



Valuation Office
Agency

*Communication by digital channels preferred hard
copy post to*

Valuation Office Agency (VOA)
Wycliffe House
Green Lane
Durham DH1 3UW

Our Reference: 1878052
Your Reference: P/FUL/2024/04613

By email

Damien.Lynch@planningissues.co.uk

Please ask for: Cecilia Reed
Tel: 03000503616
E Mail: cecilia.reed@voa.gov.uk

Date: 10 November 2025

Dear Damien,

DVS Provisional Viability and Affordable Housing Position

Subject of Assessment:	Land to Rear of 156-172 South Street Bridport DT6 3NP
Appeal Reference	APP/D1265/W/25/3372602
Application Reference:	P/FUL/2024/04613
Appellant:	Churchill Retirement Living Limited
Appellant's Viability Advisor:	Planning Issues Town Planning and Architecture
Viability Report Reference:	Update Report on Affordable Housing & Viability Land to Rear of 156-172 South Street, Bridport, DT6 3NP September 2025

I understand that you are the viability expert for the appellant for the above case. If that is not the case, please forward this letter to the relevant practitioner and provide me with their contact details.

Further to the Case Management Conference on 3rd November 2025 I set out a request for further supporting information together with my provisional viability position below.

Firstly, to summarise the case history: in February 2025 my DVS colleague, Cheryl Barlow MRICS concluded the scheme could support the on-site delivery of 30% affordable housing together with the CIL contribution of £842,844. As part of that report DVS recommended the council appoint a Quantity Surveyor to examine the abnormal/ extra over site costs.

DVS have had no further engagement with this case until being appointed for the Planning appeal by Inquiry.

I understand that as part of the September 2025 appeal submission in the appellants have offered £95,702 as a contribution in lieu of onsite affordable housing together with the CIL contribution, calculated at £842,884.

I have considered the September 2025 viability report and welcome the concessions made.

In particular:

1. The increase in the respective Market Values for two of the dwelling types. These are much more aligned with the DVS position in February 2025,
2. A reduction in finance rates. I can confirm am prepared to accept this compromise in rates of 7.5% debit and 1% credit.

Affordable Housing

I can report that the planning officer has confirmed that Dorset Council will no longer be seeking the onsite provision of affordable housing as this scheme is proposed to be a gated community.

I have produced a new appraisal that models a sum in lieu of on-site provision.

Dorset Council have provided the affordable housing commuted sum requirement as **£1,219,769**. At this stage I have not carried out any due diligence on the Affordable Housing calculation but expect the required figure will be factual, and something that we can agree ahead of preparing our evidence.

In terms of timing, I have provisionally modelled the affordable housing contribution as three payments:

- 50% upon commencement of construction
- 25% upon 50% of total GDV receipts and
- 25% upon 75% of total GDV receipts.

I anticipate the trigger points will be agreed ahead of preparing our proofs and factual consequently this may be subject to variation.

Disputed Inputs

I note that many areas of common ground have now been established, including Benchmark Land Value and Developer Profit. I understand the remaining areas of dispute have been narrowed to the following:

1) Development Period

For the original viability review the respective development periods were not comparable, as DVS modelled on-site affordable homes.

I understand that you have increased the development period by 6 months from your previous position, now adopting 87 months. I would welcome the rationale behind this change.

I understand your 87 months development period comprises:

- Site purchase – 1 month
- Preconstruction period 6 months
- Construction period of 20 months
- Apartment sales period of 60 months - based upon c.1.2 units per month.

My colleague Cheryl Barlow has been reviewing sales evidence for retirement apartments and the evidence so far strongly supports a shorter development period and higher absorption rates.

I have adopted a development period of 55 months.

- Pre-construction period 6 months (includes site purchase)
- Construction period of 20 months
- Apartment sales period of 29 months - based upon 25% upon practical completion for the apartment block and then c.1.25 apartments per month
- Cottage sales period of 13 months based upon c. 2 per month

My development period conclusion is not yet definitive, as further research is required. I recognise that your client has direct access to the most relevant and recent evidence, and I would appreciate receiving a comprehensive schedule of sales evidence — including completion dates — from comparable schemes in the Southwest, particularly those involving cottages.

As you will appreciate, this input has significant implications for finance costs and the empty property costs.

2) Gross Development Value

On a like with like basis there's a difference of £895,000. For ease of reference, I include two tables (a) the Market Values at the various stages of this case including my current position and (b) the cumulative impact on GDV between our latest positions.

Table (a)

Assessment Date Type	Applicant's / Appellant's		DVS	
	August 2024	Sept 2025	February 2025	Sept 2025 Provisional Blended
1 bed apartment	£290,000	£275,000	£290,000	£288,906
2 bed apartment	£390,000	£410,000	£420,000	£423,125
2 bed cottage	£430,000	£450,000	£460,000	£459,600

Table (b)

Type	Appellant Sept 2025	DVS Sept 2025	Cumulative difference in GDV
1 bed apartment	£8,800,000	£9,245,000	£445,000
2 bed apartment	£6,560,000	£6,770,000	£210,000
2 bed cottage	£11,250,000	£11,490,000	£240,000
Total GDV	£26,610,000	£27,505,000	£895,000

With regards to the Market Value of the 1 bed apartment: I note that in February 2025 DVS accepted the applicant's MV of £290,000 however as part of the appeal submission you have reduced this by £15,000. Please provide supporting evidence for this reduction.

I consider it appropriate to value the units individually rather than adopt a uniform value that does not account for the variation in size and property attributes. This does not present a huge difference in overall GDV it is in my opinion, the appropriate technique, as a RICS Registered Valuer. I can and will provide a schedule in due course.

On existing evidence available to DVS, I consider that the DVS Market Values (£/ sqm) robust. However, I would duly consider any evidence you have ahead of preparing my proof.

3) **Abnormal (extra over) site costs**

Dorset Council have recently appointed a Quantity Surveyor, Andrew Hulmes MRICS to review the construction, external and site-specific abnormal costs. Mr Hulmes requires additional information to conclude his review of the site-specific abnormal costs. I understand that a separate request will be sent via the planning officer. At this stage Mr Hulmes has identified £207,000 of cost savings which I have used for my provisional appraisal today. **Please note the figures below are provisional and subject to the receipt of the additional information and his final report.**

4) **Professional fees**

It is agreed that professional fees are applicable to construction and external costs only, however the applicable percentage is not agreed. This is a difference of professional opinion; the appellant's advisor adopts 10% and 8% is adopted by DVS.

The provisional viability impact is circa £230,000.

5) **Finance**

Whilst the interest rates are now agreed; debit rate of 7.5% and a credit rate of 1%; as a consequence of the difference of opinion over development period and absorption rates the sum is considerably different. Current viability impact approaching £1.42 million.

6) **Empty Property Costs**

The make-up of the figures was accepted as reasonable by DVS in February 2025, however owing to a shorter development period and on-site affordable housing being modelled the overall cost was not agreed.

You will appreciate that I will need to carry out due diligence on the proposed figures for my expert witness / proof of evidence report, however, by adopting the existing figures with regards to my development period assumptions and the information from Dorset council regarding council tax payments; the current difference is over £330,000.

A notable point is that I strongly disagree that this outgoing would be applicable to the cottages, and I would welcome your reasoning on this point.

Viability Conclusion

The conclusion I report today is provisional may be subject to change once I have completed all my due diligence, analysed and reviewed any further evidence you may provide, and received the final QS report.

At this stage, on the information available to me it is my conclusion the retirement scheme can support the full policy requirements of £892,874 in CIL and £1,219,769 as a contribution in lieu of onsite provision of affordable housing.

Further to this work, I can state that I do not consider the appellants offer of £95,702 towards off site affordable housing to be reasonable.

I understand we are required to prepare a statement of common ground for viability by 28th November, I include a table at the end of this report to initiate this. I also attach this as a word document for your editing. I also attach my provisional appraisal.

I trust this provides a clear summary of the updated, current albeit provisional viability position and I look forward to progressing the matter over the next couple of weeks.

Yours sincerely



Cecilia Reed MRICS - Principal Surveyor
RICS Registered Valuer
RICS Registered Expert Witness
DVS, VOA

Enc. V1 viability SOCG inputs table

CC. LPA: Robert Lennis

Appellant's planning advisor: Matthew.Shellum@planningissues.co.uk

Viability SOCG table of inputs				
Version 1 by C Reed 10-11-2025				
Inputs	Unagreed	Appellant 100% Market	DVS 100% market	Agreed (Y/N)
	Subject to review			
	Agreed			
Assessment Date		September 2025	September 2025	Yes
Development Period		87 months	55 months	No
Gross Development Value		£26,610,000	£27,505,000	No
Market Housing GDV		£26,610,000	£27,505,000	No
Market values	1 bed app	£275,000 (lower)	Various – blended £288,906	No
	2 bed app	£410,000	Various – blended £423,125	No
	2 bed cottage	£430,000	Various – blended £459,600	No
Planning Policy requirement		CIL £842,884 S106 AH contribution: £TBC	CIL £892,874 S106 AH contribution £1,219,769 (TBC)	Expected to be agreed
Construction Cost		£10,366,637	£10,366,630	Provisional LPA QS to confirm
External Cost		10%	10%	
Abnormal Costs		£1,851,000	£1,644,008	
Future Homes Standard Part F, L, O & S		£229,730	£229,730	
Professional Fees % Professional Fees amount		10% Build and External £1,140,330	8% Build and External £912,263	No
Contingency		5%	5%	Yes
Empty Property Costs		£608,220	£270,577	No
Finance Interest		7.5% Debit 1% Credit	7.5% Debit 1% Credit	Yes
Finance Amount		£2,180,735	£760,099	No
Marketing Sales		3% GDV	3% GDV	Yes
Agency Fees		2% GDV	2% GDV	Yes
Legal Fees for Disposal		£750 per unit	£750 per unit	Yes
Land Acquiring Costs		1.75% and SDLT at prevailing rate	1.75% and SDLT at prevailing rate	Yes
Profit Target		20% GDV	20% GDV	Yes
Benchmark Land Value		£825,000	£825,000	Yes
Viability Conclusion Full Policy Scheme		Not viable	Viable	No
Max Policy/ Deliverable Scheme		£95,702	Full Policy can be supported	No