

Mark Peacock  
 Building Control  
 Welwyn & Hatfield Borough Council  
 The Campus  
 Welwyn Garden City  
 AL8 6AE

**Jones Lang LaSalle Ltd**  
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jll.co.uk

Our ref      Insert JLL ref

01 July 2021

Dear Sir / Madam

**Affordable housing, Wells Farm, Herts**

We act on behalf of the applicant King & Co (Wells Farm) Ltd in respect of the planning submission 6/2020/3451/MAJ. We have been asked to provide a report that considers the evidence in terms of relative deliverability for the four proposed affordable units on site, both in terms of demand levels and price offer comparative to cost base. In this case, this analysis has required us to then consider further recommendations in terms of how the Council's objectives for affordable delivery can be achieved through an alternative and eminently equitable approach to enable off-site delivery.

King & Co are running a live planning application and recognise that the Council's preference is for on-site delivery of affordable housing, to be managed by locally approved Registered Providers (RPs). King & Co have therefore been marketing to these RPs the identified properties, all of which comprise two-storey houses with parking and rear gardens. The properties are identified below and their positions and form are identified on the attached landscaping plan.

- H09 – 2-bed Shared Ownership (857sqft GIA)
- H10 - 2-bed Shared Ownership (857sqft GIA)
- H11 – 2-bed Social Rented (857sqft GIA)
- H12 – 2-bed Social Rented (857sqft GIA)

Set out below is a table of responses from the registered providers set out on the Welwyn and Hatfield Borough Council website.

**WHBC Affordable Housing Providers**

Firm	Contact		Email	Response re Wells Farm
Clarion			<a href="mailto:housebuilding@clarionhg.com">housebuilding@clarionhg.com</a>	No offer - chased
B3 Living	Hannah Rennie		<a href="mailto:enquiries@b3living.org.uk">enquiries@b3living.org.uk</a>	No offer - chased
The Guinness Partnership	Michael Gray	Head of New Business (South)	[REDACTED]	Too small
Hightown Housing Association	Sam Galvin	Head of Land	[REDACTED]	Sub-viable offer - See attached
Homegroup			<a href="mailto:developmentadmin@homegroup.org.uk">developmentadmin@homegroup.org.uk</a>	No offer - chased
Metropolitan Housing Trust	Guy Burnett	Development Director	[REDACTED]	No offer - chased
Settle Group	Penny Metcalf	Director of Development	[REDACTED]	No offer - chased
Paradigm	Karen Hillhouse	Senior Land & Business Manager	[REDACTED]	No offer - chased

Sanctuary Housing			<a href="mailto:land@sanctuary-homes.co.uk">land@sanctuary-homes.co.uk</a>	No offer - chased
Welwyn Garden City Housing Association	Joff Lord	Development Officer	[REDACTED]k	Too far South
Catalyst	Annie Wilson	Interim Head of Partnerships	[REDACTED]	minimum of 50 affordable housing units
English Rural	James Taylor	Housing Project Manager Development	[REDACTED]	Does not fit with their current programme
Hastoe	Ulrike Maccariello	Development Director	[REDACTED]	No capacity to submit an offer
Housing 21	Peter Smith	Property Development Manager	[REDACTED]	Look for opportunities for specialist affordable older persons schemes of 40 flats or more
Places for People			<a href="mailto:sales@placesforpeople.co.uk">sales@placesforpeople.co.uk</a>	Emailed 24 May. No response. Chased
Network Homes	Matt Bird	New Business & Partnerships Director	[REDACTED]	Only looking to acquire affordable units in lots of 25 (or preferably) more
Sage	Ben Aspinall	Acquisitions Director	[REDACTED]	Emailed 24 May. No response. Chased
Stonewater	Nicola Hillier	Regional Development Manager	[REDACTED]	Too small, min 20 units

## Offer

Please see the only offer received attached. From Hightown on 6<sup>th</sup> May 2021 for £800,000.

This offer equates to £233 per sq ft on the unit area of the four properties identified. This is understood to be a final offer and would assume that the developer has allowed for build costs as well as associated costs (such as professional fees, finance, land and/or any other development costs) in delivering the affordable units for Hightown.

## Response to Offer

The offer which has been received cannot be accepted as it fails to meet or approach a base price which will be incurred by the developer. It is also a considerable concern that only one offer has been received which introduces a further layer of risk as there is a prospect that they may withdraw which would leave King & Co with no fallback position.

The NPPG clarifies that a developer can reasonably expect that the price achieved should cover construction costs as well as indirect costs and also some element of developer return to account for development risk. In this instance, the best offer received would fail to even cover construction costs so cannot be accepted.

Given the above and the fact that we have had no alternate offers, it must therefore be necessary to revert to an alternative which is a commuted sum to allow off-site delivery of affordable housing. This mechanism will meet the Council's objectives to accelerate the delivery of affordable housing units across the borough whilst allowing the proposed scheme to be viably delivered.

## Proposal

We propose a capital contribution in Lieu of Units. In regard to the level of offer, this seeks to take forward a benchmarking approach aligned to the offer that has been received and provides the differential between this and the assumed Open Market Value for the given development.

We estimate that the Open Market Value for the development of these properties would be based around an achieved sales value of £500 per sq ft. Given the scale of development this would mean that the OMV for these properties would be £1.714m.

Given that the offer received was £800,000 (which represents a benchmark), the differential between this and OMV would equate to £0.914m in this instance.

Therefore we propose **£914,000** for your consideration as a capital contribution in Lieu of Units. We would appreciate your confirmation that this level is acceptable to complete discussions on the section 106 prior to consideration by Development Management committee.

### **Conclusion**

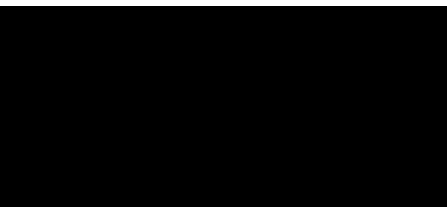
Despite reasonable attempts to market the propose affordable units with identified RPs, only one offer has been received. The capital receipt (based on the Hightown offer of £800,000) would render the wider development unviable and would be far below the expectation of a reasonable offer set out by the NPPG and the Council's own viability evidence base.

Any requirement to deliver the affordable units on site would leave development viability in an untenable position (i.e. scheme incapable of being delivered and zero contribution to housing supply) and we would therefore like to approach the Council to discuss the delivery of the Council's affordable housing objectives by way of a capital sum.

Whilst we appreciate that the policy preference is for delivery on-site or in the locality, it is clear to us that the Council is taking forward a proactive and successful social housing programme that is predominantly located in Hatfield and Welwyn Garden City (with other sites identified in locations such as Welham Green). It is worth noting that there is a variable housing market within the borough and this means that the proposed commuted sum of £914,000 provides a credible opportunity to support the delivery of a greater quantum of affordable homes (in either of these two main towns) than would be achieved in Cuffley. This would provide a greater and earlier contribution to the delivery of affordable homes in the borough and maximise the early delivery of market homes in Cuffley.

Please do not hesitate to contact me with any further information but in the meantime, we look forward to hearing from you on this matter and the offer above.

Yours sincerely,



**Edmund Couldrey**

**Director, JLL**

Mobile 07562 205721





**HARD LANDSCAPING LEGEND**

- light grey tarmac to roadways and pavements
- light grey tarmac to parking bays
- concrete block paving, staggered pattern between parking bays
- 450mm wide 100mm x 100mm concrete block paving with staggered pattern to road edge
- concrete block paving to terraces and pathways
- segregated bin store

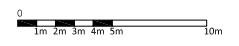
**SOFT LANDSCAPING LEGEND**

- Proposed feature tree
- Existing tree to be retained
- Existing tree to be removed
- Existing hedge retained and repaired
- New indigenous infill hedging as required
- Proposed indigenous mixed hedge planting
- Flower meadow
- Mixed species turf
- Mixed planting in front of dwellings to define semi-private space and in rear gardens

**NOTES**

- CONSULTANTS
  - Refer to highways consultant's drawings for details
  - Refer to landscape consultant's drawings for details
  - Landscaping layout is indicative only
- AREAS
  - Refer to area schedule

Rev	Notes	dd mm yy	By	Auth



B156 NORTHAW ROAD EAST NORTHAW ROAD EAST

**KING & CO**  
PROPERTY DEVELOPMENT & INVESTMENT  
EST. 1918  
Marquis House, 68 Great North Road, Hatfield, AL9 5ER  
www.kingandcompany.co.uk

Date: Nov 2020  
 Drawn by:  
 Checked by:  
 Scale @A1: 1:200  
 Scale @A3: 1:400  
 CAD File No:

**WELLS FARM**  
Northaw Road East, Cuffley  
PROPOSED  
LANDSCAPING PLAN

Oliver King  
Marquis House  
68 Great North Road  
Hatfield  
Hertfordshire  
AL9 5ER

6 May 2021

**Subject to Contract**

Dear Oliver

**Development Opportunity at Wells Farm, Cuffley, EN6 4RD**

With reference to your recent email concerning the above opportunity, on a land and build package basis we are able to offer **£800,000 (Eight hundred thousand pounds)**.

Our offer assumes the following mix:-

*Social Rent*

- 2 x 2 bed houses - 79.6m2\*

\*Rather than plots 8 and 10, we'd prefer these to be plots 9 & 10 for management purposes.

*Shared Ownership*

- 2 x 2 bed houses - 79.6m2

Our offer is also subject to the following conditions;

- Contract
- Freehold purchase
- Board approval
- Independent valuation
- 100% car parking
- Satisfactory planning permission
- Review of the S106 agreement to confirm rent and shared ownership assumptions, plus our solicitors will need to ensure it is acceptable to our lenders
- Inclusive of VAT
- Agreed specification (we have made an allowance for spec extras)
- Agreed service charges
- NHBC Buildmark choice plus extra 2 years and contractors' insolvency cover, or equivalent

Hightown Housing Association Ltd, Hightown House, Maylands Avenue Hemel Hempstead HP2 4XH  
T 01442 292300 info@hpcha.org.uk www.hightownha.org.uk

- 30% Land payment at Golden Brick (assumed in October 2022), with monthly valuations thereafter.

If you have any queries, or require further information please do not hesitate to contact me, and I look forward to hearing from you soon.

Yours sincerely



Sam Galvin  
**Head of Land**

Hightown Housing Association Ltd, Hightown House, Maylands Avenue Hemel Hempstead HP2 4XH  
T 01442 292300 [info@hpcha.org.uk](mailto:info@hpcha.org.uk) [www.hightownha.org.uk](http://www.hightownha.org.uk)

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Community Benefit Societies Act 2014 with a registration number 18077R. VAT Registered No. 449 3089 23.  
Affiliated to the National Housing Federation.