



aaprojects

**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

Rebuttal Response by Ms
Karen Sanford regarding
the Viability Case of the
Development on behalf of
Trafford Council (Local
Planning Authority)

September 2020

**vision into
reality**



CONTENTS

1.0 Introduction..... 1

2.0 Review of Revised Information 2

1.0 Introduction

1.1 Karen Sandford has been appointed by Trafford Borough Council to act as expert witness in relation to the Viability Case at Warburton Lane, Partington (Ref: 98031/OUT/19) to undertake an independent review of the Developer's standard and site-specific abnormal construction costs for the proposed development of 400 residential units.

1.2 This rebuttal response comments on the revised information provided by Mr Bushell.

1.3 The documents which have been considered within this review are listed below:

- Appendix 11 Abnormal / Extra Over Cost Tracker (RH/5/C)
- Main Proof of Evidence Relating to Construction Costs Dated September 2020 (RH/6/B)
- Appendices to Main Proof of Evidence Relating to Construction Costs Dated September 2020 (RH/6/C)

1.4 I do not address every matter on which I disagree with Mr Bushell's analysis – the differences between us are clear from our proofs.

2.0 Review of Revised Information

2.1 Abnormal Costs

2.1.1 Mr Bushell states it is not possible to benchmark or compare abnormal costs between sites, however this has been done in Appendix 11 of Derek Nesbitt's Proof of Evidence. This shows a range of £307,400 - £388,000/acre with the largest sample (251-500 units) at £338,222/acre. Whilst abnormal costs are site specific, this evidence reinforces our conclusion that the allowance made for abnormal costs is significantly higher than would be expected for this site.

2.2 Trafford Re-Basing

2.2.1 I am pleased to see Mr Bushell has accepted a basic point on the use of the correct location factor to be used. However, upon review of BCIS I calculate the latest re-basing index for Trafford as 0.97 whereas Mr Bushell states that he has used 0.98. The re-basing for Trafford of 0.97 is as per BCIS data obtained 23 September 2020.

2.3 BCIS Adjustment to 4Q2020

2.3.1 The revised base build rate that Mr Bushell has provided for Estate Housing Generally Trafford 4Q2020 does not reflect that published by BCIS. Mr Bushell's adjusted standard all in build cost including contingency and fees is now £109.34 per ft². When utilising the correct BCIS rate as of 23 September 2020 and Mr Bushell's method of calculation, the correct figure on his approach is a standard all in build cost including contingency and fees of £105.43 per ft². This difference of £3.91 per ft² equates to

£1,738,000. It appears that Mr Bushell has re-based his previous BCIS data rather than relying on new data to reflect the period since 4Q2019.

2.3.2 I have revised my assessment of the base build cost utilising the latest BCIS data as of 23 September 2020 and the adjustments as detailed in my proof and calculate the standard all in build cost including contingency and fees as £98.35 per ft². This is a difference of £10.99 per ft² between Mr Bushell's costs and my own which equates to a difference of £4,885,000.

2.3.3 Mr Bushell has calculated his own version of the preliminaries costs based upon his own interpretation of the requirements and build programme. In my opinion this is excessive and therefore his argument that the base build cost is too low is not accurate.

2.4 Addition of Flixton Road Costs

2.4.1 Mr Bushell has included estimated costs associated with the Flixton crossroads improvements. I agree that these budget costs are abnormal development costs but would be subject to further detailed design work. A provisional allowance of £100k has been included for service diversions pending further details. I would anticipate that the total costs could be reduced once detailed design proposals are provided. In my experience, the rates included by Mr Bushell for new carriageways and footpaths are very high.

2.5 COVID-19

2.5.1 Mr Bushell has added comments in relation to his interpretation of the effect of Covid-19. These include his estimate of the increase in the construction period and preliminaries costs. Whilst he has not included for any additional allowances in his abnormal and extra over costs, he suggests a figure of £349,463 applicable to the first twelve months. Mr Bushell has failed to take into account the following:

- The reduction in build costs, including preliminaries, due to the current extremely competitive environment. This is something I am witnessing on actual live projects.
- The fact that works carried out during the first 12 months are highly unlikely to be affected by social distancing measures due to their nature.

As a result, this cost in the first year does not arise and in any event cannot be accurate because it only takes into account one side of any implications of COVID.

2.6 Building Regulation Changes

2.6.1 Mr Bushell has added comments in relation to changes to the Building Regulations. He estimates the additional cost to be £1,028,980.00 for the whole site but has not included any additional allowances in his abnormal and extra over costs. These changes have only just gone through the consultation process and are yet to be implemented. The FVA is a snapshot in time and therefore looks at costs and values as at the date of the FVA and not in the future.

2.7 Other Comments

- 2.7.1 I was engaged to test the costs in the Appellant's FVA. I have done so. I consider the costs to be exaggerated and flawed. I made it clear in the meeting where I disagreed with the costs and assumptions. I sent a SOCG reflecting that position and the matters I was not prepared to agree. The correspondence speaks for itself. I do not agree with the procedural criticisms of me. Conversely, on multiple heads Mr Bushell has made clearly erroneous assumptions and was not able to assuage my concerns in our meeting. He has latterly corrected the clear BCIS mistake but has made further mistakes in doing so. Much of his assessment is based on worst cases - and has not been informed by how these specific issues and costs would be designed or value engineered out by any competent developer.
- 2.7.2 On initial inspection the costs appeared high and having examined them in detail it is clear they are extremely high. This is also reinforced by Appendix 11 of Derek Nesbitt's Proof of Evidence - Abnormal and Extra Over Costs Tracker, which confirms this is the case.