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29 August 2013

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**BB&J**  
The Commercial Property People

Dear Paul

**RE: Site Viability – Potential Housing Sites to be Included in the Ripley Neighbourhood Plan**

To supplement your initial report titled “Initial Assessment of Potential Housing Sites to be Included in the Ripley Neighbourhood Plan” Boxall Brown & Jones, acting as independent chartered surveyors, have provided advice on and commentary on:

- Mix of housing that is appropriate to each site;
- Average floor area of each dwelling type;
- Average build prices for each site;
- Average sale prices expected for each site.

The contents of this letter should be read in conjunction with the Planning Design report as the site numbers are cross referenced. Furthermore all of our assumptions have been based on the site descriptions provided within the Planning by Design Report.

It should be noted that this letter has been produced as a desk based exercise and has made broad assumptions. Sale prices will be very subjective to the market condition, quality of product, product mix and level of affordable housing on site. Likewise build cost will be site specific taking into consideration access, topography, environmental, ecological, highway and S278 considerations etc.

The anticipated construction cost and average sale prices are therefore to only be used as a broad guide. All prices quoted assume a traditional two story build and that the accommodation will be open market housing.

No account has been made for possible CIL or S106 contributions. Likewise it has not been possible to make an allowance for remediation works that may arise to remediate land located in a historical coal mining area, potentially with workings beneath ground that would only be revealed once detailed site surveys were undertaken.

Where it is clear the site will be affected by a former use the build cost has been adjusted by percentage considered appropriate for potential works but the cost of works could vary dramatically once site specific investigations reveal the extent of remediation works that might be necessary.

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#### **Site Four - c8.6 hectares of land off Heage Road, DE5 3GJ**

We understand the parcel of land comprises a green field site extending 8.6 hectares, capable of accommodating 258 dwellings.

The site is located circa 1 mile (1.6 km) from Ripley town centre and is therefore within easy reach of public transport and town centre amenities. The site is bordered to the west by the A38 and to the east by the B6374 (Heage Road). The location is mixed use with agricultural/pasture land bordering the site on three sides and Heage Road Industrial Estate being located immediately to the east. There is some housing along Heage Road which is predominantly made up of detached three/four bed family homes and detached two/three bed bungalows.

<b>Dwelling Type</b>	<b>%</b>	<b>Average sq m</b>	<b>Build £ p sq m</b>	<b>Sale £ p sq m</b>
5 bed house	10	145	969	1830
4 bed house	30	130	969	1830
3 bed house	30	93	1023	1884
2 bed house	20	70	1023	1884
2 bed flat	5	48	1076	1938
1 bed flat	5	40	1076	1991

Heage Road is a popular area of Ripley, we are of the opinion the site will appeal to a larger regional/national house builder who is likely to work on a profit margin of 15 -20%. The site is considered Greenfield so an allowance is made for a contingency of 3% on build cost. The site benefits from extended frontage onto Heage Road and backs on to the A38 so due to the sites profile we anticipate a developer may invest a marketing sales budget of c£500 per unit.

#### **Site Five - part of Former Butterley Engineering Site, DE5 3QZ**

We understand this site to comprise a roughly rectangular parcel of land extending 1.373 hectares that could potentially accommodate circa 41 dwellings. The site lies immediately north of the A610 where it crosses with Butterley Hill and is located c0.5 miles (0.8km) north of Ripley town centre. According to the Environment Agency the site appears to be greenfield but is populated with self-seeded vegetation.

The vicinity is one that was formerly of an industrial use being adjacent to the Butterley Works however these have recently been demolished and part of the site redeveloped by Morris Homes for residential housing in c2010. The local housing mix provides a range of semi-detached and terraced two/three bedroom properties.

<b>Dwelling Type</b>	<b>%</b>	<b>Average sq m</b>	<b>Build £ p sq m</b>	<b>Sale £ p sq m</b>
4 bed house	20	130	969	1830
3 bed house	40	93	1023	1884
2 bed house	30	70	1023	1884
2 bed flat	5	48	1076	1938
1 bed flat	5	40	1076	1991

It is likely that this site will appeal to a regional house builder who is likely to work on a profit margin of 15 - 20%. The site appears to be raised from the road so there may be extensive excavation works required during construction. Furthermore given the sites proximity to Butterley works there may well be contamination issues to deal with. We therefore recommend an allowance is made for a contingency of 5% - 7% on build cost. Due to the sites profile we anticipate a developer may invest a marketing sales budget of c£500 per unit. Subject to there being limited ground and remediation work required we anticipate this will be an attractive, viable site.

### **Site Six – Land off Bridle Lane, DE5 3LW**

We understand the site comprises approximately 0.27 hectares of brown field land that could potentially accommodate eight dwellings. The land is situated just off the B6179 (Butterley Hill) and is c0.2 miles (0.32 km) north of Ripley town centre.

The area is predominantly made up of smaller 2 and 3 bed terraced units mixed with commercial uses such as public houses.

<b>Dwelling Type</b>	<b>%</b>	<b>Average sq m</b>	<b>Build £ p sq m</b>	<b>Sale £ p sq m</b>
3 bed house	40	80	915	1561
2 bed house	60	70	915	1561

Due to the sites location and size it is likely that this site will appeal to small local builder who is likely to work on a profit margin of 20%. The site may also hold strong appeal to a housing association. The site appears to be brownfield we recommend allowance is made for a contingency of 5% on build cost. Due to profile the builder may allow a sales marketing budget of say £500 per plot. The site would appear viable subject to there being no significant abnormal build costs.

### **Site Seven – Land off A610, DE5 3RS**

The site is of a irregular shape and we understand extends 5.5 hectares with the ability to accommodate circa 165 dwellings. We believe the current use is that of agricultural or park land. The site borders the Derbyshire Police HQ to the north east, the A610 to the South and former Butterley Works/Morris Homes development site to the North West. The site is positioned c1 mile (1.6 km) north east of Ripley town centre. There are few existing residential dwellings in the vicinity however 500m north of the site off coach road there is a site extending c1.07 ha that benefits from planning permission (referenced AVA/2005/1451) for the erection of 31 dwellings.

<b>Dwelling Type</b>	<b>%</b>	<b>Average sq m</b>	<b>Build £ p sq m</b>	<b>Sale £ p sq m</b>
5 bed house	10	145	969	1830
4 bed house	30	130	969	1830
3 bed house	30	93	1023	1884
2 bed house	20	65	1023	1884
2 bed flat	5	48	1076	1938
1 bed flat	5	40	1076	1991

Due to the sites swift and direct access to the commuter network and Ripley Town centre we are of the opinion the site will hold strong appeal to regional and national house builders who may seek to operate on a profit margin of 15 -20%. The site is considered Greenfield so we recommend an allowance is made for a contingency of 3% on build cost. The site benefits from an extended road frontage onto the A610 so due to the sites profile anticipate a developer may invest a marketing sales budget of c£500 per unit.

The sites proximity to the A610 however may mean that there could again be noise and air pollution considerations. As the site is greenfield we anticipate few abnormal build costs and would expect the site to viable.

### **Site Eight – Land off Cemetary Lane, DE5 3JG**

We understand that the site extends c1.43 hectares and could potentially accommodate 43 dwellings. The site is situated approximately 0.8 miles (1.23 km) south of Ripley town centre. It is considered the site is located in a mixed use area with Ripley Cemetery to the north, a mix of residential and commercial uses to the south and west. House types in the area comprise a mix of two/three bed terrace with three or four bedroom detached family housing.

<b>Dwelling Type</b>	<b>%</b>	<b>Average sq m</b>	<b>Build £ p sq m</b>	<b>Sale £ p sq m</b>
4 bed house	10	130	969	1830
3 bed house	30	93	1023	1884
2 bed house	30	70	1023	1884
2 bed flat	20	50	1076	1938
1 bed flat	10	40	1076	1991

Given the size and location of the site we feel that it will hold good appeal to regional house builders and could appeal to developers of retirement or sheltered accommodation who we would expect to operate on a 20% profit margin.

Presently situated on the site is Derbyshire County Council's Social Care and Training Research staff training centre therefore this considered to be a brown field site, the site also looks to have a long narrow access. We would therefore recommend an allowance is made for a contingency of 10% on build cost. As the site has a very limited profile a developer may allow a marketing sales budget of say £1000 per plot. We would expect this site to be viable.

### **Site Nine – Land off West of Derby Road (B6179), DE5 8HS**

We understand the site to comprise a roughly rectangular shaped parcel of land extending 0.74 hectares capable of accommodation c22 dwellings. The site is believed to have been formed from the Welfare Club and is therefore considered to be brown field. The site is bound by residential accommodation to the north, south and west, with a car sales pitch and agricultural land to the east. The housing mix is predominately three/four bed semi-detached and detached family homes. The site is c500 meters north of the Crest Nicholson Denby Bank development which we understand has sustained good volumes of sales.

<b>Dwelling Type</b>	<b>%</b>	<b>Average sq m</b>	<b>Build £ p sq m</b>	<b>Sale £ p sq m</b>
4 bed house	10	130	969	1830
3 bed house	30	93	1023	1884
2 bed house	30	70	1023	1884
2 bed flat	20	50	1076	1938
1 bed flat	10	40	1076	1991

We feel that this site will hold good appeal to large local house builder who may seek to operate on a 20% profit margin. Due to the site being brownfield we recommend allowing for a contingency of c5% on build cost. The site does have good profile so a marketing sales budget of c£500 per plot would be anticipated. Subject to there being few abnormal build costs we would expect this site to be viable, but the viability could be materially affected if a developer were to have to relocate and accommodate the miners welfare.

### **Site Ten – Land East of Derby Road (B6179), DE5 8JN**

The site is roughly rectangular in shape and we understand it extends 0.89 hectares and could potentially accommodate 27 dwellings. The site is located on the east side of Derby Road (B6179) south of an existing car sales pitch with vegetated land to the east and a mix of residential and leisure uses (including a sports field) to the south and the west. The site is adjacent site 9.

<b>Dwelling Type</b>	<b>%</b>	<b>Average sq m</b>	<b>Build £ p sq m</b>	<b>Sale £ p sq m</b>
4 bed house	10	130	969	1830
3 bed house	30	93	1023	1884
2 bed house	30	70	1023	1884
2 bed flat	20	50	1076	1938
1 bed flat	10	40	1076	1991

We understand the site to be a greenfield site and feel it will hold good appeal to a large local house builder who may seek to operate on a 20% profit margin. Due to the site being Greenfield we recommend allowing for a contingency of c3% on build cost. The site does have good profile so a marketing sales budget of c£500 per plot would be anticipated. Subject to there being few abnormal build costs we would expect this site to be viable.

### **Site Eleven – Land off Peasehill, DE5 3JJ**

We understand the site to extend 1.07 hectares with the ability to accommodate c32 dwellings. The site is located in a predominantly commercial location and is indeed made up of a range of industrial/warehousing units. The site is located just 1 mile (1.6 km) south of Ripley town centre and benefits from good road frontage.

Houses located within the vicinity are predominantly made up of two/three bedroom terraces and three/four bedroom family detached homes.

We anticipate that existing industrial buildings could be subjected to Occupational Tenancies and should any of these businesses need to be relocated, there would be a significant cost consideration for any developer.

<b>Dwelling Type</b>	<b>%</b>	<b>Average sq m</b>	<b>Build £ p sq m</b>	<b>Sale £ p sq m</b>
4 bed house	20	120	969	1561
3 bed house	30	93	1023	1615
2 bed house	50	70	1023	1615

This is a mixed use area; the site may hold appeal to a regional developer who may seek to operate on a 20% profit margin. Alternatively the site may appeal to a housing association. Due to the current commercial use and brownfield status we recommend allowing for a contingency of 5% -10% on the build cost. The site has excellent frontage so a sales marketing budget of c£500 per unit might be allowed for. The viability of the site will be subject to the cost of relocating existing occupants and the extent of remediation works that might be required.

### **Site Twelve – Land off Nottingham Road (A610), DE5 3JT**

We understand that this green field site extends c5.13 hectares and could potentially accommodate 154 dwellings. The site is c1 mile (1.6 km) south east of Ripley town centre. The location is mixed use with agricultural land to the north, commercial warehousing units to the east and residential uses to the south and west. Much of the accommodation in the area is made up of three/four bedroom semi-detached properties with some larger detached period houses.

<b>Dwelling Type</b>	<b>%</b>	<b>Average sq m</b>	<b>Build £ p sq m</b>	<b>Sale £ p sq m</b>
5 bed house	10	145	969	1830
4 bed house	30	130	969	1830
3 bed house	30	93	1023	1884
2 bed house	20	65	1023	1884
2 bed flat	5	48	1076	1938
1 bed flat	5	40	1076	1991

We are of the opinion the site will appeal to larger regional/national house builder who is likely to work on a profit margin of 15 -20%. The site is considered Greenfield so recommend allowing for a 3% contingency on build cost. The site benefits from extended frontage onto Nottingham Road so had good frontage. We anticipate a developer may invest a marketing sales budget of c£500 per unit.

### **Site Fifteen – Former Butterley Brick Site, DE5 3QL**

We understand that the former Butterley Brick site extends 5.67 hectares and could potentially accommodate 170 dwellings. The site is situated 1.2 miles (1.93 km) south of Ripley town centre. The immediate area is predominantly commercial. The housing stock in the vicinity is mainly comprised of two/three terraced units and four/five detached family homes.

<b>Dwelling Type</b>	<b>%</b>	<b>Average sq m</b>	<b>Build £ p sq m</b>	<b>Sale £ p sq m</b>
5 bed house	10	145	969	1668
4 bed house	30	130	969	1668
3 bed house	30	93	1023	1172
2 bed house	20	70	1023	1172
2 bed flat	5	48	1076	1830
1 bed flat	5	40	1076	1830

The scale of the site may appeal to national house builders who may seek to operate on a profit margin of 15% - 20%. The site is situated south of the Pit Lane Landfill Site and north of the former Butterley Brick Works Quarry, the site is also brownfield with a previous industrial. Due to this we recommend allowing for a 10% - 12% contingency on build cost. The viability of the site will be subject to the cost and the extent of remediation works that might be required. As the site has a very limited profile a developer may allow a marketing sales budget of say £1000 per plot.

The above information has been provided for the early stages of a viability appraisal and of course is subject to change once detailed cost analysis has been undertaken for each site with the benefit of environmental and ecological reports etc.

Do not hesitate to contact me should you require any further assistance with regards to the above matter.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'R. Jones', is written over a faint, illegible background.

**Robert Jones BSc DIP EST MAN MRICS**  
**Partner**

Encl: BBJ Account