

David Dodds
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Date 13 October 2021

Our ref: LNP/avisford

Dear David

AVISFORD GRANGE - A27 PROPOSED WORKS

I refer to our correspondence regarding the issues surrounding the A27 and its impact upon Vistry/Linden's ability to commence marketing and sell units at Avisford Grange.

To date, Highways England has issued a 'letter of comfort' which, in short, does not have any legal standing. There is nothing to stop Highways England acting differently or revoking its intention at any time. It cannot therefore be relied upon for the purposes of sales and most buyers (particularly those with mortgage lenders) would not want to commit to a purchase with this uncertainty.

The main general issues are:-

1. The current 'Preferred Route' suggests that it has a negative impact on the current scheme.
2. The final alignment of the Bypass awaits statutory consultation. This will presumably involve extensive reviews and the design being revisited. The status of this site is unlikely to form part of the consideration given the previous routes proposed. The process will then require the grant of development consent. The timescales for this are open ended. The letter further only suggests that access to the existing access road via Yapton Lane will be retained - it does not state to what extent. This is not binding upon Highways England.
3. Mitigation and construction works may be required throughout the process, it is suggested that an alternative access will be provided at this point. There is no confirmation as to what impact this would have on the site and/or any buyers.
4. As at this date, no timescales have been proposed nor committed to in terms of the design, route or delivery. The suggestion would be timescales could be upwards of 2 years for design and up to 10 years to implement.
5. It is clear that the implementation of the A27 has an impact on value to the site including the risk of claims of compensation for removal of access rights. You have confirmed that this has also been acknowledged by Highways England to you.
6. As a developer, there are obligations upon clear marketing and disclosure to buyers, currently the position is far from clear and does not enable the developer to actively market the units with any certainty.

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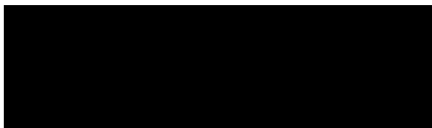
7. Without being able to sell the units, the derelict site remains as such and is not habitable nor able to meet the delivery housing for housing needs.

The main issues from a Buyer/Lender perspective are:-

1. The current position would need to be reported to any mortgage lender for consent to proceed. It is highly likely that a lender will want more comfort before proceeding or is likely not consent to the buyer proceeding.
2. Most prudent solicitors would advise their client (and mortgage lender if asked to advise) not to proceed with the uncertainty and wait for the outcome of the decision to be made especially whilst there is no certainty or comfort in relation to Tye Lane. At best they would insist upon a conditional contract which allows them to withdraw should they not be happy with the outcome of the A27 route. This also would mean that they would not complete and move in.
3. In the unlikely event that a buyer did commit in the circumstances stated above at point 2, they are likely to require provision for compensation in the event any decision is not favourable or in the event that there is any impact on their unit or the site.
4. It is possible that mortgage companies may even refuse to lend on the basis that, without certainty as to access to a property and threat of a bypass affecting units at the site, the valuations of each unit would be significantly impacted.
5. Even if a cash buyer opted to purchase, it is unlikely that it would commit on the basis that the resale of the property is likely to be impacted and therefore a huge risk to its investment

The result of the Tye Lane application allowing unfettered access to the site remains the only viable solution to being able to proceed to market the units.

Yours sincerely



Louise Paterson
Partner
for Gateley Legal