

**Private & Confidential****Valuation**

The West Sussex Property Development LLP
 Company No OC437407
 Kent House,
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 London W1W 8AJ
For the attention of Leanne Smith / Malcolm Mayo

Steve Pozerskis
Director
 Strutt & Parker
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Our Ref: 239632

2nd October 2023

Dear Leanne / Malcolm

CLIENT: THE WEST SUSSEX PROPERTY DEVELOPMENT LLP

PROPERTY: FORMER BARTONS INFANT SCHOOL, ROMNEY BROADWALK, NORTH
 BERSTED, PO22 9BH

1. EXECUTIVE SUMMARY

I have been instructed by The West Sussex Property Development LLP (the Client) to carry out an independent Financial Viability Statement ('FVS') of the proposed development scheme (the 'Scheme') currently being considered for the Former Bartons Infant School, Romney Broadwalk North Bersted PO22 9BH (the 'Property') in order to assess the viability implications of the proposed development. Full details relating to the proposed development can be found in the Design and Access Statement which is part of the overall planning application supported by this FVS.

The Design and Access Statement will provide a comprehensive background to the proposed Scheme and this FVS deals only with the financial implications of the scheme, including the implications of delivering policy compliant affordable housing requirements and S106 financial obligations in the context of ensuring viable delivery under the National Planning Policy Framework 2021 ('NPPF') and the wider planning balance. Although this 'balance' falls outside the scope of The Royal Institution of Chartered Surveyors Valuation – Global Standards, the definition of Market Value and Market Rent has been adopted.

This report is provided in the context of ensuring viable delivery under the National Planning Policy Framework 2021 ('NPPF') and the Planning Practice Guidance on Viability ('PPG on Viability'). This FVA complies with the RICS Professional Statement Financial Viability in Planning: conduct and reporting (First Edition, May 2019) and it is confirmed that I am a Registered Valuer and Qualified Practitioner acting:

- with objectivity
- impartially
- without interference and
- with reference to all appropriate available sources of information.



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I have given due regard to the new NPPF, released in July 2018 and update in July 2021, which provides the national context of planning in England, including the implementation of Central Government's Housing Policy objectives. The NPPF sets out economic, social and environmental "objectives". With respect to housing, the NPPF establishes that development plans and decision-taking should ensure delivery of a wide choice of high quality homes for a range of needs for today and in the future (paragraph 8 (b)). The NPPF is clearly an important material consideration in the determination of all planning applications in England.

The NPPF has an overarching presumption in favour of sustainable development (paragraph 11) which for decision-taking means approving without delay those development proposals where these are consistent with an up-to-date development plan.

The NPPF incorporates proposals from the Housing White Paper 2017. It considers changes to providing new homes and states at paragraph 68 that policies should account for the economic viability of delivering new homes and paragraph 78 also notes that housing proposals should be delivered in a timely manner without causing delays in delivery or viability. Paragraph 57 states that planning obligations should only be imposed on a new development where it is fairly and reasonably related in scale and kind to development.

National Planning Policy Guidance ('NPPG') was first updated in July 2018 and again in February 2019 to incorporate the changes to the revised NPPF. The new NPPG sets out standardised inputs of viability assessment. These include looking at key elements of Gross Development Value ('GDV'), Primary Build Costs ('PBC'), land value, land value premium and developer's returns informed by appropriate evidence and should be transparent and made publicly available.

Specifically, in respect to viability, the NPPG states that the viability assessments, an assumption of 15% to 20% of GDV may be considered as a suitable return. Paragraph 001 (Viability and Plan Making) also states that plans should set out the contribution expected from development. This should include setting out the levels and types of affordable housing required, along with other infrastructure. These policy requirements should be informed by evidence of infrastructure and affordable housing need and a proportionate assessment of viability that considers all relevant policies and local and national standards.

Paragraph 007 (Viability and Decision Taking) states that where up-to-date policies have set out the contributions expected for development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether circumstances justify the need for a viability assessment at the application stage.

This Financial Viability Statement (FVS) provides evidence that the proposed 20 unit scheme cannot viably support any affordable housing. The main issue being the high abnormal costs and limited Gross Development Value that is achievable in this location.

Our conclusion is the proposed scheme is just about able to be considered financially viable on an All Private basis but even at this level, there may be question marks over deliverability. This current ownership structure of this site however allows this site to be brought forward despite this apparent lack of viability.

Scheme	Residual Profit
20 Dwelling Policy Compliant	7.41%
20 Dwelling All Private	10.29%

In the interests of transparency it should be noted that we have recently undertaken a full Red Book valuation of the proposed scheme for the client.

This report returned a more positive scenario based upon an estimate of build costs, however, since the valuation was undertaken, additional costs have been identified that have meant that initial valuation is not considered to be a true reflection of the site's value.



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The Valuation utilised estimated abnormal costs from May 2022 (which we indexed forward to August 2023). These costs were based upon a basic cost budget before any technical design had been carried out and before any market testing had been started.

This FVS now has access to a full technical design, and the costs have been fully market tested. There has been a significant increase in abnormal costs between the original estimate and the latest version.

The report, dated August 2023, concluded that the site provided a Residual Land Value of some £300,000 (based upon the original, indexed cost plan). However, since that report, the updated cost plan shows the abnormal costs have risen from the estimated £780,000 to a now confirmed £1.76 million which clearly has created an issue with the deliverability of this proposals.

1. BACKGROUND

1.1 LOCATION

The Former Bartons Infant School is situated in North Bersted to the north of the seaside town of Bognor Regis. The immediate location is almost exclusively typical suburban bungalows with relatively large plots. There is a small brook to the east of the site.

North Bersted is a traditional post-war settlement with limited facilities and recreation opportunities. However, nearby Bognor Regis has a significant retail presence with various supermarkets, leisure amenities and employment opportunities. There is a large industrial development to the north east of the town providing significant employment to the area.

The area benefits from excellent access to the countryside with the South Downs National Park a short distance to the north and the sea frontage to the south.

There are a number of schools, both primary and secondary nearby.

The local area is well served by the transport network with the A27 a short distance to the north providing access to Chichester to the west and Brighton to the east. Bognor Regis has a mainline train station with two trains per hour to London (via Horsham), plus direct trains to Littlehampton and Barnham.

A location plan is available at **Appendix 1**.

1.2 CURRENT DESCRIPTION

The property consist of an irregular trapezoid shaped, flat site with the now boarded up single storey school building situated within the middle of the site of approximately 1.61 acres.

The front of the site consists of the former playground with a number of established trees to the northern perimeter.

To the rear is a mix of green space and further playground areas.

We did not inspect the property internally, but our external inspection found that the property is a single storey, brick built building with flat roof. There were signs of trespass across the site.



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3. BASIS OF APPRAISALS

The appraisals and figures provided herein do not strictly speaking fall within the scope of the RICS (Royal Institution of Chartered Surveyors) 'Red Book' and is not a formal valuation in that context. However, the principles of good practice have been followed and detailed justification for the indicative values and/or component valuation appraisals are provided. More to the point, the appraisals are in direct line with the RICS Guidance on Financial Viability in Planning.

This FVS is prepared purely to assist planning discussions with the Local Authority.

This FVS is provided on a confidential basis and we therefore request that the report should not be disclosed to any third parties (other than ADC and their advisers) under the Freedom of Information Act 2000 (Section 41 and 43/2) or under the Environmental Information Regulation. However, in light of the NPPF and NPPG it is accepted that this FVS may be placed in the public domain although we do not offer ADC, their advisers and/or any third parties a professional duty of care.

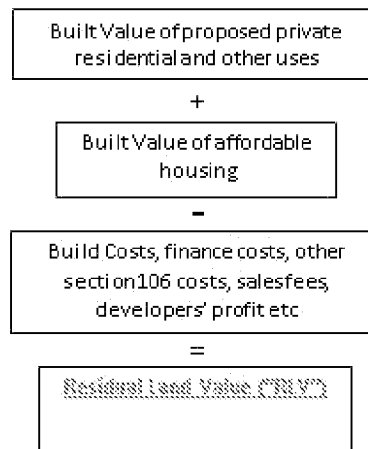
In appraising the Scheme, we have taken note of and utilised guidance on both Government and TWBC policy as set out in:

- a) ADC Local Plan 2018;
- b) Local Development Scheme 2023-25
- c) National Planning Policy Framework 2021;
- d) National Planning Policy Guidance 2019; Last updated in January 2022.
- e) Land Value Estimates and Policy Appraisal issued by HCLG 2018;
- f) Viability and Planning System: The Relationship between Economic Viability Testing, Land Values and Affordable Housing in London dated January 2017. I will also leave this one to you!

4. VIABILITY AND PLANNING

Scheme viability is normally assessed using residual valuation methodology.

A summary of the residual process is:



RLV is then compared to a Benchmark Land Value (BLV). If RLV is lower and/or not sufficiently higher than the BLV – project is not technically viable.



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If the RLV driven by a proposed scheme is reduced to significantly below an appropriate BLV, it follows that it is commercially unviable to pursue such a scheme, and the scheme is unlikely to proceed.

The RLV approach (as summarised above) can be inverted so that it becomes a 'residual profit appraisal' based upon the insertion of a specific land cost/value (equivalent to the BLV) at the top. By doing this, the focus is moved onto the level of profit driven by a scheme. This is a purely presentational alternative.

5. THE PROPOSALS

We have been provided with a schedule of accommodation for the subject site and a proposed site plan.

We assume that all of the houses will have a typical interior including downstairs WC, open plan kitchen / dining / living areas on the ground floor. The upper floors will typically include an ensuite to the master bedroom plus a family bathroom and the remaining bedrooms. Outside we would expect a standard garden space to the front and rear and off-street parking. The larger (3 Bedroom+) dwellings to have access to covered parking either via way of private garage or communal car port.

We assume a median specification with good quality kitchens / bathrooms and neutral décor throughout.

5.1 PROPOSED ACCOMMODATION

Type	Sq ft	UNIT NO.	S106 AH	UNIT SQFT N/A*
2B3P Semi-Detached	765	4	2	4,591
2B4P Semi-Detached	874	4		3,495
3B4P Detached	961	1		961
3B4P+ Semi-Detached	961	6		5,768
3B4P+ Detached	1,320	1		1,320
3B5P Detached Bungalow	949	1		949
4B6P Detached	1,320	1		1,320
TOTAL		18	2	18,045





6. BENCHMARK LAND VALUE

The Draft Planning Practice Guidance ('Draft PPG') issued by HCLG in March 2018 as part of the NPPF Consultation has now been superseded by the adopted NPPG in July 2018 (updated February 2019) and reinforces how land value should be defined for the purposes of a viability assessment. The NPPG states that a BLV should be calculated on the basis of the EUV of the land, plus a premium for the landowner. This premium should reflect the minimum price at which it is considered a rational landowner would be willing to sell the land. This approach is called EUV+.

In order to establish BLV all stakeholders, including plan-makers, landowners, developers, infrastructure and affordable housing providers should engage with and provide robust and open evidence to inform this process.

In all cases, BLV should:

- Fully reflect the total cost of all relevant policy requirements including planning obligations and, where applicable, any CIL charged;
- Fully reflect the total cost of abnormal costs;
- Site-Specific Infrastructure costs;
- Professional Site fees;
- Allow for a premium to land owners (including equity resulting from those building their own homes);
- Be informed by comparable market evidence of current uses, costs and values wherever possible. Where recent market transactions are used to inform assessment of BLV this should be evidenced that these transactions were based on policy compliant development. This is so the previous price is based on non-policy compliant developments and not used to inflate values over time.

This last bullet point is addressed further by the research document *Viability and the Planning System: The Relationship between Economic Viability Testing, Land Values and Affordable Housing in London* produced collaboratively by Kingston University, Ramidus, Royal Agricultural University Cirencester and University of Reading in January 2017. This research paper sought expert opinion from key players in the viability sector in order to demystify some of the complexities of BLV, also referred to as 'threshold land value'. The research paper stated that BLV is normally assessed by an EUV+ approach or via an assessment of Market Value based on the RICS Valuation Standards, which in turn is based on either analysis of comparable land transactions or a residual valuation. Overall, the EUV+ approach was favoured by the majority of respondents, despite the recognition that the premium element can be difficult to assess in some circumstances. The interviews gave strong support to a view that the use of comparable evidence to establish a threshold land value was not valid where such transactions had been predicated on the hope, assumption or prediction that either the plan determined contribution could be reduced to a negotiation or on appeal or that the eventual sales figures will be higher than those built into the financial viability assessment. It was therefore considered fundamental that the argument that the appraisal should be undertaken "making sure that it is truly policy compliant". If it is not, a transaction at a higher price simply leads to a reduction in affordable housing and a loss to the community. This argument was discussed at length in the protracted Parkhurst Road Appeal which further endorsed EUV+ over purchase price.

Under the method recommended in the Harman Guidance the worth of the land before consideration of any increase in value, from a use that may be permitted through a planning consent, is the EUV. The LPVS uses this as the starting point for the assessment on the basis that it is one of the key variables in any financial development appraisal. It is important to note that Planning Policy Guidance on viability states that the "price will need to provide an incentive for the landowner to sell in comparison with the other options available".

It is important to note that the Planning Policy Guidance states that, "A competitive return for the landowner is the price at which a reasonable landowner would be willing to sell their land for the development. The price will need to provide an incentive for the landowner to sell in comparison with the other options available. Those options may include the current use value of the land or its value for a realistic alternative use that complies with planning policy". It is important to fully appreciate that land value should reflect the emerging policy requirements and planning obligations and when considering comparable sites, the value will need to be adjusted to reflect this requirement.



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The subject site consists of a dilapidated former school building and grounds. In this instance, given the significant cost of refurbishment / redevelopment of the existing buildings and site, we do not believe there is any real value attributable to the existing use.

There are significant challenges associated with the abnormal costs on this site thus creating a potential deliverability issue, as discussed later in this report. We have therefore not explored an Alternative Use Value in this situation, but were this case to escalate we reserve the right to revisit this.

We have, for the purposes of this viability report and the marginal financial viability of the proposals, assessed the Benchmark Land Value at a nominal £1.

7. RESIDUAL LAND VALUE

In order to establish the RLV it is necessary to undertake a series of residual appraisals using Argus Circle Developer ('Argus'), a widely used tool which seeks to establish a residual value for a development scheme taking into account all of the costs of development including Section 106 costs and an appropriate return for a developer in the form of a minimum level of profit. For this FVS, a number of scenarios have been considered:

- Policy Compliant 20 unit scheme with two onsite affordable houses
- All Private 20 unit scheme

7.1 GROSS DEVELOPMENT VALUE ('GDV')

The GDV is the value of the completed residential units based upon analysis of comparable new build transactions within this part of Arun.

7.2 AGENT INPUT

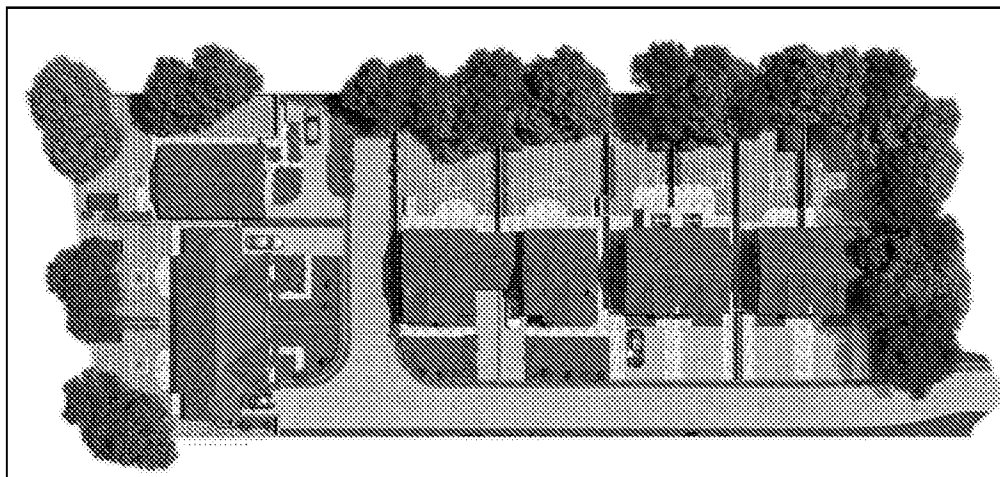
The Strutt & Parker New Homes Team suggest the following values (Open Market dwellings) may be achievable:

Plot	Type	Sq ft	Value	£/sq2
1	2B4P SD	874	£330,000	£378
2	2B4P SD	874	£330,000	£378
3	2B4P SD	874	£330,000	£378
4	2B4P SD	874	£330,000	£378
7	2B3P SD	765	£290,000	£379
8	2B3P SD	765	£290,000	£379
9	2B3P SD	765	£290,000	£379
10	2B3P SD	765	£290,000	£379
11	3B4P+ D	961	£385,000	£400
12	4B6P D	1,320	£500,000	£379
13	3B4P+ SD	961	£365,000	£380
14	3B4P+ SD	961	£365,000	£380
15	3B4P+ SD	961	£365,000	£380
16	3B4P+ SD	961	£365,000	£380
17	3B4P+ SD	961	£365,000	£380
18	3B4P+ SD	961	£365,000	£380
19	3B4P D	961	£385,000	£400
20	3B5P D B	949	£410,000	£432

7.3 SALES COMPARABLES

We have considered the following comparable transactions.

Honour's Acre, Pagham, Arun, West Sussex



Unit	Type	Sq ft	Sold Price	Sale date	£/ft2
1	3 Bed Semi	1,096	£450,000	U/O 03/23	£410 psf
2	3 Bed Semi	1,096	£425,000	U/O 04/23	£387 psf
3	3 Bed Semi	1,204	£460,000	U/O 04/23	£382 psf
4	3 Bed Semi	1,204	£460,000	U/O 05/23	£382 psf
5	3 Bed Link-detached	2,141	£695,000	U/O 06/23	£324 psf
7	2 Bed Bungalow	898	£475,000	U/O 06/23	£528 psf
8	4 Bed Semi	2,142	£660,000	U/O 05/23	£308 psf
9	4 Bed Semi	2,142	£665,000	U/O 04/23	£310 psf

Property Details: This development of nine dwellings (eight x 3 and 4 bed houses and one detached bungalow) is situated in nearby Pagham approximately 4 miles to the south west. This development is approximately one mile from the sea.

The majority of the properties are larger than the proposed dwellings at the subject site.

Analysis: We would expect the subject site to achieve a lower value generally in comparison to this site on the basis that this is in a village location, close to the sea. However, the dwellings are larger than the proposed dwellings at the subject site, so an element of quantum must be factored in to the overall rate per sq ft achieved. Whilst this is better location, the dwellings are larger which would therefore suggest that a similar rate per sq ft may be achievable at the subject site. We would expect lower capital values to be achieved by the proposed dwellings.

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Rookery Park, Herdwick lane, West Sussex PO215DB

Unit	Type	Sq ft	Sold Price	Sale date	£/ft ²
9 Herdwick Lane	3 Bed Detached	1,334	£469,995	Sold 11/03/23	£352 psf
33 Herdwick Lane	3 Bed Semi-Det	936	£369,995	Sold 30/09/22	£395 psf
6 Potters Way	3 Bed Detached	1,277	£475,000	Sold 22/08/22	£371 psf
2 Whittaker Grove	3 Bed Semi-Det	947	£375,000	Sold 02/03/23	£395 psf
6 Herdwick Lane	3 Bed Semi-Det	936	£364,995	Sold 29/04/22	£389 psf
5 Herdwick Lane	3 Bed Semi-Det	936	£354,995	Sold 30/05/22	£379 psf
4 Herdwick Lane	3 Bed Detached	1,044	£399,995	Sold 29/04/22	£383 psf

Property Details: This development by Bellway is situated close to the subject site. This site is considered to be a good comparable in terms of location. Values range from approximately £355,000 to £475,000 for three bedroom dwellings with the larger dwellings achieving the highest capital values (and slightly lower £/ft²). The semi-detached dwellings have achieved between £355,000 and £375,000 (£380 - £395 per sq ft)

Analysis: The values above provide very strong evidence that 3 Bed semi-detached houses will achieve a value of between £355,000 and £375,000 at the subject site whilst the detached three bedroom houses will achieve a lower value than £400,000 on the basis that they are smaller.

Windmill View, Yapton Road, Barnham, West Sussex

Unit	Type	Sq ft	Sold Price	Sale date	£/ft ²
28 Bateson Way	3 beds D	1,194	£437,600	Sold 01/04/22	£365 psf
22 Edward Tompkins Ln	3 beds SD	807	£400,000	Sold 17/06/22	£495 psf
5 Edward Tompkins Ln	3 beds D	1,087	£422,000	Sold 02/08/22	£388 psf
7 Edward Tompkins Ln	3 beds D	1,087	£425,000	Sold 11/05/22	£390 psf
15 Edward Tompkins Ln	4 beds D	1,786	£600,000	Sold 19/07/22	£335 psf
11 Edward Tompkins Ln	3 beds D	1,087	£432,500	Sold 19/05/22	£397 psf
9 Edward Tompkins Ln	3 beds D	1,087	£420,000	Sold 16/06/22	£386 psf
17 Edward Tompkins Ln	3 beds SD	807	£400,000	Sold 09/11/22	£495 psf
19 Edward Tompkins Ln	3 beds SD	1,116	£404,200	Sold 11/10/22	£362 psf
21 Edward Tompkins Ln	4 beds D	1,786	£612,000	Sold 23/09/22	£342 psf

Property Details: This development by Redrow is situated in nearby Barnham. This site is better located than the subject site being closer to the countryside and within a more desirable area generally.

3 Bed semi-detached dwellings have achieved between £400,000 and £404,000 whilst 3 Bed detached dwellings have achieved between £422,000 and £437,000. 4 Bed dwellings have achieved between £600,000 and £612,000.

Analysis: The values above provide a ceiling for the subject site. We would expect the proposed dwellings to achieve a lower value than those noted above due to the better location / general area.

AFFORDABLE HOUSING

We have applied 60% of Open Market Housing value to the two Affordable dwellings. This is considered to be a hypothetical value, on the basis that it is unlikely that a Registered Provider would be forthcoming for just two dwellings on site. We would expect the equivalent commuted sum to be paid in-lieu of onsite affordable housing, but for the purposes of this FVS we have included these dwellings.



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7.4 MARKET VALUES CONCLUSION

GDV CONCLUSION

In light of the above comparable transactions, our opinion of the Gross Development Value is summarised below:

Plot	Type	Sq. ft	Value	£/ft ²
1	2B4P SD	874	£330,000	£378
2	2B4P SD	874	£330,000	£378
3	2B4P SD	874	£330,000	£378
4	2B4P SD	874	£330,000	£378
7	2B3P SD	765	£290,000	£379
8	2B3P SD	765	£290,000	£379
9	2B3P SD	765	£290,000	£379
10	2B3P SD	765	£290,000	£379
11	3B4P+ D	961	£385,000	£400
12	4B6P D	1,320	£500,000	£379
13	3B4P+ SD	961	£365,000	£380
14	3B4P+ SD	961	£365,000	£380
15	3B4P+ SD	961	£365,000	£380
16	3B4P+ SD	961	£365,000	£380
17	3B4P+ SD	961	£365,000	£380
18	3B4P+ SD	961	£365,000	£380
19	3B4P D	961	£385,000	£400
20	3B5P D B	949	£410,000	£432
5*	2B3P SD	765	£174,000	£227
6*	2B3P SD	765	£174,000	£227
Total		18,045	£6,698,000	£371

*Affordable

7.5 COSTS

BUILD COSTS

We have been provided with build costs by Lovell's cost consultants. These based upon BCIS for the base build at £150 per sq ft and the following additional costs:

Type	£/ft ²
External Works	£407,236
Demolition / Site clearance / Prep	£117,094
Piling	£21,591
Air Source Heat Pumps	£87,820
Total	£633,741

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ABNORMALS

Input	Cost
s278	£68,182
Site Wide Drainage	£483,363
Communal Soft Landscaping	£84,197
Communal Hard Landscaping	£279,292
Street Furniture / Walls	£28,875
Attenuation Tanks / Swales	£352,229
External Lighting / Car Charging	£16,405
Utilities	£35,747
Porches	£68,172
Prelims on Abnormals	£212,469
Contingency on Abnormals	£32,579
OH&P on Abnormals	£99,693
Total	£1,761,203

FEES

We have utilised fees levels that are considered to be optimistic in the current climate, to explore the most positive scenario:

Input	Cost
Contingencies	2.5%
Professional Fees	6%
Sales and Marketing	2.5%
Legal Sales Fees	£1,000 per dwelling
Affordable Disposal	1%



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DELIVERY AND FINANCE

We have utilised a finance rate of 8% which reflects the current base rate and finance market.

SECTION 106

We have been provided with an estimate of the Section 106 obligations at £368,017 plus £75,200 to cover “First Homes”.

PROFIT

We would expect profit levels to be within the ranges detailed below:

- 15% - 20% Market Housing
- 6% Affordable Housing

In this instance we have utilised a blended average based upon 20% for the market dwellings and 6% for the affordable dwellings.

A copies of the Policy Compliant appraisal is attached at **Appendix 2**.

8. CONCLUSION

This FVS provides evidence as to why the Policy Compliant, 20 unit proposal, is not viable. The significant, site specific abnormal costs allow only a limited return of approximately 7.5% against Gross Development Value. This is well below the blended profit level required.

We have therefore run a second appraisal based upon an All Private tenure. This returns a marginally more viable opportunity with a residual profit level at approximately 10% on value. This is still significantly below a reasonable profit level, however, the particular ownership structure and agreement allow this scheme to come forward at these lower profit levels in comparison to how the wider market may view the site. A copy of the All Private appraisal is attached at **Appendix 3**.

Schema	Residual Profit
20 Dwelling Policy Compliant	7.41%
20 Dwelling All Private	10.29%

SENSITIVITY ANALYSIS

The table below suggests that only with a 10% reduction in build costs and a 5% increase in values would the development be considered viable on the open market, on an All Private basis.



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Table of Profit on GDV% and Gross Development Value

Sales: Rate p ²	Construction: Rate p ²				
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-5.000%	135.00 p ²	142.50 p ²	150.00 p ²	157.50 p ²	165.00 p ²
	19.302%	7.947%	0.000%	3.237%	0.882%
	£6,583,500	£6,583,500	£6,583,500	£6,583,500	£6,583,500
-2.500%	12.598%	10.294%	7.989%	5.705%	3.410%
	£6,756,750	£6,756,750	£6,756,750	£6,756,750	£6,756,750
0.000%	14.754%	12.523%	10.286%	8.049%	5.812%
	£6,930,000	£6,930,000	£6,930,000	£6,930,000	£6,930,000
+2.500%	15.810%	14.639%	12.462%	10.279%	8.097%
	£7,103,250	£7,103,250	£7,103,250	£7,103,250	£7,103,250
+5.000%	18.789%	16.546%	14.526%	12.403%	10.272%
	£7,276,500	£7,276,500	£7,276,500	£7,276,500	£7,276,500

.....
Steve Pozerskis MRICS
 Senior Associate Director
 BNP Paribas Real Estate t/a Strutt & Parker

APPENDIX 1

Location Plan







APPENDIX 2

Policy Compliant Appraisal

BNP Paribas Real Estate

Development Appraisal

Former Bartons Infant School

Residual Appraisal

Report Date: 18 September 2023

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Former Bartons Infant School
Residual Appraisal****Summary Appraisal for Phase 1****Currency in £****REVENUE****Sales Valuation**

	Units	ft²	Rate ft²	Unit Price	Gross Sales
Open Market Housing	18	16,515	384.50	352,778	6,350,000
Affordable Rented	<u>2</u>	<u>1,530</u>	227.45	174,000	<u>348,000</u>
Totals	20	18,045			6,698,000

NET REALISATION**6,698,000****OUTLAY****ACQUISITION COSTS**

Fixed Price			1
Agent Fee	1.25%		0
Legal Fee	0.50%		0

1

CONSTRUCTION COSTS**Construction**

	ft²	Rate ft²	Cost	
Open Market Housing	16,515 ft²	150.00 pf²	2,477,250	
Affordable Rented	<u>1,530 ft²</u>	150.00 pf²	<u>229,500</u>	
Totals	18,045 ft²		2,706,750	2,706,750

Contingency	2.50%	83,512	
Statutory/LA		368,017	
First Homes		75,200	

526,729

Other Construction

Other Costs		633,741	
Other Construction		1,761,203	

2,394,944

PROFESSIONAL FEES

Professional Fees	6.00%	200,429	
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200,429

MARKETING & LETTING

Marketing	1.00%	63,500	
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63,500

DISPOSAL FEES

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ARGUS Developer Version: 6.00.005

Date: 18/09/2023

APPRAISAL SUMMARY**BNP PARIBAS REAL ESTATE****Former Bartons Infant School****Residual Appraisal**

Sales Agent Fee		1.50%	95,250	
Sales Legal Fee	18 un	1,000.00 /un	18,000	
Affordable Fees		1.00%	3,480	
				116,730

FINANCE

Debit Rate 8.000% Credit Rate 2.000% (Nominal)				
Land			0	
Construction			168,607	
Other			24,268	
Total Finance Cost				192,876

TOTAL COSTS**6,201,959****PROFIT****496,041****Performance Measures**

Profit on Cost%	8.00%
Profit on GDV%	7.41%
Profit on NDV%	7.41%
IRR	23.96%
Profit Erosion (finance rate 8.000%)	0 yrs 12 mths

APPENDIX 3

All Private Appraisal

Licensed Copy

Development Appraisal

Former Bartons Infant School

Residual All Private Appraisal

Report Date: 29 September 2023

APPRAISAL SUMMARY**LICENSED COPY****Former Bartons Infant School
Residual All Private Appraisal****Summary Appraisal for Phase 1****Currency in £****REVENUE**

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
Open Market Housing	20	18,043	384.08	346,500	6,930,000

NET REALISATION **6,930,000**

OUTLAY**ACQUISITION COSTS**

Fixed Price			1	1	
Agent Fee		1.25%	0		
Legal Fee		0.50%	0		
				0	

CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
Open Market Housing	18,043 ft²	150.00 pf²	2,706,450	2,706,450
Contingency		2.50%	83,505	
Statutory/LA			368,017	
First Homes			75,200	
				526,722
Other Construction				
Other Costs			633,741	
Other Construction			1,761,203	
				2,394,944

PROFESSIONAL FEES

Professional Fees		6.00%	200,411	
				200,411

MARKETING & LETTING

Marketing		1.00%	69,300	
				69,300

DISPOSAL FEES

Sales Agent Fee		1.50%	103,950	
Sales Legal Fee	20 un	1,000.00 /un	20,000	
				123,950

APPRAISAL SUMMARY**LICENSED COPY****Former Bartons Infant School****Residual All Private Appraisal****FINANCE**

Debit Rate 8.000%, Credit Rate 2.000% (Nominal)

Land	0	
Construction	172,262	
Other	23,117	
Total Finance Cost		195,380

TOTAL COSTS**6,217,158****PROFIT****712,842****Performance Measures**

Profit on Cost%	11.47%
Profit on GDV%	10.29%
Profit on NDV%	10.29%
IRR	31.12%
Profit Erosion (finance rate 8.000%)	1 yr 4 mths

