



Rebuttal Proof of Evidence - 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: 13th January 2026

1.0 Introduction.

1.1 The purpose of this rebuttal document is to address a small number of points made in the Proof of Evidence (POE) of Cecilia Reed (CR).

2.0 Sales Values

2.1 I agree that buyers will normally pay a newbuild premium (6.44 of CR POE). However, my experience is that purchasers of newbuild retirement accommodation stay an average of 8-10 years after purchasing. In the case of Gordon Court, the available resale properties are only 3-4 years old and therefore represent high quality comparable properties which cannot be completely disregarded. Good quality second hand stock has remained on the market over the course of 2025.

2.2 At 6.46 of CR POE, it is stated in respect of the Gordon Court sales data, *that it cannot be ignored that much of the data is either historic or asking prices and requires upward adjustment for the premium that would be applicable at the subject* (my emphasis). I have demonstrated within my own evidence that the market across Dorset reached a peak in 2022 and values have fallen rather than increased since these transactions took place (Appendix 3 DL POE).

2.3 It is important to note that the McCarthy Stone comparable at Wimborne (6.49 of CR POE) is an extra care scheme (retirement living plus) and therefore a different product to the one proposed by the Appellant. The Wimborne scheme is an over 70s development with on-site bistro, wellness studio and on-site beauty and hair salon. As noted within the Council local plan viability analysis (CD5.22, Table 4.11), extra care tends to command a 25% value premium over retirement living/sheltered accommodation due to the additional services provided which often include individual care packages.

2.4 I note that the £7,465 m2 achieved rate reported for this comparable is from just 6 sales. There are 48 apartments (45 removing shared ownership units) remaining for sale on the Wimborne development. If one looks at the asking prices for these remaining apartments, the blended average asking price is £6,481 m2 or £5,184 m2 if adjusted downward in line with the 25% premium set out within the Council's plan wide viability study.

Table 1 – Asking Prices for remaining units at McCarthy Stone Wimborne

	m2	Asking Price	£m2	25% adjustment	5% market area adjustment
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1 bed (34)	51.61	£347,353.00	£6,735.00	£5,388.00	£5,131.43
2 bed (11)	79	£446,818.00	£5,695.00	£4,556.00	£4,339.05
Average	58.31	£371,666.00	£6,481.08	£5,184.87	£4,937.97

- 2.5 This does not factor in any further adjustments for sales incentives or the fact that Wimborne is a higher value location compared to Bridport (page 45 CR POE). My assumed range of values for the Appeal scheme is £5,108 - £5,204 m2 and I therefore consider that this example supports my values once the typology adjustment is applied and without considering other adjustments for market area.
- 2.6 In respect of the McCarthy Stone Dorchester scheme, this example is included within the valuation appendix of the CR POE but does not appear to form part of the main consideration of values within Section 6. This example is the closest live selling site to the appeal site. The completed sales values to date are reported within the valuation appendix of the CR POE where it is concluded that adjustments are required, for the location and date.
- 2.7 My own analysis has suggested that the Dorset wide market peaked in 2022 and has fallen thereafter (DL POE 5.7). Furthermore, I have highlighted 12 existing unsold properties on this development (DL POE 5.23). I have highlighted that the remaining units are available for broadly £46,000 - £91,000 a unit lower than the average values I have assumed.
- 2.8 The CR POE (page 40) highlights that the RICS PS comparable evidence in real estate (CD 5.21) considers that *asking prices also sit within Category A evidence albeit these should be treated with caution, but where interpreted carefully by an experienced valuer, asking prices can provide some guidance on current market conditions and trends in value*. My analysis concludes that values have fallen since the original sales took place at Gordon Court and Casterbridge Court and that the remaining unsold units at Casterbridge Court support even lower values.
- 2.9 Finally in respect of Casterbridge Court, I note that it is reported *that this development is located 15 miles east from the subject and despite greater amenities, average house prices in Dorchester are 10% lower than Bridport according to soldhouseprices.co.uk* (CR POE page 45). I have already noted within my own evidence that the council plan wide viability study considers Dorchester to be a higher value location in comparison with Bridport (DL POE 5.26).

2.10 The resource referenced within the CR POE is *soldhouseprice.co.uk* which I would comment is one of many property websites. In contrast and for example, Rightmove reports that, over the last 12 months, average prices within each location are broadly similar with some types of property showing higher values and some lower.

Table 2 – Rightmove comparison of Dorchester and Bridport Market Areas

Dorchester	Bridport
<i>House prices in Dorchester have an overall average of £361,363 over the last year.</i>	<i>House prices in Bridport have an overall average of £365,791 over the last year.</i>
<i>The majority of properties sold in Dorchester during the last year were terraced properties, selling for an average price of £357,007. Flats sold for an average of £237,130, with detached properties fetching £532,693.</i>	<i>The majority of properties sold in Bridport during the last year were detached properties, selling for an average price of £537,190. Terraced properties sold for an average of £291,713, with flats fetching £189,151.</i>
<i>Overall, the historical sold prices in Dorchester over the last year were 1% down on the previous year.</i>	<i>Overall, the historical sold prices in Bridport over the last year were 3% down on the previous year.</i>

Source – rightmove.co.uk accessed on 17/12/2025

2.11 I note that at CR POE page 44 it is stated that *Data from Soldhouseprices.co.uk shows that average values in Bridport are currently trending up from 2024 levels.* The Rightmove data above suggests the opposite to be the case over the last year for both Bridport and for Dorchester. I have applied Dorset wide indices from Land Registry data (Appendix 3 of DL POE). For flatted typologies, values have remained relatively stable over the last year according to the Land Registry. The same data shows modest decreases over 24 months and slightly larger decreases in flatted values over 36 months (when the initial sales for Casterbridge Lodge and Gordon Court took place).

2.12 I maintain that Casterbridge Court in Dorchester is a very relevant comparable being the closest live selling scheme. Both sold and unsold asking prices provide a good indicator of achievable values.

- 2.13 A further comparable at Blandford St Mary is provided within the DVS evidence. This is a McCarthy Stone scheme built in 2023 located approximately 32 miles away from the appeal site. The development is located in Blandford St Mary a short walk from the main amenities of Blandford Forum which may be accessed via pedestrian footbridge. The development overlooks Stour Meadows and the River Stour and has excellent local amenities including two supermarkets within a short walk making this a very well located retirement scheme.
- 2.14 I note that 14 properties remain available for sale at Blandford St Mary. 13 of the remaining units are 1 bed properties averaging circa 46 m2. The asking price averages £263,808 or £5,754 m2 compared with the 2023 transactions in the CR POE page 46 table (£6,650 m2 for 6 sales). Asking prices do not allow for incentives offered to buyers e.g. stamp duty payment or cash incentives. I would therefore expect the rate achieved on these 13 units to be lower again. Additionally, a further adjustment would need to be made for unit sizes given the £m2 achieved for larger units tends to be lower. The appeal scheme average 1 bed unit size is 52.8 m2.
- 2.15 There is 1 remaining 2 bed available at Blandford St Mary asking £375,000 or £5,434 m2. This unit is 69 m2 and again, I would expect adjustment downward for £m2 to reflect the larger 2 bed averages at the appeal scheme (81.2 m2). Number 45 Stour Gate appears to be the largest 2 bed and this sold for £412,500 (£5,156 m2) in October 2023.

Table 3 – Asking prices remaining units McCarthy Stone Blandford St Mary

	m2	Asking Price	£m2
1 bed (13)	45.84	£263,808	£5,754
2 bed (1)	69	£375,000	£5,434
Average	47.5	£271,750	£5,731

- 2.16 I remain of the opinion that the McCarthy Stone scheme at Casterbridge Court in Dorchester is a more local comparable, with larger more comparable unit sizes. This remains the closest, live selling scheme in a similar market area.
- 2.17 I conclude that the values I have adopted for average 1- and 2-bedroom properties are representative of local achievable values at £275,000 (£5,204 m2) for average 1-bedroom apartments (52.8 m2) and £415,000 (£5,108 m2) for average 2-bedroom apartments (81.2 m2).
- 3.0 Sales Rates

- 3.1 I note at 7.11 of the CR POE that reference is made to other agreed viability appraisals, and particularly the Appellant's scheme at Evesham. I have demonstrated at Table 12 of my POE that in 12 months of sales, this scheme has only managed to sell 13% of units built vs. the 50% agreed within that viability appraisal.
- 3.2 At 7.12 of the CR POE it is stated that *whilst site scheme specifics can be reflected, the outcome should be objective and reasonable and not tailored to the developer's specific needs*. I disagree that my approach has been tailored to the developer's specific needs given that I have referenced McCarthy Stone developments at Gordon Court in Bridport and Casterbridge Court in Dorchester (Table 10 DL POE). My analysis is not exclusive to the appellant but is reflective of the local market. I also noted that my rate is higher than that assumed within the Council plan wide viability analysis (DL POE 5.53).
- 3.2 I would add that the comparable now identified by the Council at Blandford St Mary (by McCarthy Stone) has been selling since October 2023 and has 14 units remaining unsold which indicates a rate of sale of circa 1.19 sales per month i.e. lower than the rate I have assumed for the larger appeal proposal.
- 3.3 Within the context of the comparable developments reviewed and the scale of the development, I remain of the opinion that my overall rate of sale of 1.22 sales per month as profiled at Table 13 of DL POE is reasonable.
- 3.4 In spite of the difference of opinion in relation to sales period, taken together, the Council position on empty property costs and development finance costs is now marginally higher than what I assume. This is due to the approach now taken by the DVS in respect of empty property costs (CR POE 8.49).

Table 4 – Difference between Empty Property Costs and Finance Assumptions

Assumption	Appellant	DVS for Council	Difference
Empty Property Cost	£515,771	£600,960	+£85,189
Finance Costs	£2,169,458	£2,118,862 (£700,000 contribution for AH appraisal)	-£50,596
Net Difference			+£34,593

- 3.5 I have elected not to change my approach in respect of empty property costs and remain consistent with my 2024 approach for the original assessment. I note that the council now charges a premium on empty property (vacant for longer than 12 months) (CR POE 8.48) which would increase empty property costs in my own appraisal. In order to narrow areas of disagreement I have maintained my original approach.
- 3.6 Despite the difference in assumed sales periods by each party, the net impact on viability overall is now very narrow with the Council position showing a slightly higher cumulative cost for empty property costs and finance costs in comparison to my own assumptions.
- 4.0 Planning Practice Guidance (PPG) Updates
- 4.1 It is noted that updates were published in respect of the PPG Viability section on 16th December 2025. Most notably, paragraph 009 now states that *the decision maker should consider whether the assessment and its conclusions are objective, reasonable and realistic.*
- 4.2 I consider that the findings of my assessment address these requirements and are consistent with the inputs to and the overall findings of the Council's plan wide viability assessment (CD5.22). As noted at 4.11 of the DL POE, the plan wide viability assessment concludes that *older person housing is not as viable as standard residential development.* It is noted that the plan wide viability assessment that in respect of housing for older people, a 10% affordable housing target is applied for testing in recognition of constrained viability.
- 4.3 When the application was submitted the Council considered a compliant sum to be £646,738 (CD5.25 paragraph 2) which was considered to equate to a 35% contribution. A £337,419 contribution is broadly 52% of that compliant position or 18% affordable housing. In October 2025, the Council considered a compliant sum to be £1,219,769. The viable sum equates to 28% of the revised compliant sum or broadly 10% affordable housing. In respect of the most recent compliant sum advised by the Council of £1,573,993, the viable sum equates to broadly 7.3% affordable housing.
- 4.4 Given the relatively large abnormal development costs agreed by the parties, I consider the sum deemed viable within my analysis to be both reasonable and realistic and arrived at following an objective assessment of viability overall.
- 4.5 I note that the council accepted commuted sum payments at both Gordon Court (£295,111) in 2021 and Casterbridge Court (£318,727) in 2019. I consider that given

the agreed extra over costs associated with the appeal site, the viable sum is reasonable and the outcome of the viability assessment is realistic.

5.0 The Expediently Agreed Position

5.1 Given the relatively narrow areas of disagreement between the parties, the Appellant offered an expedient sum of £500,000 towards an off-site affordable housing contribution which was accepted by the Council (1.3 of Robert Lennis Position Paper). It is noted at 4.3 of Robert Lennis Position Paper that the council consider the expedient sum to equate to approximately 14% affordable housing provision delivered off site and therefore higher than the percentages tested within the Council plan wide viability analysis.

5.2 I note that the CR POE provides commentary on the viability of that position at CR POE 12.0 and concludes that the appraisal generates a surplus profit over the 'target profit' level. This is due to the higher sales values assumed within the CR appraisal. I have produced evidence in my POE and this rebuttal to demonstrate that lower values are supportable below those assumed within the CR POE.

5.3 I have provided a further appraisal at Appendix 1 which takes my baseline viability appraisal and applies a midpoint set of values for 1- and 2-bedroom apartments between my own assessment and that of the DVS assessment of value. This arrives at a surplus land value of circa £499,000 and demonstrates that the Appellant's expedient offer may be demonstrated by adopting a midpoint position in terms of sales values.

6.0 Conclusions

6.1 I have reviewed the comparable data provided within the CR POE and conclude that the sales values I have adopted remain reflective of the local market.

6.2 As a further sensitivity test, I have separately assessed a mid-point position (between my own values and those assumed by the DVS) for sales values which demonstrates that a sum of broadly £500,000 is arrived at for an affordable housing commuted sum.

6.2 In respect of sales period, despite the difference in assumptions, the net result on finance costs and empty property costs results in a very narrow disagreement on cumulative costs overall. I have provided evidence demonstrating that my sales rate assumptions are appropriate and that a higher rate of sales cannot be supported. The updated Council position in respect of empty property cost calculations has

demonstrated that I have taken a conservative approach to the calculation of these costs.

Appendix 1 – Mid Point Sales Value Appraisal

Bridport Mid Point Values

Bridport Mid Point Values

Appraisal Summary for Phase 1 Retirement Apartments

Currency in \$

REVENUE

Sales Valuation	Units	m ²	Sales Rate m ²	Unit Price	Gross Sales
1 Beds	32	1,690.88	5,335.98	281,953	9,022,496
2 Beds	16	1,299.84	5,142.95	417,813	6,685,008
2 Bed Cottages	<u>25</u>	<u>2,365.50</u>	4,755.87	450,000	<u>11,250,000</u>
Totals	73	5,356.22			26,957,504

NET REALISATION

26,957,504

OUTLAY

ACQUISITION COSTS

Residualised Price	498,889			
Fixed price	825,000			
Total Acquisition (1.05 Ha @ 1,260,846.52 /Hect)		1,323,889		1,323,889
Stamp Duty		30,750		
Effective Stamp Duty Rate	2.32%			
Agent Fee	1.00%	8,250		
Legal Fee	0.75%	6,188		
				45,187

CONSTRUCTION COSTS

Construction	m ²	Build Rate m ²	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>	
Totals	6,188.48 m²		10,366,637	
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%	808,725		
				808,725

DISPOSAL FEES

Sales Agent Fee		2.00%	539,150	
Sales Legal Fee	73.00 un	750.00 /un	54,750	
				593,900

Unsold Unit Fees

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

TOTAL COSTS BEFORE FINANCE

19,357,387

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	217,837

Bridport Mid Point Values

Construction	921,678	
Other	1,069,101	
Total Finance Cost		2,208,616
TOTAL COSTS		21,566,003
PROFIT		5,391,501

Performance Measures

Profit on Cost%	25.00%
Profit on GDV%	20.00%
IRR% (without Interest)	18.10%