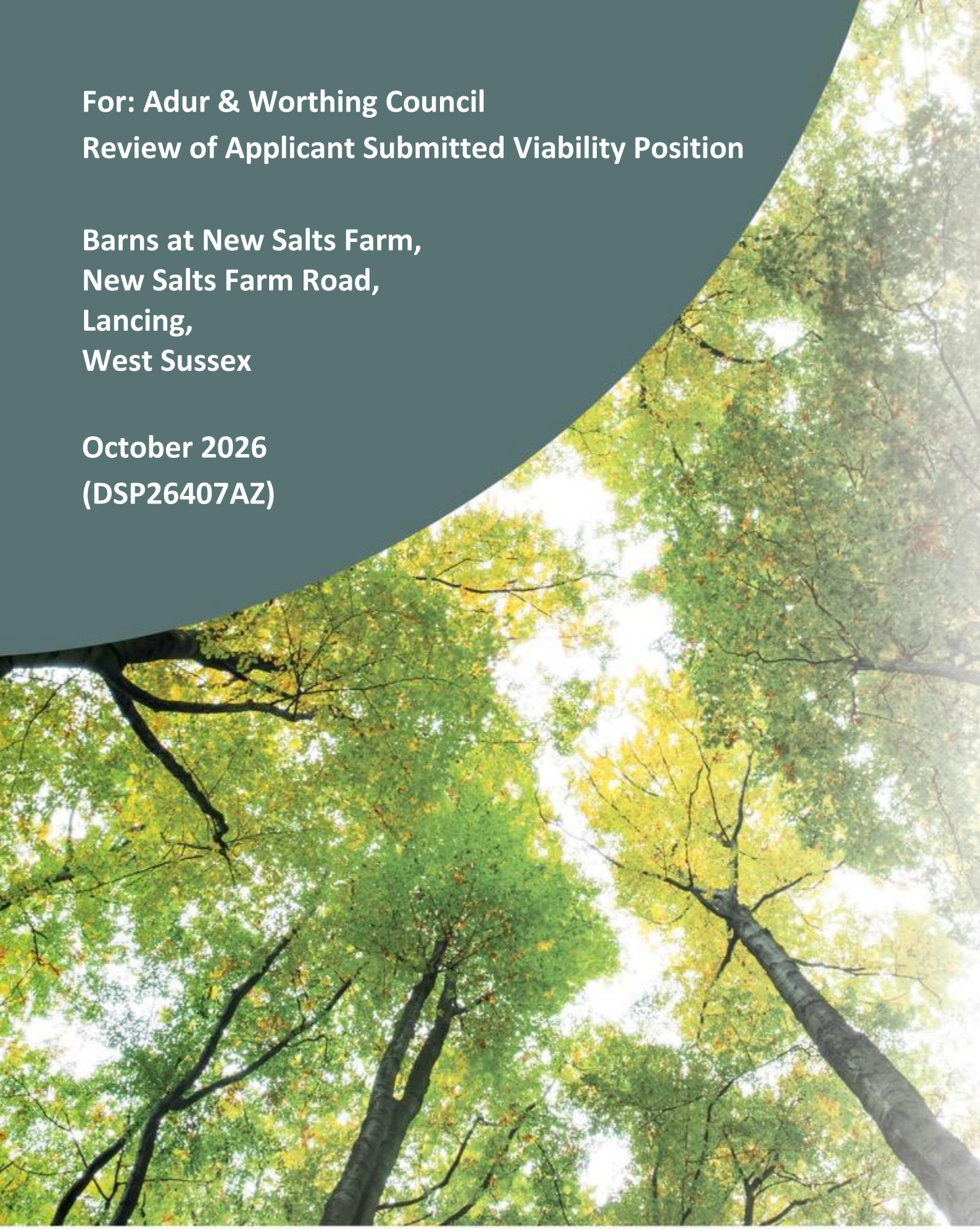
For: Adur & Worthing Council
Review of Applicant Submitted Viability Position

Barns at New Salts Farm,
New Salts Farm Road,
Lancing,
West Sussex

October 2026
(DSP26407AZ)



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1. Notes and Limitations

1.1.1. This review and its findings are intended purely for the purposes of providing Adur & Worthing Councils (AWC) with an independent check of, and opinion on, the planning applicant's viability information and stated position in this case.

1.1.2. In the preparation of this review Dixon Searle Partnership has acted with objectivity, impartiality, without interference and with reference to appropriate available sources of information.

1.1.3. This report and any associated work does not provide or amount to formal valuation advice.

1.1.4. So far as we have been able to see, the information supplied to DSP to inform and support this review process has not been supplied by the prospective / current planning applicant on a confidential basis. However, potentially some of the information provided may be regarded as commercially sensitive. Therefore, we suggest that the Council and prospective / current or subsequent planning applicant may wish to consider this aspect together. DSP confirms that we are content for our review information, as contained within this report, to be used as may be considered appropriate by the Council (we assume with the applicant's agreement if necessary). In looking at 'Accountability', since July 2018 (para. 022, most recently revised in December 2025), the published national Planning Practice Guidance (PPG) on viability says on this; '*Any viability assessment should be prepared on the basis that it will be made publicly available other than in exceptional circumstances*.'

1.1.5. Dixon Searle Partnership conducts its work only for Local Authorities and selected other public organisations. We do not act on behalf of any development interests. We have been and are involved in the review of other planning stage proposals within the Adur & Worthing areas as well as strategic level (development plan/planning policy) projects.

1.1.6. In any event we can confirm that no conflict of interest exists, nor is likely to arise given our approach and client base. This is kept under review. Our fees are all quoted in advance and agreed with clients on a fixed or capped basis, with no element whatsoever of contingent/incentive/performance-related payment.

1.1.7. We have undertaken this as a desk-top exercise as is appropriate for this stage and level of review. For general familiarisation we have considered the site context from the information supplied by the Council and using available web-based material.

1.1.8. This document has been prepared for this specific reason and should not be used for any other purpose without the prior written authority of Dixon Searle Partnership (DSP); we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned. To the extent that the document is based on information supplied by others, Dixon Searle Partnership accepts no liability for any loss or damage suffered by the client.

2. Introduction

2.1.1 Dixon Searle Partnership (DSP) has been commissioned by Adur & Worthing Councils (AWC) to carry out an independent review of the 'Viability Report' (VR) dated June 2026 and supplied to the Council on behalf of the applicant by Bespoke Property Consultants (BPC). This is in relation to the proposed development of New Salts Farm Barns, New Salts Farm Road, Lancing, West Sussex.

2.1.2 The VR has been submitted in support of a planning application (reference AWDM/0810/26) which seeks permission for the '*New development comprising the erection of 10 no. dwellings following the demolition of existing agricultural barns.'*

2.1.3 Adur's Interim Affordable Housing Position Statement confirms that the Council will use the NPPF threshold of 10 dwellings to seek affordable housing contributions at a target of 30% on new development.

2.1.4 In presenting their viability position, the applicant has supplied to the Council the aforementioned 'Viability Report' (VR) together with appendices including a PDF version of the submitted appraisal using Argus Developer. We have also been provided with the 'live' working version of the submitted appraisal.

2.1.5 For context, DSP has had sight of the documents contained within the Council's online planning application file.

2.1.6 We have considered the assumptions set out within the VR and provided our commentary based on those whilst also carrying out sensitivity testing where our opinion differs from that of the applicant's agent.

2.1.7 This report does not consider planning policy or the wider aspects in the background to or associated with the Council's consideration of this scenario. DSP's focus is on the submitted residential viability assumptions and therefore the outcomes (scope to generate land value and profit while also supporting the development costs and planning policies) associated with that aspect of the overall proposals.

2.1.8 For general background, a viable development could be regarded as the ability of a development project to meet its costs including the cost of planning obligations, while ensuring an appropriate site value (i.e. existing use value plus a reasonable premium) for the landowner and a market risk adjusted return to the developer in delivering that project. The Government's Planning Practice Guidance (PPG) on Viability sets out the main principles for carrying out a viability assessment. It states:

'*Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return. […] Any viability assessment should follow the government's recommended approach to assessing viability as set out in this National Planning Guidance and be proportionate, simple, transparent and publicly available. Improving transparency of data associated with viability assessment will, over time, improve the data available for future assessment as well as provide more accountability regarding how viability informs decision making. In plan making and decision making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission* '.[1]

2.1.9 Under normal circumstances, if the residual land value (RLV) created by a scheme proposal exceeds the existing use value plus a premium (referred to as a benchmark land value (BLV)) then we usually have a positive viability scenario – i.e. the scheme is much more likely to proceed (on the basis that a reasonable developer profit margin is also reached).

2.1.10 The submitted development appraisal has been run in a way which takes account of the benchmark land value (BLV) of the site (included as a fixed land cost of £287,500) and assesses the level of residual profit potentially available. This is then compared to a target profit assumed at a minimum of 15% of gross development value (GDV) in line with the PPG on Viability. Therefore, an approach has been taken that sets out to consider in the applicant's view, the maximum supportable contribution for affordable housing.

[1] Paragraph: 011 Reference ID: 10-011-20180724

2.1.11 The non-policy compliant scheme appraisal, including a commuted sum of £100,000, as presented produces a residual profit of £501,308, equivalent to 7.43% GDV.

2.1.12 The VR concludes that: '*This is significantly below the minimum return of 15% recognised in the National Planning Policy Guidance.*

In summary we can conclude the development does not generate a surplus sufficient to make a financial contribution towards Affordable Housing of more than £100,000 offered by the applicant.'

2.1.13 This report does not consider further the relevant planning policy, housing enabling strategy (generally and on matters such as tenure mix and affordability) or other wider aspects in the background to or associated with the Council's consideration of this scenario. DSP's focus here is on the submitted viability assumptions and therefore the outcomes (scope to support the development costs and an appropriate land value) associated with the proposals.

2.1.14 This review does not seek to pre-determine any Council positions but merely sets out our opinion on the submitted viability assumptions and outcomes to inform the Council's further consideration of this proposal; it deals only with viability matters, in accordance with our instructions.

2.1.15 DSP's remit is to review the submitted information to assess whether the stated viability scope available to support planning obligations (for affordable housing and/or other matters) is the most that can reasonably be expected at the time of the assessment. Our brief does not go as far as confirming what should be the outcome where schemes are stated or verified as being non-viable per se, based on a viability submission or any subsequent review. It is for the applicant to decide whether there is sufficient justification to pursue a scheme financially. While an absence of (or insufficient level of) planning obligations will be a material consideration, we are not aware that proof of positive viability is a criterion for acceptable development under current national policy. The Council may wish to consider these matters further, however.

2.1.16 In this context, AWC requires our opinion as to whether the viability figures and position put forward by the applicant are reasonable. We have therefore considered the

information submitted. Following our review of the key assumptions areas, this report provides our views.

2.1.17 We have based our review on the submitted VR and the premise that the viability of the scheme should be considered based on the assumption of current costs and values. We then discuss any variation in terms of any deficit (or surplus) created from that base position by altering appraisal assumptions (where there is disagreement if any).

2.1.18 The purpose of this report is to provide our overview comments regarding this individual scheme, on behalf of the Council - taking into account the details as presented. It will then be for the Council to consider this information in the context of the wider planning objectives in accordance with its policy positions and strategies.

2.1.19 In carrying out this type of review a key theme for us is to identify whether, in our opinion, any key revenue assumptions have been under-assessed (e.g. sales value estimates) or any key cost estimates (e.g. build costs, fees, etc.) over-assessed – since both of these effects can reduce the stated viability outcome.

2.1.20 This assessment has been carried out by Dixon Searle Partnership, a consultancy which has many years' combined experience in the development industry working for Local Authorities, developers, Housing Associations and in consultancy. As consultants, we have a considerable track record of assessing the viability of a wide range of schemes and assessing the scope for Local Authority planning obligation requirements. This expertise includes viability-related work carried out for many Local Authorities nationwide over more than 20 years.

3. Review of Submitted Viability Assumptions

3.1 Overview of Approach

3.1.1 The following commentary reviews the applicant's submitted viability assumptions as explained within the VR and its associated appendices.

3.1.2 Primarily the review process takes into account the fact that the collective impact of the various elements of the cost and value assumptions is of greatest importance, rather than necessarily the individual detailed inputs in isolation. We have considered those figures provided, as below, and reviewed the impact of trial changes to particular submitted assumptions.

3.1.3 This type of audit / check is carried out so that we can give the Council a feel for whether or not the result is approximately as expected – i.e. informed by a reasonable set of assumptions and appraisal approach.

3.1.4 As a general point, should there be changes sought to the scheme proposals this would obviously impact on the appraisal outputs.

3.2 Benchmark Land Value

3.2.1 In all appraisals of this type, the base value (value of the site or premises – e.g. in existing use) is one of the key ingredients of scheme viability. A view needs to be taken on land value so that it is sufficient to secure the release of the site for the scheme (sale by the landowner) but is not assumed at such a level that restricts the financial capacity of the scheme to deliver suitable profits (for risk reward), cover all development costs (including any abnormals) and provide for planning obligations as a part of creating sustainable development. This can be a difficult balance to reach, both in terms of developers' dealings with landowners, and Councils' assessments of what a scheme has the capacity to bear.

3.2.2 The RICS (Royal Institution of Chartered Surveyors) Professional Standard: '*Assessing viability in planning under the national Planning Policy Framework 2019 for England'* (reissued April 2023) took effect from 1st July 2021 when it was previously published as a guidance note. Its emphasis reflects the Planning Practice Guidance (PPG) on Viability

as noted below, and the PPG will remain the primary source of guidance in this field – viability in planning.

3.2.3 The RICS Professional Standard states that: *'The BLV should not be expected to equate to market value. […] The BLV is not a price to be paid in the marketplace; it is a mechanism by which the viability of the site to provide developers' contributions can be assessed. It should be set at a level that provides the minimum return at which a reasonable landowner would be willing to sell.'*

3.2.4 It goes on to state: *'The BLV is a benchmark value against which the developer contributions can be assessed. Once those contributions have been set, land markets should take the level of policy requirements in to account, just as all markets should take all relevant factors that affect value into account. PPG paragraph 013* [paragraph 014 in the latest PPG update] *states that 'Landowners and site purchasers should consider policy requirements when agreeing land transactions. This means that the actual price paid for a site cannot be used to reduce developer contributions.'*

3.2.5 The latest Viability PPG (most recently updated in December 2025) and the NPPF (most recently updated on 17 August 2026) very clearly advise that land value should be based on the value of the existing use plus an appropriate level of premium or uplift to incentivise release of the land for development from its existing use. With regard to how land value should be defined for the purpose of viability assessment, paragraph 14 of the PPG states: '*To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions*.'

3.2.6 The *PPG* defines existing use value as: *'the first component of calculating benchmark land value. Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the*

type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield (excluding any hope value for development). Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency data; public sector estate/property teams' locally held evidence.[2]'

3.2.7 Similarly, the updated NPPF (August 2026) states that *'Neither the price paid for land, nor the price intended to be paid through an option agreement, should be a justification for failing to accord with relevant policies in the plan[3]'.*

3.2.8 Paragraph 015 of the PPG states that a Benchmark Land Value should:

- *'be based upon existing use value*
- *allow for a premium to landowners (including equity resulting from those building their own homes)*
- *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees*

3.2.9 Paragraph 015 goes on to state that existing use value should be '*informed by market evidence of current uses, costs and values.[…] Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual* developers*, site promoters and landowners. This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.'*

[2] Paragraph: 016 Reference ID: 10-016-20190509
[3] NPPF policy DM5, page 20, paragraph 3.

3.2.10 Paragraph 015 further states that: *'Where viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.'*

3.2.11 Paragraph 017 of the PPG states that '*Policy compliance means that the development complies fully with up to date plan policies including any policy requirements for contributions towards affordable housing requirements at the relevant levels set out in the plan. A decision maker can give appropriate weight to emerging policies. Local authorities can request data on the price paid* for *land (or the price expected to be paid through an option or promotion agreement).'.*

3.2.12 With regard to assuming an alternative use value to determine BLV the guidance states: *'For the purpose of viability assessment alternative use value (AUV) refers to the value of land for uses other than its existing use. AUV of the land may be informative in establishing benchmark land value. If applying alternative uses when establishing benchmark land value these should be limited to those uses which would fully comply with up to date development plan policies, including any policy requirements for contributions towards affordable housing at the relevant levels set out in the plan. Where it is assumed that an existing use will be refurbished or redeveloped this will be considered as an AUV when establishing BLV. Plan* makers *can set out in which circumstances alternative uses can be used. This might include if there is evidence that the alternative use would fully comply with up to date development plan policies, if it can be demonstrated that the alternative use could be implemented on the site in question, if it can be demonstrated there is market demand for that use, and if there is an explanation as to why the alternative use has not been pursued. Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. Valuation based on AUV includes the premium to the landowner. If evidence of AUV is being considered the premium to the landowner must not be double counted*[4]*.'*

3.2.13 It is therefore clear that the only acceptable approach to defining a benchmark land value for the purposes of a viability assessment is the EUV+, or, exceptionally, AUV.

[4] Paragraph: 018 Reference ID: 10-018-20190509

3.2.14 The application site extends to 0.575 hectares and includes two open sided barns. The VR refers to the Local Plan Viability Appraisal (2017), however, considers the work to be 'sufficiently historic not to provide current meaningful context.' Therefore, the VR considers the adjoining Worthing plan wide viability appraisal (2021) and based on the upper end assumption of £500,000/ha for small areas of paddock land or similar assumes an EUV+ of £287,500 for the application site.

3.2.15 The application site is likely to have little value other than for its existing use (agricultural). However, it is reasonable to expect that the landowner will require a premium over the lower EUV in order to release the site for development.

3.2.16 In our experience, the value of land such as this is typically valued between £10,000 - £20,000 per acre (£25,000 - £50,000 per hectare). A multiplier of 10 as a premium over EUV has been accepted in many cases, therefore an EUV+ of £250,000 - £500,000 per hectare.

3.2.17 Overall, therefore, we do not consider the assumed BLV of £287,500 (£500,000/ha) to be overstating the BLV in this case.

3.3 Acquisition Costs

3.3.1 Acquisition costs have been included at 1.0% agency fees and 0.8% for legal fees. SDLT is included at the prevailing rate. All assumptions are applied to the BLV. These assumptions as percentages are considered broadly appropriate and we have not made any adjustments in our appraisal.

3.4 Gross Development Value – Market Housing

3.4.1 The proposed development will provide 7no. 4-bedroom and 3no. 3-bedroom houses – a total of 10no. residential dwellings made up of 4no. semi-detached and 6no. detached.

3.4.2 Appendix B of the VR includes Estate Agents opinions from Bacon and Company and Coast and Country.

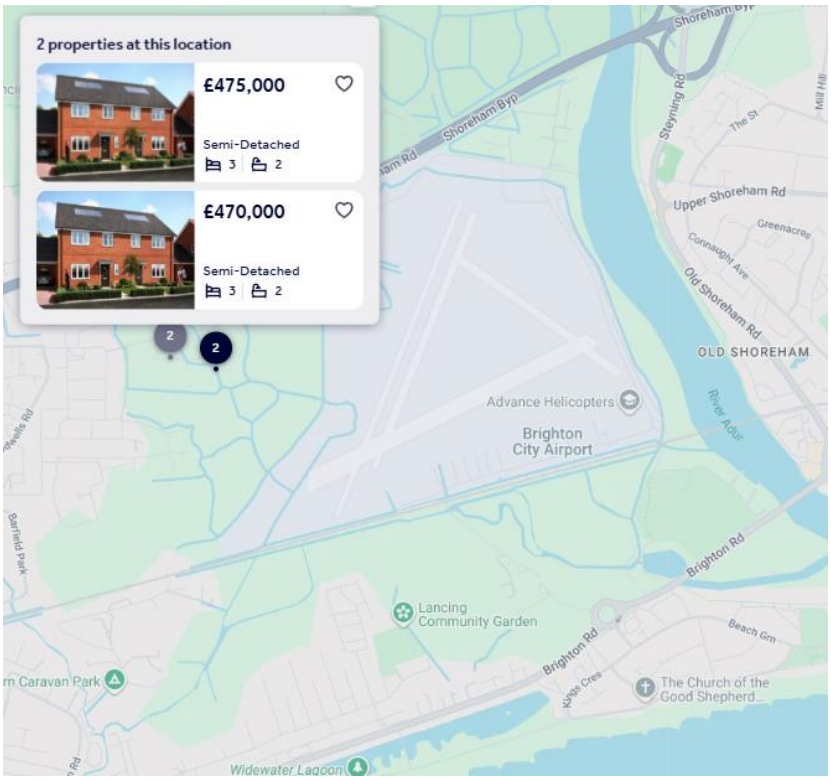
3.4.3 The opinion from Bacon and Company dated 27th May 2026 estimates a total GDV of £6,750,000. Coast and Country have arrived at the same opinion (opinion dated 5th June 2026).

3.4.4 Based on the opinions, the submitted appraisal adopts a total GDV of £6,750,000, equivalent to £452/ft^2. The VR benchmarks the average £/ft^2 value against a Cala Homes development at New Monks Farm, where guide prices are stated to range between £376 and £450/ft^2.

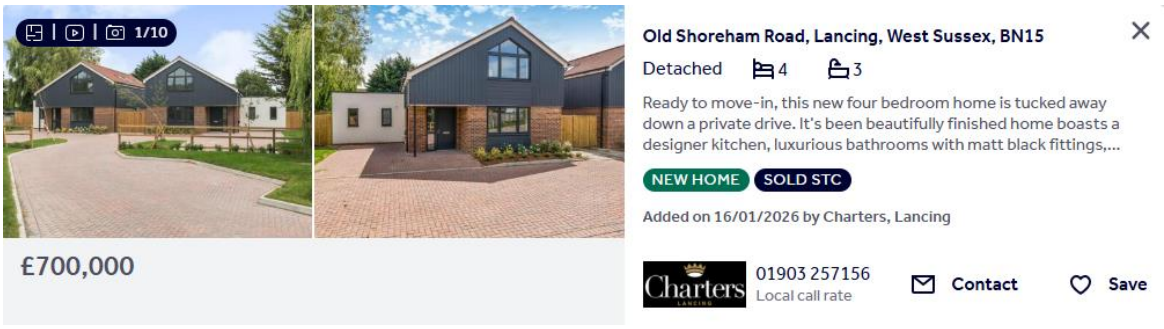
3.4.5 We have undertaken our own research into values, reviewing Land Registry data and property websites.

3.4.6 For newbuild semi-detached properties, the Land Registry indicates an average sold value of £436/ft^2 (updated in line with the House Price Index for Adur) for properties sold between July 2023 and July 2026 within 1-mile of the application site. For newbuild detached properties the average sold value is £410/ft^2.

3.4.7 We have also reviewed newbuild properties currently being marketed for sale. At Red Kite Avenue, Lancing, 3-bedroom semi-detached properties are advertised with guide prices of £470,000 and £475,000, equivalent to an average of £424/ft^2. At the same location, detached properties are advertised with guide prices of £480,000, equivalent to £436/ft^2.



3.4.8 In addition, we note a 4-bedroom detached property advertised as 'sold subject to contract' with a guide price of £700,000, equivalent to £360/ft^2 based on a floor area of 1946ft^2. This property has a larger floor area than the proposed properties. It is worth noting that typically an inverse correlation can be seen between floor area and £/ft^2. Therefore, we would expect the proposed smaller properties to achieve higher average values (in £/ft^2 terms) than this example.



3.4.9 Overall, therefore, based on the available evidence we consider the assumed values to be suitable assumptions at this time.

3.4.10 It is worth noting that any improvement in the sales values assumptions (compared with a level set at the point of the appraisal) would most likely be reflected in an improvement in scheme viability. Whilst the opposite could also occur (the sales values could fall relative to the assumptions made), that is the developer's (applicant's) risk and such factors need to be kept in mind in making an overall assessment of the applicant's position.

3.5 Cost Assumptions – Construction Costs

3.5.1 The submitted build costs are stated to be based on BCIS data using the median rate for the development type. The submitted appraisal includes a rate of £2,158/m^2. The BCIS extract included at Appendix C of the VR indicates that the adopted build rate is based on the default median rate for 'Estate housing detached.'

3.5.2 As noted above, the development proposes a mix of detached and semi-detached. The median rate for 'Estate housing semi-detached 2-storey' indicated by the BCIS extract included in the VR is considerably lower at £1,703/m^2. We have applied the lower rate to the semi-detached properties, which results in a lower construction cost of £2,771,370 compared to the submitted £2,990,961 – a reduction of £219,591.

3.5.3 In addition to the base construction costs, an allowance of 10% has been included for external works. This does not exceed typical parameters, and we have not made any adjustments, however, we note that the assumption reduces with our lower base construction cost assumption. Also, the abnormal costs allowance (further comments below) includes for works to the access road, utility connections and enhanced landscaping. We therefore suggest that the Council confirms with the applicant what works are envisaged within the external works allowance.

3.5.4 Garage construction costs are included at £105,000 equivalent to £15,000 per single garage. This allowance does not exceed usual parameters and is also not considered unreasonable.

3.5.5 A further allowance of £4,500/unit (total £45,000) is included to allow for measures relating to Parts L and O of the Buildings Regulations. The additional cost is equivalent to c. 2% of DSP's lower construction cost assumption and does not exceed typical parameters when applied, and therefore we have not adjusted the assumption in our trial appraisal.

3.5.6 The development appraisal includes allowances of 5% for contingency and 10% for professional fees. These assumptions do not exceed typical parameters and are not considered unreasonable.

3.6 Abnormal Costs

3.6.1 Abnormal costs have been included at £1,128,100 based on a cost estimate dated June 2026 (Appendix C of the VR). We have included the summary table below.

4. Total Abnormal Cost Summary

Category	Total (£)
Site Preparation & Remediation	£240,500
Ground Conditions & Foundations	£237,600
Utilities & Infrastructure	£450,000
Other / Specialist	£200,000
Total Abnormal Costs	**£1,128,100**

3.6.2 DSP commissioned Martin Warren Associates (MWA) to review the submitted abnormal costs on behalf of the Council. MWA's report is attached as Appendix II to this report.

3.6.3 MWA's report concludes that '*In gross terms we arrive at a Lower figure for the construction of the Project with a variance of circa 16.39% (shown in the details) resulting in an overestimate by the applicant for the Project of £184,840.00 (rounded) which we consider to be unreasonable.*'

3.6.4 We have included the lower second opinion estimate of £943,260 in our trial appraisal.

3.7 CIL / Planning Obligations

3.7.1 The appraisal includes an allowance of £179,774 for S106 contributions as follows:

Summary of Contributions

S106 type	Monies Due
Education - Primary	£61,535
Education - Secondary	£66,226
Education - 6th Form	£15,514
Libraries	£11,960
Waste	No contribution
Fire & Rescue	£542
No. of Hydrants	e secured under Condition
TAD	£23,997
Total Contribution	£179,774

3.7.2 We have been advised by the Council that the scheme is required to make S106 contributions of £191,973. We have included this higher total in our appraisal.

Summary of Contributions

S106 type	Monies Due
Education - Primary	£61,583
Education - Secondary	£60,501
Education - 6th Form	£13,068
Libraries	£6,802
Waste	No contribution required
Fire & Rescue	£570
No. of Hydrants	To be secured under Condition
TAD	£49,449
Total Contribution	£191,973

3.7.3 The appraisal also includes an allowance of £100,000 for affordable housing, which we understand is the contribution offered by the applicant irrespective of the presented viability position.

3.7.4 It should be noted that any change in the chargeable sum(s) would have an impact on the overall viability of the scheme as viewed through the appraisal – a reduction in the CIL/S106 cost assumption would improve the viability outcome and an increase would pull it downwards (looking at the effect of this assumption only). In all such reviews, we assume that all requirements that are necessary to make a scheme acceptable in planning terms will have to be included.

3.8 Development Finance

3.8.1 Typically, in the recent period we would expect to see finance rates of 6-8%, with those assumptions representing the costs inclusive of all fees.

3.8.2 Finance costs have been included using a debit interest rate assumption at 7.0% representing costs including all ancillary fees. This is therefore within the expected range, and we have not adjusted the rate within our trial appraisal.

3.9 Development Timings/Project Timescales

3.9.1 The submitted appraisal assumes a 12-month pre-commencement period to reflect drainage diversion works. Construction has been assumed at 12 months and sales are assumed over 10-months commencing 3 months prior to construction completion.

3.9.2 Although the pre-commencement period exceeds typical parameters, we have tested alternative assumptions and note that these do not have a significantly positive impact on the scheme's viability. We have therefore not made any adjustments in our trial appraisal.

3.10 Agent's, Marketing and legal costs

3.10.1 Sales and marketing fees have been assumed at 2.5%. Legal fees have been included at £1,000 per unit. We consider these to be suitable assumptions and we have not made any adjustments.

3.11 Developer's Risk Reward – Profit

3.11.1 The Planning Practice Guidance (PPG) on Viability states: '*Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of fully complying with policy requirements should be accounted for in benchmark land value.*

Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan'. It goes on to state: '*For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types*[5]'.

3.11.2 The PPG, as above, although silent in terms of decision making, does set out a range of between 15% and 20% on GDV for market housing; lower for affordable housing in relation to plan making. Given that the NPPF and PPG expect planning applications to be consistent with the plan making stage, it is therefore also appropriate to assume that the range 15% - 20% on GDV (lower for affordable housing) may be considered suitable at the decision taking stage.

3.11.3 In this case, the appraisal is run on a residual profit basis. The VR states that the residual profit outcome in this place falls below the lower end of the range identified in the PPG at 15% GDV. We consider this to be suitable approach.

[5] Paragraph 019 Reference ID: 10-019-20190509

4. Findings Summary

4.1.1 The submitted overall approach to assessing the viability of proposed development is considered to be appropriate in terms of general principles.

4.1.2 We also consider many of the submitted assumptions to be suitable. However, there are some areas where we have a difference of opinion or where we have tested alternative assumptions, as follows:

- Construction costs (paragraph 3.5) – we have applied the BCIS median rate for semi-detached properties to the proposed semi-detached units rather than the detached rate as submitted. Our approach results in potential savings of £219,591.
- Abnormal costs (paragraph 3.6) – we have applied the lower second opinion estimate of £943,260 reflecting potential savings of £184,840.
- S106 contributions (paragraph 3.7) – we have included a higher allowance of £191,973 as advised by the Council.

4.1.3 The 100% market housing scheme appraisal, including a commuted sum of £100,000, as presented produces a residual profit of £501,308, equivalent to 7.43% GDV.

4.1.4 After applying the lower construction costs and higher S106 contributions as summarised at 4.1.2 above, our appraisal, also including a commuted sum of £100,000, produces a residual profit of £965,009, equivalent to 14.3% GDV.

4.1.5 While in our view the scale of the reported deficit has likely been overstated, DSP is able to confirm the presented affordable housing outcome in this instance – when including a commuted sum of £100,000, the scheme produces a residual profit that falls marginally below the range set out in the PPG. Overall, therefore, we broadly agree that the proposed scheme does not appear sufficiently viable to support a contribution greater than the £100,000 currently offered.

4.1.6 Of course, no viability or review can accurately reflect costs and values until a scheme is built and sold – this is the nature of the viability review process. In this sense, the applicant and their agents are in a similar position to us in estimating positions – it is not an exact science by any means, and we find that opinion can vary.

4.1.7 As regards the wider context including the current economic situation, in accordance with the relevant viability guidance our review is based on current day costs and values – a current view is appropriate for this purpose.

4.1.8 The RICS guidance notes that 'Development risk' reflects: '*The risk associated with carrying out,* implementing *and completing a development, including site assembly, planning, construction, post-construction letting and sales*' and that '*The return for the risk is included in the developer return and the PPG makes it clear that it is the developer's job to mitigate this risk, not plan makers and decision takers*'. This is all part of the usual development process. Furthermore, in reflecting the PPG the RICS guidance notes: '*PPG paragraphs 007 and 009*[6] *reflect on the impact of market cyclicality during the life of the plan. Paragraph 007 gives market downturns as one example of the justification for a site-specific VAR, but it is restricted to "a recession or similar significant economic change*". *This implies the exclusion of normal market cyclicality, which is embedded in the level of developer return'*.

4.1.9 DSP will be happy to advise further if required.

Review report ends
October 2026

[6] Now paragraphs 008 and 010 in the current PPG.

Appendix I – DSP versions of the applicant submitted appraisals

Appendix II – MWA Report

New Salts Farm Barns

Development Pro Forma
ARGUS Software
October 9, 2026

New Salts Farm Barns

Project Pro Forma for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Open Market Sales	10	14,919	452.44	675,000	6,750,000
TOTAL PROJECT REVENUE					**6,750,000**

DEVELOPMENT COSTS

ACQUISITION COSTS

Fixed Price		287,500		
Fixed Price			287,500	
				287,500
Land Transfer Tax		4.93%	14,174	
Agent Fee		1.00%	2,875	
Legal Fee		0.80%	2,300	
				19,349

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost	
Open Market Sales	14,919	185.76	2,771,370	
Contingency			169,753	
				2,941,123
Other Construction Costs				
External Works			299,096	
Garage Construction works			105,000	
Abnormal costs			943,260	
Part L	10 un	3,500.00 /un	35,000	
Pat O	10 un	1,000.00 /un	10,000	
				1,392,356
Section 106 Costs				
Other planning obligations			191,973	
Affordable Housing Offer			100,000	
Building Safety Levy	14,919 ft²	1.81	27,003	
				318,976

PROFESSIONAL FEES

Professional fees		10.00%	411,873	
				411,873

DISPOSAL FEES

Sales Agent Fee		2.50%	168,750	
Sales Legal Fee	10 un	1,000.00 /un	10,000	
				178,750

TOTAL COSTS BEFORE FINANCE **5,549,927**

FINANCE

New Salts Farm Barns

Debit Rate 7.00%, Credit Rate 0.00% (Nominal)			
Land		43,663	
Construction		145,374	
Other		46,027	
Total Finance Cost			235,065
TOTAL COSTS			**5,784,991**
PROFIT			**965,009**
Performance Measures			
Profit on Cost%	16.68%		
Profit on GDV%	14.30%		
IRR% (without Interest)	29.72%		

1 Introduction

1.01 The purpose of this Build Cost Comparison is to provide Dixon Searle with an estimated construction and project cost for the Demolition of 3 number "A Frame" Barns at New Salts Farm, New Salts Farm Road, Lancing, West Sussex, BN43 5FE and the redevelopment to provide 10 No. dwellings with associated landscaping, car & cycle parking..

1.02 This report is based on an objective and impartial review of the applicants Abnormal Cost Schedule, we have given full consideration to the most effective and efficient way to deliver a reasonable development performance proportionate to the scheme as represented by the applicant. We have referenced rates which have been returned by Contractors in recent Tenders.

1.03 Where we disagree with any cost stated by the applicant we have included in the comments column a statement of the basis of such disagreement.

2.00 Basis of Comparison

2.01 When carrying our review of the applicants Abnormal Cost Schedule we have adopted a reasonable, transparent, fair and objective assessment. We have considered in our opinion the most cost effective and efficient way to deliver the project which fully reflects the way the development will actually be carried out.

3.00 Observations

3.01 We have undertaken this as a desk-top exercise as is appropriate for this stage and level of review. For general familiarisation we have considered the site context from the information supplied by the Council. The majority of the difference between MWA and the applicant is their apportionment of costs regarding Contaminated Ground £240,500.00 when there has been no Ground Investigation Report undertaken to identify any contaminates within the soil and no Contamination Remediation Strategy has been formulated.

3.02 The prices within our comparison of this Abnormal Cost Schedule are based on a Main Contractor being engaged on a competitive single stage design and build tender based on Employer's Requirements fully developed to RIBA Stage 4. Procurement envisages appointment under a JCT Standard Form of contract.

3.03 The Abnormal Cost Schedule for the construction makes no allowance Risk/ Contingency which we consider to be unreasonable.

3.04 The Abnormal Cost Schedule for the construction makes no allowance for Main Contractors Preliminary Costs, which we consider to be unreasonable.

3.05 The Abnormal Cost Schedule makes no specific allowance for Contractors Overheads and Profit. Which we consider to be unreasonable.

3.06 In this narrative summarising our observations we have commented on all variances and these are explained in detail in our comments on Table 1 calculations.

3.07 The Abnormal Cost Schedule make no allowance for Risk or Contingency which we are of the opinion is unreasonable

4.00 Conclusion

4.01 In gross terms we arrive at a Lower figure for the construction of the Project with a variance of circa 16.39% (shown in the details) resulting in an over estimate by the applicant for the Project of £184,840.00 (rounded) which we consider to be unreasonable.

SUMMARY	MWA Total	Variance to Applicants Total
Site Preparation & Remediation	£ 120,000.00	-£ 120,500.00
Ground Conditions & Foundations	£ 237,600.00	£ -
Utilities & Infrastructure	£ 385,660.00	-£ 64,340.00
Other / Specialist	£ 200,000.00	£ -
		-£ 184,840.00
	Project Over Costed By	**16.39%**

Abnormal Cost Schedule
New Salts Farm Barns, Shoreham-by-Sea (BN43) Residential Development of 10 Dwellings
Prepared for: NSF Barns Ltd and Bespoke Property Consultants
Date: June 2026

3. Detailed Abnormal Cost Schedule
3.1 Site Preparation & Remediation — £240,500

£ 120,000.00

Description	**Qty**	**Unit**	**Rate (£)**	**Total (£)**	**Justification**	Rate	Total	Comments	+/-
Demolition of existing structures	1	item	80,000	80,000	Demolition of existing barns (1,202m2 GIA) including steel frame, cladding, roof coverings, brickwork, hardstanding areas and shallow foundations	£ 80,000.00	£ 80,000.00	£66.50/m2 not unreasonable	

Remediation of contamination to area of made ground	870	m³	150	130,500	Made ground area in the south east of the site - subject to phase 2 contamination survey. Quantity excludes contamination from infill of former gravel pit.		£ 20,000.00	Not having the benefit of a "Contamination Survey" it is almost impossible to gauge the Contamination Potential Extract from documents states – Current Site Use The following on-site sources of contamination were noted during the Site visit: •Possible ACMs present in the on-site barns; •Manure storage (uncovered); and •Uneven land, small stockpiles and raised area in the south-west of the Site. The following off-site sources of contamination were noted during the Site visit: •West Coastway Railway Line (approximately 250 m north); and •Brighton City Airport (approximately
Asbestos removal	1	item	20,000	20,000	ACMs likely due to barn construction dates (1981–1990). Subject to survey		£ 15,000.00	Impossible to assess value of Asbestos removal without a "Removal Strategy" item 3.2.2.1.Asbestos Containing Materials (ACM) Given the age of the on-site barns (northern barns constructed c.1981-1982 and southern barn constructed c.1987-1990), it is considered possible that ACMs were used during construction. According to the Site representative, no asbestos survey is currently held for the Site. therefore we consider an allowance of say £15,000 sufficient until correct documents are produced.
Validation and testing	1	item	10,000	10,000	Required post-remediation.	£ 5,000.00	£ 5,000.00	Rate High; Suggest £5,000

3.2 Ground Conditions & Foundations — £237,600 **£ 237,600.00**

Description	Qty	Unit	Rate (£)	Total (£)	Justification				
Import fill to raise levels incl level and compaction	1,460	m³	60	87,600	Required to the north and western areas to achieve formation level for drainage falls into infiltration basin.	£	60.00	£ 87,600.00	
Piled foundations	10	nr	15,000	150,000	Land stability issues linked to underlying geology.			£ 150,000.00	Not Unreasonable

3.3 Utilities & Infrastructure — £450,000 **£ 385,660.00**

Description	Qty	Unit	Rate (£)	Total (£)	Justification				
Permeable access road	100	m	1,500	150,000	5.5m carriageway with 2m service margins. Constructed from porous tarmac or a stabilised gravel solution (modular permeable paver system) laid on a free-draining sub-base overlaid with a geotextile membrane separator followed by coarse sand bedding layer. Reinforce existing culvert over land drain.	£	93,500.00	£ 93,500.00	Rate High; would expect a cost of circa £160-180/m2 hence allowed £170/m2

Modifications to New Salts Farm Road	1	item	50,000	50,000	Relocation of traffic calming features and road markings, local carriageway widening where feasible.	£ 50,000.00	£ 50,000.00	Not unreasonable
SuDS infiltration basin	1	item	50,000	50,000	99.2m³ basin in the south east of the site	£ 42,160.00	£ 42,160.00	Rate High; would expect circa £425.00/m3
Foul sewer diversion	1	item	100,000	100,000	Section 6.3.6 in the FRA. 70m of 200mm sewer at 3.3 m deep (excavate, lay, backfill, dewater, reinstate) including 3 new manholes, design, Section 185, surveys and approvals	£100,000.00	£ 100,000.00	Not unreasonable
Extended utility connections	1	item	100,000	100,000	Utility connections distributed under 100m access road to site - Water, power, drainage, fibre and gas.	£100,000.00	£ 100,000.00	£1,000/m not unreasonable

3.4 Other / Specialist Costs — £200,000 **£ 200,000.00**

Description	**Qty**	**Unit**	**Rate (£)**	**Total (£)**	**Justification**			
Enhanced landscaping	1	item	25,000	25,000	Enhanced boundary planting as per LVIA report	£ 25,000.00	£ 25,000.00	Not unreasonable

Flood mitigation measures; raised floor levels	10	nr	10,000	100,000	First floor sleeping accommodation above 5.98m AOD flood line - Additional substructure, superstructure and internal works.	£ 10,000.00	£ 100,000.00	Not unreasonable
Green roof system	10	nr	7,500	75,000	Extra-over cost vs pitched roof - including structural reinforcement and specialised waterproofing & root barriers	£ 7,500.00	£ 75,000.00	Green roofs can be expensive to install, cost not unreasonable as an extra over.

4. Total Abnormal Cost Summary

Category	**Total (£)**				
Site Preparation & Remediation	£240,500	£ 120,000.00			
Ground Conditions & Foundations	£237,600	£ 237,600.00			
Utilities & Infrastructure	£450,000	£ 385,660.00			
Other / Specialist	£200,000	£ 200,000.00			
Total Abnormal Costs	**£1,128,100**	**£ 943,260.00**	£	184,840.00	16.39%