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Agency

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FAO: Planning Inspectorate

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Date: 28th November 2025

Summary of DVS viability position

I write with an update on the viability position to meet Pre-Inquiry requirements. This note is intended to accompany the Viability Statement of Common Ground due for submission to the Planning Inspectorate on the same date. It has been prepared by myself, Cecilia Reed, I am the viability surveyor appointed by Dorset Council for the below case:

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:	Mr Damien Lynch MRICS Planning Issues Town Planning and Architecture

It is imperative to note the sum I report today is provisional and may be subject to change once I have completed all the due diligence, analysed evidence and finalised my opinion on the disputed inputs as discussed below. This letter is being provided to assist the inquiry by setting out the main areas of dispute.

I have reviewed the appellant's viability position as set out in their appeal statement of case and welcome the concessions they have made since the initial viability assessment which accompanied the planning application.

Since the Case Management Conference on 3 November 2025, the appellant's viability advisor and I have engaged in helpful discussions. Further to this I can report that the majority of the viability appraisal inputs are now agreed and that the remaining areas of dispute have been narrowed to the following:

1) Gross Development Value (GDV)

The DVS GDV is £27,265,000 and the appellant's opinion is £26,690,000.

The main difference stems from the appellant's advisor reducing the Market Value of the one-bedroom apartment that was previously agreed. The appellant's advisor has submitted further evidence that he considers supports this reduction. I will continue to review this, therefore the DVS GDV figure stated above remains provisional at this stage.

2) Development Period

In this case the development period is divided into 4 parts, 3 of which are agreed:

- Site purchase – 1 month - agreed
- Pre-construction period - 6 months - agreed
- Construction period of 20 months – agreed
- Apartment and cottage sales period – **unagreed.**

The appellant's surveyor adopts a sales period of 60 months whereas I now adopt 42 months; an increase from my previous position of 29 months.

It is worthwhile to note that there are elements of the sales period that are understood to be agreed, or are close to being agreed. For example, the appellant's surveyor assumes 15% of sales upon practical completion, whereas I assume 20%; and, by the end of the first year (sales month 12) the appellant's surveyor assumes 48% of the units will be sold, and I assume 50%.

After that initial 12 months of sales, there is a distinct difference, with the appellant averaging 0.7 units per month (or thereabouts) and DVS averaging 1.2 per month. The appellant has submitted further evidence that I will continue to consider.

The development period has a significant impact on viability as it feeds into 'finance' costs (the cost of borrowing) and a type of 'holding cost' referred to as 'empty property costs.' These two inputs are, therefore, also unagreed. However, owing to my recent acceptance of a longer sales period this dispute now has a smaller impact on the overall viability than previously reported.

3) Finance

The initial disagreement regarding the sales period and absorption rates resulted in a significant variance in the total finance amount. After considering the appellant's most recent evidence, as detailed above, I have extended the sales period by 13 months. This adjustment suggests there is now a modest difference in finance costs however it should be noted that cashflow assumptions are very sensitive and may be impacted by other matters; such as the trigger payments; are confirmed.

4) Empty Property Costs

Up and until all the retirement properties are sold the developer incurs operating costs, such as utilities, insurance, and council tax. The make-up of the operating cost was accepted as reasonable by DVS in February 2025, however owing to a shorter development period and on-site affordable housing being modelled at that time the overall 'empty property cost' was not agreed.

I will need to complete my due diligence on the figures in time for my proof of evidence but, by adopting the previously agreed figures, with my development period and my absorption rates, and the information from Dorset council regarding council tax payments; the current difference is in the order of £35,000.

5) Affordable Housing Commuted Sum

I understand that on-site affordable housing provision is not required. My appraisal models a financial sum in lieu of on-site provision.

On 27th November 2025 Dorset Council provided the compliant affordable housing requirement as £1,573,993.

This compliant sum has varied over the duration of this case. At application stage, the sum was provided as £646,738. In April 2025, the council updated their commuted sum formula and that £1,219,769 was the figure initially provided from this new formula. However, I understand this was updated yesterday to reflect the appellant's accommodation schedule. The appellant is unable to agree that this new sum is applicable.

For the purposes of my provisional viability position today, I have proceeded by adopting the latest figure of £1,573,993 as the compliant sum. I will continue to work with the appellant's viability advisor and the council to agree the appropriate compliant sum.

It is also worth noting that I have not yet received confirmation regarding the precise trigger points for payment. For now, I have modelled the affordable housing contribution as three payments: 50% upon commencement of construction, 25% upon completion of the apartment block and 25% upon 50% occupation. If this is incorrect, then the finance figures and the viability conclusion reported may be subject to change.


Provisional Viability Conclusion

At this stage, on the information available to me it is my conclusion the retirement scheme cannot support the full policy requirements of £892,874 in CIL and £1,573,993 as a contribution in lieu of the onsite provision of affordable housing.

The next step would be to calculate the maximum contribution the scheme can make towards planning policy requirements without impacting the overall viability. Whilst I am yet to conclude my position on some of the unagreed inputs, **at this stage it is my provisional opinion that the scheme can support CIL requirements of £892,874 and circa. £850,000 as a contribution in lieu of onsite provision of affordable housing.**

This figure of £850,000 (eight hundred and fifty thousand pounds) is tentative and provided to assist the inquiry, by giving an indication of the difference between the advisors. My final position will be explained in my proof of evidence.

Further to this work, I can state that I do not consider the appellant's latest formal offer of £330,487 towards off site affordable housing to be reasonable. This note, together with the Viability Statement of Common Ground provides a summary of the latest viability position.


Cecilia Reed MRICS
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DVS, VOA