

LAND NORTH-EAST OF BALDOCK

FINANCIAL VIABILITY ASSESSMENT REVIEW ON BEHALF OF NORTH HERTS COUNCIL

Addendum to Carter Jonas' Draft Report June 2026

Private & Confidential

20th July 2026

Introduction

This addendum note assesses the response of 7th July 2026 by CBRE that assesses the Carter Jonas Draft FVA Review Report (June 2026) that reviewed the FVA submitted by CBRE on behalf of the Applicant Urban & Civic.

We have reviewed the response and the accompanying development appraisals and make the following comments.

Serviced Land Plot Appraisals

There remains a difference of opinion in relation to both costs and values.

In relation to the private residential values, the difference is very small at £2psf and therefore we see no reason to change our position.

In relation to the affordable housing values, Carter Jonas has modelled these values using the ProVal software package, which is an industry standard model used by Registered Providers. CBRE hasn't provided any evidence of RP offers to substantiate its values. The largest difference is with the social rent values with CBRE's position at £111psf and Carter Jonas at £162psf and therefore a discussion should take place on this input.

In terms of BCIS costs adopted, Carter Jonas has applied the 'default' position of 15 years at the Lower Quartile rate rebased for North Hertfordshire to 2 storey estate houses and flats generally and CBRE has adopted 5 years on the same basis. The difference is £150.4psf versus £135.6psf for houses and £170psf versus £160.3psf for flats.

CBRE states that in its opinion using the 5 year period is conventional practice and make reference to a local example at Royston Road and a 2019 Appeal in Lymington.

Carter Jonas has considered this argument and firstly would make the point that using the 15 year period is the standard and normal practice in relation to both Local Plan Viability Assessments and subsequent financial viability assessments that are submitted to support planning applications. The application of the 5 year period is not the normal practice set within this context. Further, Carter Jonas

has been involved in several recent FVAs with large scale housing schemes and in each case, it was agreed that the 15 year (default position) Lower Quartile rate was the appropriate basis. These FVAs are:

- Dunton Hills Garden Village (Brentwood Borough) – 3,700 homes
- West Bersted (Arun District) – 2,200 homes
- Barnham, Eastergate, Westergate (Arun District) – 1,250 homes

In addition, more locally, developers are adopting 15 years as follows:

- Land at Newmarket Road, Royston

We have also increased the contingency from CBRE's position of 3% to 5% to provide an additional buffer whilst using the 15 year default position.

Therefore, Carter Jonas retains the 15 year default position for the build costs.

Infrastructure Costs

The Applicant has provided additional information in relation to Section 98 foul water offsite reinforcement and highways, which our QS Johnson Associates has reviewed, and they are satisfied that these answer their queries.

Finance Cost

CBRE has adopted a debit rate of 7.50% and Carter Jonas has adopted 7%. The Bank of England base rate remains at 3.75%, and therefore 7% is 325 basis points above the base rate, and in our opinion 7% is an appropriate finance debit rate to adopt.

It should be noted that as part of the Rhee Spring, Royston Road Appeal, it was agreed that a finance debit rate of 2.50% above the base rate to a maximum of 7% should be adopted.

Conclusions

Carter Jonas retains its position that 18% affordable housing is financially viable.