7.6 H1, Land at Conglass Lane, Tomintoul, AB37 9HG

7.6.1 Date of Inspection

The property was inspected on 2 July 2024.

7.6.2 Location

The subject is located close to the centre of the village of Tomintoul. The site is bordered by Conglass Lane on one side and the opposite side extends into the countryside.

Tomintoul is a planned village in a remote part of Moray. The immediate area appears to be mixed. Predominantly there are residential dwellings and several small businesses, surrounded by countryside views. But there is also a garage, a farm, a graveyard, and a church along the subject street.

Grantown-on-Spey village is approximately 35 miles south-east of Inverness City. The village appears to have a draw for tourism and naturally, there are several short-term let accommodation and restaurants in the village centre. Overall there are limited amenities and facilities available locally, however, nearby Grantown-on-Spey and Aviemore offer further amenities and facilities.

7.6.3 Description

The subject is an undeveloped site mostly covered in grass. The ground is mostly level and is bound by timber posts and wire fence with a metal gate.

At the time of inspection, the land appeared to be agricultural in nature and may be suitable for grazing/pastureland.

It is easily accessible from Conglass Lane, a narrow single lane road with passing areas accessed from Main Street. .

7.6.4 Site Area

The area detailed on the Proposed Local Development Plan for site H1 is **0.5 hectares (1.23 acres)**. Boundaries have not been checked on site however the site area appears accurate according to the VOAs Valuation Mapping System (VMS).

7.6.5 Environmental Factors Observed or Identified

SEPA flood maps indicate that the site is …

The LDP indicates that a Drainage Impact Assessment is required and a Water Impact Assessment or Flow and Pressure tests may be required.

7.6.6 Planning

I have made informal enquiries of the Planning Authority as to the planning status and potential of the site. These have revealed that the site has been zoned for residential development with an indicative capacity of 8 units.

Under Policy 1.5 (Affordable Housing Developments) of the current CNPA Local Development Plan (LDP) adopted March 2021, new housing developments in Tomintoul, consisting of four or more dwellings, should include provision for affordable housing amounting to 25% of the total number of dwellings.

Planning contributions will be sought from any housing developments towards demand responsive transport services.

7.6.7 Development Assumptions

To assess the impact an increase in the amount of affordable housing will have on viability I have carried out a valuation of the site on the basis of 25% Affordable Housing contribution and further valuations adopting a higher percentage of Affordable Housing, up to a contribution of 75%.

There is currently no planning application for the site however I have assumed the number of units would be in line with the indicative capacity detailed in the current LDP.

The hypothetical development scenarios, for 25% affordable housing and 75% affordable housing are detailed in the tables below. The development assumptions are consistent for each of the sites considered and are detailed in Section 4.1 of the report.

7.6.7.1 Residual Land Value: 25% Affordable housing

Private Housing (75%)

GDV

On the basis of 6 units, the GDV for H1 Tomintoul is assumed at **£1,290,000**, the breakdown of which is summarised in the table below.

	Physical Details						GDV			
Housing Mix (Private)	Beds	No of units	Ave. GIA m2	Ave GIA sf	Total GIA m2	Total GIA sf	Average Sale Price £/unit	Total Sales £	Sales price £/m2	Sales price £/sf
Terraced	2	3	68.0	732.0	204	2,196	£200,000	£ 600,000	£2,941	£273
Terraced	3	3	80.0	861.1	240	2,583	£230,000	£ 690,000	£2,875	£267
		6			444	4,779	GDV	£1,290,000	£2,905	£270

Development Costs

The assumed build cost, based on BCIS average price indices is assumed at £1,313 /m^2 (£122sf). The total build cost is **£583,079**.

- Externals are assumed at 20% of build cost.
- Contingencies assumed at 5% of build cost and external cost.
- Professional fees are 6% of build cost and externals.
- Finance costs are assumed at 8.5% debit rate and 1.5% credit rate over a development period of 12 months, calculated to: £22,849.
- Profit 20% of GDV.

Other development costs include:

- LBTT at £904.
- Agent and Legal fees each at 0.75% of acquisition costs.

- Town Planning: £5,000.
- Building warrant £400/unit.
- Survey: £2,500.
- Marketing fees for the finished houses is assumed at £2,500/unit and £750/unit for NHBC.
- Sales Agent and Legal fees are 0.75% of GDV.

Total development costs (excluding land value) are: **£1,109,866** which when subtracted from the GDV results in a residual land value of: £180,134 say **£180,000**.

Affordable Housing (25%)

GDV

The money available for the affordable housing, based on 2 units, derived from the amount of available grant and capitalised adjusted rent, is **£392,296**, calculated as follows:

Physical Details								GDV					
Housing Mix	Beds	No of units	GIA m2	GIA sf	Total GIA m2	Total GIA sf	No of persons	Total No of persons	Rent/unit	Total Rent p.a.	Coversion factor	Grant/unit	Total Grant
Semi-detached	3	2	87.0	936.5	174	1,873	6	12	£ 6,053	£12,106	109%	105,759	£ 211,519
		2			**174**	**1,873**	**6**	**12**		**£12,106**			**£ 211,519**

The total grant available is assumed at £211,519. The rental income of £12,106 p.a has been adjusted for adjusted for voids at 1%, and then capitalised using a multiplier of 17.5689. It is then adjusted for management, maintenance and major repairs. The capitalised adjusted rent is calculated to £180,777, which when added to the grant available provides the amount of finance available for the development.

Development Costs

The average build cost is assumed at £1,701/m^2 (£158/sf). The total build cost is **£295,931**.

- Externals are assumed at 20%.
- Contingency at 5%.
- Professional fees are assumed at 6%.
- Other costs, such as agent and, monitoring surveyor, finance costs etc that are likely to be incurred by the RSL have been factored in
- Developer's profit: 6%.
- Other costs such as planning and building warrant, site investigation, survey and valuation fees and the cost of finance have been included.

Total development costs are: **£463,451** (£2,664/m^2) is high, but is in line with the type of development costs provided in information by RSLs. When subtracted from the finance available results in a residual land value of **-£71,155** negative value.

7.1.7.2 Residual Land Value: 75% Affordable housing

Private Housing (25%)

GDV

On the basis of units, the GDV for H1 Tomintoul, is assumed at **£500,000**; the breakdown of which is summarised in the table below.

Physical Details								GDV			
Housing Mix (Private)	Beds	No of units	Ave. GIA m2	Ave GIA sf	Total GIA m2	Total GIA sf		Average Sale Price £/unit	Total Sales £	Sales price £/m2	Sales price £/sf
Semi-detached	3	2	87.0	936.5	174	1,873		£250,000	£ 500,000	£2,874	£267
		2			**174**	**1,873**		**GDV**	**£ 500,000**	**£2,874**	**£267**

Development Costs

The assumed build cost, based on BCIS average price indices is assumed at £1,367/m^2 (£127/sf). The total build cost is **£237,869**.

- Externals are assumed at 20%.
- Contingencies assumed at 5% of build cost and external cost.
- Professional fees are 6% of build cost and externals.
- Finance costs are assumed at 8.5% debit rate and 1.5% credit rate over a development period of 8 months is calculated to: £4,597.
- Profit 20% of GDV.

Other development costs include:

- Agent and Legal fees each at 0.75% of acquisition costs.
- Town Planning: £5,000.
- Building warrant £400/unit.
- Survey: £2,500.
- Marketing fees for the finished houses is assumed at £2,500/unit and £750/unit for NHBC.
- Sales Agent and Legal fees are 0.75% of GDV.

Total development costs (excluding land value) are: **£444,570**, which when subtracted from the GDV results in a residual land value of: £55,430 say **£55,000**.

Affordable Housing (75%)

GDV

The money available for the affordable housing, based on 6 units, derived from the amount of available grant and capitalised adjusted rent, is **£1,176,310** calculated as follows:

Physical Details								GDV					
Housing Mix	Beds	No of units	GIA m2	GIA sf	Total GIA m2	Total GIA sf	No of persons	Total No of persons	Rent/unit	Total Rent p.a.	Coversion factor	Grant/unit	Total Grant
Terraced	2	3	68.0	732.0	204	2,196	4	12	£ 5,498	£16,494	109%	105,759	£ 317,278
Terraced	3	3	80.0	861.1	240	2,583	6	18	£ 6,053	£18,159	120%	116,432	£ 349,297
		6			**444**	**4,779**	**10**	**30**		**£34,653**			**£ 666,575**

The total grant available is assumed at £666,575. The rental income of £34,653 has been adjusted for adjusted for voids at 1%, and then capitalised using a multiplier of 17.5689. It is then adjusted for management, maintenance and major repairs. The capitalised adjusted rent is calculated to £509,735, which when added to the grant available provides the amount of finance available for the development.

Development Costs

The average build cost is assumed at £1,679/m^2 (£/156sf). The total build cost is **£746,351.**

- Externals are assumed at 20%.
- Contingency at 5%.
- Professional fees are assumed at 10%.
- Other costs, such as agent and, monitoring surveyor, finance costs etc that are likely to be incurred by the RSL have been factored in
- Developer's profit: 6%.
- Other costs such as planning and building warrant, site investigation, survey and valuation fees and the cost of finance have been included.

Total development costs are: **£1,149,774** (£2,590 /m^2) is high, but is in line with the type of development costs provided in information by RSLs. When subtracted from the finance available results in a residual land value of:£26,537 say **£25,000**.