



**TOWN AND COUNTRY PLANNING ACT 1990**

**Appeal by: Redrow Homes Ltd.**

**Site: Warburton Lane, Partington**

**LPA reference: 98031/OUT/19**

**PINS reference: APP/Q4245/W/19/3243720**

**Proof of Evidence Summary of Mr Murray Lloyd regarding the Viability Case of the  
Development on behalf of Trafford Council (Local Planning Authority)**

**September 2020**



## VIABILITY PROOF SUMMARY

- 1.1 I have been involved in the Warburton Lane Viability case from inception. My initial response to reviewing the Financial Viability Assessment produced by Derek Nesbitt of Cushman & Wakefield produced in May 2019 was the magnitude of the abnormal costs suggested for a level, green field site with good road access. As the dedicated Viability Consultant for Trafford Borough Council for the past 3 years, I have assessed a large number of viability cases (30+). None have suggested abnormal costs at the level of Warburton Lane. This has included complicated brown field sites requiring demolition and materials clearance.
- 1.2 Understanding the level of the abnormal cost in a viability case is critical in determining the appropriate level of the Benchmark Land Value for a development site. Simply put, the lower the cost associated with bringing a site forward for development the more money is available to fund land purchase and financial contributions.
- 1.3 To be able to fully interrogate the findings of Mr Nesbitt's FVA and follow the requirements of the NPPG in establishing an appropriate Benchmark Land Value, I sought as much information as I could from Mr Nesbitt on all matters pertaining to the abnormal costs. Disappointingly the cost plan referenced in the FVA was not made available until after the Appeal for Non determination was lodged. The details pertaining to abnormal costs are site specific. An FVA assessor working for a local planning authority does not have the time, resource or funding to produce their own detailed cost plan for abnormal costs.
- 1.4 Through a detailed review of information relating to abnormals (that was only made available post Appeal commencement) by Ms Sandford (Cost Expert Witness for the LPA), it is clear that

the level of detailed required to develop a robust cost for abnormals does not exist. The detailed design and engineering information is not yet available.

1.5 As the FVA assessor (and expert) for the LPA I have thus concluded that a benchmarking approach to abnormal costs is the only logical way forward. From my knowledge of Trafford and the surrounding Boroughs and in conjunction with Ms Sandford we have identified what we believe to be an appropriate benchmarking approach to establishing abnormal cost for Warburton Lane.

1.6 From establishing the abnormal costs, I have been able to build a viability appraisal with my own inputs basing them on the data available regarding values and the valuable information provided regarding cost by Ms Sandford. The findings of that appraisal with associated sensitivity analysis is that the proposed development at Warburton Lane is capable of providing its full s106 contributions as well policy compliant affordable housing (45%). This should be the expectation for a relatively flat, greenfield site with good road access.

1.7 When the following approach is used:-

- A benchmarking approach to abnormal costs
- Correct use of BCIS standard build cost data
- A benchmarking approach to external cost
- The best available comparable information to establish house price values
- Policy compliant contributions - s106 and affordable housing

The residual land value (RLV) generated through the viability appraisal is well in advance of Derek Nesbitt's suggested Benchmark Land Value.