

Project Experience

Financial Viability Assessment Reviews – Eastleigh Borough Council



Overview

AspinallVerdi were instructed by Eastleigh Borough Council to undertake two reviews of Financial Viability Assessments (FVA) prepared by applicants. The first site was located in West End off Botley Road and proposed 30 dwellings. The site was not in use but was comprised of a former dwelling with land and stables. The second site was located in Hedge End with 123 dwellings proposed. This site was a combination of agricultural land with some barns and a large dwelling.

Services

AspinallVerdi undertook a detailed review of the FVAs submitted to the Council and issued clarification questions to the applicants. Following this, we carried out thorough market research to assess the Gross Development Value of the schemes. We then reviewed the cost assumptions being made in order to prepare our financial appraisals. On the larger scheme, the services of a Quantity Surveyor were secured to review the site infrastructure and abnormal costs. Policy compliant financial appraisals were prepared with sensitivity analysis before presenting our review in a written report in compliance with RICS standards and guidance. In both instances, there was a period of negotiation and we met with the applicants, their advisers and the Council following the submission of our report.

Outcome

In both instances, applicants were arguing that 0% affordable housing could be delivered. On the larger scheme, the applicant was however proposing to use Homes England grant to deliver the affordable housing. This would have been outwith the Section 106 agreement.

We demonstrated through our detailed analysis and thorough reports that full policy compliance (including 35% affordable housing) was viable in both instances. Following attempts at negotiation, both applicants accepted that the schemes were viable.