser is around 80 - 81 years old and therefore broadly the same as an apartment purchaser. Cottages are not therefore attracting a younger retiree or improving the rate of sale in the case of Diss. Furthermore, an even lower sales rate for cottages has been seen at the Evesham development.

Older Persons Housing Demand vs. Sales Rates

- 5.47 It is worth considering the relationship between housing need for older persons housing and how this translates into sales. The age restriction applied to this typology

is over 60s (or a spouse over age 55). Yet, the average age of a purchaser of this housing typology in the Appellant’s experience is 81 years old.

5.48 Therefore, whilst there is an identified housing need for the typology, this translates into sales in a slower manner than non-age restricted housing. There are several factors to consider as to why this is. Firstly, the age restriction means there are far fewer purchasers. Secondly, these purchasers may not avail of mortgage finance and are dependent on upon the sale of an existing property to buy a retirement property. This often means they are held up in a property chain for a long period of time.

5.49 Thirdly, it is notable that the average age (over 80) is much higher than the minimum age allowed which demonstrates in many cases that purchasers leave such moves as long as they can. Purchasers have typically been recently widowed and are moving for companionship and/or cannot manage the upkeep or expense of the family home.

5.50 Therefore, whilst there is an identified housing demand for the typology, this will not always manifest itself into a very high sales rate as has been demonstrated by the sales rate evidence provided, which is largely due to the nature of the purchaser.

Conclusions

5.51 I consider that the Appeal proposal is a relatively large proposal in the context of a typical retirement living proposal. I have therefore examined larger proposals of a similar scale where available and assessed how these proposals have sold.

5.52 Based upon the comparable information reviewed, I have assumed the following profiles of sales over a 60-month period.

Table 13 – Assumption on Sales Rates Applied by Appellant

<b>Sold at</b>	<b>Month 1</b>	<b>Month 12</b>	<b>Month 24</b>	<b>Month 36</b>	<b>Month 48</b>	<b>Month 60</b>
<b>%</b>	15%	48%	75%	89%	96%	100%
<b>Units</b>	11	35	55	65	69	73

5.53 The proposed sales rate is in my opinion, representative of a typical sales profile for a large scheme of this nature based upon my experience in the sector. The council’s own Plan Wide Viability evidence base adopts a lower rate of sales (1.11) for a much smaller scheme of 40 units in testing (CD5.22).

5.54 Overall, the proposed sales profile for the Appeal scheme assumes unit saturation much higher than the most recent schemes in the area have achieved for a much larger number of units.

Empty Property Costs

5.55 Empty property costs are costs incurred by the developer in maintaining unsold properties post completion. Properties may remain unsold for many years owing to the age restriction, reduced pool of buyers and the fact that many purchasers delay moving into such properties until they need to. The principle of applying these costs is agreed as they impact the viability of specialist housing for older people.

5.56 I have assessed separately average empty property cost rates for 1- and 2-bedroom apartments and cottages and applied these rates to the Argus Developer cashflow which automatically assigns a cost to unsold units until that unit is sold.

5.57 I have maintained the rates set out within the original submission from August 2024 apart from service charges for cottages which I have reduced in light of information received in respect of the Appellant’s Diss scheme which shows reduced service charges for cottage occupiers. The rates applied for the Appeal scheme as follows applying local council tax rates for relevant bands.

Table 14 - Empty Property Costs Rates Applied by Appellant

<b>1 bed apartments</b>	<b>Rate/Sum Per Unit/month</b>
Service charge	£208.75
Council Tax (C)	£190.42
Utilities	£25.00
<b>Average</b>	<b>£424.17</b>
<b>2 bed apartments</b>	
Service charge	£309.25
Council Tax (D)	£214.17
Utilities	£25.00
<b>Average</b>	<b>£548.42</b>
<b>2 bed cottages</b>	
Service charge	£100.00
Council Tax (D)	£214.17
Utilities	£25.00
<b>Average</b>	<b>£339.17</b>

5.58 The sales rate I apply generate empty property costs of £515,771 which are higher than the £479,153 assumed by the Council due to the longer sales period assumed

although I note that my average per month rate is less than the Council's applied rate.

- 5.59 Similarly my assessed finance costs are also marginally higher than the Council for the same reason with a marginal difference of £29,969 in spite of a longer sales programme overall. This difference in sales rate assumption has in my opinion been justified based upon the evidence of sales rates provided.

### **Conclusions on Sales Rates**

- 5.60 I have assessed the sales rates of recent schemes developed in the area including in Bridport itself. I have also reviewed nearby developments including the McCarthy Stone development at Casterbridge Court in Dorchester.
- 5.61 Additionally, I have examined larger schemes for retirement, either selling or recently having completed sales and conclude that an overall sales rate of 1.22 sales per month is appropriate in this case. Within this, I have assumed that month 1 sales will be 15% of unit numbers with 48% sales completed within months 1-12 which is similar to the 20% and 50% rates assumed by the Council.
- 5.62 I do not agree with the Council's position that the remaining units will sell at a rate of 1.22 thereafter or 1.74 sales overall. This assumption in my opinion is not representative of the typology nor the scale of the proposal. It is also not representative of the Plan Wide Viability assumptions as set out for this type of proposal.
- 5.63 I have also reviewed the Appellant schemes at Diss and Evesham and demonstrated that mixed apartment and cottage schemes are not improving the overall sales rates achieved on these sites beyond the assumptions I apply here.

### **Conclusions on Overall Viability Position**

- 5.64 The matters remaining in dispute at the time of writing relate to sales values for 1- and 2-bedroom apartments and the overall sales rate assumed for the development.
- 5.65 I have provided evidence of achieved and live selling schemes within the immediate market area and consider that the average values of £275,000 for 1-bed apartments and £415,000 for 2-bedroom apartments represent what might be achieved considering local comparable evidence, including the closest live selling scheme which is selling remaining units considerably below the values I assume in an area the council Plan Wide Viability study considers to be a higher value location.

- 5.66 Additionally, I have considered how a scheme of this scale and age restriction might sell considering similar sized developments as well as how local comparable schemes of smaller scale have sold. I consider my adopted sales rate is representative of the evidence and that an overall sales rate of 1.22 sales per month as profiled is appropriate. This in turn justifies my empty property cost allowances and finance rate overall for the proposal which are only marginally higher than the Council position despite the Council appraisal assuming a sales period of 18 months less than my own.
- 5.67 I have evidenced the position I have adopted, and my Argus Developer Appraisal (Appendix 9) is summarised within the following table demonstrating the maximum viable payment towards affordable housing. I have assumed that this is paid in full at the commencement of the development and this has been cash-flowed in this way to show the maximum 'surplus'.

Table 15 – Summary Financial Viability Appraisal

Input/Assumption	
<b>Assessment Date</b>	September 2025
<b>Development Period</b>	87 months Month 1 - Purchase 6 months – Pre Construction Period 20 months – Construction 60 months – Sales
<b>Sales Rate</b>	1.22 sales per month or 60 months Month 1 15% End of Yr 1 48% Thereafter 0.7 per month
<b>Gross Development Value</b>	£26,690,000 1 beds - £275,000 2 beds - £415,000 Cottages - £450,000
<b>CIL Requirement</b>	£885,386 paid in line with Council instalment policy
<b>Construction Cost</b>	£10,366,637
<b>External Cost</b>	10% of Construction Cost
<b>Abnormal Costs</b>	£1,851,000
<b>Part FLOS Building Regs</b>	£229,730
<b>Professional Fees</b>	9%
<b>Contingency</b>	5%
<b>Empty Property Costs</b>	£515,771
<b>Finance</b>	7.5% debit and 1% credit £2,168,902
<b>Marketing Fees</b>	3% GDV
<b>Agency Fees</b>	2% GDV
<b>Legal Fees Disposal</b>	£750 per unit
<b>Land Acquisition Costs</b>	1.75% and SDLT applied to fixed benchmark land value
<b>Profit</b>	20% GDV
<b>Benchmark Land Value</b>	£825,000
<b>Maximum Affordable Housing Payment</b>	£337,419 assuming paid at start of Construction

## 6.0 Conclusion and Sensitivity Analysis

- 6.1 I have prepared this financial viability assessment in line with the relevant planning policy, viability guidance and my experience of dealing with retirement development.
- 6.2 Where there are differences between the parties, I have engaged with the Council's appointed expert and evidenced the position I have applied. I believe that I have reached a balanced conclusion in respect of the issues discussed within this proof of evidence.
- 6.3 I believe that the evidence demonstrates that the appeal proposal provides for the maximum amount of affordable housing which is viable and is therefore in compliance with Policy HOUS3 of the Local Plan.

### Sensitivity Analysis

- 6.4 In line with the RICS Financial viability in planning: conduct and reporting professional requirements, sensitivity testing of the key variables is required.
- 6.5 A standard sensitivity test showing a decrease or increase in build cost and sales values has been undertaken and set out within the following table. The white cells represent residual land value and the green cells indicate changes in the viable sum depending upon increases and decreases in sales values and build cost.

Table 16 – Sensitivity Analysis

Construction: Rate /m <sup>2</sup>								
Sales: Rate /m <sup>2</sup>	-7.500%	-5.000%	-2.500%	0.000%	2.500%	5.000%	7.500%	10.000%
-7.500%	818,185	512,573	206,962	-51,468	-358,097	-666,199	-975,038	-1,283,878
	-6,815	-312,427	-618,038	-876,468	-1,183,097	-1,491,199	-1,800,038	-2,108,878
-5.000%	1,238,541	932,929	627,318	321,707	16,101	-242,715	-550,149	-858,988
	413,541	107,929	-197,682	-503,293	-808,899	-1,067,715	-1,375,149	-1,683,988
-2.500%	1,658,897	1,353,285	1,047,674	742,063	436,452	130,843	-127,581	-434,583
	833,897	528,285	222,674	-82,937	-388,548	-694,157	-952,581	-1,259,583
0.000%	2,079,253	1,773,642	1,468,030	1,162,419	856,808	551,197	245,585	-12,840
	1,254,253	948,642	643,030	337,419	31,808	-273,803	-579,415	-837,840
2.500%	2,499,609	2,193,998	1,888,385	1,582,775	1,277,164	971,553	665,942	360,330
	1,674,609	1,368,998	1,063,385	757,775	452,164	146,553	-159,058	-464,670
5.000%	2,919,965	2,614,354	2,308,743	2,003,128	1,697,520	1,391,909	1,086,298	780,686
	2,094,965	1,789,354	1,483,743	1,178,128	872,520	566,909	261,298	-44,314
7.500%	3,340,322	3,034,710	2,729,099	2,423,487	2,117,871	1,812,265	1,506,654	1,201,043
	2,515,322	2,209,710	1,904,099	1,598,487	1,292,871	987,265	681,654	376,043
10.000%	3,760,678	3,455,067	3,149,455	2,843,844	2,538,232	2,232,610	1,927,010	1,621,399
	2,935,678	2,630,067	2,324,455	2,018,844	1,713,232	1,407,610	1,102,010	796,399

- 6.6 In order to provide context to the sensitivity analysis it is necessary to examine likely movements in build cost and sales values noting that these are forecasts which may be impacted by currently unknown factors.
- 6.7 In relation to build cost, the BCIS quarterly briefing, October 2025 (Appendix 10) outlines expectations for the industry. Cumulatively, from 2025 – 2028, tender prices are forecast to increase by 8-9% above current levels or broadly 14% over the period to 2030.

Table 17 – Forecast Increase in Build Cost (BCIS September 2025)

<b>Period</b>	<b>BCIS General Building Index</b>	<b>BCIS Tender Price Index</b>
<b>Q3 25 – Q3 26</b>	2.9%	2.5%
<b>Q3 25 – Q3 27</b>	3.0%	2.7%
<b>Q3 27 – Q3 28</b>	3.1%	3.1%
<b>Q3 28 – Q3 29</b>	2.9%	3.2%
<b>Q3 29 – Q3 30</b>	2.6%	2.2%

- 6.8 In terms of values, The RICS Housing Market Survey October 2025 (Appendix 11) signals market activity in negative territory with buyer demand in negative territory nationally. Over a twelve-month horizon, a net balance of +7% of respondents anticipate a pickup in sales activity. For house prices, the aggregate net balance of -19% is slightly below the -17% recorded in the previous survey but broadly in line with the average over the past three months. This continues to indicate modest downward pressure on headline house prices.
- 6.9 The Office for Budget Responsibility (OBR) provide a regular forecast of house price changes at a national level. In November 2025 (Appendix 12) the OBR reported house price growth forecast of an average of 2.5% per annum from 2026 to 2030. In terms of transactions, the OBR forecasts a reduction in transactions in the market due to the projected increase in mortgage rates and an ageing population that transacts property both later in life and less frequently which they state will weigh on transactions.
- 6.10 In summary, general market forecasts over the next 3 years suggest that build cost inflation will likely exceed inflation in house prices measured at a national level. It should be noted that the above forecasts are not specific to Dorset or Bridport.

- 6.11 It is concluded that the assumptions within the FVA are appropriately balanced and are not overly pessimistic given the current and forecasted movements in costs and values.
- 6.12 Finally, it is understood that the Appellant has offered a commercially expedient sum of £500,000 to the Council in respect of an off-site affordable housing payment which was accepted by the council as set out within their email to the Planning Inspectorate on 4<sup>th</sup> December 2025 (CD4.15). By way of further sensitivity testing, this position may be demonstrated within the Appellant viability assessment by adopting a mid-point in sales values between those assumed within my appraisal and those adopted by the DVS.

## **Appendices**

Appendix 1 – Commuted Sum Calculator 2024

Appendix 2 – Dorset Plan Wide Study Value Bands

Appendix 3 – House Price Index for Dorset

Appendix 4 – Gordon Court Bridport Sales

Appendix 5 – Casterbridge Court Dorchester Values

Appendix 6 – Available Retirement Property in Bridport

Appendix 7- Sales Value Analysis

Appendix 8 – Appellant Sales Rates Averages and Large Scheme Analysis

Appendix 9 – Argus Developer Appraisal December 2025

Appendix 10 – BCIS Quarterly Briefing October 2025

Appendix 11 – RICS UK Residential Market Survey October 2025

Appendix 12 - OBR November Housing Forecast extract

## Appendix 1 – Commuted Sum Calculator 2024

# Council Commuted Sum Calculator Sum at time of Application Submission

## HOUS 1 Calculations Only enter data in the cells coloured Yellow

<b>Stage 1: Overall level of contribution</b>		<span style="color: red;">enter in the details of the site.</span>	
% affordable housing being sought	35%	West Dorset	<span style="color: red;">select the location of the site from the drop-down list</span>
Total number of units on site	73	units	<span style="color: red;">enter the total number of units proposed on the site</span>
Average Gross Internal floor Area of market units	73.37	square metres	<span style="color: red;">enter the AVERAGE gross internal floorspace of the MARKET units on site</span>
Theoretical number of affordable units to be provided	25.55 units		
<b>Total HOUS1 contribution sought</b>	<b>£646,738</b>		

	Affordable units on site	Off site contribution
<b>OVERALL CONTRIBUTION</b>	<b>0</b>	<b>£646,738</b>

<b>Stage 2: Residual contribution</b>		<span style="color: red;">if affordable units are being proposed on the site, enter the details here.</span>	
Number of affordable units proposed on site	0	units	<span style="color: red;">enter the total number of affordable units proposed on site</span>
Residual number of affordable units	25.55 units		
<b>Residual contribution</b>	<b>£646,738</b>		

## Appendix 2 – Dorset Plan Wide Study Value Bands

## Chapter 3 Residential Values

**3.1** Testing assumption values include open market dwellings, affordable housing dwellings and benchmark land values.

### Market values

**3.2** The workshop presentation set out the data from land registry and EPCs to illustrate the different £/sq m values in three zones across Dorset. Feedback suggested that the boundaries of the market value areas should be amended so that development in Crossways, Blandford and Gillingham would all be in the main zones associated with these settlements rather than being split across different value zone boundaries:

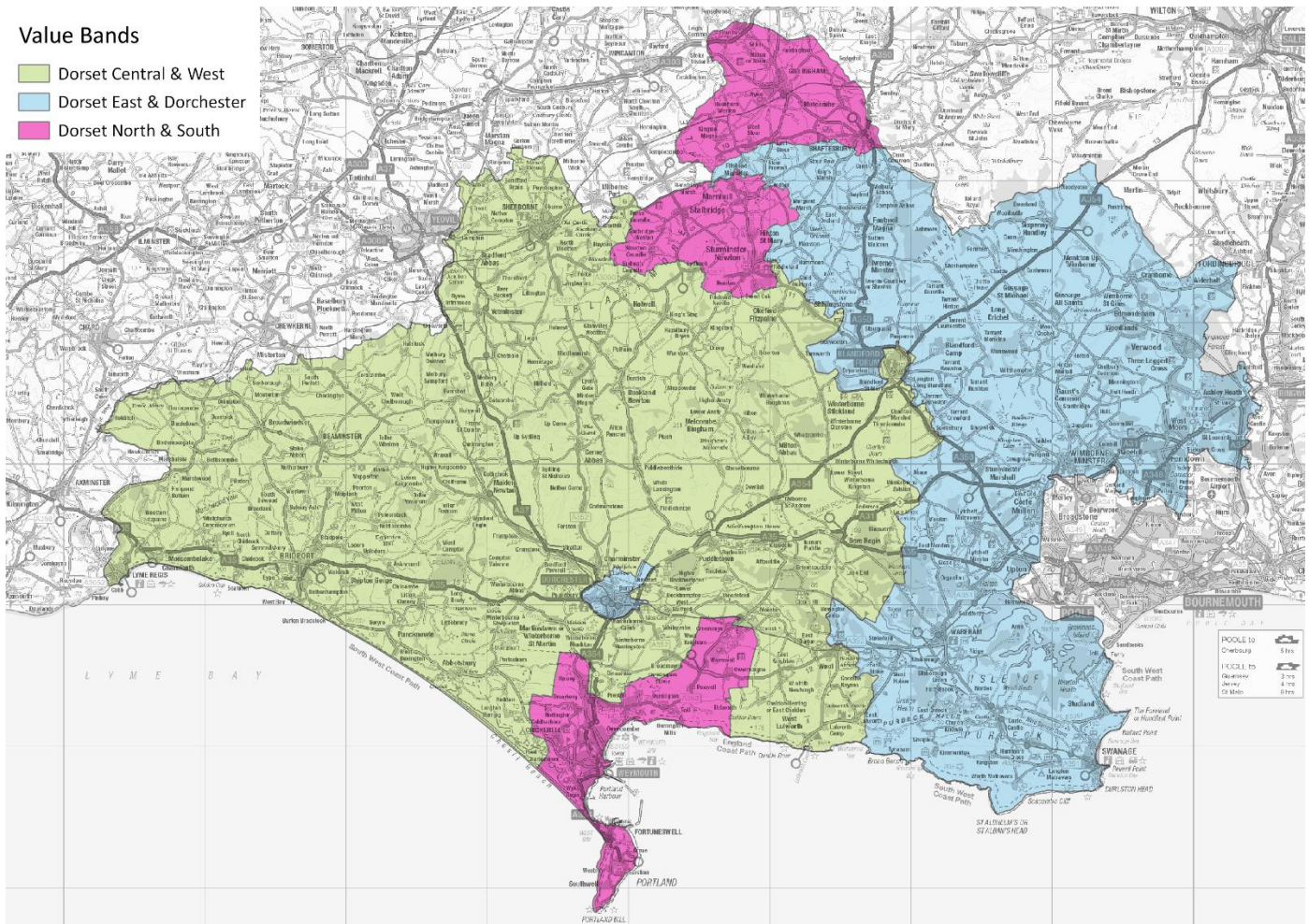
- Dorchester remains in value zone 1 with Dorset North and South, but extended to include the potential Dorchester North urban extension
- Crossways remains in value zone 3 with Dorset North and South but extends to include potential sites consulted upon on the edge of the town.
- Blandford Forum remains in value zone 2 Dorset Central and West but extends to include potential sites consulted upon on the edge of the town.

**3.3** The table and map below set out the sales values per sq m and the proposed value zone boundaries, along with the environmental protection zones with cost implications. Sales values are estimates as at 2Q2021 based upon Land Registry data 2016-2021 for 2,200 sales, adjusted by the HPI by dwelling type, and matched against EPC data on dwelling sizes. The values for houses are blended across the different dwelling types as the data indicates that generally these are relatively homogenous within each value area.

**Table 3.1 Market sales values £/sq m**

Unit Type	Value zone 1 Dorset East and Dorchester	Value zone 2 Dorset Central and West	Value zone 3 Dorset North and South
<b>£/sq m</b>			
<b>Flat</b>	£3,691	£3,656	£3,038
<b>House</b>	£3,643	£3,461	£2,996

Figure 3.1 Value zones



3.4 CSB units are included on larger typologies and are modelled as three and four bed houses with garages at 5% over standard values<sup>1</sup>.

<sup>1</sup> Testing assumptions for custom & self-build have been developed by Three Dragons in discussion with NaCSBA and the Right to Build Taskforce

## Appendix 3 – House Price Index for Dorset

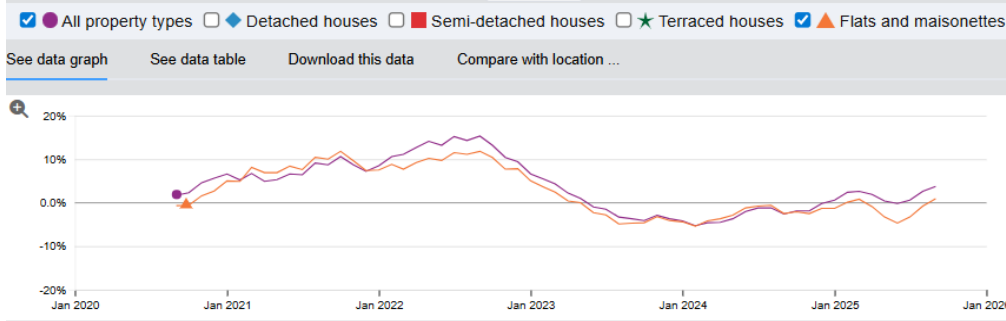
Dorset House Price Index since September 2020  
 Sourced from the Land Registry and accessed at 2nd December 2025

Name	Period	All property types	Detached houses	Semi-detached houses	Terraced houses	Flats and maisonettes
Dorset	2020-09	81.6	81.4	81.5	81	83.3
Dorset	2020-10	82.2	82.3	82	81.6	83.4
Dorset	2020-11	84.9	85	84.4	84.3	86.1
Dorset	2020-12	85.9	86.1	85.3	85.4	87.2
Dorset	2021-01	86.5	86.2	85.9	86.1	88.6
Dorset	2021-02	85.7	85	85.1	85.6	88.7
Dorset	2021-03	86.2	84.9	85.6	86.3	90.4
Dorset	2021-04	86.2	84.9	85.5	86.4	90.4
Dorset	2021-05	85.8	84.5	85	85.9	89.8
Dorset	2021-06	87.1	85.8	86.3	87.6	91.2
Dorset	2021-07	86.1	84.8	85.4	86.5	90.1
Dorset	2021-08	88.1	87	87.5	88.3	91.5
Dorset	2021-09	88.7	87.8	88.3	88.7	91.6
Dorset	2021-10	90.9	90.6	90.3	90.5	93.2
Dorset	2021-11	92.3	92.1	91.6	91.7	94.4
Dorset	2021-12	92.1	92.4	91.3	91.1	93.6
Dorset	2022-01	93.8	93.9	93.3	93.1	95.2
Dorset	2022-02	94.8	94.8	94.3	94.2	96.5
Dorset	2022-03	95.8	95.7	95.5	95.1	97.4
Dorset	2022-04	97.1	97	96.7	96.7	98.7
Dorset	2022-05	97.9	97.7	97.5	97.7	99
Dorset	2022-06	98.6	98.2	98.3	98.8	100.1
Dorset	2022-07	99.2	98.7	99.1	99.5	100.4
Dorset	2022-08	100.7	100.2	100.6	101.2	101.7
Dorset	2022-09	102.3	102	102.3	102.8	102.4
Dorset	2022-10	102.9	102.8	102.7	103.2	102.9
Dorset	2022-11	101.8	101.9	101.6	102	101.7
Dorset	2022-12	100.7	100.6	100.4	100.8	100.9
Dorset	2023-01	100	100	100	100	100
Dorset	2023-02	100	100.1	99.9	99.8	100
Dorset	2023-03	99.9	100.3	100	99.2	99.7
Dorset	2023-04	99.3	99.8	99.2	98.4	99.1
Dorset	2023-05	98.8	99	98.8	98	99
Dorset	2023-06	97.6	97.7	97.5	97.3	97.7
Dorset	2023-07	97.7	97.6	97.8	97.7	97.6
Dorset	2023-08	97.4	97.5	97.5	97.5	96.7
Dorset	2023-09	98.5	98.7	98.8	98.7	97.6
Dorset	2023-10	98.7	98.6	98.9	98.9	98.1
Dorset	2023-11	98.9	98.9	99.1	98.9	98.5
Dorset	2023-12	96.9	96.9	97.2	96.8	96.8
Dorset	2024-01	95.8	95.8	96	95.7	95.6
Dorset	2024-02	94.7	94.4	95.1	94.9	94.6
Dorset	2024-03	95.4	94.9	95.7	95.6	95.5
Dorset	2024-04	94.8	94.1	95.2	95.1	95.5
Dorset	2024-05	95.2	94.4	95.5	95.5	96.1
Dorset	2024-06	95.7	94.7	96	96.3	96.5
Dorset	2024-07	96.5	95.6	96.9	97.4	96.9
Dorset	2024-08	96.2	95.4	96.5	97.3	96.1
Dorset	2024-09	96	95.4	96.4	96.9	95.2
Dorset	2024-10	96.8	96.4	97.1	97.6	96.1
Dorset	2024-11	97	96.7	97.6	97.7	96
Dorset	2024-12	96.8	96.6	97.3	97.4	95.5
Dorset	2025-01	96.3	96.3	97.2	97	94.3
Dorset	2025-02	96.9	96.9	97.9	97.8	94.7
Dorset	2025-03	97.9	97.2	99.1	99.1	96.3
Dorset	2025-04	96.6	96	98.3	97.6	94.6
Dorset	2025-05	95.5	95.1	97.3	96.4	93
Dorset	2025-06	95.5	95.4	97.4	96.3	92
Dorset	2025-07	97.1	96.9	99	98.3	93.6
Dorset	2025-08	98.8	98.2	100.9	100	95.4
Dorset	2025-09	99.5	99	101.8	100.8	96

Percentage change (yearly) by type of property in Dorset



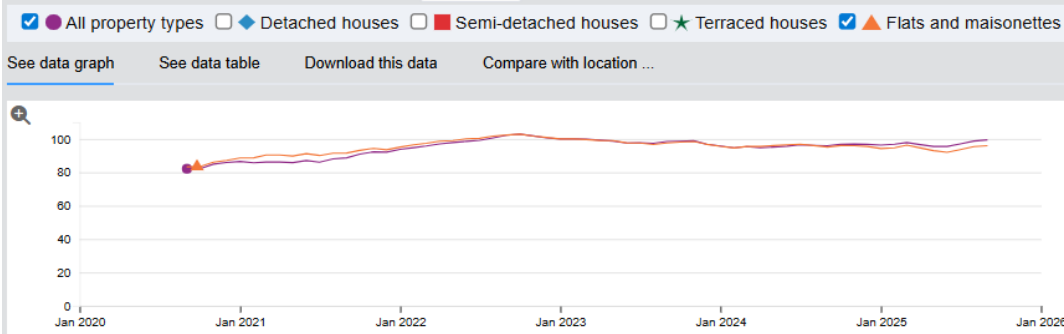
Percentage change (yearly) by type of property in Dorset



House price index by type of property in Dorset



House price index by type of property in Dorset



Land Registry House Prices in Dorset since September 2020  
 Accessed on 2nd December 2025

Name	Period	Reporting	All property types	Detached houses	Semi-detached houses	Terraced houses	Flats and maisonettes
Dorset	2020-09	monthly	279243	440766	277199	222559	154402
Dorset	2020-10	monthly	281364	445660	278946	224215	154536
Dorset	2020-11	monthly	290436	460564	287062	231410	159702
Dorset	2020-12	monthly	293920	466194	290050	234460	161563
Dorset	2021-01	monthly	295819	466720	291885	236492	164250
Dorset	2021-02	monthly	293274	460133	289425	235065	164435
Dorset	2021-03	monthly	295014	459855	291041	237016	167593
Dorset	2021-04	monthly	294921	459598	290697	237177	167580
Dorset	2021-05	monthly	293497	457737	289132	236032	166539
Dorset	2021-06	monthly	298201	464633	293269	240646	169119
Dorset	2021-07	monthly	294727	459177	290350	237708	166985
Dorset	2021-08	monthly	301509	471240	297518	242630	169652
Dorset	2021-09	monthly	303448	475393	300070	243547	169881
Dorset	2021-10	monthly	311081	490725	306899	248436	172785
Dorset	2021-11	monthly	315665	498693	311332	251746	175067
Dorset	2021-12	monthly	315029	500291	310272	250315	173526
Dorset	2022-01	monthly	321064	508779	317073	255802	176564
Dorset	2022-02	monthly	324440	513467	320479	258609	178900
Dorset	2022-03	monthly	327807	518598	324627	261176	180507
Dorset	2022-04	monthly	332344	525140	328792	265611	183026
Dorset	2022-05	monthly	334835	529088	331633	268292	183463
Dorset	2022-06	monthly	337512	531987	334153	271305	185482
Dorset	2022-07	monthly	339496	534631	336937	273260	186192
Dorset	2022-08	monthly	344688	542861	342128	277971	188444
Dorset	2022-09	monthly	349949	552336	347655	282259	189908
Dorset	2022-10	monthly	352127	556840	349314	283588	190764
Dorset	2022-11	monthly	348478	551847	345508	280164	188612
Dorset	2022-12	monthly	344488	545068	341486	276910	186992
Dorset	2023-01	monthly	342170	541649	339986	274661	185382
Dorset	2023-02	monthly	342117	542208	339794	274041	185394
Dorset	2023-03	monthly	341897	543401	339868	272538	184890
Dorset	2023-04	monthly	339616	540482	337205	270207	183804
Dorset	2023-05	monthly	338022	536392	335916	269282	183551
Dorset	2023-06	monthly	333988	529067	331656	267161	181170
Dorset	2023-07	monthly	334351	528876	332522	268236	180982
Dorset	2023-08	monthly	333213	528138	331646	267693	179232
Dorset	2023-09	monthly	337145	534362	335865	271075	181024
Dorset	2023-10	monthly	337702	534321	336313	271625	181899
Dorset	2023-11	monthly	338299	535461	337028	271513	182529
Dorset	2023-12	monthly	331650	524669	330429	265806	179418
Dorset	2024-01	monthly	327741	518804	326303	262749	177133
Dorset	2024-02	monthly	324083	511206	323272	260684	175322
Dorset	2024-03	monthly	326319	514131	325413	262521	177105
Dorset	2024-04	monthly	324500	509771	323725	261322	176986
Dorset	2024-05	monthly	325624	511055	324549	262247	178162
Dorset	2024-06	monthly	327355	512804	326335	264540	178982
Dorset	2024-07	monthly	330213	517615	329363	267422	179607
Dorset	2024-08	monthly	329181	516500	328088	267172	178239
Dorset	2024-09	monthly	328356	516994	327768	266033	176479
Dorset	2024-10	monthly	331145	521942	330153	267935	178133
Dorset	2024-11	monthly	331973	523777	331753	268217	178026
Dorset	2024-12	monthly	331057	523128	330746	267442	177004
Dorset	2025-01	monthly	329573	521618	330316	266345	174779
Dorset	2025-02	monthly	331731	524694	332762	268605	175529
Dorset	2025-03	monthly	334909	526408	336769	272125	178444
Dorset	2025-04	monthly	330644	519979	334129	268147	175375
Dorset	2025-05	monthly	326813	515057	330838	264761	172359
Dorset	2025-06	monthly	326645	516502	331293	264610	170496
Dorset	2025-07	monthly	332320	524761	336521	270014	173601
Dorset	2025-08	monthly	337904	532101	343206	274690	176888
Dorset	2025-09	monthly	340411	536077	346002	276745	178002

## Appendix 4 – Gordon Court Bridport Sales

Flood Lane Land Registry including Category 'A' Sales  
Source - Land Registry Price Paid and EPC Website

price_paid	deed_date	property_type	paon	street	town	transaction_c	EAC Area	£m2	HPI at Sale	Latest HPI	HPI Adjust price	HPI £m2	Notes
295000	19/08/2022	F	FLAT 3	GORDON COURT	FLOOD LANE	BRIDPORT	A	48 6145.833	101.7	96	278466	5801.377	
260000	19/08/2022	F	FLAT 7	GORDON COURT	FLOOD LANE	BRIDPORT	A	48 5416.667	101.7	96	245428	5113.078	Note resale asking £225,000
278000	22/08/2022	F	FLAT 9	GORDON COURT	FLOOD LANE	BRIDPORT	A	48 5791.667	101.7	96	262419	5467.06	
299000	31/08/2022	F	FLAT 18	GORDON COURT	FLOOD LANE	BRIDPORT	A	48 6229.167	101.7	96	282242	5880.039	
255000	01/09/2022	F	FLAT 33	GORDON COURT	FLOOD LANE	BRIDPORT	A	48 5312.5	102.4	96	239063	4980.469	Resale - asking £180,000
244000	16/12/2022	F	FLAT 22	GORDON COURT	FLOOD LANE	BRIDPORT	A	48 5083.333	100.9	96	232151	4836.472	Resale - asking £195,000
255000	17/01/2023	F	FLAT 36	GORDON COURT	FLOOD LANE	BRIDPORT	A	48 5312.5	100	96	244800	5100	
276000	31/07/2023	F	FLAT 6	GORDON COURT	FLOOD LANE	BRIDPORT	A	48 5750	96.7	96	274002	5708.376	
266000	11/08/2023	F	FLAT 21	GORDON COURT	FLOOD LANE	BRIDPORT	A	48 5541.667	97.6	96	261639	5450.82	
225000	22/03/2024	F	FLAT 24	GORDON COURT	FLOOD LANE	BRIDPORT	A	48 4687.5	95.5	96	226178	4712.042	
249000	31/05/2024	F	FLAT 34	GORDON COURT	FLOOD LANE	BRIDPORT	A	48 5187.5	96.1	96	248741	5182.102	
290000	18/08/2022	F	FLAT 2	GORDON COURT	FLOOD LANE	BRIDPORT	A	51 5686.275	101.7	96	273746	5367.575	
268200	23/02/2023	F	FLAT 17	GORDON COURT	FLOOD LANE	BRIDPORT	A	51 5258.824	100	96	257472	5048.471	
307500	26/04/2024	F	FLAT 31	GORDON COURT	FLOOD LANE	BRIDPORT	A	51 6029.412	95.5	96	309110	6060.979	
410000	18/08/2022	F	FLAT 38	GORDON COURT	FLOOD LANE	BRIDPORT	A	64 6406.25	101.7	96	387021	6047.198	
425000	22/08/2022	F	FLAT 30	GORDON COURT	FLOOD LANE	BRIDPORT	A	64 6640.625	101.7	96	401180	6268.437	
410000	23/08/2022	F	FLAT 1	GORDON COURT	FLOOD LANE	BRIDPORT	A	64 6406.25	101.7	96	387021	6047.198	Resale - asking £340,000
425000	01/09/2022	F	FLAT 16	GORDON COURT	FLOOD LANE	BRIDPORT	A	64 6640.625	102.4	96	398438	6225.586	
408900	21/04/2023	F	FLAT 26	GORDON COURT	FLOOD LANE	BRIDPORT	A	64 6389.063	99.1	96	396109	6189.203	
430900	28/04/2023	F	FLAT 13	GORDON COURT	FLOOD LANE	BRIDPORT	A	64 6732.813	99.1	96	417421	6522.2	
392900	08/08/2023	F	FLAT 11	GORDON COURT	FLOOD LANE	BRIDPORT	A	64 6139.063	97.6	96	386459	6038.422	
418000	10/04/2024	F	FLAT 30	GORDON COURT	FLOOD LANE	BRIDPORT	A	64 6531.25	95.5	96	420188	6565.445	
432500	18/08/2022	F	FLAT 28	GORDON COURT	FLOOD LANE	BRIDPORT	A	65 6653.846	101.7	96	408260	6280.917	
399000	18/08/2022	F	FLAT 8	GORDON COURT	FLOOD LANE	BRIDPORT	A	65 6138.462	101.7	96	376637	5794.418	
475000	22/08/2022	F	FLAT 29	GORDON COURT	FLOOD LANE	BRIDPORT	A	65 7307.692	101.7	96	448378	6898.117	
389000	22/08/2022	F	FLAT 5	GORDON COURT	FLOOD LANE	BRIDPORT	A	65 5984.615	101.7	96	367198	5649.194	Resale - asking £299,950
430000	02/09/2022	F	FLAT 15	GORDON COURT	FLOOD LANE	BRIDPORT	A	65 6615.385	102.4	96	403125	6201.923	
403000	09/09/2022	F	FLAT 19	GORDON COURT	FLOOD LANE	BRIDPORT	A	65 6200	102.4	96	377813	5812.5	
395000	28/10/2022	F	FLAT 25	GORDON COURT	FLOOD LANE	BRIDPORT	A	65 6076.923	102.9	96	368513	5669.433	
389000	27/01/2023	F	FLAT 10	GORDON COURT	FLOOD LANE	BRIDPORT	A	65 5984.615	100	96	373440	5745.231	
375000	28/06/2024	F	FLAT 32	GORDON COURT	FLOOD LANE	BRIDPORT	A	65 5769.231	96.5	96	373057	5739.338	
							Average 1 bed	48.64286	5530.917			5336.347	
							Average 2 bed	64.52941	6389.218			6099.692	

## Appendix 5 – Casterbridge Court Dorchester Values

London Road Land Registry including Category 'A' Sales  
Source - Land Registry and EPC Register

price_paid	deed_date	postcode	property_t	saon	paon	street	locality	town	transaction_category	EAC Area	HPI at Sale	Latest HPI	HPI Adjust	price	HPI £m2	Notes
324000	29/04/2022	DT1 1WY	F	FLAT 8	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	45	96.5	96	£	322,321.24	£ 7,162.69	Note ground floor with patio onto amenity
324000	09/04/2024	DT1 1WY	F	FLAT 9	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	45	96.5	96	£	322,321.24	£ 7,162.69	Note ground floor with patio onto amenity
162500	29/04/2022	DT1 1WY	F	FLAT 17	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	52	96.5	96	£	161,658.03	£ 3,108.81	Discounted as likely rent
290000	29/07/2022	DT1 1WY	F	FLAT 7	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	52	96.5	96	£	288,497.41	£ 5,548.03	
310000	05/10/2022	DT1 1WY	F	FLAT 2	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	53	97.4	96	£	305,544.15	£ 5,764.98	
257000	15/12/2023	DT1 1WY	F	FLAT 15	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	53	97.4	96	£	253,305.95	£ 4,779.36	
267000	28/03/2024	DT1 1WY	F	FLAT 36	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	53	98.7	96	£	259,696.05	£ 4,899.93	
257000	31/05/2024	DT1 1WY	F	FLAT 31	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	53	98.7	96	£	249,969.60	£ 4,716.41	
395000	25/02/2022	DT1 1WY	F	FLAT 35	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	72	98.7	96	£	384,194.53	£ 5,336.04	
413000	27/07/2023	DT1 1WY	F	FLAT 3	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	72	98.7	96	£	401,702.13	£ 5,579.20	
400000	31/08/2023	DT1 1WY	F	FLAT 5	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	72	100.4	96	£	382,470.12	£ 5,312.08	
392000	26/04/2024	DT1 1WY	F	FLAT 4	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	72	102.9	96	£	365,714.29	£ 5,079.37	
371000	25/10/2024	DT1 1WY	F	FLAT 19	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	72	102.9	96	£	346,122.45	£ 4,807.26	
405000	24/02/2022	DT1 1WY	F	FLAT 24	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	73	102.9	96	£	377,842.57	£ 5,175.93	
375000	25/02/2022	DT1 1WY	F	FLAT 13	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	73	100	96	£	360,000.00	£ 4,931.51	
365000	25/02/2022	DT1 1WY	F	FLAT 26	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	73	97.6	96	£	359,016.39	£ 4,918.03	
375000	18/03/2022	DT1 1WY	F	FLAT 41	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	73	96.7	96	£	372,285.42	£ 5,099.80	
360000	25/03/2022	DT1 1WY	F	FLAT 44	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	73	96.8	96	£	357,024.79	£ 4,890.75	
385000	01/04/2022	DT1 1WY	F	FLAT 12	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	73	95.5	96	£	387,015.71	£ 5,301.59	
410000	29/04/2022	DT1 1WY	F	FLAT 25	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	73	95.5	96	£	412,146.60	£ 5,645.84	
445000	11/10/2022	DT1 1WY	F	FLAT 11	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	73	95.5	96	£	447,329.84	£ 6,127.81	
425000	28/10/2022	DT1 1WY	F	FLAT 40	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	73	96.1	96	£	424,557.75	£ 5,815.86	
399000	06/01/2023	DT1 1WY	F	FLAT 14	CASTERBRIDGE COURT, 32	LONDON ROAD		DORCHESTER	A	73	96.1	96	£	398,584.81	£ 5,460.07	
										Average 1 bed			£	270,414	£ 5,393	
										Without outliers			£	271,403	£ 5,142	
										Average 2 bed			£	385,067	£ 5,299	

London Road Land Registry including Category 'A' Sales  
 Achieved and Asking Prices Remaining (from McCarthy Stone Website 2nd December 2025)

price_paid	deed_date	postcode	saon	paon	street	town	action_cat	EAC Area	HPI at Sale	Latest HPI	HPI Adjust	price	HPI £m2	
£ 324,000	29/04/2022	DT1 1WY	FLAT 8	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	45	96.5	96	£	322,321	£ 7,163	
£ 324,000	09/04/2024	DT1 1WY	FLAT 9	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	45	96.5	96	£	322,321	£ 7,163	
£ 162,500	29/04/2022	DT1 1WY	FLAT 17	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	52	96.5	96	£	161,658	£ 3,109	
£ 290,000	29/07/2022	DT1 1WY	FLAT 7	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	52	96.5	96	£	288,497	£ 5,548	
£ 310,000	05/10/2022	DT1 1WY	FLAT 2	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	53	97.4	96	£	305,544	£ 5,765	
£ 257,000	15/12/2023	DT1 1WY	FLAT 15	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	53	97.4	96	£	253,306	£ 4,779	
£ 267,000	28/03/2024	DT1 1WY	FLAT 36	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	53	98.7	96	£	259,696	£ 4,900	
£ 257,000	31/05/2024	DT1 1WY	FLAT 31	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	53	98.7	96	£	249,970	£ 4,716	
£ 249,995	Asking		20					53			£	224,995	£ 4,245	
£ 249,995	Asking		21					52			£	224,995	£ 4,327	
£ 259,995	Asking		27					48			£	229,995	£ 4,792	
£ 259,995	Asking		28					48			£	229,995	£ 4,792	
£ 254,995	Asking		37					45			£	229,995	£ 5,111	
£ 249,995	Asking		28					45			£	224,995	£ 5,000	
£ 254,995	Asking		42					48			£	229,995	£ 4,792	
£ 254,995	Asking		43					48			£	229,995	£ 4,792	
								Average 1 bed	49.40			£	255,108	£ 5,192
£ 395,000	25/02/2022	DT1 1WY	FLAT 35	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	72	98.7	96	£	384,195	£ 5,336	
£ 413,000	27/07/2023	DT1 1WY	FLAT 3	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	72	98.7	96	£	401,702	£ 5,579	
£ 400,000	31/08/2023	DT1 1WY	FLAT 5	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	72	100.4	96	£	382,470	£ 5,312	
£ 392,000	26/04/2024	DT1 1WY	FLAT 4	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	72	102.9	96	£	365,714	£ 5,079	
£ 371,000	25/10/2024	DT1 1WY	FLAT 19	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	72	102.9	96	£	346,122	£ 4,807	
£ 405,000	24/02/2022	DT1 1WY	FLAT 24	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	73	102.9	96	£	377,843	£ 5,176	
£ 375,000	25/02/2022	DT1 1WY	FLAT 13	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	73	100	96	£	360,000	£ 4,932	
£ 365,000	25/02/2022	DT1 1WY	FLAT 26	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	73	97.6	96	£	359,016	£ 4,918	
£ 375,000	18/03/2022	DT1 1WY	FLAT 41	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	73	96.7	96	£	372,285	£ 5,100	
£ 360,000	25/03/2022	DT1 1WY	FLAT 44	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	73	96.8	96	£	357,025	£ 4,891	
£ 385,000	01/04/2022	DT1 1WY	FLAT 12	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	73	95.5	96	£	387,016	£ 5,302	
£ 410,000	29/04/2022	DT1 1WY	FLAT 25	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	73	95.5	96	£	412,147	£ 5,646	
£ 445,000	11/10/2022	DT1 1WY	FLAT 11	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	73	95.5	96	£	447,330	£ 6,128	
£ 425,000	28/10/2022	DT1 1WY	FLAT 40	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	73	96.1	96	£	424,558	£ 5,816	
£ 399,000	06/01/2023	DT1 1WY	FLAT 14	CASTERBRIDGE COURT, 32	LONDON ROAD	DORCHESTER	A	73	96.1	96	£	398,585	£ 5,460	
£ 394,995	Asking		1					72			£	349,995	£ 4,861	
£ 344,995	Asking		18					72			£	324,995	£ 4,514	
£ 319,995	Asking		29					73			£	299,995	£ 4,110	
£ 349,995	Asking		30					72			£	324,995	£ 4,514	
								Average 2 bed	72.58			£	372,420	£ 5,130



## Appendix 6 – Available Retirement Property in Bridport

## Available Retirement Property and smaller newbuild in Bridport



Source Rightmove, December 2025

Resales

Flood Lane is located a short distance to the south of the appeal site.





**Gordon Court, Flood Lane, Bridport** ✕

Apartment  



Beautifully presented, two bedroom ground floor apartment with access on to a pretty patio area and the communal gardens from the living room. \*Allocated Parking Space\* \*Energy Efficient\* \*Pe...

Reduced on 26/09/2025 by McCarthy & Stone Resales, Bournemouth



**£340,000**

McCarthy Stone Resales 03455 564122  **Contact**  **Save**

Local call rate



**Flood Lane, Bridport** ✕



Retirement Property  

A beautifully presented ground floor retirement apartment with a private patio situated in the popular Gordon Court development.



Reduced on 22/10/2025 by Symonds & Sampson, Bridport

**£250,000**



Offers in Region of

Symonds & Sampson 01308 800824  **Contact**  **Save**

Local call rate





**Gordon Court, Flood Lane, Bridport** ✕

Apartment  



Ground floor, beautifully presented, one bedroom retirement apartment, with access out on to a pretty patio area from the living room. \*Energy Efficient\* \*Pet Friendly\*

Reduced on 29/10/2025 by McCarthy & Stone Resales, Bournemouth



**£225,000**

McCarthy Stone Resales 03455 564122  **Contact**  **Save**

Local call rate





**Gordon Court, Flood Lane, Bridport** ✕

Apartment  

Beautifully presented one bedroom, first floor retirement apartment with Juliet Balcony from the living room. Located close to the lift, so very accessible to all the fantastic amenities this...

Reduced on 25/09/2025 by McCarthy & Stone Resales, Bournemouth

**£195,000**

McCarthy Stone Resales 03455 564122  **Contact**  **Save**

Local call rate

**22 Gordon Court, Flood Lane, Bridport, Dorset, DT6** ✕

Apartment 🏠 1 🛏 1

A first floor, 1 bedroom retirement apartment within this very modern complex affording luxury accommodation and excellent communal services, ready to move into, within easy walk of...

Reduced on 25/09/2025 by Kennedys, Bridport

**£195,000**

**kennedys** 01308 800823 ✉ Contact ♡ Save  
ESTATE AGENTS Local call rate

**Bridport** ✕

Retirement Property 🏠 1 🛏 1

ONE BEDROOM, SECOND FLOOR APARTMENT SITUATED WITHIN RETIREMENT DEVELOPMENT BUILT IN 2022

Reduced on 01/10/2025 by Goadsby, Bridport

**£180,000**  
Guide Price

**goadsby** 01308 800830 ✉ Contact ♡ Save  
goadsby.com Local call rate

Rental

**Flood Lane, Bridport, Dorset, DT6 3FZ** ✕

Retirement Property 🏠 2

Apartment 27 is a bright two-bedroom, second-floor home featuring its own private balcony. The master bedroom includes a generous walk-in wardrobe, and the apartment offers a fully...

Reduced on 07/02/2025 by McCarthy Stone, Nationwide

**£2,900 pcm**  
£669 pw

**McCarthy Stone** 01202 125053 ✉ Contact ♡ Save  
McCarthy Stone Local call rate

RETIREMENT

**Flood Lane, Bridport, Dorset, DT6 3FZ** ✕

Retirement Property 🏠 2

Easy Independent Living for the Over 60s All our retirement properties for rent in Bridport are cleverly designed with smart, stylish features, such as easy-turn taps, to make life easier now...

Reduced on 07/02/2025 by McCarthy Stone, Nationwide


**£2,700 pcm**  
£623 pw



**McCarthy Stone** 01202 125053 ✉ Contact ♡ Save  
McCarthy Stone Local call rate

RETIREMENT

## Smaller Newbuild

Rax Lane is located near the centre of Bridport to the north of East Street






**Rax Lane, Bridport** ✕  
Terraced  2  2


Located in the centre of Bridport, a premium 2 bedroom end terrace brand new home, offering open plan living space which opens out onto a private rear courtyard, plus 2 double bedrooms,...



**NEW HOME**

Reduced on 20/09/2025 by Stags, Bridport

**£415,000**  
Guide Price

 01308 800826  **Contact**  **Save**






**Rax Lane, Bridport** ✕  
Terraced  2  2


Guide price: £400,000 - £405,000. Beautifully situated in the heart of Bridport, this impressive new two-bedroom end-terrace home features bright, open-plan living spaces that flow effortlessly to a...



**NEW HOME**

Added on 06/11/2025 by Stags, Bridport

**£400,000**  
Guide Price

 01308 800826  **Contact**  **Save**



**Rax Lane, Bridport** ✕  
Terraced  2  2




Positioned in the centre of Bridport, this brand new premium two-bedroom mid-terrace home boasts a stylish open-plan living area leading to a private rear courtyard. The property offers two...

**NEW HOME** **SOLD STC**






















Reduced on 20/09/2025 by Stags, Bridport

**£395,000**  
Guide Price

**CLOSE TO SHOPS**

 01308 800826  **Contact**  **Save**

Located near the town centre to the south of East Street

 <p>1/4</p>		<p><b>5 Crewkerne Place, Bridport</b> <span>✕</span></p> <p>Semi-Detached  2  1</p> <p>A very attractive and well appointed semi-detached new cottage with parking, in the heart of the town centre. Council tax band TBC. EPC C.</p> <p><b>NEW HOME</b></p> <p>Added on 10/03/2025 by Stags, Bridport</p> <p> 01308 800826  <b>Contact</b>  <b>Save</b></p> <p>Local call rate</p>
 <p>1/4</p>		<p><b>6 Crewkerne Place, Bridport</b> <span>✕</span></p> <p>Semi-Detached  2  1</p> <p>A very attractive and well appointed semi-detached new cottage with parking, in the heart of the town centre. EPC C.</p> <p><b>NEW HOME</b></p> <p>Added on 10/03/2025 by Stags, Bridport</p> <p> 01308 800826  <b>Contact</b>  <b>Save</b></p> <p>Local call rate</p>
 <p>1/8</p>		<p><b>Bridport Town Centre</b> <span>✕</span></p> <p>Semi-Detached  2  2</p> <p>CONTEMPORARY NEW BUILD HOME SITUATED IN THE CENTRE OF TOWN WITH PARKING</p> <p><b>NEW HOME</b></p> <p>Added on 27/01/2025 by Goadsby, Bridport</p> <p> 01308 800830  <b>Contact</b>  <b>Save</b></p> <p>Local call rate</p>

## Appendix 7- Sales Value Analysis





## Appendix 8 – Appellant Sales Rates Averages and Large Scheme Analysis

Appellant South West Division Sales Rates (from Appellant at November 2025)

Name	First Occ	Total Saleable Units	Opening Stock (June 25)	At November 25	
				Rate of Sale To Date	This year financial (since June 25)
Lymington - North Close	25/06/2018	41	5	0.4	0
Cheltenham	20/12/2018	65	21	0.52	0
Portswood	21/12/2018	73	20	0.64	0.2
Park Gate 2 Fareham	17/05/2019	46	14	0.41	0
Bagshot	04/11/2020	25	11	0.23	0
Abingdon	23/11/2020	39	4	0.57	0
Chippenham 2	22/12/2020	46	21	0.45	0.4
Farnborough	29/03/2022	42	13	0.64	0
Taunton 2	29/04/2022	72	19	1.3	0.8
Kidlington	27/06/2022	32	11	0.52	0.2
Fleet 2	30/06/2022	31	16	0.38	0.2
Calne	28/06/2023	39	23	0.6	0.4
Fareham	31/05/2024	37	25	0.68	0.2
Honiton 2	21/06/2024	57	33	1.5	0.6
Didcot	20/06/2025	33	30	0.67	0.2
Lymington 2	27/06/2025	32	31	0.5	0.4
			Average	0.625625	0.225

Schemes over 65 units (largest sample)

Apartment Schemes

	units	Start	End	Selling Months	Remaining	Month 1	6 months Sales	12 month Sales	24 month Sales	36 month Sales	48 month Sales
<b>Andover</b>	69	Nov-16	Aug-23	108	0	13.04%	31.88%	49.28%	66.67%	79.71%	88.41%
Rate sale	0.65				Units	9	22	34	46	55	61
<b>Dartford</b>	67	Jun-17	Feb-22	57	0	17.91%	23.88%	38.81%	73.13%	83.58%	94.03%
Rate sale	1.18				Units	12	16	27	50	58	65
<b>Portswood</b>	73	Dec-18	Selling	83	20	1.37%	15.07%	24.66%	30.17%	38.36%	45.21%
Rate sale	0.65				Units	1	10	17	21	26	31
<b>Cheltenham</b>	65	Dec-18	Selling	83	21	1.54%	12.31%	15.38%	18.46%	29.23%	46.15%
Rate sale	0.52				Units	1	8	11	13	20	32
<b>Taunton</b>	72	Apr-22	Selling	43	19	2.78%	33.33%	43.06%	47.23%	59.73%	
Rate sale	1.32				Units	2	23	30	33	41	
<b>Kendal</b>	64	Oct-23	Selling	25	43	12.50%	25.00%	26.56%	32.81%		
Rate sale	0.88				Units	9	17	18	23		
<b>Average</b>						8.19%	23.58%	32.96%	44.75%	58.12%	68.45%
Units	68				Units	6	16	23	31	40	47

Mixed Apartment and Cottage Schemes

		Start	Status								
Diss	72	Oct-23	Selling	26	42	2.55%	16.66%	31.94%	40.27%	N/A	N/A
						2	11	22	28		
Evesham	56	Dec-24	Selling	12	49	3.57%	8.93%	12.50%	N/A	N/A	N/A
						2	6	7			

Appendix 9 – Argus Developer Appraisal December 2025

Bridport (0% AH) update D25

**Bridport (0% AH) update D25**

**Appraisal Summary for Phase 1 Retirement Apartments**

Currency in \$

**REVENUE**

Sales Valuation	Units	m <sup>2</sup>	Sales Rate m <sup>2</sup>	Unit Price	Gross Sales
1 Beds	32	1,690.88	5,204.39	275,000	8,800,000
2 Beds	16	1,299.84	5,108.32	415,000	6,640,000
2 Bed Cottages	<u>25</u>	<u>2,365.50</u>	4,755.87	450,000	<u>11,250,000</u>
<b>Totals</b>	<b>73</b>	<b>5,356.22</b>			<b>26,690,000</b>

**NET REALISATION** **26,690,000**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price	337,420			
Fixed price	825,000			
Total Acquisition (1.05 Ha @ 1,107,066.73 /Hect)			1,162,420	
				1,162,420
Stamp Duty			30,750	
Effective Stamp Duty Rate	2.65%			
Agent Fee	1.00%		8,250	
Legal Fee	0.75%		6,188	
				45,187

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost	
1 Beds	2,161.42	1,786.00	3,860,299	
2 Beds	1,661.56	1,786.00	2,967,550	
2 Bed Cottages	<u>2,365.50</u>	1,496.00	<u>3,538,788</u>	
<b>Totals</b>	<b>6,188.48 m<sup>2</sup></b>		<b>10,366,637</b>	
External Costs		10.00%	1,036,664	
Extra Over Costs			1,851,000	
FLOS APTS	48.00 un	2,260.00 /un	108,480	
FLOS HOUSES	25.00 un	4,850.00 /un	121,250	
Contingency		5.00%	674,202	
				14,158,232

**Section 106 Costs**

CIL			885,386	
				885,386

**PROFESSIONAL FEES**

Professional Fees	9.00%	1,026,297		
				1,026,297

**MARKETING & LETTING**

Marketing	3.00%	800,700		
				800,700

**DISPOSAL FEES**

Sales Agent Fee		2.00%	533,800	
Sales Legal Fee	73.00 un	750.00 /un	54,750	
				588,550

**Unsold Unit Fees**

1 Beds			301,040	
2 Beds			93,708	
2 Bed Cottages			121,023	
				515,771

**TOTAL COSTS BEFORE FINANCE** **19,182,543**

**FINANCE**

Timescale	Duration	Commences
Purchase	1	Dec 2025
Pre-Construction	6	Jan 2026
Construction	20	Jul 2026
Empty Property Costs	60	Mar 2028
Sale	60	Mar 2028
Total Duration	87	

Debit Rate 7.50%, Credit Rate 1.00% (Nominal)	
Land	194,185

**Bridport (0% AH) update D25**

Construction	919,799	
Other	1,055,475	
Total Finance Cost		2,169,458
<b>TOTAL COSTS</b>		<b>21,352,001</b>
<b>PROFIT</b>		<b>5,337,999</b>

**Performance Measures**

Profit on Cost%	25.00%
Profit on GDV%	20.00%
IRR% (without Interest)	18.19%

Appendix 10 – BCIS Quarterly Briefing October 2025

12-Sep-2025

### **BCIS Quarterly briefing – five year forecast of building costs and tender prices, September 2025**

- [1. Executive summary](#)
- [1.1 Forecasts](#)
- [1.2 Summary of forecasts](#)
- [2. Economic background](#)
- [3. Construction market: summary and forecast](#)
- [3.1 Construction demand \(output\)](#)
- [3.1.1 New work output](#)
- [3.1.2 Housing](#)
- [3.1.3 Infrastructure](#)
- [3.1.4 Public non-housing](#)
- [3.1.5 Private industrial](#)
- [3.1.6 Private commercial](#)
- [3.1.7 New Orders](#)
- [3.1.8 Capacity](#)
- [3.2 Costs](#)
- [3.2.1 Labour](#)
- [3.2.2 Materials](#)
- [3.2.3 Plant](#)
- [3.2.4 Building costs](#)
- [3.3 Tender prices](#)
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#### **1. Executive summary**

Three-quarters of the way through the year and, while we've had some positive announcements in an attempt to "get Britain building again", nothing yet seems to have translated into actual outcomes. Demand appears largely flat and inflation is proving to be sticky.

The spectre of stagflation, stagnant growth coupled with persistent inflation, is hovering over the construction industry. Unlike more conventional downturns, stagflation exerts pressure from both demand and supply sides: demand is suppressed by weak growth, while costs remain high due to inflationary pressures from labour and materials supply. For construction, the result is a combination of reduced workloads, rising project costs and squeezed margins that threaten the financial resilience of firms across the sector.

Given the ongoing uncertainty and lack of confidence across our industry, BCIS expects only limited output growth in the final quarter of 2025. However, we anticipate a return to stronger growth through 2026 as delayed projects progress, public investment commitments start to feed through, and housing activity gradually recovers. From that point, we forecast growth to remain in positive territory across the rest of the forecast period.

#### **1.1 Forecasts**

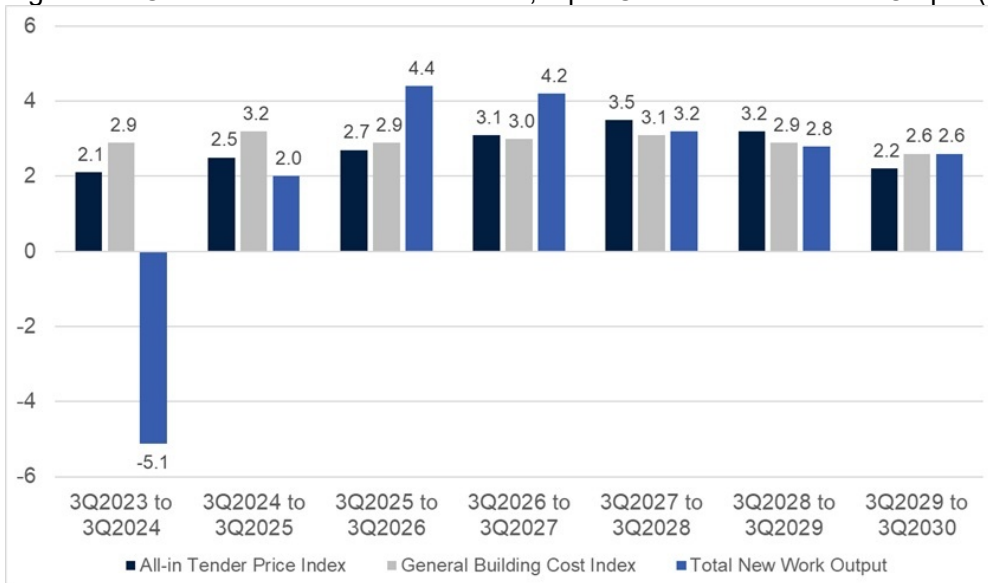
- The BCIS All-In Tender Price Index increased by 0.7% in 3Q2025, resulting in annual growth of 2.5%. The BCIS TPI panel met on 8 September and the overall sentiment was slightly more positive in comparison with the previous quarter, with more optimism reflected in an increased project pipeline for the next 12 months. However, according to the S&P Global UK Construction PMI, business activity fell for the eighth month in a

row in August. Optimism dropped to its lowest level since December 2022, with 34% of members expecting a rise in output over the next 12 months (37% in July), while 22% forecast a reduction. In light of the above, BCIS forecasts tender prices to rise by 16% over the five years to 3Q2030.

- Labour costs remain elevated and skills shortages prevail in the market. The TPI panel reports concerns over appropriate labour skills – both trade shortages and suitable knowledge on the professionals side. One of the evolving trends is a shift in composition of preliminaries, where more staff time is spent on ensuring regulatory compliance to meet Building Safety Act regulations as well as to comply with tightening building standards. Insolvencies continue to limit capacity and pose significant risks to project delivery and cost stability. April 2025 recorded increases to employers' National Insurance Contributions and the National Living Wage. The BCIS Labour Cost Index increased by 2.5% in 2Q2025 in comparison with the previous quarter, resulting in 7.1% annual growth. Furthermore, the index is estimated to increase by a further 2.3% in 3Q2025, driven by the Construction Industry Joint Council (CIJC) agreement on pay and conditions that came into effect from Monday 30 June 2025. BCIS forecasts labour costs to grow by 15% over the forecast period (3Q2025 to 3Q2030). Similarly to our last forecast, the risks to this forecast remain on the upside, as skills shortages remain prevalent in the market and continue to impact projects.
- Overall materials costs remain stable, with no significant logistics challenges at present. The BCIS Materials Cost Index is forecast to grow by 0.5% in the 12 months to 3Q2025. BCIS predicts the index will grow by 16% over the forecast period (3Q2025 to 3Q2030). Similarly to the labour costs forecast, risks to our materials costs forecast remain on the upside as the uptick in market activity is expected to put inflationary pressure on the cost of construction materials.
- As a result of the predicted changes to input costs, the BCIS General Building Cost Index is forecast to grow by 3.2% in the 12 months to 3Q2025, with labour costs representing the main driver. Costs are predicted to rise by 15% over the forecast period.
- Total new work output fell by 5.1% in 2024 compared with the previous year. BCIS is predicting subdued growth in new work output through 2025 as a whole, with more robust growth evident over 2026 and 2027. Much of the growth will be fuelled by a recovery in housing output, which is expected to grow significantly during the period, although from a relatively low base. Total new work output is expected to grow by 18% over the forecast period (2025-2030).
- The forecast is based on information available up to 5 September 2025.

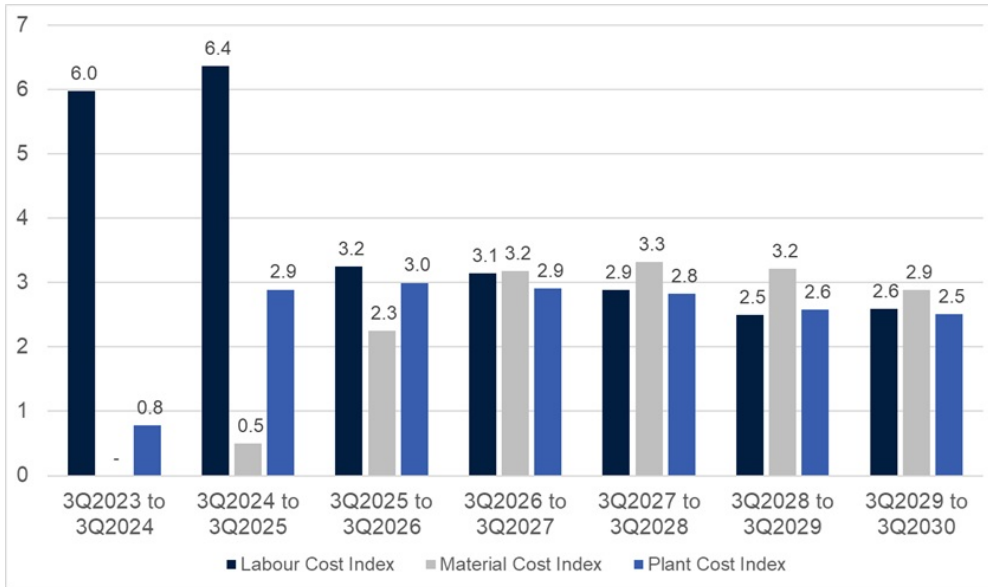
## 1.2 Summary of forecasts

Figure 1: BCIS Forecasts of Tender Prices, Input Costs and New Work Output (Annual % movement)



Source: ONS, BCIS. Note: BCIS forecast of new work output at constant 2022 prices

Figure 2: BCIS Forecasts of Labour, Materials and Plant Costs (Annual % movement)



Source: BCIS

## 2. Economic background

Economic activity continues to exhibit sluggish growth, reflecting persistent domestic challenges – significant fiscal tightening and the lagged impact of past interest rate rises. UK gross domestic product (GDP) is estimated to have grown by 0.3% in 2Q2025, down from a 0.7% increase in 1Q2025. Growth was mainly driven by the construction and services sectors (up by 1.2% and 0.4% respectively), while the production sector contracted by 0.3%. According to HM Treasury's Forecasts for the UK economy, a comparison of independent forecasts, UK GDP is expected to grow by 1.3% in 2025, and by 1.1% in 2026.

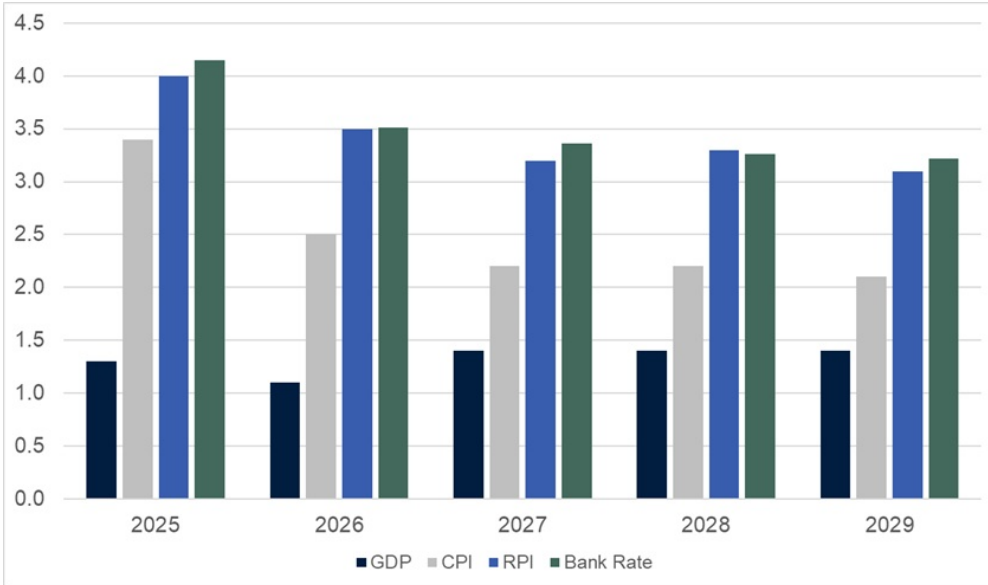
Annual inflation, as measured by the Consumer Price index (CPI), remains sticky. Index movement jumped to 3.8% in July, up from 3.6% in June. According to the ONS, transport, particularly air fares, made the largest upward contribution to the monthly change in CPI. Core CPI (excluding energy, food, alcohol and tobacco) and services inflation rose by 3.8% and 5.0% respectively in the 12 months to July 2025 (3.7% and 4.7% in June).

Inflation is likely to remain elevated throughout 2025, due to higher energy prices, the impact of weaker sterling on imported goods prices, and firms passing on some of the rise in labour costs stemming from increases in employers' National Insurance Contributions and the National Living Wage. BCIS forecasts CPI to increase by 3.8% in 4Q2025 and by 2.6% in 4Q2026.

Fiscal policy has been back in the spotlight with the Chancellor announcing the Autumn Budget will be delivered on 26 November, against a backdrop of gilt yields continuing to climb. The UK is particularly vulnerable to swings in market sentiment and Oxford Economics expects the Budget will include further substantial tightening of fiscal policy.

The Bank of England's Monetary Policy Committee (MPC) narrowly voted (5:4) to cut the Bank Rate 25bps to 4.0% in August. Expectations of a faster pace of cuts, however, remain lowered. According to HM Treasury's Forecasts for the UK economy, the annual average bank rate is expected to go down to 3.51% in 2026 and 3.36% in 2027.

Figure 3: Annual growth for the key macroeconomic indicators



Source: HM Treasury (new forecasts).

### 3. Construction market: summary and forecast

#### 3.1 Construction demand (output)

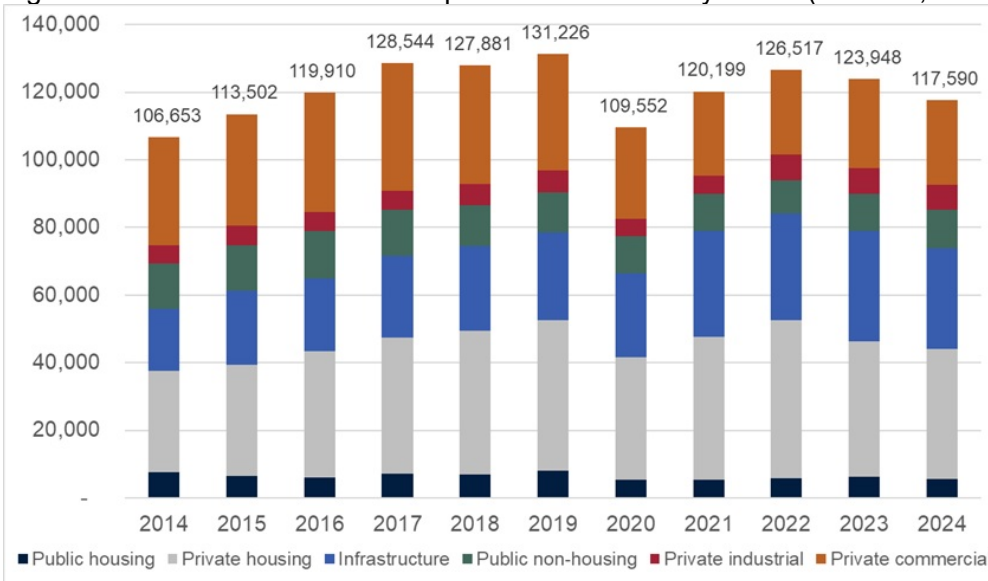
##### 3.1.1 New work output

Total new work construction output fell by 5.1% in 2024 on an annual basis, all sub-sectors apart from public non-housing showed declining levels of output.

BCIS is predicting subdued growth in new work output through 2025, with more significant growth evident over the remaining years of the forecast period. Much of the growth will be fuelled by recovery in housing output, both public and private, which are expected to grow significantly during the period, albeit from a relatively low base.

However, the state of the public finances and the government's fiscal rules puts much public spending at risk and will likely impact growth in infrastructure and public non-housing output, unless alternative funding sources can be found. At the same time, the subdued wider economic outlook is expected to dampen output growth in the commercial sector going forward.

Figure 4: Total new construction output in Great Britain by sector (£ million, constant prices, seasonally adjusted)



Source: ONS

Table 1: Construction new work output (constant 2022 prices, seasonally adjusted)

Sector	2024 on 2023	2Q2025 on 1Q2025	2Q2025 on 2Q2024
Public housing	-7.7%	-4.4%	-11.3%
Private housing	-4.2%	1.5%	5.7%
Infrastructure	-9.2%	3.2%	5.5%
Public non-housing	5.4%	-0.5%	15.2%
Private industrial	-4.5%	0.8%	16.4%
Private commercial	-5.3%	-0.1%	-7.0%
Total new work	-5.1%	1.1%	3.8%

Source: ONS

Table 2: BCIS New Work construction output forecast

Sector	2024	2025	2026	2027	2028	2029	2030
Public housing	-7.7	-4.3	6.1	6.6	3.6	2.2	1.8
Private housing	-4.2	3.8	5.9	6.2	4.7	4.3	4.1
Infrastructure	-9.2	2.5	4.5	3.3	3.3	2.9	2.5
Public non-housing	5.4	4.0	4.0	2.9	2.0	1.8	1.6
Private industrial	-4.5	3.0	3.0	3.0	1.8	1.4	1.2
Private commercial	-5.3	-1.1	2.2	2.5	1.5	1.2	1.0
Total new work	-5.1	2.0	4.4	4.2	3.2	2.8	2.6

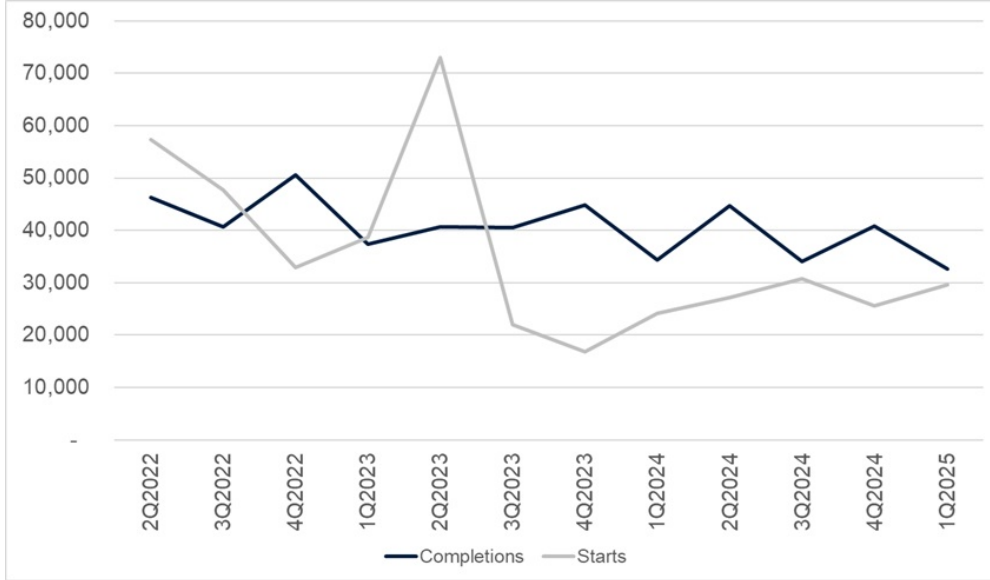
Source: ONS, BCIS

### 3.1.2 Housing

Output from both the public and private housing sectors declined during 2024. Public housing declined a further 4.4% in the second quarter of 2025, compared with 1Q2025, while private housing saw positive growth of 1.5% over the same period. Private housing output is forecast to grow by 3.8% in 2025 as a whole, while public housing will record a second consecutive annual fall (-4.3%), although a strong recovery in public housing output is predicted through 2026 and 2027.

Private new housing is the largest sub-sector by output, and our latest forecasts suggest its growth should boost overall construction output over the next few years. BCIS expects private housing output to ramp up substantially over the forecast period, with over 6% annual growth predicted by 2027 and with relatively high levels of growth being maintained through the forecast period.

Figure 5: Housing starts and completions in England



Source: Gov.uk

### 3.1.3 Infrastructure

After a decrease of over 9% in new infrastructure output in 2024, the second quarter of 2025 has seen continued recovery with a quarterly increase of 3.2% on the back of 2.2% in the first quarter. We expect robust growth to be maintained through the remainder of the forecast period.

Future output levels will be bolstered by proposed new work in the energy and water sub-sectors and continuing work on major projects such as HS2 and Hinkley Point C, along with offshore wind projects in the electricity sub-sector.

National Highways Roads Investment Strategy 3 (RIS3) has recently been confirmed, which covers the five years to 2030. The strategy focuses on road renewals and maintenance rather than new schemes, but is worth some £25 billion, which should support infrastructure output over the forecast period.

However, future output levels in the sub-sector will be conditional, to some extent, on the availability of private finance for major schemes such as the Lower Thames Crossing. Heathrow and Gatwick airport expansions are also likely to have a positive effect on infrastructure output, although when that is likely to feed through is yet to be determined.

### 3.1.4 Public non-housing

Growth was evident in public non-housing output through 2024. This was the only sub-sector that saw positive output growth last year (5.4%) and BCIS is forecasting this sub-sector will show the strongest annual growth for 2025. Growth will continue through the remainder of the forecast period to 2030. On a quarterly basis, public non-housing output fell slightly by 0.5% in 2Q2025. However, this is on the back of strong growth recorded in 1Q2025 of 12.0%.

BCIS is predicting output will be maintained in this sub-sector as spending on new schools, hospitals and prisons is expected to continue through to 2030, despite the current state of the public finances. The government has confirmed that three new prisons will be built, with construction scheduled to start this year. In addition, six munitions factories are to be built, but it's not yet clear whether they will be funded by the public or private sector.

### 3.1.5 Private industrial

Output in the private industrial sector fell by almost 5% in 2024 but BCIS is forecasting recovery of 3.0% this year, as output increases with both gigafactory and data centre construction.

Indeed, the government's commitment to increased spending on AI initiatives is expected to boost industrial

output over the forecast period.

### 3.1.6 Private commercial

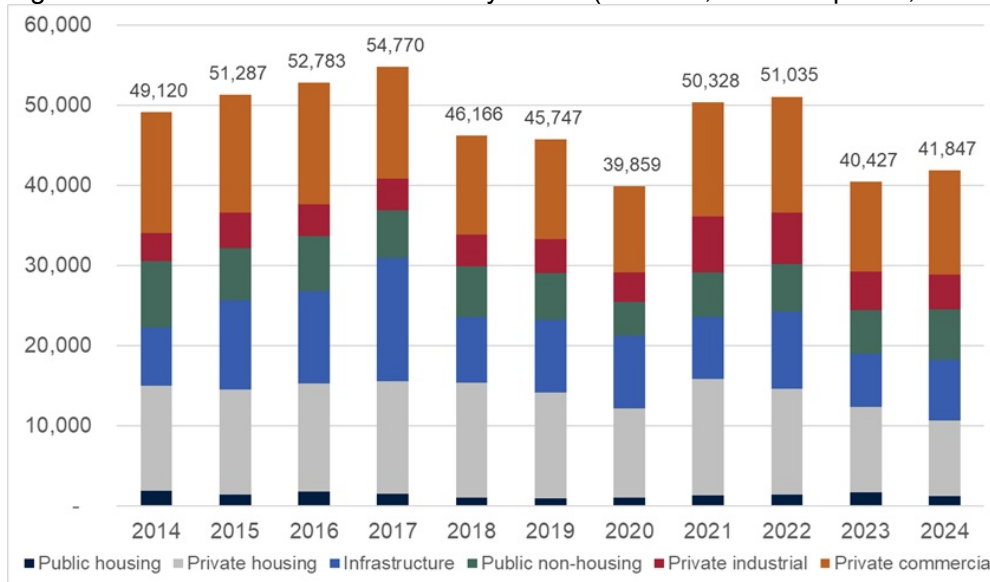
Private commercial construction output declined by over 5% last year and BCIS is forecasting a further decline of 1.1% in output this year, before positive, albeit subdued, growth in commercial output returns from 2026 onwards. On a quarterly basis, commercial output continued to fall slightly by 0.1% in 2Q2025 after a fall of 7.8% in 1Q2025.

Office, retail and leisure construction are driven in the main by the wider economic environment, corporate profitability and levels of business and consumer confidence, which remain weak. Office construction output, the largest commercial sub-sector by volume, is still being negatively impacted by post-pandemic hybrid working patterns curtailing demand for new space, although recent back to the office initiatives are likely to change the outlook for office space going forward.

### 3.1.7 New Orders

Following a decline in 2023, new orders grew by 3.5% in 2024. The growth was mainly driven by the public non-housing and private commercial sub-sectors, whereas the greatest downward pressure came from the housing (both public and private) and industrial sub-sectors.

Figure 6: New orders in Great Britain by sector (£ million, constant prices, seasonally adjusted)



Source: ONS

On a quarterly basis, however, total new work orders decreased by 8.3% in 2Q2025 after a strong first quarter that had seen the highest quarterly increase since 3Q2020. Both public housing and public non-housing grew in 2Q2025, by 27.0% and 35.7% respectively, while the remaining sub-sectors fell.

Table 3: New orders % movement (constant prices, seasonally adjusted)

Sector	2024 on 2023	2Q2025 on 1Q2025	2Q2025 on 2Q2024
Public housing	-29.9%	27.0%	-10.0%
Private housing	-11.1%	-0.2%	-27.0%
Infrastructure	13.8%	-23.0%	28.6%
Public non-housing	15.4%	35.7%	26.5%

Sector	2024 on 2023	2Q2025 on 1Q2025	2Q2025 on 2Q2024
Private industrial	-9.0%	-24.8%	-38.0%
Private commercial	16.0%	-17.0%	-30.4%
Total new work	3.5%	-8.3%	-11.9%

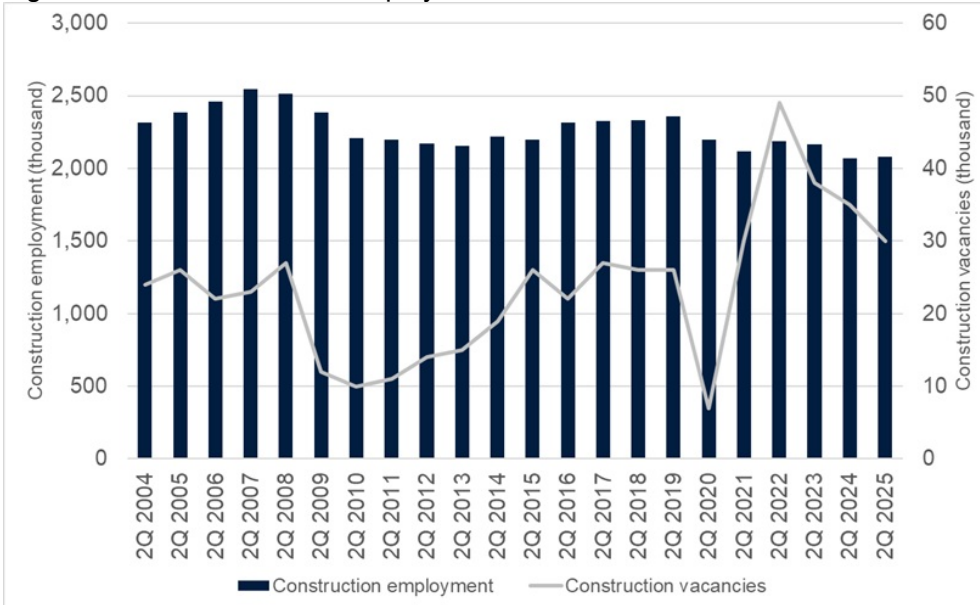
Source: ONS

### 3.1.8 Capacity

Total construction employment fell by 2.9% in 2Q2025, reversing the 0.5% growth recorded in the previous quarter and marking the steepest quarterly fall recorded since 3Q2020. This represents a fall to 2.1 million workers, the second lowest construction employment level reported over this period. Employed labour recorded a 3.2% decrease in 2Q2025, the sharpest quarterly fall since 4Q2011, while the number of self-employed workers also declined by 3.0% in the quarter. Overall, construction employment in 2Q2025 increased by 0.6% in comparison with the same period last year, but was down from the 2.1% growth recorded in 1Q2025. Self-employed workers in construction recorded an annual increase of 6.2% while employed workers fell 2.9%. Compared with pre-pandemic levels, the total construction workforce stands at 90%, having lost 220,000 workers since 4Q2019.

Compounding the downturn in construction employment, the latest statistics show vacancies in 2Q2025 decreased over 30% compared with the previous quarter to just 30,000, a level not observed since 2021. This results in an annual fall of 14.3% in construction vacancies.

Figure 7: Total construction employment and number of vacancies in construction, 2Q2004 - 2Q2025



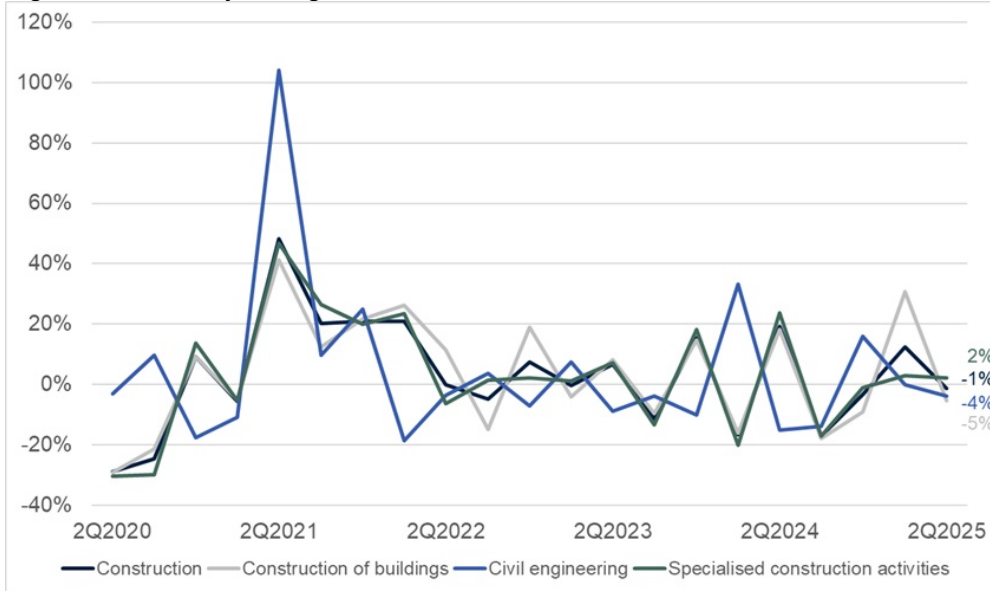
Source: ONS

Insolvencies continue to remain a significant concern, constantly voiced throughout the construction industry. Last year witnessed an 8.0% decrease on the number of insolvencies in England and Wales when compared with 2023, the first annual fall in insolvencies since 2019-2020. This decrease is on the back of increases of 61.6% between 2021 and 2022, and 5.3% between 2022 and 2023.

Following a quarterly increase of 13%, the total number of insolvencies in construction in 2Q2025 registered a 1% decrease. Firms categorised as Specialised Construction Activities registered a quarterly increase of 2% while Construction of Buildings and Civil Engineering registered decreases of 5% and 4% respectively. According to one

member of the BCIS TPI panel: "Insolvencies within the construction sector, particularly among Mechanical and Electrical (M&E) subcontractors, pose significant risks to project delivery and cost stability. The current high demand in sectors like data centres and life sciences, which are particularly M&E-intensive, exacerbates this risk and potentially creates cost pressures in other areas of the construction market."

Figure 8: Quarterly change in the number of construction insolvencies, 2Q2020-2Q2025



Source: The Insolvency Service

### 3.2 Costs

#### 3.2.1 Labour

Changes to the National Living Wage (NLW) and employers' National Insurance Contributions significantly impacted labour costs in April. The NLW increase of 6.7% resulted in revised wage agreements for lower paid building and civil engineering operatives.

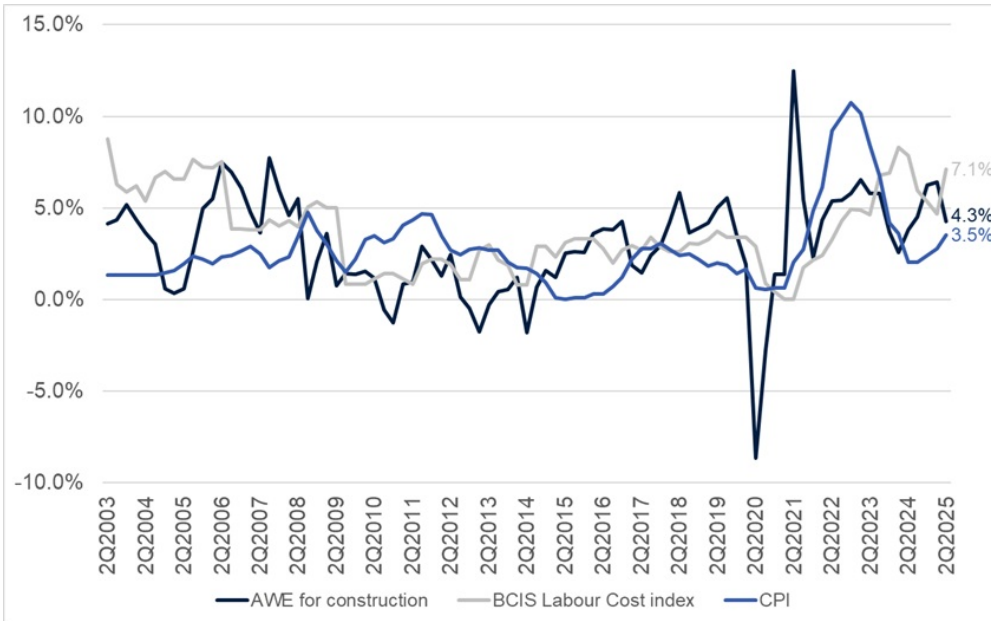
From 6 April 2025, the rate of employers' National Insurance Contributions increased by 1.2 percentage points to 15%. The per-employee threshold at which employers start to pay National Insurance was reduced from £9,100 to £5,000 per year. As a result, the BCIS Labour Cost Index increased by 2.5% in April, in comparison to March 2025.

According to the Construction Products Association's State of Trade survey for 2Q2025, on balance, 31% of heavy side manufacturers reported an annual increase in costs during the quarter, representing the lowest balance since 1Q2024. On the light side, a balance of 71% of firms reported an increase in costs. The majority of both heavy and light side firms reported wages and salaries as the main cause of cost increases in 2Q2025 – a balance of 93% and 94% respectively.

Hudson Contract reported a 4.7% increase in the average weekly pay for all trades in July 2025 on the same month in 2024.

The latest available data for the Average Weekly Earnings Index: Construction (Excluding bonus, not seasonally adjusted, Great Britain) shows an increase of 4.3% in 2Q2025 when compared with the same period in 2024, down from 6.4% observed in 1Q2025. The BCIS Labour Cost Index increased by 2.5% during the same period, representing 7.1% annual growth.

Figure 9: Comparison of the annual movement in BCIS Labour Cost Index, CPI, Average Weekly Earnings Index: Construction



Source: BCIS, ONS

Table 4: Percentage change in selected labour indices, April 2025

Price Adjustment Formulae Indices Series 2 - Building Labour	Percentage change		
	On year	On quarter	On month
App/2 Building Labour (Unskilled)	8.2%	3.2%	3.2%
App/3 Plumbing Labour	6.8%	0.0%	0.0%
2/E1 Electrical Installations - Cost Of Labour	6.6%	0.0%	0.0%
2/H1 H and V Installations - Cost Of Labour	5.8%	0.0%	0.0%
App/1 Building Labour (Skilled)	5.7%	3.1%	3.1%
App/4 Glazing Labour	5.6%	3.2%	3.2%

Source: Price Adjustment Formulae Indices (Building) Series 2 July 2025

The on-month increases in the above table are driven by the 3.2% increase on basic rates of pay promulgated by the Construction Industry Joint Council (CIJC) with effect from 30 June 2025. For Building Labour, the changes are included in the index from and including July 2025.

Taking into consideration the agreements that are in place, construction output forecasts and the prevailing macroeconomic trends, BCIS forecasts annual growth in its Labour Cost Index as presented in Table 5. Similarly to our previous forecast, given the continued tightening of the supply side, long-term loss of employment in the construction labour force, prevailing shortages of skilled labour and an expected uptick in demand from next year, the risks to this forecast remain on the upside.

Table 5: Forecast of the BCIS Labour Cost Index

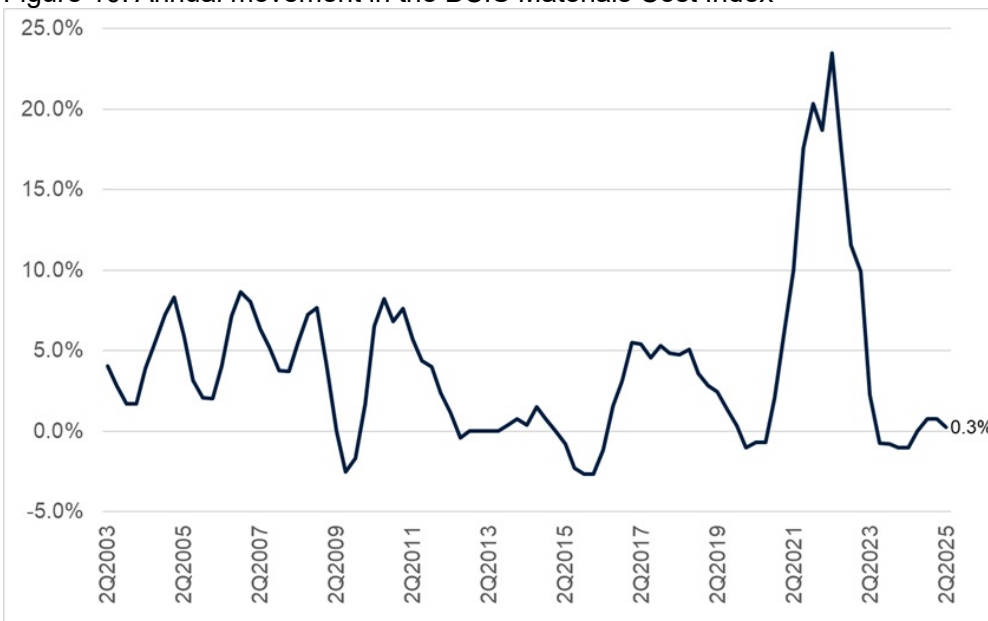
Period	Forecast
3Q2024 to 3Q2025	6.4%
3Q2025 to 3Q2026	3.2%
3Q2026 to 3Q2027	3.1%
3Q2027 to 3Q2028	2.9%
3Q2028 to 3Q2029	2.5%
3Q2029 to 3Q2030	2.6%

Source: BCIS

### 3.2.2 Materials

The BCIS Materials Cost Index increased by an estimated 0.8% in 2Q2025. This results in a 0.3% increase in comparison to 2Q2024, down from 0.8% in 1Q2025.

Figure 10: Annual movement in the BCIS Materials Cost Index



Source: BCIS

Reports from the BCIS TPI panel highlight the overall stability in materials costs and no significant lead in time issues.

On the demand side, in its 2Q2025 State of Trade Survey, CPA reports that approximately half of heavy side and one-third of light side product manufacturers reported an increase in sales during the quarter. Both were positive on the outlook for demand and sales performance, with 62% of heavy side and 53% of light side firms expecting an increase in sales over the next 12 months. The report highlights that recovery may take some time to gather pace, as heavy side firms still expect to be operating at below 90% capacity over the next year.

#### Heavy-side materials

An August report by the Mineral Products Association (MPA), on the other hand, highlighted a more concerning picture for the sector, with concrete sales volumes hitting a 62-year low in 2Q2025.

On a quarterly basis, sales of ready-mixed concrete and sand & gravel (seasonally adjusted) both dropped by 11.5% and 11.7% in 2Q2025 respectively. Sales of mortar and crushed rock declined as well, by 2.7% and 1.3% respectively, whereas sales of asphalt were up by 5.8%.

MPA notes that sales volumes for all major mineral products, except mortar, are at historically low levels. MPA does not expect sales volumes to grow significantly, mainly due to the economic backdrop, subdued construction activity, and rising costs and taxation, which all contribute to a lack of investment and, in turn, further negatively affect demand levels.

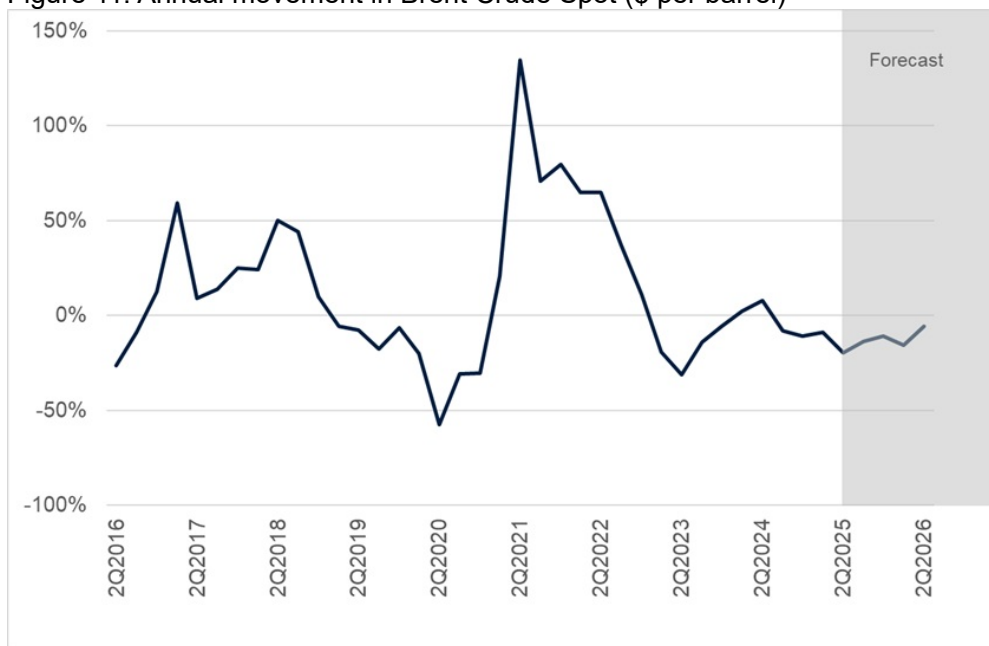
MPA's September report highlights UK cement production dropped to the lowest point since 1950 in 2024, with 7.3 million tonnes of cement, which is half of what was produced in 1990. High energy, regulatory and labour costs are cited among the main reasons for this trend. As production levels decline, imports, on the other hand, have nearly tripled over the past 20 years, rising from 12% of all sales in 2008 to 32% in 2024. A growing reliance on imports, according to the report, exposes construction supply chains to the risks of volatile international markets and poses risks to domestic jobs. Together with the plummeting production volumes, it is likely to put at risk the government's housebuilding and infrastructure targets.

### Oil prices

According to the US Energy Information Administration (EIA), the Brent crude oil spot price averaged \$71 per barrel (pb) in July 2025.

The oil supply continues to increase, with OPEC+ announcing production increases of 547,000 barrels per day (bpd) to its monthly output quota, marking the seventh consecutive increase. According to Oxford Economics, strengthened sanctions on Russia are not expected to meaningfully shift oil supply, resulting in a surplus forming by the end of 2025. The Brent price is expected to go down to \$68.87pb in 3Q2025 and \$64.43 in 3Q2026.

Figure 11: Annual movement in Brent Crude Spot (\$ per barrel)



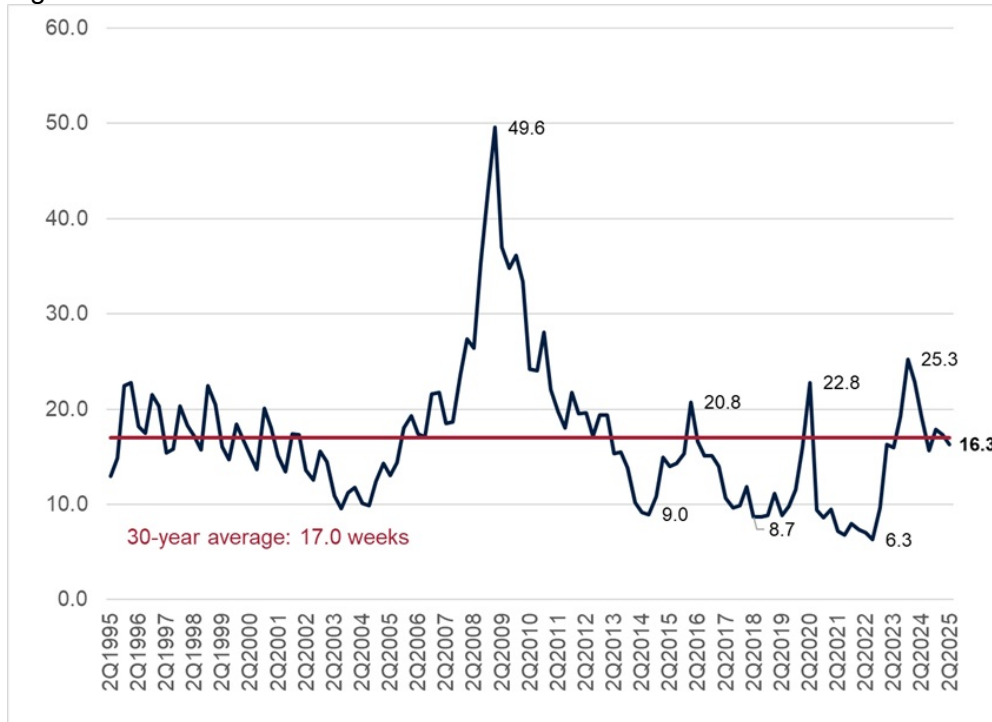
Source: Oxford Economics

### Bricks

According to the Department for Business and Trade (DBT), brick production increased for the third consecutive quarter in 2Q2025, registering a quarterly increase of 18.2%, up from the 3.5% increase reported in 1Q2025. This increase results in the highest number of bricks produced in a single quarter since 2Q2023. Similarly, deliveries also increased strongly by 14.8% resulting in the highest number of brick deliveries in a quarter since 4Q2022. Finally, stocks increased 7.8% compared with the previous quarter. This resulted in an equivalent of 16.3 weeks of current deliveries, a decrease on the last quarter. Historically, the number of weeks' stock in terms of current

deliveries tends to range between 10 and 20 weeks.

Figure 12: Number of weeks of brick deliveries in stock



Source: DBT, BCIS

Table 6: Forecast of BCIS Materials Cost Index

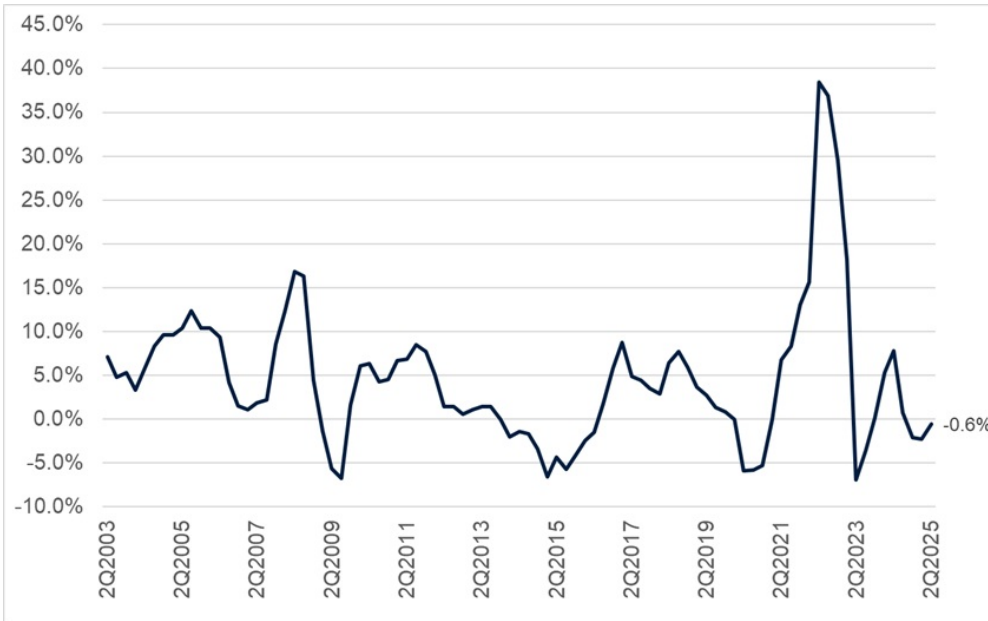
Period	Forecast
3Q2024 to 3Q2025	0.5%
3Q2025 to 3Q2026	2.3%
3Q2026 to 3Q2027	3.2%
3Q2027 to 3Q2028	3.3%
3Q2028 to 3Q2029	3.2%
3Q2029 to 3Q2030	2.9%

Source: BCIS

### 3.2.3 Plant

Following a 0.8% quarterly increase in 1Q2025, the BCIS Plant Cost Index is estimated to have remained unchanged in 2Q2025. This results in a 0.6% decrease in comparison to 2Q2024, up from the 2.3% decrease in annual movement recorded in 1Q2025.

Figure 13: Annual movement in the BCIS Plant Cost Index



Source: BCIS

Table 7: Forecast of the BCIS Plant Cost Index

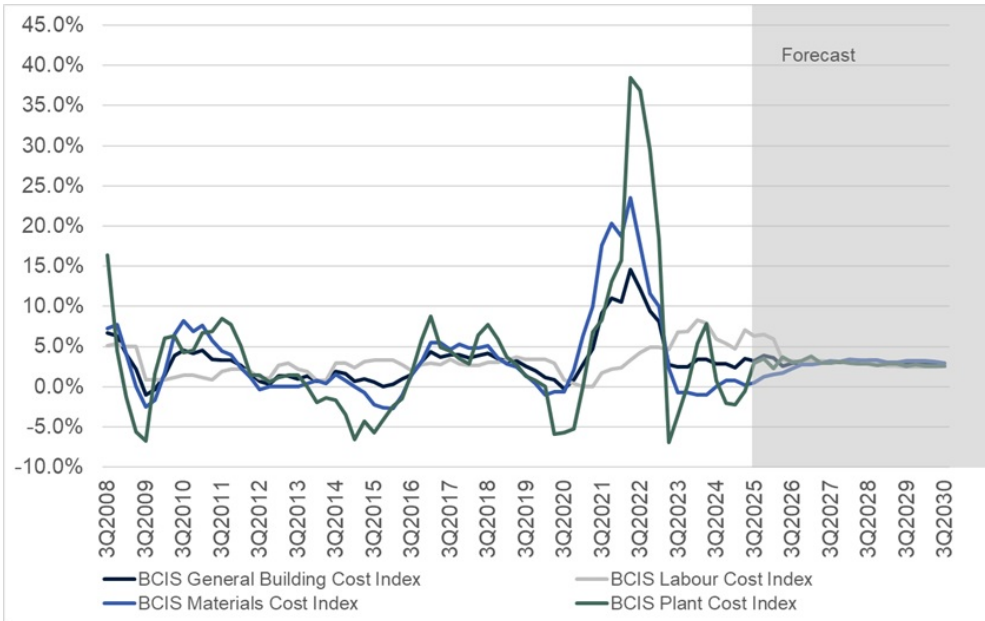
Period	Forecast
3Q2024 to 3Q2025	2.9%
3Q2025 to 3Q2026	3.0%
3Q2026 to 3Q2027	2.9%
3Q2027 to 3Q2028	2.8%
3Q2028 to 3Q2029	2.6%
3Q2029 to 3Q2030	2.5%

Source: BCIS

### 3.2.4 Building costs

Building costs, as measured by the BCIS General Building Cost Index, increased by an estimated 1.7% in 2Q2025, an increase from 0.4% last quarter. This results in annual growth of 3.5%. Costs are expected to increase by 3.2% in the year to 3Q2025, mainly driven by labour costs, rather than materials or plant costs.

Figure 14: BCIS General Building Cost Index, BCIS Labour Cost Index, BCIS Materials Cost Index and BCIS Plant Cost Index



Source: BCIS

Table 8: BCIS forecast of building costs

Period forecast	BCIS Labour Cost Index	BCIS Materials Cost Index	BCIS Plant Cost Index	BCIS General Building Cost Index
3Q2024 to 3Q2025	6.4%	0.5%	2.9%	3.2%
3Q2025 to 3Q2026	3.2%	2.3%	3.0%	2.9%
3Q2026 to 3Q2027	3.1%	3.2%	2.9%	3.0%
3Q2027 to 3Q2028	2.9%	3.3%	2.8%	3.1%
3Q2028 to 3Q2029	2.5%	3.2%	2.6%	2.9%
3Q2029 to 3Q2030	2.6%	2.9%	2.5%	2.6%

Source: BCIS

### 3.3 Tender prices

At the BCIS TPI panel meeting in September 2025, the panel agreed a consensus quarterly movement in tender prices of 0.7% in 3Q2025, up from the 0.5% agreed in the previous quarter. This results in an annual increase in the BCIS All-In TPI of 2.5%.

Risk profile and complexity continue to affect projects of different sizes. Contractors are more inclined to bid for simpler projects to mitigate cash flow exposure. These have good supply and are more competitive. Larger projects have more constrained supply and are less competitive. There is a reluctance to choose a lump-sum model or design and build, moving to target costs or cost reimbursable models, where the client is in control of the

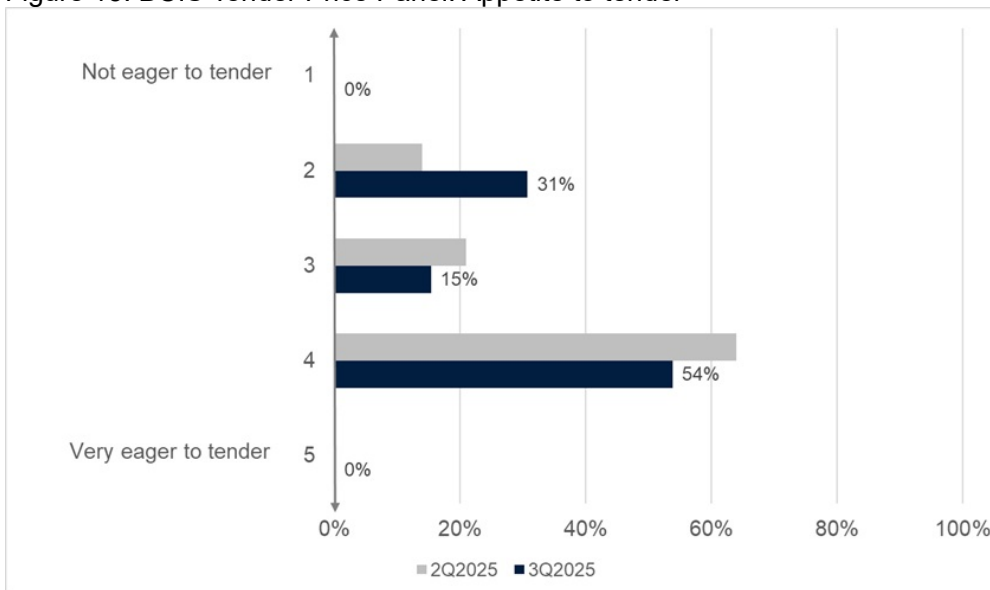
design.

Residential bids are reported to get more competitive due to the lack of work; this is reflected in falling prices for concrete works and rebar. Public new build housing is reported to be very competitive. Data centres is a growing sector, however, there are some signs of a slowdown in data centre roll outs while owners look to ensure power capacity and demand for their product. Investment in defence and the New Hospital Programme has been gathering pace, while MEP and fit-out are hot markets. Depending on location, education and sports, leisure and hospitality are strong.

Similarly to the last quarter, tender prices for MEP work are still rising faster than general building work, with the main driver being labour costs, whereas materials cost increases are following a much steadier pace than previously. MEP work is being driven by data centres and life science projects. One of the panellists commented: "Some MEP inflation is being driven by procurement routes, procuring on Stage 3 information and additional risk being priced in for this. This is happening on large public sector projects due to year end spends. Tier 1 MEP contractors are at a premium; savings can be made by procuring tier 2 MEP contractors."

BCIS has been tracking contractors' appetite to tender for the past two years as a part of the BCIS Tender Price Index panel survey. As can be seen in Figure 15, 54% of panellists reported contractors being more eager to tender (compared to 64% in 2Q2025). The panel reports that contractors are looking to fill their future pipeline. 15% of respondents reported that the desired number of tenderers can be found (down from 21% in the previous quarter) and 31% (up from 14%) reported challenges with getting contractors to tender. Contractors are increasingly selective on terms they are willing to accept. Tenders for known clients, with a clear pipeline of work, will see a more competitive market.

Figure 15: BCIS Tender Price Panel: Appetite to tender

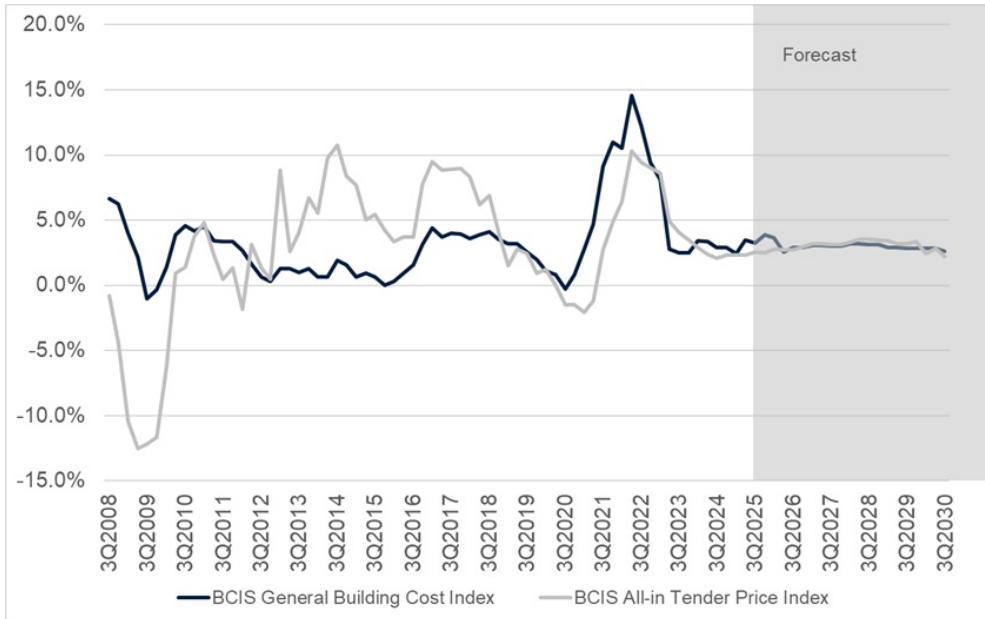


Source: BCIS TPI Panel

The panel was also asked about their anticipated pipeline of projects going to tender within the next 12 months compared with the previous 12 months. Overall, prospects appear to be more positive this quarter, with 62% reporting an increased pipeline (31% in 2Q2025), whereas only 23% reported unchanged pipeline (46% in 2Q2025) and 15% reported that the pipeline has reduced slightly (down from 23% in 2Q2025).

Taking into consideration the above, BCIS forecasts tender prices to rise 2.7% in the year to 3Q2026 and by 3.1% in the year to 3Q2027.

Figure 16: BCIS All-in Tender Price Index, BCIS General Building Cost Index



Source: BCIS

Table 9: BCIS forecast of tender prices

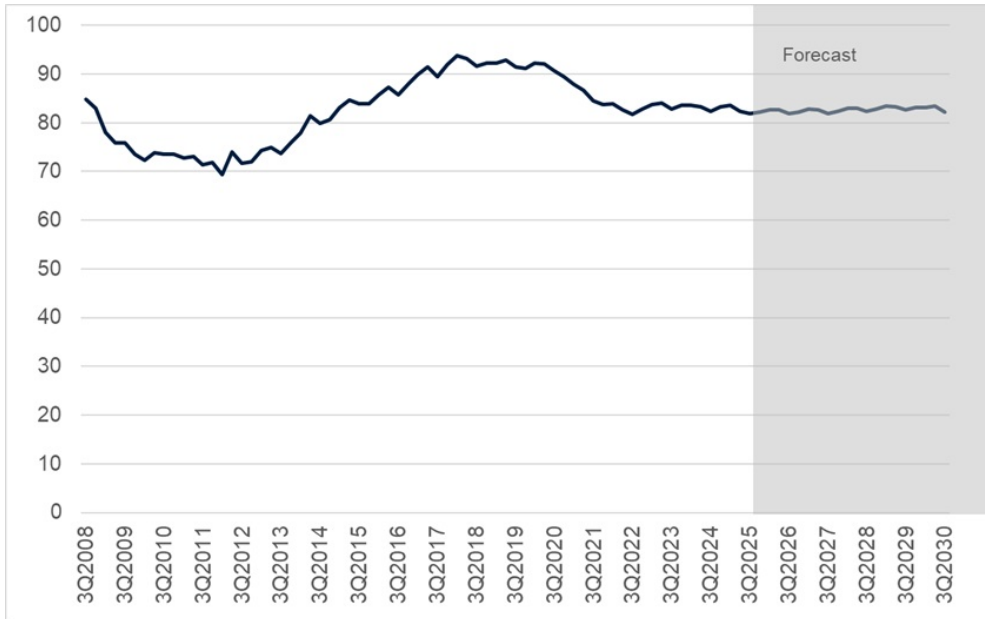
Period	Forecast
3Q2024 to 3Q2025	2.5%
3Q2025 to 3Q2026	2.7%
3Q2026 to 3Q2027	3.1%
3Q2027 to 3Q2028	3.5%
3Q2028 to 3Q2029	3.2%
3Q2029 to 3Q2030	2.2%

Source: BCIS

### 3.4 Market conditions

The BCIS Market Conditions Index is forecast to decrease by 0.6% in 3Q2025 compared to the previous quarter, resulting in a fall of 0.7% overall when compared with a year earlier. When the Market Conditions Index is rising, prices are rising faster than costs, and when it is falling, costs are rising faster than prices so, on a quarterly basis, we are still seeing costs rise marginally faster than prices.

Figure 17: BCIS Market Conditions Index



Source: BCIS

## Appendices

### Appendix A - Notes and definitions

The BCIS forecast is a national forecast. Regional differences in demand will have a consequential effect on tender prices in different parts of the country.

The BCIS All-in Tender Price Index is constructed using projects based on traditional procurement routes. Projects based on contractor-led procurement methods, such as design and build and partnering, are not included. However, the same general market conditions apply to all types of procurement routes but some will react more slowly to changes in demand.

#### Tender Price Indices and BCIS Tender Price Panel

BCIS introduced a new methodology for estimating the latest All-in Tender Price Index results in 2019. The method is based on a panel (Delphi) survey approach. BCIS enlisted a panel of cost consultants from firms involved in multiple tenders in each quarter. The BCIS Panel Tender Price Index is intended to measure the trend of contractors' pricing levels in accepted tenders at commit to construct, i.e., cost to client, in the previous quarter (mid-quarter to mid-quarter).

Further details of this index are available under notes and definitions for [BCIS Tender Price Indices](#).

#### Input Cost Indices

Further details of this index are available under notes and definitions for [BCIS Input Cost Indices](#).

#### Market Conditions Index

Further details of this index are available under notes and definitions for [BCIS Market Conditions Factor](#).

## Appendix B - References

*The documents referred to in this report are:*

1. Economic and fiscal outlook, March 2025, Office for Budget Responsibility
2. Forecasts for the UK economy, HM Treasury, August 2025

3. Bespoke forecasts for BCIS, Commodity Price Forecast, Oxford Economics, August 2025
4. Construction Products Association, the CPA State of Trade Survey, July 2025
5. Mineral Products Association publications, August and September 2025
6. S&P Global / CIPS UK Construction PMI, September 2025
7. BCIS Tender Price Panel 3Q 2025

Appendix 11 – RICS UK Residential Market Survey October 2025

ECONOMICS



# UK Residential Market Survey

October 2025

## Buyer demand continues to soften with policy uncertainty feeding into a general sense of caution

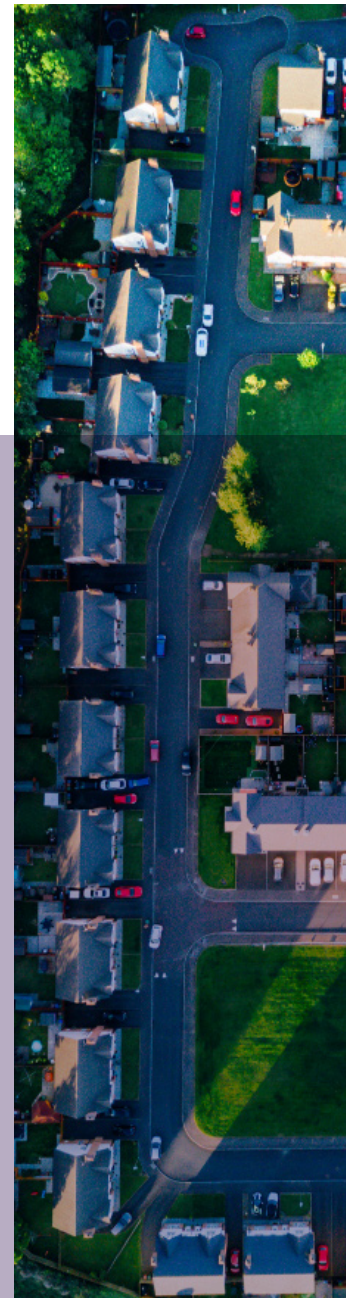
- **Headline indicators tracking sales market activity remain in negative territory**
- **House prices continue to face modest downward pressure at the national level**
- **Subdued backdrop expected to persist over coming months**

The October 2025 RICS UK Residential Survey results indicate that the sales market remains subdued, with measures of buyer demand and agreed sales still in negative territory. Anecdotally, comments from contributors suggest that uncertainty surrounding potential tax-raising measures in the upcoming Budget is contributing to the current cautious mood.

Focusing on the new buyer enquiries series, the October net balance of -24% represents a slight decline from -21% in the previous survey and marks the weakest reading since April. This continues to signal a contraction in buyer demand across the housing market as a whole, with most parts of the country seeing a consistently negative trend in recent months.

Unsurprisingly, this is feeding through into a decline in the volume of sales being agreed, with the latest net balance of -24% slightly more downbeat than the -17% recorded previously. Looking ahead, near-term sales expectations are broadly flat, reflected in a net balance of -3% (albeit this does show some improvement on -10% reported last time). Over a twelve-month horizon, a net balance of +7% of respondents anticipate a pickup in sales activity, notably less pessimistic compared to the -9% reading seen in the previous survey.

Rounding off the subdued picture for sales market activity, the new instructions indicator posted a net balance of -20% in October. Having been in positive territory for much of the past twelve months, this now represents the third consecutive negative reading and the weakest monthly figure since 2021. Likewise, the market appraisals series recorded a net balance of -37%, implying that



appraisal activity is running comfortably below levels seen twelve months earlier.

For house prices, the aggregate net balance of -19% is slightly below the -17% recorded in the previous survey but broadly in line with the average over the past three months. As such, this continues to indicate modest downward pressure on headline house prices. At the regional level, this trend appears particularly evident in the South East of England, London, and East Anglia, where the latest price net balances are somewhat weaker than the national average.

Looking ahead, a slight softening in prices is anticipated over the next three months, as reflected in a net balance reading of -12% for the forward-looking sentiment gauge. That said, the October figure is less downbeat than the -21% recorded previously and suggests only a modest further decline in prices in the near term. Moreover, over a twelve-month timeframe, a net balance of +16% of survey participants expect prices to return to growth at the national level.

Across the rental market, tenant demand has flattened recently, with the latest net balance of -4% (from the quarterly seasonally adjusted lettings dataset) easing from +5% and +13% in the preceding two quarters. At the same time, landlord instructions remain on a firmly downward trend, evidenced by a net balance reading of -33% in the three months to October (the weakest level since April 2020). While near-term rent expectations indicate a slight increase in rental prices, the latest net balance of +15% is noticeably softer than most readings observed over the past four years.



## Methodology

### About:

The RICS Residential Market Survey is a monthly sentiment survey of Chartered Surveyors who operate in the residential sales and lettings markets.

### Regions:

The 'headline' national readings cover England and Wales.

Specifically the 10 regions that make up the national readings are: 1) North 2) Yorkshire and Humberside 3) North West 4) East Midlands 5) West Midlands 6) East Anglia 7) South East 8) South West 9) Wales 10) London.

The national data is regionally weighted.

Data for Scotland and Northern Ireland is also collected, but does not feed into the 'headline' readings.

### Questions asked:

1. How have average prices changed over the last 3 months?  
(down/ same/ up)
  2. How have new buyer enquiries changed over the last month?  
(down/ same/ up)
  3. How have new vendor instructions changed over the last month?  
(down/ same/ up)
  4. How have agreed sales changed over the last month?  
(down/ same/ up)
  5. How do you expect prices to change over the next 3 months?  
(down/ same/ up)
  6. How do you expect prices to change over the next 12 months?  
(% band, range options)
  7. How do you expect prices to change over the next 5 years?  
(% band, range options)
  8. How do you expect sales to change over the next 3 months?  
(down/ same/ up)
  9. How do you expect sales to change over the next 12 months?  
(down/ same/ up)
  10. Total sales over last 3 months i.e. post contract exchange (level)?
  11. Total number of unsold houses on books (level)?
  12. Total number of sales branches questions 1 & 2 relate to (level)?
  13. How long does the average sales take from listing to completion (weeks)?
  14. How has tenant demand changed over the last 3 months?  
(down/ same/ up)
  15. How have landlords instructions changed over the last 3 months?  
(down/ same/ up)
  16. How do you expect rents to change over the next 3 months?  
(down/ same/ up)
  17. How do you expect average rents, in your area, to change over the next 12 months?  
(% band, range options)
  18. What do you expect the average annual growth rate in rents will be over the next 5 years in your area?  
(% band, range options)
- Questions 6, 7, 17 and 18 are broken down by bedroom number viz. 1-bed, 2-bed, 3-bed, 4-bed or more. Headline readings weighted according to CLG English Housing Survey.

### Net balance data:

- Net balance = Proportion of respondents reporting a rise in prices minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance will be 25%).
- The net balance measures breadth (how widespread e.g. price falls or rises are on balance), rather than depth (the magnitude of e.g. price falls or rises).
- Net balance data is opinion based; it does not quantify actual changes in an underlying variable.
- Net balance data can range from -100 to +100.
- A positive net balance implies that more respondents are seeing increases than decreases (in the underlying variable), a negative net balance implies that more respondents are seeing decreases than increases and a zero net balance implies an equal number of respondents are seeing increases and decreases.
- Therefore, a -100 reading implies that no respondents are seeing increases (or no change), and a +100 reading implies that no respondents are seeing decreases (or no change).
- In the case of the RICS price balance, a reading of +10 should not be interpreted as RICS saying that house prices are going up by 10%, but that 10% more surveyors reported increases rather than decreases in prices (over the last three months).
- A change from +30 to +60 does not mean that the variable grew by 30% in one period and by 60% in the next period, but it does indicate that twice as many surveyors reported an increase compared to a decrease than in the previous period.
- Likewise, if we get a reading dropping from +90 to +5, this still means that more respondents are reporting increases than decreases overall, but the breadth of those reporting increases has fallen dramatically; meanwhile, a shift in the reading from -90 to -5 still means that more respondents are reporting decreases than increases overall, but the breadth of those reporting decreases has fallen dramatically.

### Seasonal adjustments:

The RICS Residential Market Survey data is seasonally adjusted using X-12.

### Next embargo date:

November survey: 11 December  
December survey: 15 January 2026

### Number of responses to this month's survey:

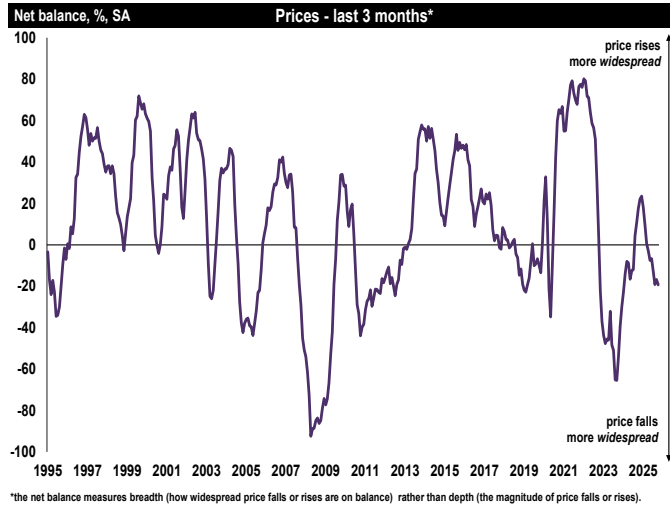
This survey sample covers 476 branches coming from 245 responses.

### Disclaimer

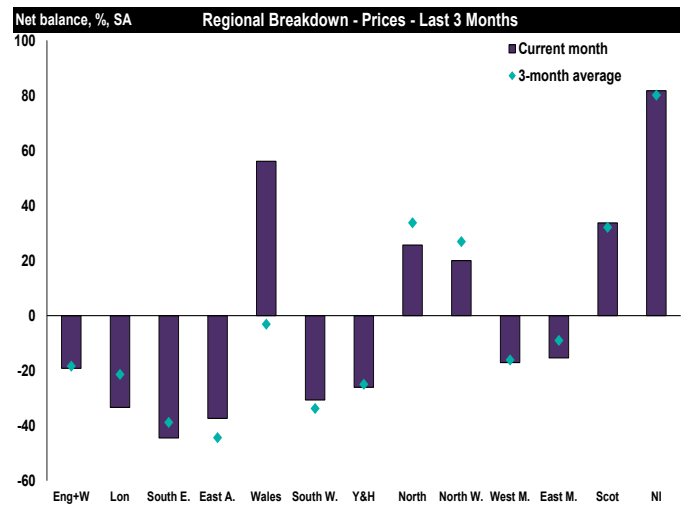
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# Sales market charts

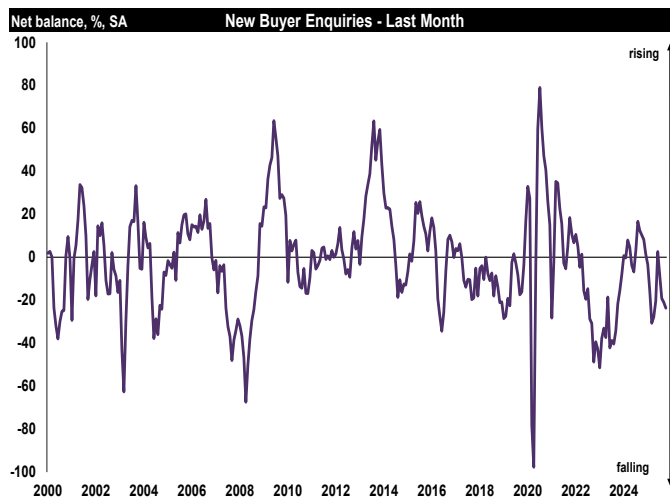
National Prices - Past three months



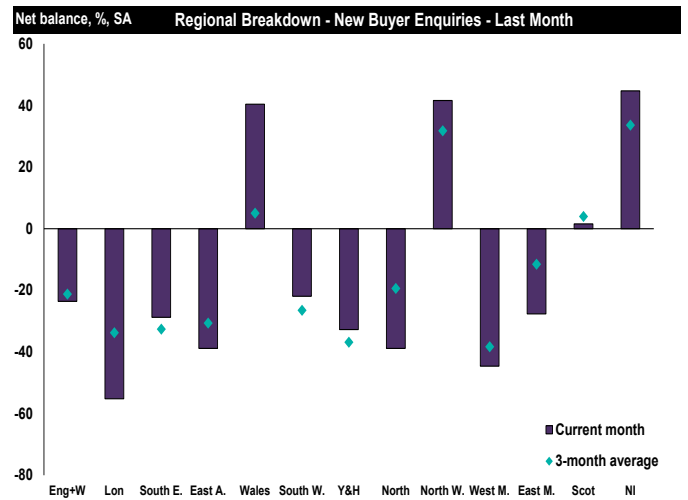
Regional Prices - Past three months



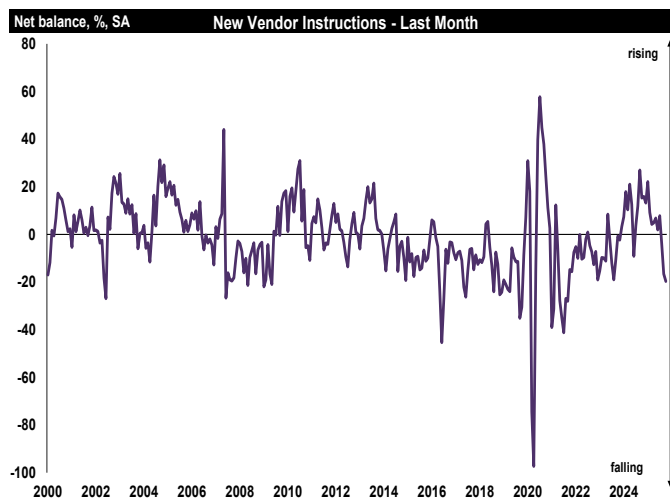
National New Buyer Enquiries - Past month



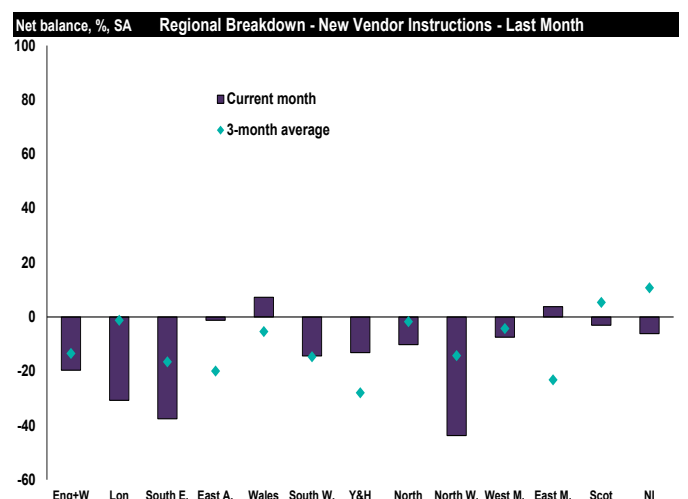
Regional New Buyer Enquiries - Past month



National New Vendor Instructions - Past month

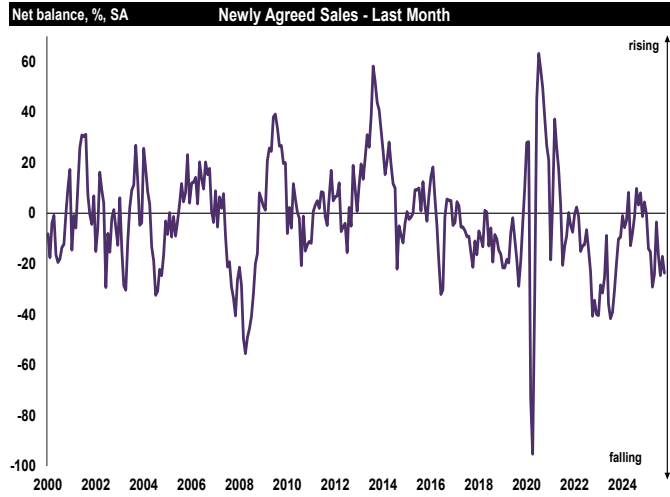


Regional New Vendor Instructions - Past month

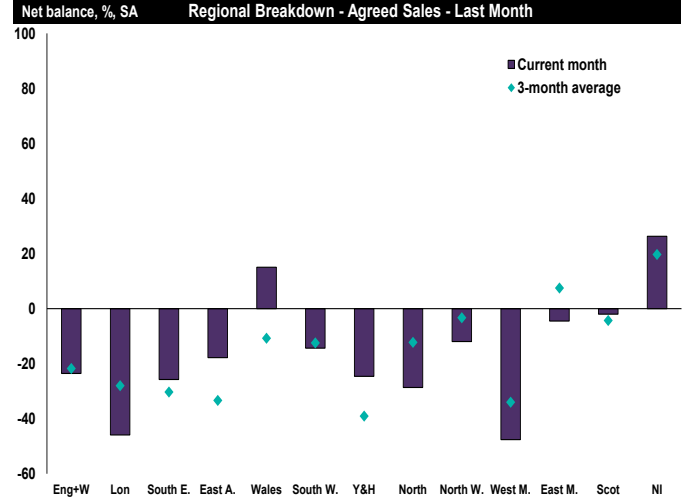


# Sales market charts

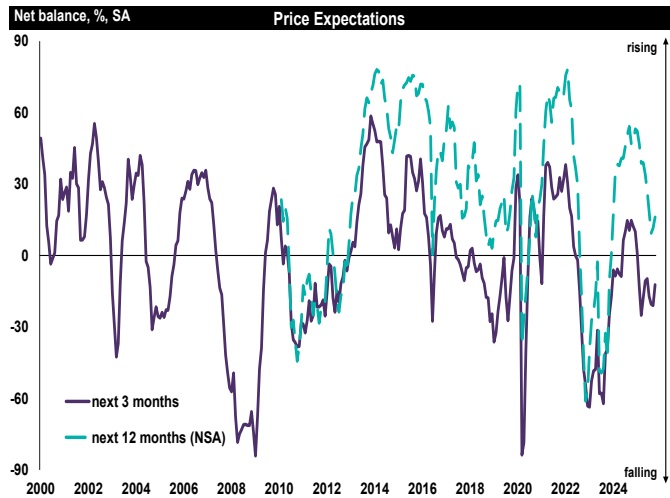
National Newly Agreed Sales - Past month



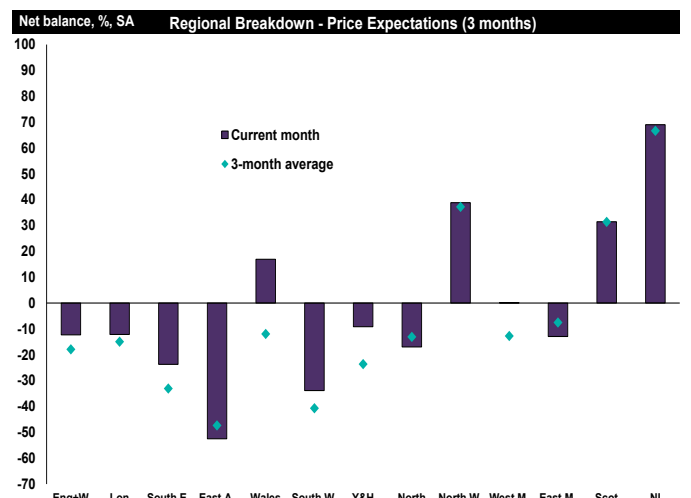
Regional Newly Agreed Sales - Past month



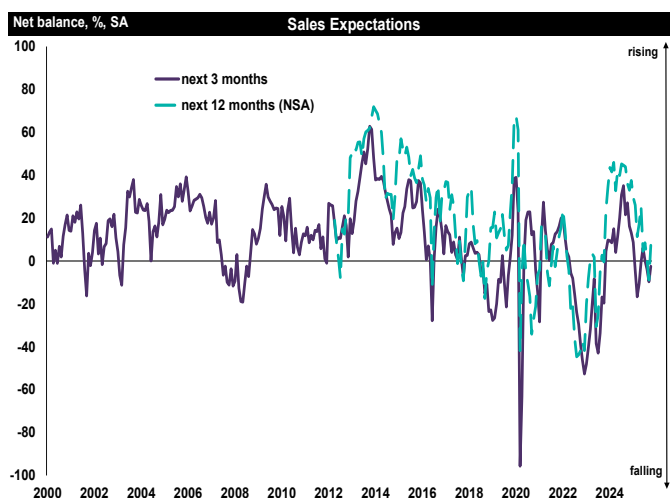
National Price Expectations - Three and twelve month expectations



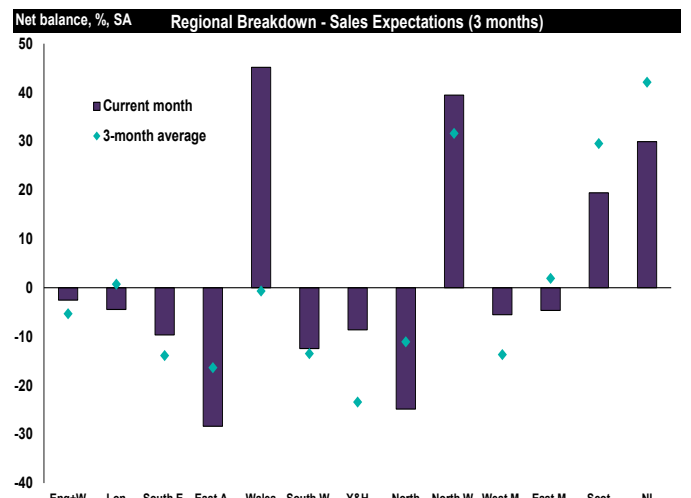
Regional Price Expectations - Next three months



National Sales Expectations - Three and twelve month expectations

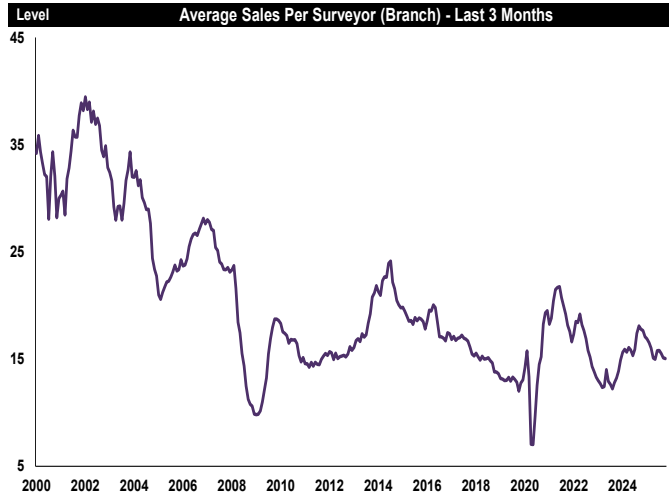


Regional Sales Expectations - Next three months

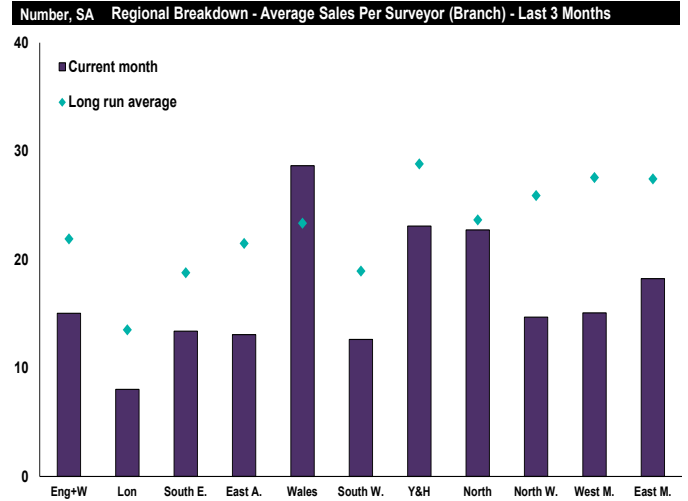


# Sales market charts

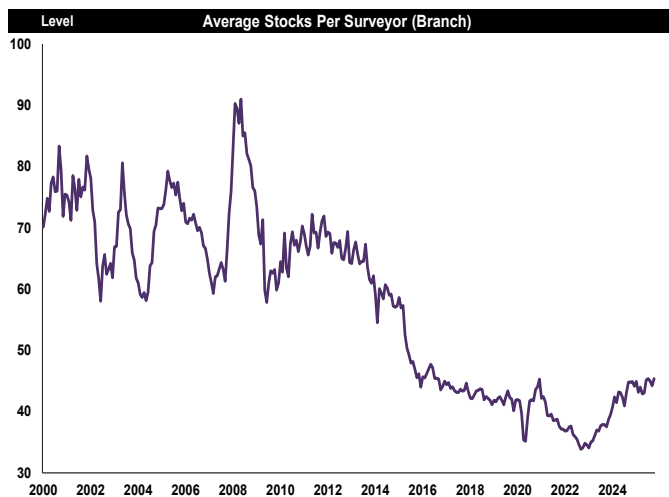
National Average Sales Per Surveyor - Past three months



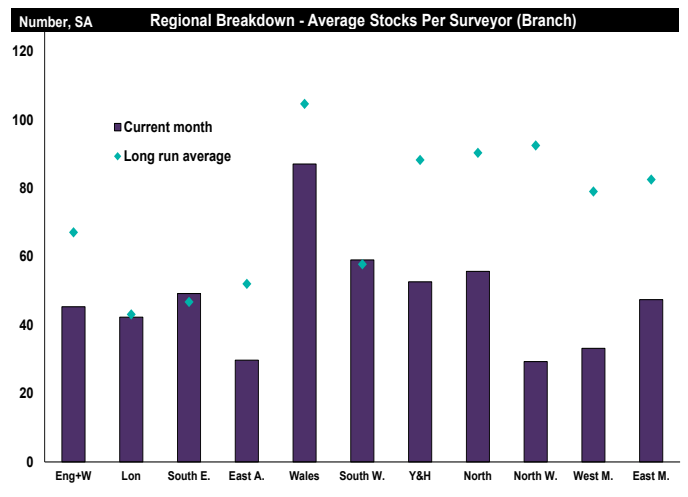
Regional Average Sales Per Surveyor - Past three months



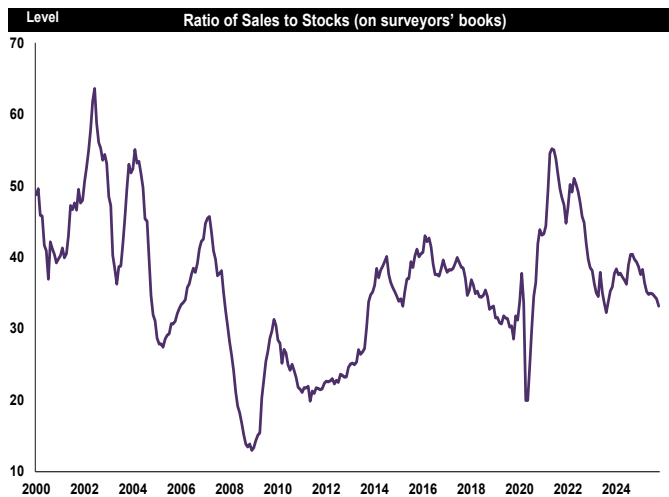
National Average Stocks Per Surveyor



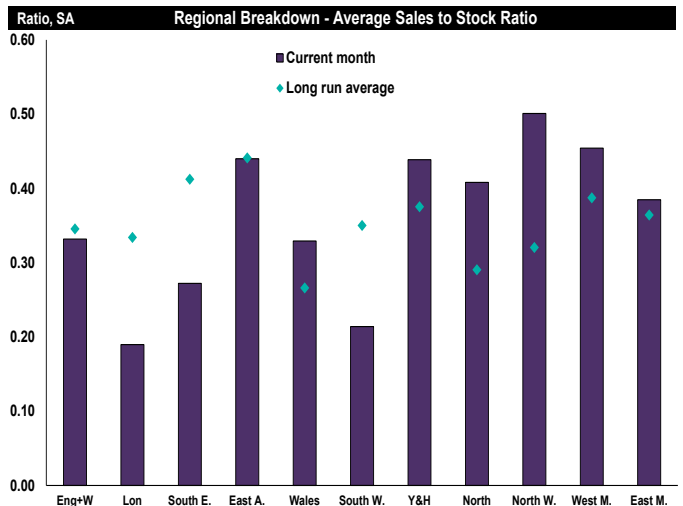
Regional Average Stock Per Surveyor



National Sales to Stock Ratio

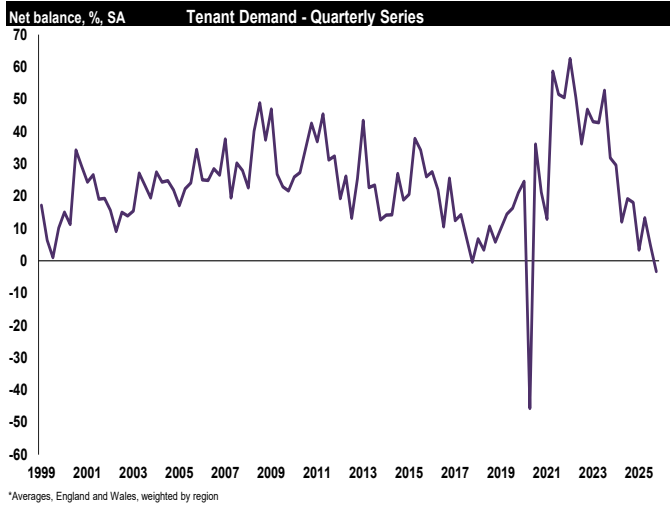


Regional Sales to Stock Ratio

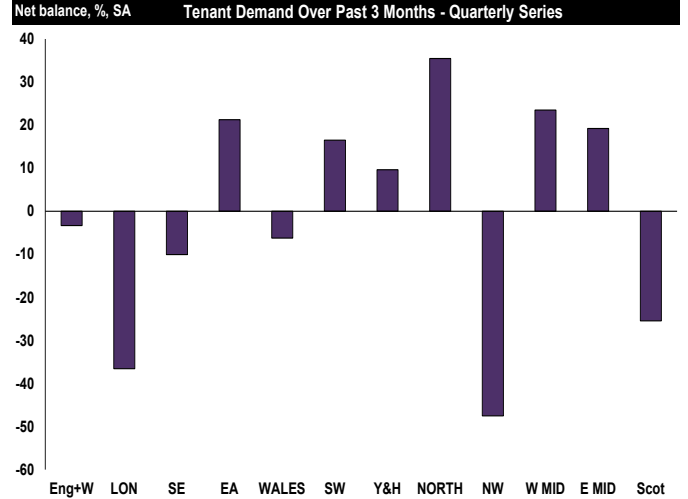


# Lettings market charts

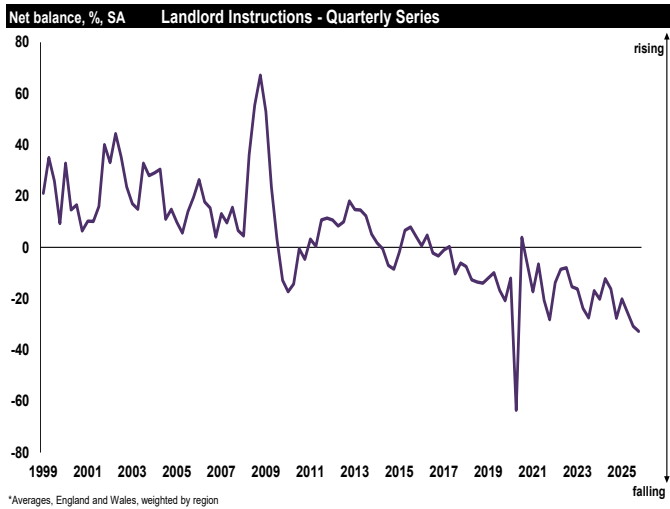
National Tenant Demand - Past three months



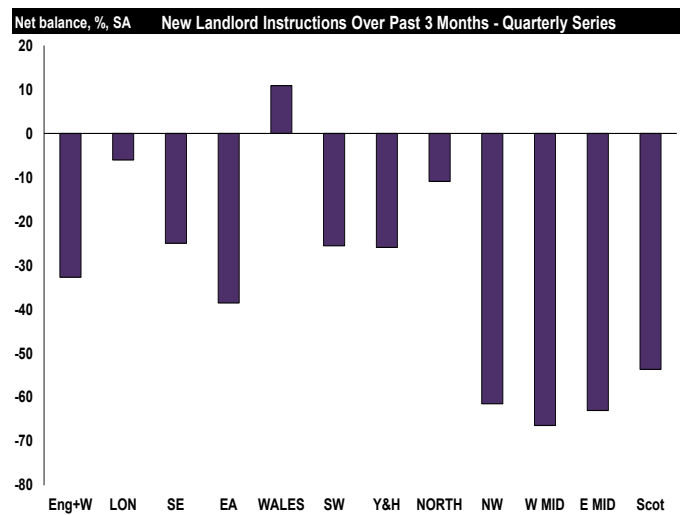
Regional Tenant Demand - Past three months



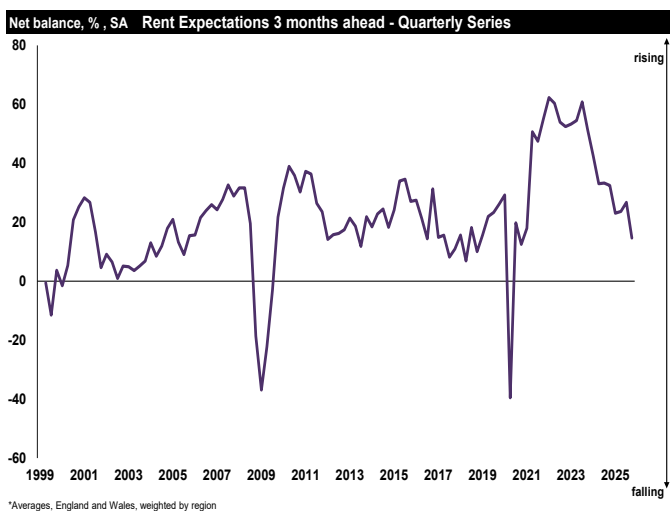
National New Landlord Instructions - Past three months



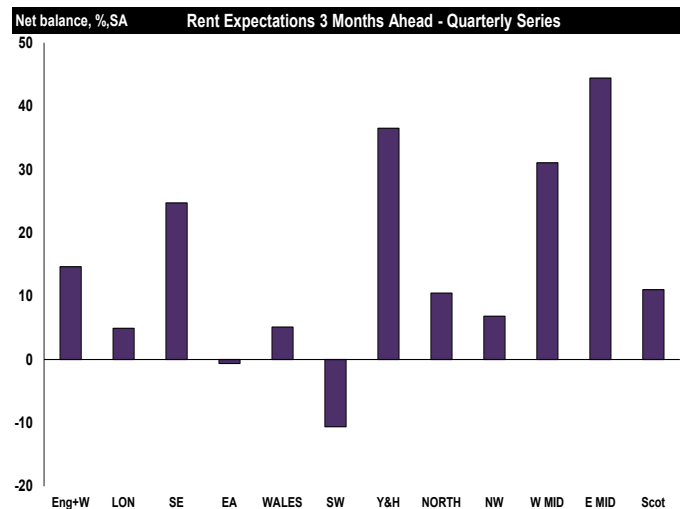
Regional New Landlord Instructions - Past three months



National Rent Expectations - Next three months

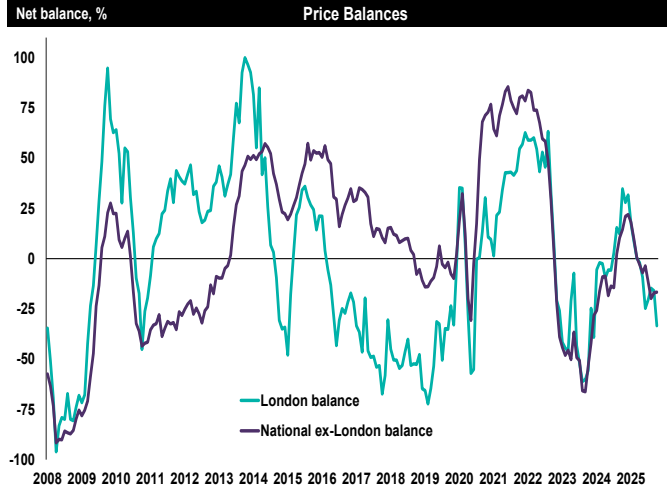


Regional Rent Expectations - Next three months

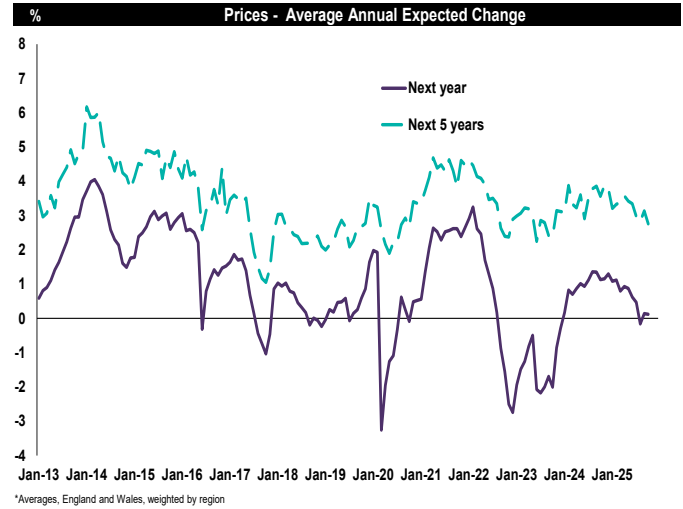


# Expectations and other data

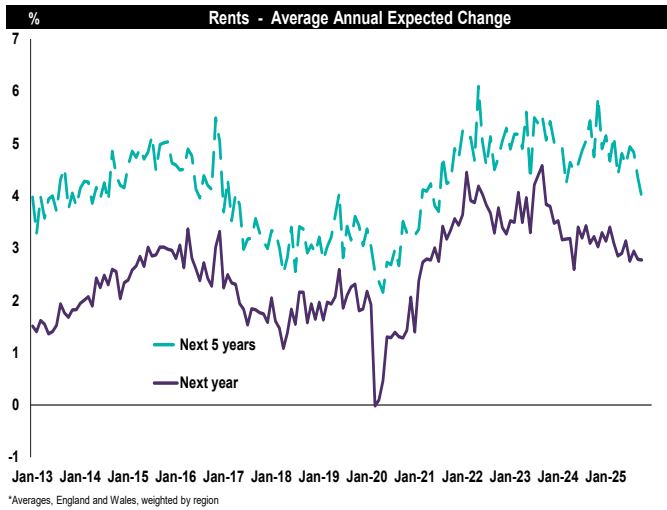
National Price Balance (excluding London) and London Price Balance - Past three months



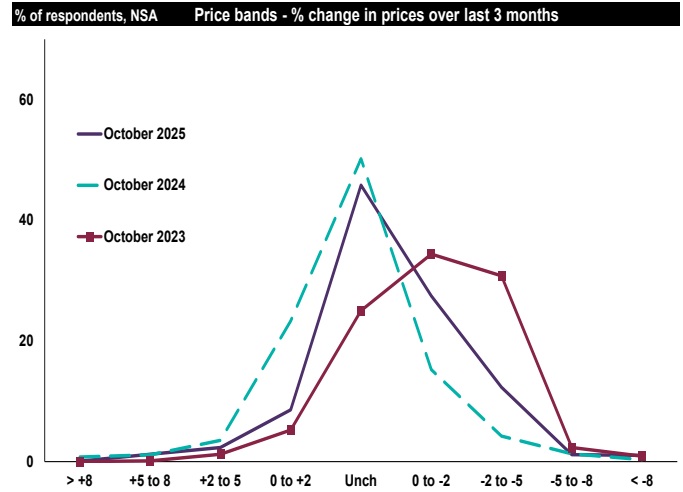
National Average Annual Expected Price Change (point estimate) - Next one and five years



National Average Annual Expected Change in Rents (point estimate) - Next one and five years



Price Bands - Past three months



## Surveyor comments - Sales

### North

John Gibson, MRICS, North East Estate Agents, jgibson@northeast-ea.co.uk, Middlesbrough - The government needs to review the stamp duty, and get rid of it in certain parts of the country to get the market moving again. I can understand the increase for the South but it has put a stop to the number of sales for BTL in the North.

Keith Pattinson, FRICS, keith pattinson, keith.pattinson@pattinson.co.uk, National - We offer a National Auction platform essentially for independent agents offering a service for serious sellers. Many sellers want to "try" an unrealistic price and damage marketing, often disappointed and agents do not charge for work. We get property sales pack for instant exchange, no fall throughs.

Neil Foster, MRICS, Walhouse Surveyors & Valuers, neil@walhouse.co.uk, Hexham & Newcastle Upon Tyne - The sales market appears to be in a state of suspended animation and the forthcoming budget, and it's impact on consumer confidence and affordability, looks most likely to herald in the doldrums (at best) with little hope of revival before the spring. All quite depressing for homeowners really!

Paul Mcskimmings, BSc(Hons)MRICS, Edward Watson Associates, paul@edwardwatson-assoc.com, Newcastle Upon Tyne - Busy month for the time of year. It will be interesting to see what effect, if any, the upcoming budget has on the confidence of buyers, sellers and the lenders.

Shaun Brannen, AssocRICS, Brannen & Partners, shaun.brannen@brannen-partners.co.uk, Whitley Bay & Coastal - Completions are approx 15% on the same time last year, though there is a noticeable 'slow-down' in the market over the past weeks.

Simon Hobbs, MRICS, London & City Estates Ltd, simonh@londonandcity.co.uk, Newcastle - Inertia due to pending budget.

### Yorkshire & the Humber

Alex Mcneil, MRICS, Bramleys, alex.mcneil@bramleys.com, Huddersfield - I don't think I can recall such an anticipated budget with the potential to impact on the entire property market in so many ways. I suspect however that people will still need somewhere to live and will soon adapt to whatever challenges make the headlines.

Ben Hudson, MRICS, Hudson Moody, benhudson@hudson-moody.com, York - A very price sensitive market as buyers wait the outcome of the Autumn budget.

James Brown, MRICS, Norman F Brown, james@normanfbrown.co.uk, Richmond - Pre-budget the sales market remains in the doldrums.

James Horner, Mrics, McCabe, MRICS, David G Horner Ltd, james@davidghorner.co.uk, Wakefield - At the present time, the market appears to be "holding its collective breath" waiting for the outcome of the budget. Tuesday's speech will have done little to give confidence for the future.

Kenneth Bird, MRICS, Renton & Parr, ken@rentonandparr.co.uk, Wetherby - Many potential sellers are holding back until after the November budget, whilst buyers have more choice and competitively priced properties are selling well.

M J Hunter, RICS, GRICE AND HUNTER, griceandhunter@btconnect.com, Doncaster - As occurred last year, uncertainty and speculation regarding the November budget has had a negative impact on the property market.

### North West

Amin Mohammed, MRICS, Brettgardner Ltd, accounts@brettgardner.co.uk, Greater Manchester - Mortgage approvals are rising modestly, hinting at a cautious recovery if rates ease. New taxation rules and reforms in the forthcoming budget will impede

growth, a wait and see if stamp duty is scrapped in favour of seller or buyer...

Andrew Holmes, MRICS, Milne Moser Estate Agents, andrew@milnemoser.co.uk, Kendal And South Lakes - There is still a pool of keen, motivated buyers in the market however the market is very sensitive to pricing with good quality and well presented homes proving to be the most popular.

David Champ[ion], MRICS & REGISTERED VALUER, CHAMPSURV, championdavid@ymail.com, Blackpool, Fylde Prestonwyreand Lancaster, West & East Lancashire - Some softening as Budget looms near and temporary seasonal decline in potential interest starts.

John Shackleton, MRICS, Roberts and Roberts Property Consultants Ltd, jss@robertsandroberts.co.uk, South Manchester - The property market has slowed recently in my view this will likely continue in the foreseeable future with confidence being affected.

John Williams, FRICS, MEWI, Brennan Ayre O'Neill LLP, john@b-a-o.com, Wirral - Sales pipelines remain reasonably solid but the much talked threats of budget tax rises is having a negative impact on market sentiment / confidence.

Robert Keith Dalrymple, FRICS, Keith Dalrymple Chartered Surveyor, keith.dalrymple@outlook.com, Isle Of Man - Speculation about imminent U.K. Budget announcement appears to be generating increased interest in the Isle of Man property market.

### East Midlands

Ann Rachel Gascoine, FRICS, Gascoines Chartered Surveyors, rachelgascoine@gascoines.co, Southwell Nottinghamshire - The impact of the unknown much discussed tax changes has seriously depressed the residential sales market.

Anon, MRICS, anon, louise.blackshaw@bellwatson.co.uk, Brigg - Steady supply and demand. New properties to the market selling if priced correctly. Vendors with unrealistic expectations sitting on the market. Properties being downvalued at survey.

Kirsty Keeton, MRICS, Richard Watkinson & Partners, kirsty@richardwatkinson.co.uk, Newark, Notts - Properties are selling well on the back of price reductions. Nervousness around the budget remains and many buyers and sellers are still holding off until the tax situations are firmed up.

Stephen J Gadsby, BSc FRICS, Gadsby Nichols, stevegadsby14@gmail.com, Derby - Very quiet market as it appears a number of potential sellers and buyers awaiting November Budget.

Tom Wilson, MRICS, King West Ltd, twilson@kingwest.co.uk, Stamford - Talk of the impending Budget and what might or might not be, dominates. There is activity within the market for property priced below £1mm, with more caution shown by Buyers fishing in the market above. Fewer but better "quality" viewings across the board however. Better than expected honestly.

Will Ravenhill, MRICS, Readings Property Group, wravenhill@readingspropertygroup.com, Leicester - Buyers and sellers definitely feeling jittery because of the Government's ridiculous need to "drip feed" potential areas of taxation weeks before the budget actually takes place!

### West Midlands

Andrew Oulsnam, MRICS, Robert Oulsnam and Company Limited, andrew@oulznam.net, Birmingham - The Chancellor's comments on tax and stamp duty in September have had a marked effect on the market with both SSC sales and new instructions well done for the time of year and some buyers holding back on exchange.

Cheryl La, AssocRICS, , c.la@gatewaysurveyors.co.uk, Wolverhampton & Birmingham - The looming Budget is causing havoc in the housing market.

Colin Townsend, MRICS, John Goodwin, colin@johngoodwin.co.uk, Malvern - A very subdued month for both new instructions and

sales, the first significant downturn this year. Activity has dropped as buyers and sellers wait to see what the November budget will bring. It's clear the public are delaying any decision to move until 2026.

John Shepherd, MRICS, ShepherdVine, john@shepman.co.uk, Solihull - The impending Budget is having a very negative effect on the sales and letting market.

Nick Millinchip, MRICS, Phipps & Pritchard, nmillinchip@phippsandpritchard.co.uk, Kidderminster - Feels like the tap has been turned off in the property market right now. So much uncertainty ahead of Autumn Budget on 26 November 2025 and general negative sentiment now in overdrive. People are waiting!

Richard Franklin, MRICS, Franklin Gallimore, richard@franklingallimore.co.uk, Tenbury Wells - Still good supply of properties and applicants. Press talk about a draconian budget is decidedly unhelpful - with stasis resulting.

### East Anglia

David Boyden, MRICS, Boydens Ltd, david.boyden@boydens.co.uk, Colchester - October saw more willing vendors coming to the market, however buyers were a little on the light side. Buyers are still citing concerns with the pending budget as the blocker for committing. Exchanges were at record level for the year.

Kevin Burt-Gray, MRICS, Pocock + Shaw, kevin@pocock.co.uk, Cambridge - The residential sales market is slow with pre-Budget uncertainty taking its toll. We are expecting a very quiet last quarter to 2025.

Mark Wood, MRICS, Blues Property Ltd, mark@bluesproperty.com, Cambridge - Difficult market, sales achieved but prices need to be flexible. Concern over Autumn Statement is 'hanging' over activity.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frostsurveyors.co.uk, Burnham, Buckinghamshire. - The market is very quiet - Christmas has come early this year.

Rob Swiney, MRICS, Jackson Stops, rob.swiney@jackson-stops.co.uk, Suffolk - The market has slowed down in recent weeks at the mid to high end, holding its breath for the Budget announcements in late November.

Zaman Sheikh, AssocRICS RICS Registered Valuer, Northwood Chelmsford, zamansheikh@northwooduk.com, Chelmsford - The sales market seems to be much quieter with many waiting for the budget in November.

### South East

Anna. Catrin Williams-Jones, MRICS, Kempton Carr Croft, catrin.jones@kemptoncarr.co.uk, Maidenhead - Many of the sales properties are accidental landlords still leaving the market. Others are people who know their mortgage is going up and are moving to cheaper areas.

Christopher Clark, FRICS, Ely Langley Greig, chrisclark@elgsurveyors.co.uk, Eastleigh - The market continues to flat line with values still edging downwards. The pre-budget media speculation only fuels further uncertainty in the market.

Damian Bartram, MRICS, Bartrams, damian@bartrams.co.uk, Beaconsfield - Housing market has stalled: flat/declining prices, ~8-10% fewer transactions and longer sale times. Affordability pressures, high mortgage rates, more homes for sale and Autumn Budget tax uncertainty are influencing buyer behaviour.

Donald Leslie, BA, MRICS, Donald Leslie & Co Ltd, info@donaldleslie.co.uk, Amersham - The market is currently defined by caution and stagnation. Budget uncertainty is making buyers hesitant, and sales involving first-time buyers with parental financial help are proving difficult to complete. Properties in excellent condition and desirable locations are moving.

Edward Rook, MRICS, Knight Frank, edward.rook@knightfrank.com, Sevenoaks - All eyes on 26/11. Some trying to get transactions done by then. Others just bracing themselves for increased taxes. Is it

going to be bad or very bad.

James Farrance, MANEA, FARLA, Braxton, jfarrance@braxtons.co.uk, Maidenhead - Buyer confidence remains subdued amid economic uncertainty and misguided government policies. Prices hold firm locally due to strong fundamentals, but Labour's lack of direction risks undermining future stability.

Martin Allen, MRICS, Elgars, m.allen@elgars.uk.com, Wingham, Canterbury - Long lead in time into the budget and general economic doom and gloom denting confidence and do not expect any change until the spring.

Michael Brooker, FRICS, Michael Brooker Estate Agents, michael@michaelbrooker.co.uk, Crowborough - Tough market not helped by National Media speculation concerning forthcoming Budget. Speculation leads to lack of confidence and inactivity.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frostsurveyors.co.uk, Ashford - Lower-value house sales are still being put together.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frostsurveyors.co.uk, Beaconsfield - Confidence very low due to the looming budget. Interest rates are still relatively high and confidence is low, which has created a large gap between vendor expectations and purchasers' caution.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frostsurveyors.co.uk, Chalfont St Giles - Currently challenging to 'bridge' the gap between sellers' and buyers' expectations. Limited new stock coming onto the market.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frostsurveyors.co.uk, Chalfont St Peter, Buckinghamshire. - The market is still a buyer's market. Purchasers remain cautious.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frostsurveyors.co.uk, Chesham - Good level of instructions, mainly in the low/mid value range, there has been some good interest in the price range, leading to a good level of sales.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frostsurveyors.co.uk, Feltham - The market for family homes is still in strong demand, although instruction levels have now reduced.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frostsurveyors.co.uk, Flackwell Heath - Purchasers are being cautious due to perceived potential increased taxes, which has led to a reduction in sales. Limited new instructions are now coming to the marketplace.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frostsurveyors.co.uk, Gerrards Cross, Buckinghamshire - The release of a budget date effectively killed all sensible activity in the market. For higher priced property this is because buyers are reluctant to commit with the threat of increased costs and changes to inheritance tax.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frostsurveyors.co.uk, Langley, Berkshire - The market is fragile, and this is leading to a breakdown of chains.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frostsurveyors.co.uk, Slough, Berkshire - Applicants and vendors are awaiting the Autumn Budget due to leaked information relating to the housing market.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frostsurveyors.co.uk, Staines - A good number of new sales, but purchasers are very cautious. Instruction levels were low in October.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frostsurveyors.co.uk, Windsor, Berkshire - The market has been good for new sales, but the middle value for this area for this location new instructions are lower.

Murray Wills, FRICS, Page & Wells, mjdw@page-wells.co.uk, Maidstone - Speculation over the contents of the Autumn Budget

has really started to affect buyers confidence over the last few weeks. This is affecting pipeline sales as well as potential sales. The sooner we know what the Budget holds, the better.

Paul Lynch, AssocRICS, First for Auctions, part of LRG, plynych@firstforauctions.co.uk, Wokingham - We had the largest and most successful monthly auction in our history in October, appetite from buyers and sellers for the speed and certainty auctions provide is ever increasing and expected to continue as we partner with more and more estate agents.

Perry Stock, FRICS, Registered Valuer, Capitello Estates Ltd, perry@perrystock.co.uk, Nr Cobham, Surrey - A stalled market as people await the outcome of the major changes which are speculated to be coming in the forthcoming budget.

Tim Green, FRICS, Green & Co.(Oxford) Ltd, tim.green@greenand.co.uk, South Oxfordshire - For all but the rare few and first time purchases we are firmly in the pre-Autumn Statement hiatus.

Tony Jamieson, MRICS, Clarke Gammon, tony.jamieson@clarkegammon.co.uk, Guildford - Everyone seems to be waiting for the Autumn budget. Very little activity, with vendors having to bring asking prices down to attract interest but not necessarily finding a proceedable buyer. As Christmas is coming, I suspect that it will be 2026 before the market improves.

Trevor Brown, FRICS, Trevor Brown Surveyors Ltd, tbrownsurveyors@btinternet.com, Southend-On-Sea - Sales taking forever to complete, supply and demand down, prices lower than peak, realistic pricing essential, nervousness about forthcoming budget, landlords continue to leave the sector.

### South West

Chris Pearson, AssocRICS, Baker Pearson, chris@bakerpearson.com, Dorchester - More activity in the First time buyer market. Most the interest and sales in the £175,000 to £250,000 price brackets.

Clive Pearce, AssocRICS, Clive Pearce Property, clive@clivepearceproperty.com, Truro - The continued uncertainty in the country around the budget, proposed changes to income tax, inheritance tax etc all stalls the market.

David Hickman, BSc FRICS, , onetrip100@outlook.com, South Devon - With clocks about to change, Christmas coming and budget taxes, the housing market is increasing sluggish as sentiment among buyers is increasingly cautious - values are steadily falling as buyers take anything to move on.

David J Robinson, AssocRICS, DJR Estate Agents & Auctioneers Ltd, david@djrestateagents.co.uk, Cornwall West Devon & Torridge - The market has ground to a halt waiting the Autumn Budget and what measures will be announced and as importantly when they will be implemented. However, pent up demand is building, top end market very nervous.

Graham Thorne, FRICS, Thornes, graham@thornes.org.uk, Poole/ East Dorset - The market is very depressed not helped by unhelpful budget speculation.

Howard Davis, MRICS, 4134758, howard@howard-homes.co.uk, Bristol - The whole process takes far too long. When I began in estate agency in the late 1980's, the average time from agreed sale to completion was no more than 3 months. The law society are in no rush to change the system as they get paid even if a sale doesn't complete.

Ian Perry, FRICS, Perry Bishop, ianperry@perrybishop.co.uk, Cheltenham Cirencester Faringdon Nailsworth Stroud Tetbury - Uncertainty caused by government pronouncements has slowed the market.

James Wilson, MRICS, Jackson-Stops, james.wilson@jackson-stops.co.uk, Shaftesbury - The market is quiet ahead of the November budget.

Jeff Cole, MRICS, Cole Rayment & White, jeff.cole@crw.co.uk,

Wadebridge - The market is still tough & very price sensitive. The fears over the budget & so much uncertainty has definitely affected our Autumn market for both vendors & purchasers.

John Corben, FRICS, FCABE, Corbens, john@corbens.co.uk, Swanage - The market remains slow. Many would be buyers are waiting for the result of the Autumn statement before committing.

John Doody, FRICS, John S Doody FRICS, johndoody@msn.com, Gloucestershire - Market recovery will take more confidence in our futures.

John Woolley, FRICS, john woolley ltd, john@johnwoolleyltd.co.uk, Salisbury - The market remains very flat - and individual.

Julian Bunkall, FRICS, Jackson-Stops, julian.bunkall@jackson-stops.co.uk, Dorset - The market generally remains static and until the Budget reveals its effect on the property market this will remain until the end of the month.

Peter Walker, MRICS, Richard Harding, peter@richardharding.co.uk, Bristol - The market is cautiously poised, pending the budget and the subsequent impact on stamp duty, capital gains and other taxation. People fear the unknown so whatever the outcome we expect an uptick in new instructions and activity, once everyone has computed the impact on their financial outlook.

Richard Charles Addington, MRICS, Jackson-Stops, richard.addington@jackson-stops.co.uk, Exeter - Waiting for the budget seems to be a common theme.

Robert Cooney, FRICS, Robert Cooney Chartered Surveyors & Estate Agents, robert.cooney@robertcooney.co.uk, Taunton - Fewer viewings in the market than previously but could be half-term effect linked with a degree of caution about the budget. Still agreeing good levels of sales but price is very much key - sensible sellers are picking up the buyers!

Roger Punch, FRICS, Marchand Petit, roger.punch@marchandpetit.co.uk, South Devon - Buyers remain available for competitively priced properties, but caution prevails. It remains, and looks to remain, a buyer's market for the foreseeable future.

Simon Lord, AssocRICS, Lords Survey and Valuation, simon@lordssurveyandvaluation.com, Bath And Bristol - The gradual growth in seller awareness that it is a buyers market has produced more competitive and attractive guide pricing and this has kept sale transactions moving. Post budget, the January market will (more than usual in my view) set the tone for 2026.

Simon Milledge, MRICS, Jackson-Stops, simon.milledge@jackson-stops.co.uk, Blandford Forum - Market slowed consistently over the last 2 or 3 months in the lead up to budget, and probably going to stay that way until well after the budget and in the lead up to Christmas and the New Year.

### Wales

Anthony Filice, FRICS, Kelvin Francis Ltd., tony@kelvinfrancis.com, Cardiff - Still a steady flow of new instructions to sell. Reasonable confidence amongst Buyers at prices up to £800,000 but nervousness above due to the uncertainty of the impending budget. The market over £1,000,000 is sluggish.

David James, FRICS, James Dean, david@jamesdean.co.uk, Brecon - Number of sales still good although much harder work.

### London

Alec Harragin, MRICS, Savills Plc, aharragin@savills.com, London - Until we have further clarity on any residential property tax initiatives in Rachel Reeves' Budget, we expect a continuation of current trends, as both buyers and sellers remain cautious and few transactions complete.

Alex Howard Baker, MRICS, Savills, ahowardbaker@savills.com, Putney - A tough market, but it is workable. Pricing is crucial though.

Christopher Ames, MRICS, Ames Belgravia, ca@amesbelgravia.

co.uk, Belgravia/London - There is still general holding back from purchasers until after the Nov Budget. Some are offering low on properties yet still delaying on an exchange of contracts (especially if not in a chain until budget). Sales with motivated buyers can be quick as solicitors have lower workload at present.

George, MRICS, Cluttons, george.barker@cluttons.com, - There is a lot of speculation due to the budget in November. The market remains very price sensitive.

James Perris, MRICS, De Villiers, james.perris@devilliers-surveyors.co.uk, London - Very subdued market as buyers wait for the budget. If the government hits property again with more taxes then the market may decline further.

Jeremy Leaf, FRICS, Jeremy Leaf & Co, jeremy@jeremyleaf.co.uk, Finchley - Over the past month, lower-than-expected inflation and downward-heading interest rates are outweighing worries about inevitable Budget tax increases. There may be fewer buyers & sellers but still sufficient numbers are negotiating hard & seem determined to move.

Len Stassi, BSc(Hons) MRICS, Delancies Ltd, lenstassi@delancies.com, London - Ongoing uncertainty and forthcoming Autumn Budget this month is currently suppressing activity and leading to an erratic market with fears of Dennis Healey/1970s type tax rises.

Mac Lal, MRICS, Shaiyla Estates Ltd, maclal66@gmail.com, London - Worries over coming budget and uncertainty of UK as an investment destination.

Robert Green, MRICS, John D Wood & Co., rgreen@johndwood.co.uk, Chelsea - With the looming budget and constant speculation around its contents, many buyers are waiting for certainty. Previously agreed sales have gone through to exchange reliably, so we do not detect a significant change in sentiment. Underlying demand appears to be strong, and vendors are realistic.

Roshan Sivapalan, MRICS, Blakes Chartered Surveyors & extension. lease, roshan@blakessurveyors.com, London - Ongoing uncertainty over future property taxation and wider economic jitters are tempering buyer confidence, while a rise in landlord disposals is adding supply-side pressure, keeping flat values broadly subdued across many markets.

Rupert Merrison, MRICS, Dexters, rupertmerrison@dexters.co.uk, - There is strong demand right now, fuelled by attractive mortgage rates mortgage rates and buyers are jumping in where they see good value, good location or a combination of the two. We expect this to continue for the rest of the year and into 2026.

Simon Scott, MRICS, Places for People, simonscott1000@gmail.com, London - Buyers are not committing to purchasing a home before the budget announcement.

William Delaney, AssocRICS, Coopers of London Limited, william@coopersonlondon.co.uk, Central London - The sales market seems to have entered an early pre-Christmas torpor. Speculation concerning the contents of the impending budget has compounded a sense of economic and political malaise, causing transaction levels to decline markedly.

### Scotland

Alan Kennedy, MRICS, Shepherd Chartered Surveyors, alankennedy@shepherd.co.uk, Fraserburgh - We're now in a period of typical seasonal downturn though recent market activity would suggest there is still demand for good, well presented properties. Closing dates, which seemed to be a thing of the past, have been occurring on occasions in the past few weeks.

Craig Henderson, MRICS, Graham & Sibbald Property Consultants Limited, craig.henderson@g-s.co.uk, Ayrshire - The market has remained similar pretty much as it has all year. Demand has continued to outstrip supply, buyers are a little cautious, but most are happy to pay a fair price in most areas. Prices have continued to rise gently through the year for most houses, but less so for flats.

David Cruickshank, MRICS, D M Hall LLP, David.Cruickshank@dmhall.co.uk, Elgin - The Morayshire market remains buoyant with good properties continuing to sell readily. Demand remains strongest in the Elgin/Lossiemouth area and is weakest in less desirable locations. There is now a fair supply of houses relative to demand, with the market now closer to a balanced position.

Greg Davidson, MRICS, Graham + Sibbald, gdavidson@g-s.co.uk, Perth - The market is stable and performing reasonably well but continued political and budget uncertainty is making it difficult for people to plan and this is causing hesitancy. So market activity may be subdued in the short term before it normalises again in 2026.

Ian Morton, MRICS, Bradburne & Co, ian@bradburne.co.uk, St Andrews - The market has stagnated ahead of the budget and the majority of sellers are waiting until into 2026 to sell. Confidence levels have dropped due to uncertainty over possible tax rises.

Lisa A Pitchers, MRICS, Rettie & Co, lisa.pitchers@rettie.co.uk, Glasgow City - The pending budget, as in previous years, has slowed the pace of sales as people wait to see the outcome and are scared by the press speculation.

Marion Currie, AssocRICS, RICS Registered Valuer, Galbraith, marion.currie@galbraithgroup.com, Dumfries & Galloway - Continued subdued activity due to a combination of school October holidays and pre-Budget nerves. Market appraisals looking towards spring launches, which is common at this time of year.

Thomas Baird, MRICS, Select Surveyors Ltd, info@selectsurveyors.co.uk, Glasgow - Slow start to survey instructions compared to last year after October break. Interest rate held at 4% may help stimulate buyers as we approach the end of year slow down.

### Northern Ireland

Kirby O'Connor, AssocRICS, GOC Estate Agents, kirby@gocestateagents.com, Belfast - We have found recently that the upper end of the market had slowed slightly, but there are pockets of bidding on the larger period homes in South Belfast. Our new builds are continuing to be popular and investors alike.

Samuel Dickey, MRICS, Simon Brien, sdickey@simonbrien.com, Belfast - The market for resale and new homes is still performing well. Demand is strong and prices are rising.

# Surveyor comments - lettings

## North

John Gibson, MRICS, North East Estate Agents, jgibson@north-east-ea.co.uk, Middlesbrough - The rentals properties which are available has diminished in the past 12 months, landlords are selling up due to their being no incentives to rent and increased taxes. New landlords are being put off by the stamp duty increase, 5% is too much in certain parts of the country and should be reviewed.

Keith Pattinson, FRICS, keith pattinson, keith.pattinson@pattinson.co.uk, National - No-one can predict future, as external factors disrupt. There is a shortage of properties, getting worse by landlords selling. Many conflicts like HMOs, electric, CP12's, owner occupied houses can be over-crowded.

Neil Foster, MRICS, Walhouse Surveyors & Valuers, neil@walhouse.co.uk, Hexham & Newcastle Upon Tyne - Rental growth appears to have slowed but the supply of available homes has not improved noticeably. Any tax grab targeting landlords in the forthcoming budget will reignite rent inflation at a time when tenants will likely be feeling their disposable income squeezed elsewhere.

Rodrica Straker, MRICS, Leazes Estate Office, rodrica@leazesestate.co.uk, Hexham - Larger properties sticking, affordability issues & concerns re upcoming budget & stamp duty debate. Smaller properties flowing as normal.

Shaun Brannen, AssocRICS, Brannen & Partners, shaun.brannen@brannen-partners.co.uk, Whitley Bay & Coastal - Supply has actually increased on the same period as last year, but is still nowhere near the levels to satisfy the demand.

## Yorkshire & the Humber

Alex Mcneil, MRICS, Bramleys, alex.mcneil@bramleys.com, Huddersfield - Getting ready for the big bang that is the Renters Rights Bill. Well, it might not all be such a bad thing and the sooner it comes in the better and we can get on with rebuilding the managed stock levels.

Ben Hudson, MRICS, Hudson Moody, benhudson@hudson-moody.com, York - Slower rental market as landlords await the renters reform bill gaining Royal Assent.

James Horner, Mrics, McCabe, MRICS, David G Horner Ltd, james@davidghorner.co.uk, Wakefield - There is still a limited number of good quality rental properties.

## North West

Jonathan Clayton, FRICS, JPA, jonathan@jpasurveyors.co.uk, Lytham St Annes - Still buoyant but uncertain economic conditions.

## East Midlands

Ann Rachel Gascoine, FRICS, Gascoines Chartered Surveyors, rachel-gascoine@gascoines.co, Southwell Nottinghamshire - The impact of the forthcoming budget and the renters right act has seriously depressed the residential rental market.

Anon, MRICS, anon, louise.blackshaw@bellwatson.co.uk, Brigg - Plenty of tenants, the problem is finding those with a good history to let to. Rents still very high for the area.

John Chappell, BSc.(Hons), MRICS, Chappell & Co Surveyors Ltd, john@chappellandcosurveyors.co.uk, Skegness - Quality tenants that meet Landlords requirements in short supply at the moment, accepting that those requirements may have to be revised when the "Renters Act" becomes law. Landlords still leaving the market.

Will Ravenhill, MRICS, Readings Property Group, wravenhill@reading-propertygroup.com, Leicester - Landlords similarly jittery regarding the upcoming budget and, of course, the Renter's Rights Act which is

having a negative impact months before it's actually enforced!

## West Midlands

Andrew Oulsnam, MRICS, Robert Oulsnam and Company Limited, andrew@oulslam.net, Birmingham - The lettings market is in a state of flux with the new legislation finally passed but with so much uncertainty, both new instructions and lets are well down.

Colin Townsend, MRICS, John Goodwin, colin@johngoodwin.co.uk, Malvern - A quiet month. Landlords are clearly very unnerved by the fact that the Rents Rights Legislation has now come into force. Early signs indicate that many may be considering either selling or reducing their rental portfolios over the coming years.

Richard Franklin, MRICS, Franklin Gallimore, richard@franklingallimore.co.uk, Tenbury Wells - There is still a shrinking pool of rentals with BTL landlords leaving the sector. Hopefully now enacted the legislation will bed down and a new reality develop based on actuality not scare-mongering!

## East Anglia

David Boyden, MRICS, Boydens Ltd, david.boyden@boydens.co.uk, Colchester - Instructions were a little lower than the previous month, however tenant demand saw an increase. Rents have stabilised for now. From a landlord perspective, there is considerable concern regarding the renters' rights act and the impact it will have.

Kevin Burt-Gray, MRICS, Pocock + Shaw, kevin@pocock.co.uk, Cambridge - Rental market has softened from its peak with more property available than normally expected and asking prices being reduced to reflect this dynamic.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frost-surveyors.co.uk, Burnham, Buckinghamshire. - Limited level of family properties to let which is still in good demand.

Nigel Morgan, FRICS, Managed Property Supply Ltd, nigeldmorgan13@gmail.com, North Walsham - Real uncertainty about the impact of the Renter's Act. Landlords will inevitably wish to reflect the added risks to which it exposes them in rents; and the impact will be greater if significant numbers of landlords withdraw from the market.

Zaman Sheikh, AssocRICS RICS Registered Valuer, Northwood Chelmsford, zamansheikh@northwooduk.com, Chelmsford - There is still strong demand for rental properties with steady growth in rents achieved. It will be interesting to note how landlords will act following the implementation of the RRB. There is fear that with possible introduction of further tax on landlords, these costs will be simply passed on.

## South East

Anna. Catrin Williams-Jones, MRICS, Kempton Carr Croft, catrin.jones@kemptoncarr.co.uk, Maidenhead - The Government does not seem to understand (or care) that by penalising landlords, there will be less rental stock. They obviously want corporate landlords who can pay lobbyists to allow them exemptions. Unfortunately, it means private landlords leave the sector, causing supply issues.

Damian Bartram, MRICS, Bartrams, damian@bartrams.co.uk, Beaconsfield - Increased mortgage rates will amplify landlord risk-aversion, fueling rent hikes to cover higher borrowing costs alongside Renters' Rights Act changes. less-profitable landlords may sell properties, further tightening rental supply. MTD pushes higher-income owners toward company structures.

James Farrance, MANEA, FARLA, Braxton, jfarrance@braxtons.co.uk, Maidenhead - Tenants are rejecting large build-to-rent schemes due to poor treatment by investment funds. Many now prefer small landlords who offer genuine care, connection, and security. Demand remains strong despite economic mismanagement and anti-landlord policies.

Martin Allen, MRICS, Elgars, m.allen@elgars.uk.com, Wingham, Canterbury - Very little coming onto the market and we now have a

waiting list for properties that will be relet following refurbishment putting more upward pressure on rent levels.

Michael Brooker, FRICS, Michael Brooker Estate Agents, michael@michaelbrooker.co.uk, Crowborough - Active less supply. Concerns in respect of Renters Bill

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frost-surveyors.co.uk, Ashford - The lettings market is active dependent on the number of quality instructions available.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frost-surveyors.co.uk, Beaconsfield, Buckinghamshire. - October has been another month of price reductions and fewer tenants registering with most activity in the lower end of the rent scale, and properties are still taking longer to rent.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frostsurveyors.co.uk, Chalfont St Giles - Limited stock reflects the number of letting opportunities.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frost-surveyors.co.uk, Chalfont St Peter, Buckinghamshire. - It is taking longer to Let properties, as tenants are increasingly price sensitive.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frostsurveyors.co.uk, Feltham - Good, steady marketplace close Heathrow, although rental level increases are now less.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frost-surveyors.co.uk, Flackwell Heath - Good level of activity in renting small cottages, but now there is a lack of supply.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frost-surveyors.co.uk, Gerrards Cross, Buckinghamshire - The lettings market is very steady, but many landlords are selling their investments and looking to invest in other forms of investments due to Government policy.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frost-surveyors.co.uk, Langley, Berkshire - More instructions required. Generally a good market.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frostsurveyors.co.uk, Slough - More instructions required, generally a good market.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frost-surveyors.co.uk, Staines - Stock has increased due to developers not being able to sell new properties at the anticipated levels to make a profit, and good demand for new properties to let.

Mr John Frost, MRICS, The Frost Partnership, jf.beaconsfield@frost-surveyors.co.uk, Windsor, Berkshire - The rental values are moving downward and will continue. Letting instructions are scarce and tenant demand has reduced.

### South West

David Hickman, BSc FRICS, , onetrip100@outlook.com, South Devon - Rent is a large part of tenants budget as landlords either increase rents to cover additional costs or they exit the rental market due to legislation changes.

Howard Davis, MRICS, 4134758, howard@howard-homes.co.uk, Bristol - We are seeing an increased number of private landlords calling it a day and as a result there are less properties which are keeping rents high. Supply & demand!

John Woolley, FRICS, john woolley ltd, john@johnwoolleyltd.co.uk, Salisbury - Any change in legislation may depress rents as it affects confidence of both parties.

### Wales

Anthony Filice, FRICS, Kelvin Francis Ltd., tony@kelvinfrancis.com, Cardiff - Demand is still strong at the lower priced end of the market, but activity slowing in the upper rental end of the market.

David James, FRICS, James Dean, david@jamesdean.co.uk, Brecon -

Still a shortage of rentals.

### London

Alec Harragin, MRICS, Savills Plc, aharragin@savills.com, London - There is a general move away from low scale and accidental landlords to more professional property holding companies and institutional investors who both benefit from economies of scale and a less punitive tax setup.

Jonathan Price, AssocRICS, , jonathan.c.price@gmail.com, Bromley - Rents appear to have reached a peak of affordability, but we expect them to continue to rise in line with inflation due to a continued lack of supply.

Jeremy Leaf, FRICS, Jeremy Leaf & Co, jeremy@jeremyleaf.co.uk, Finchley - Ongoing concerns about the cost of living and aspiring first-time buyers taking advantage of more relaxed lending criteria have combined to reduce demand & soften rents particularly of 1 & 2 bed flats. Supply is also down partly due to landlord sales-often prompted by the new Renters Rights Act.

Kristjan Byfield, , base property specialists, kristjan@baseps.co.uk, London - Affordability remains the greatest impact to market growth both in terms of rents and capital appreciation. It will be interesting to see what impact the apparent consolidation of letting agents has on the market however expect the overall market to be stable but will stunted rental growth of 2-3%.

Mac Lal, MRICS, Shaiyla Estates Ltd, maclal66@gmail.com, London - Due to properties not shifting, owners have no choice but to continue letting.

Marcus Perry, FRICS, Retired, marcusjcperry@gmail.com, Pimlico, London Sw1 - New Renters Rights Act will have some effect on rents - and availability of property to rent.

Mark Wilson, MRICS, Globe Apartments, mark@globeapt.com, London - October bucked the seasonal trend, with rising demand for high end rentals as landlords reclaimed homes ahead of the Renters' Rights Act 1925. To boot Landlords show compliance fatigue, with new schemes like Westminster licensing deepening regulatory burnout.

Marta Hugon, MRICS, Carter Jonas LLP, marta.hugon@carterjonas.co.uk, London - Really tricky period of time at the moment. Nobody is moving in, nobody is selling. Same rents from 2022 cannot be achieved now.

Mr Paul Dolan, AssocRICS, Dolan Pratley Associates, pauljohn-dolan@gmail.com, London - The renters reform act although in operation has still not stopped the rental bidding wars, caused by a lack of rental stock thanks to the same act.

Rupert Merrison, MRICS, Dexters, rupertmerrison@dexters.co.uk, - The lettings market has been busy all year and we continue to be inundated with good quality tenants keen to find.

Will Barnes Yallowley, AssocRICS, Tate Residential, will@tateresidential.co.uk, Kensington - The RRB will not reduce rents but Sec 13 will slow rent increases giving false hopes to tenants, who have been let down by successive governments.

William Delaney, AssocRICS, Coopers of London Limited, william@coopersonlondon.co.uk, Central London - Rentals values have been maintained, but as predicted, falling levels of available stock are becoming a real issue. The likelihood of more anti-landlord measures in the budget and the effects of the ill-conceived "Renters' Rights" legislation will further damage the PRS.

### Scotland

Carolyn Davies, MRICS, Savills, cmadavies@savills.com, Dumfries - Continued demand for all types of property especially 2-3 bed, but notice that we are reaching a ceiling for rent at the higher end of the market and tenants unwilling to go over £1000 per month.

Craig Henderson, MRICS, Graham & Sibbald Property Consultants Limited, craig.henderson@g-s.co.uk, Ayrshire - Demand continues

to outstrip supply and rents are continuing to rise. This is likely to continue for the foreseeable future.

Ian Morton, MRICS, Bradburne & Co, [ian@bradburne.co.uk](mailto:ian@bradburne.co.uk), St Andrews - Investors in buy to let properties are not buying and short term holiday let owners are seeing a reduction in profit due to rising overheads. There are more properties available for rent than the same time last year.

Paul Letley, FRICS, Pavillion, [Paul@pavillion.net](mailto:Paul@pavillion.net), Dundee - Fewer foreign students has resulted in an oversupply of flats, particularly HMO where there is no alternative tenant type.

#### **Northern Ireland**

Kirby O'Connor, AssocRICS, GOC Estate Agents, [kirby@gocestate-agents.com](mailto:kirby@gocestate-agents.com), Belfast - Rentals are strong and holding prices. Still an imbalance of demand versus stock.

Samuel Dickey, MRICS, Simon Brien, [sdickey@simonbrien.com](mailto:sdickey@simonbrien.com), Belfast - The rental demand is constant and rents are rising.

## Contacts

### Subscriptions

Access to the data is available via a paid subscription. This will include the full historical back set, regional breakdown, and, where applicable, the seasonally and not seasonally adjusted data.

Redistributing/recreating the underlying survey data is prohibited without the permission of RICS.

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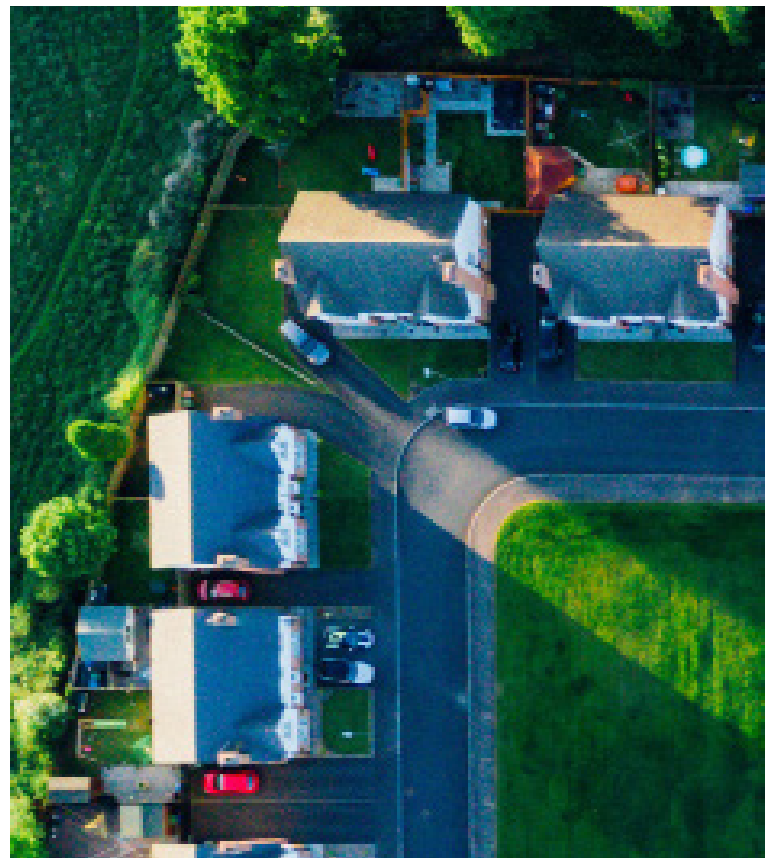
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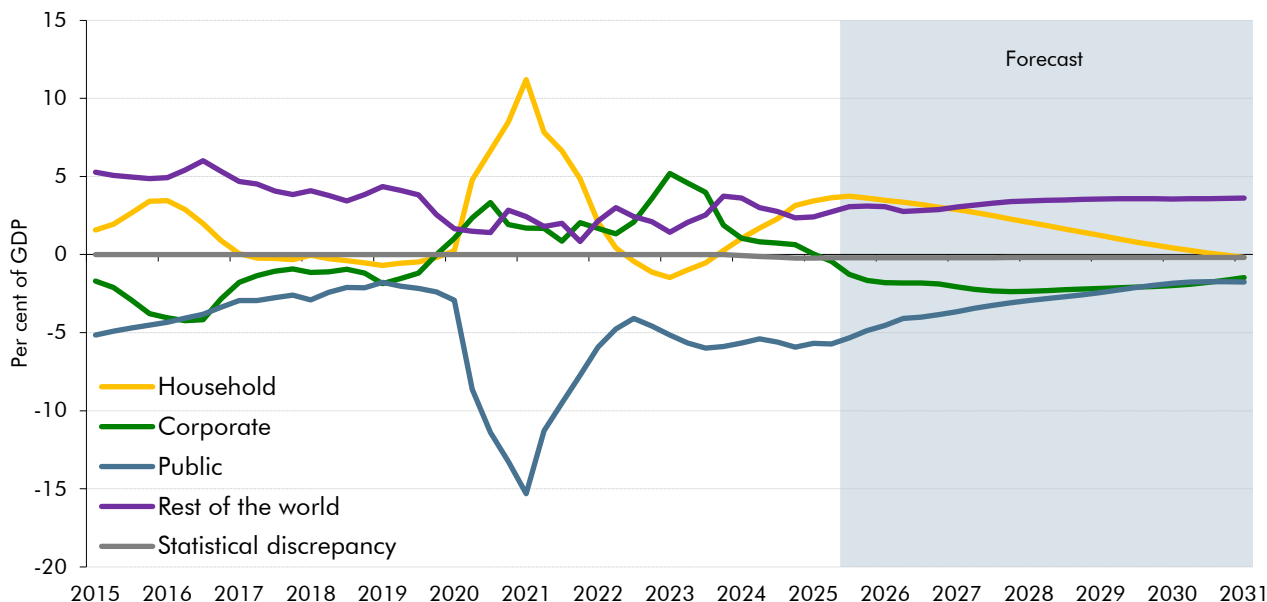


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Appendix 12 - OBR November Housing Forecast extract

increase the public deficit by around ¼ per cent of GDP in 2026 and 2027, and decrease it by around ½ a per cent of GDP in 2029 and 2030, which is largely absorbed by household and corporate net lending.

Chart 2.21: Sectoral net lending



Note: Four-quarter rolling average.

Source: ONS, OBR

## The housing market

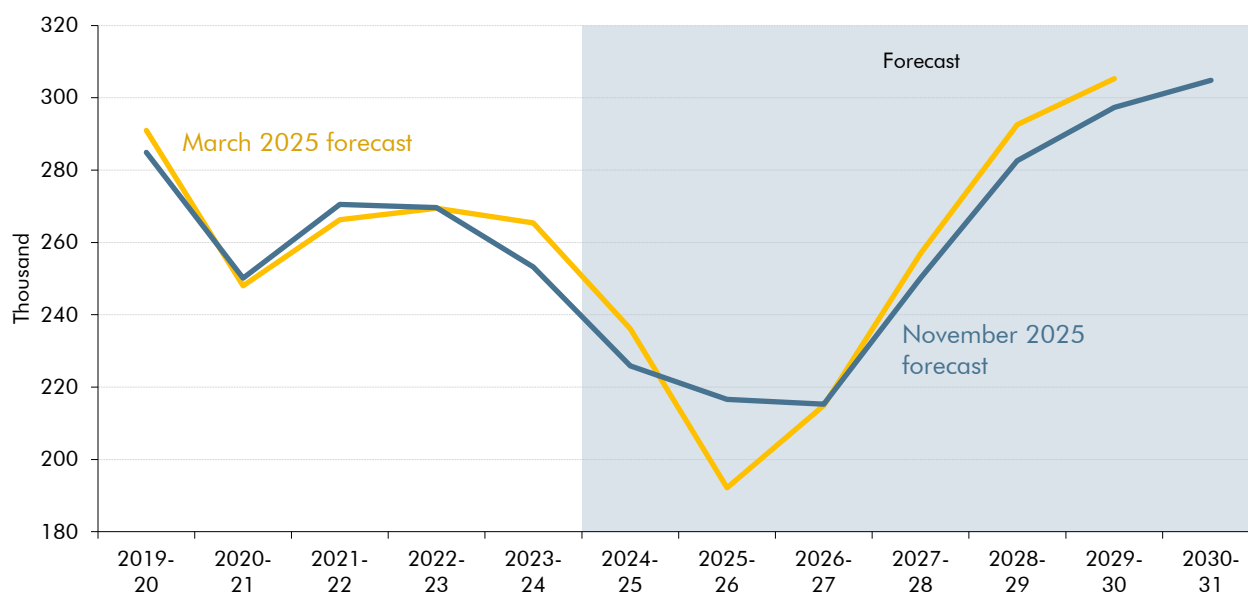
### Mortgage rates

2.57 Average interest rates on the stock of mortgages are expected to rise from around 3.7 per cent in 2024 to around 5 per cent in 2029, 0.2 percentage points higher than our March forecast. The high proportion of fixed-rate mortgages (around 90 per cent) means past increases in Bank Rate feed through slowly to the stock of mortgages.

### Housing supply

2.58 Net additions to the UK housing stock are expected to fall from an average of 260,000 a year in the early 2020s to a low of 215,000 in 2026-27, as recent subdued housing starts are reflected in additions. We then expect net additions to rise sharply to 305,000 in 2029-30, reflecting the impact of planning reforms. Compared to March, net additions are 10,000 lower in 2024-25 but around 25,000 higher in 2025-26, based on estimates drawn from new domestic Energy Performance Certificates (EPCs) up to early October. We expect slightly lower net additions toward the end of the forecast due to slightly higher forecast mortgage rates from 2028 onwards. This leaves cumulative net additions between 2024-25 and 2029-30 at 1.49 million, around 10,000 lower than in March.

Chart 2.22: Net additions to the housing stock



Source: MHCLG, Northern Ireland Department for Communities, Scottish Government, StatsWales, OBR

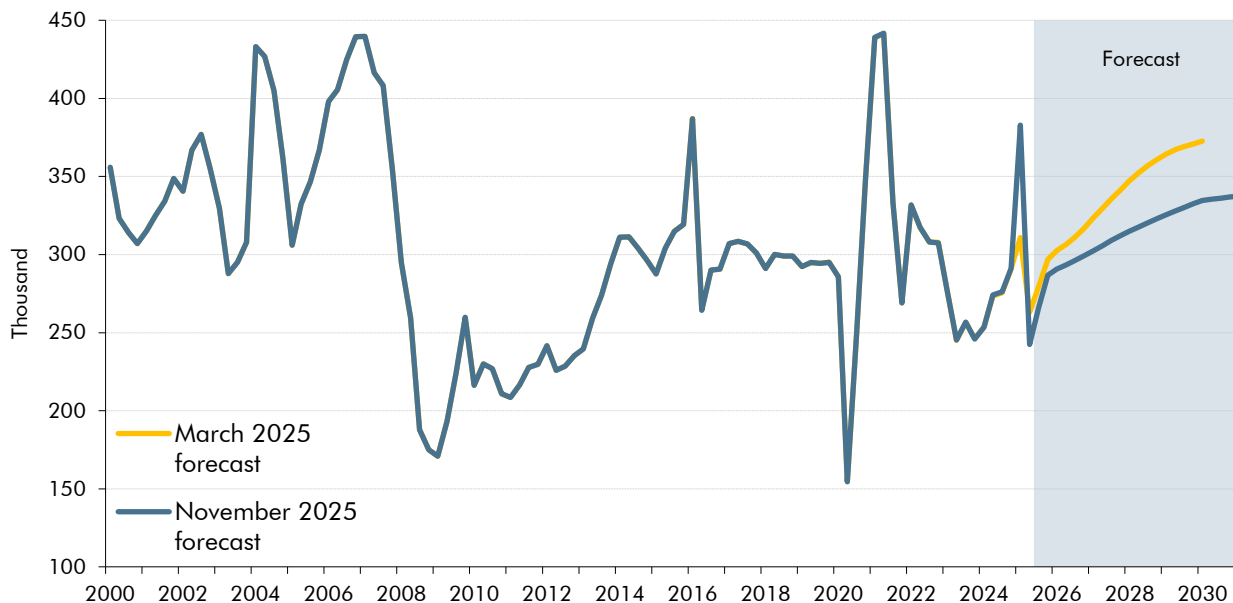
## House prices and property transactions

**2.59** The average house price in the UK is expected to rise over the forecast from £260,000 in 2024, to just under £305,000 in 2030. In our forecast, house prices grow just under 3 per cent in 2025 and average 2½ per cent annual growth from 2026, broadly in line with average nominal earnings growth. We expect the increase to property income tax rates from April 2027 to reduce house price growth by around 0.1 percentage points a year from 2028 (see Chapter 3).

**2.60** Residential housing transactions have been volatile this year, rising sharply in the first quarter and then falling sharply in the second, as transactions were brought forward to take advantage of the stamp duty holiday ending in April. We expect property transactions to increase over the forecast, from just under 1.1 million in 2024 to around 1.3 million in 2029. This is around 155,000 fewer transactions a year than in our March forecast by 2029 (Chart 2.23). Our lower forecast for property transactions over the medium term is because we have lowered our assumed turnover rate (the ratio of the total housing stock to housing transactions) to better reflect the impact of past increases in average stamp duty. The projected increase in mortgage rates in our forecast and an ageing population that transacts property both later in life and less frequently, also weigh on transactions.<sup>16</sup>

<sup>16</sup> See MHCLG, *English Housing Survey 2023 to 2024: Headline findings on demographics and household resilience*, Chapter 3, November 2024.

Chart 2.23: Property transactions



Source: HMRC, OBR

## Residential investment

2.61 We expect residential investment growth to accelerate from 1 per cent in 2025 to around 7 per cent in 2027 and 2028, as monetary policy loosens and planning reforms take effect.<sup>17</sup> Growth moderates to 2 per cent by 2030 as these effects fade. Relative to March, residential investment growth is 3 percentage points higher in 2025, due to stronger outturn, but is 1.3 percentage points lower on average from 2026 to 2029, reflecting the rise in medium-term interest rate expectations and a lower housing market turnover rate, described above.

## Nominal GDP and its composition

2.62 In our central forecast, nominal GDP growth is 4.3 per cent in 2025-26, then averages 3½ per cent a year in the rest of the forecast. Cumulative nominal GDP growth between 2025-26 and 2029-30 is 0.9 percentage points lower than in March, with 1.3 percentage points lower real GDP growth partly offset by 0.5 percentage points higher GDP deflator growth. Policy measures at this Budget reduce nominal GDP growth 0.1 percentage points in both 2027-28 and 2028-29.

2.63 In addition to the total amount of nominal GDP growth over the forecast, its composition also matters for our fiscal forecast, as different kinds of income and expenditure have different effective tax rates. While cumulative nominal GDP growth is lower than in the March forecast, its composition is more fiscally favourable (as discussed in Box 4.1).

2.64 On the **income** side, we have increased growth in the tax base with the highest effective tax rate and reduced growth in tax bases with lower effective tax rates (Chart 2.24, left panel):

<sup>17</sup> Residential investment includes new housing supply, housing improvements and 'transfer costs' related to transactions.