

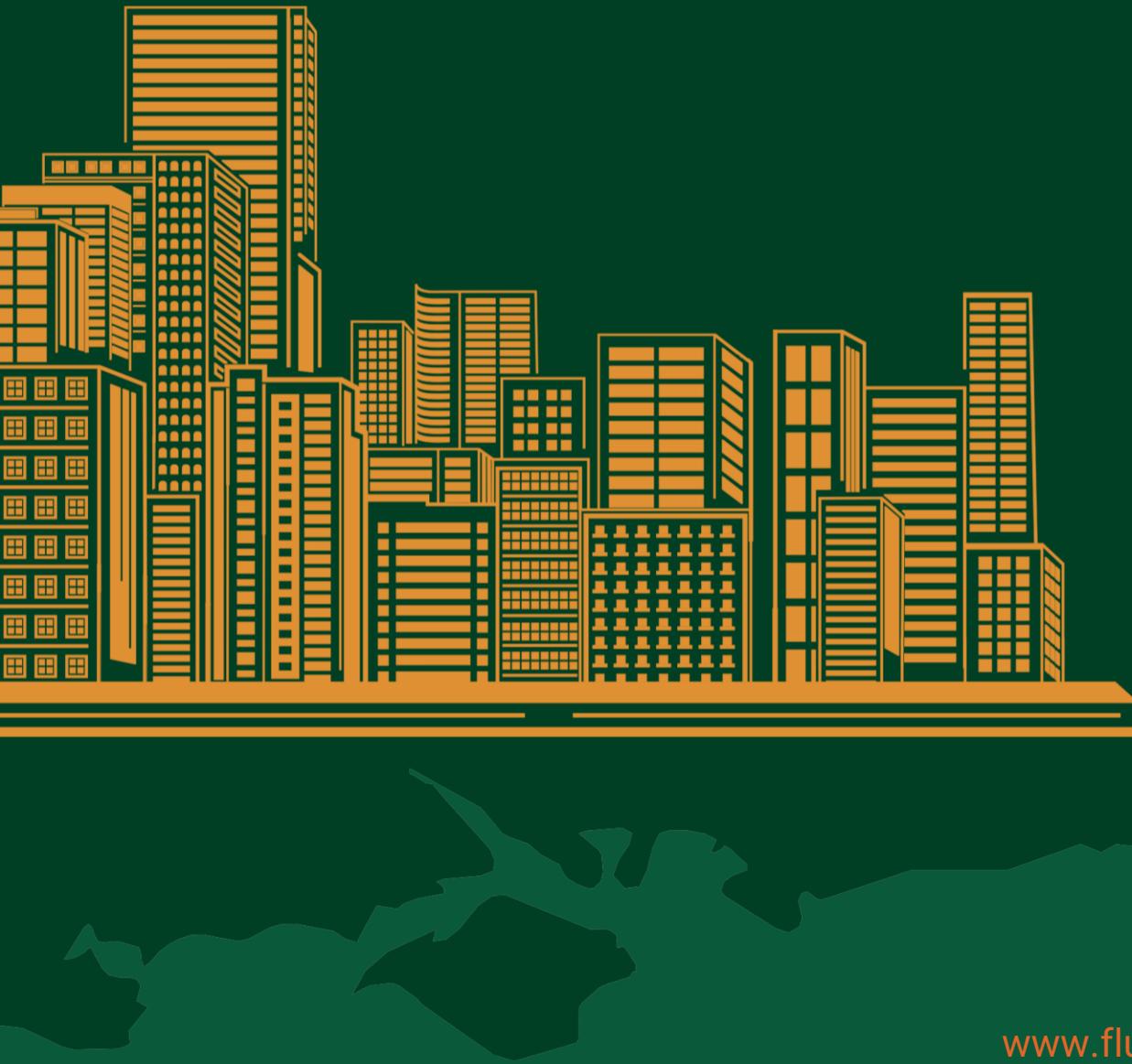


REPORT ON ST MARY'S ITS PRELIMINARY PROPOSALS

24-25 & 1 - 1A EAST STREET & NEW ROAD, SHOREHAM-BY-SEA BN43 5ZD

TO A MIXED COMMERCIAL & RESIDENTIAL SCHEME TO ENSURE THE
FUTURE PROVISION OF CHURCH & COMMUNITY FACILITIES FOR ST MARY
DE HAURA CHURCH AND THE LOCAL COMMUNITY

11 November 2025



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EXECUTIVE SUMMARY

The subject property is in a poor state of repair. Informal estimates indicate up to £500,000 could be required to return the property to good repair and with appropriate access.

Income generated from lettings of parts of the property to 3rd parties and that generated through other means by the owners - The New Shoreham Church Trust Church – is significantly short of a sum sufficient to return the property to good repair and, in turn, to provide good quality, appropriate and accessible community facilities for the Church and the local community

The Church are unable to provide sufficient quantity, quality or accessible community facilities for the activities of the Church as a result.

The Church has spent many years considering and pursuing various options for the property. Culminating in the currently agreed plan to work with Empire Group to provide new high quality and accessible community facilities to the ground floor of 24 East Street with this enabled by conversion and refurbishment of the remainder of the building to residential accommodation. The proposals will involve conversion of parts of the existing building to residential use.

This proposal being the only option that has been shown to be viable and deliverable – subject to planning.

The following report sets out the rationale for these proposals, why it is viable and why ongoing use of the property in its current format is unviable.

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10 October 2025

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Dear Sirs

24-25 & 1 - 1a East Street & New Road, Shoreham-by-Sea BN43 5ZD

1. TERMS OF REFERENCE

Instructions

We have been instructed to provide a report on the background and lead up to the current situation with the above property and proposals to undertake redevelopment in order to facilitate the needs of the Church going forward and to return buildings that are in a poor state of repair to full repair.

The property owner

The subject property is owned by the New Shoreham Church Trust better known as the local Church - St Mary de Haura.

About Flude Property Consultants

Flude Property Consultants is an independent, regional firm of Chartered Surveyors regulated by the Royal Institution of Chartered Surveyors (RICS) who specialise in advising clients who own or occupy real estate. Our firm comprises three offices in Brighton, Chichester and Portsmouth with approximately 34 staff.

Our main areas of expertise include property agency, lease advisory (rent reviews, lease renewals and lease re-gearing), business rates, property management, real estate asset valuation and general consultancy (investment and development).

Flude Group Ltd. (Registered in England No. 03287836)

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OFFICES IN BRIGHTON, CHICHESTER AND PORTSMOUTH

AGENCY / LEASE ADVISORY / MANAGEMENT / RATING / VALUATION / INVESTMENT / DEVELOPMENT



Flude operates from three offices across the south coast of Sussex and Hampshire and transact numerous lettings and sales on all types of commercial property within these counties. We therefore have first-hand experience of demand, supply and values in the region.

Flude has won a number of awards relating to commercial property. EG Radius and CoStar are the two largest analysers of commercial property transactions. Flude have won various awards from these organisations to include:

CoStar Awards

2020, 2021, 2022, 2023, 2024 & 2025 - Brighton office most active disposal agent by square feet

2020, 2021, 2022, 2023, 2024 & 2025 - Brighton office most active disposal agent by number of transactions

2021 & 2024 - South Coast Office award for the most active disposal agent by number of transactions

EG Radius Awards

2021, 2022 & 2023 – East Sussex Winner (number of transactions)

2022 – West Sussex Winner (number of transactions)

2023 – Hampshire, East & West Sussex Winners (number of transactions)

2023 – South East Winner (number of transactions)

About the Author

This report has been prepared by Andrew Halfacree BSc MRICS, who is a Chartered Surveyor and Director of Flude Property Consultants. Flude are an RICS Registered Firm with appropriate experience, knowledge and expertise of the local property market.

Andrew has worked in the Sussex property market since 1993. He heads the agency and consultancy teams from the Brighton office of Flude. He advises a wide range of clients to include private individuals, charities, public sector bodies, property companies and funds.

As well as being involved in the marketing and letting of commercial property Andrew regularly undertakes financial viability assessments reporting on the viability, or otherwise, of property refurbishment and development projects.



2. THE PROPERTY

Address of the Property

24-25 & 1 - 1a East Street & New Road, Shoreham-by-sea BN43 5ZD.

Location

The Property is situated in Shoreham-By-Sea, a seaside town situated on the coastal stretch between Worthing in the west and Brighton in the east. The town is linked with Shoreham Port to the south east of the Town Centre, and Shoreham Airport to the west of the town centre. The latter is also known as Brighton City Airport.

The building itself sits on the corner of East Street and New Road, with the former being one of the prominent retailing pitches and the latter being a residential street. Directly opposite is the St Mary de Haura Church and Cemetery.

In terms of transport links, The A259 Brighton Road is a short walk to the south and there are numerous bus services that run along the coastal road stretch between Brighton and Worthing. By road, the property is located approximately 5.2 miles east of Worthing, 7.2 miles west of Brighton and Hove, 43 miles east of Portsmouth, 68 miles south of London and 58 miles east of Southampton. In addition, Shoreham-by-Sea railway station is situated approximately 270 metres to the northeast of the property. From Shoreham-by-Sea there are direct services to Brighton (14 mins), Clapham Junction (1 hour 9 mins) and London Victoria (1 hour 16 mins).

Location maps are included as [Appendix B](#), an Aerial Photo of the Site as [Appendix C](#), a Site Plan as [Appendix D](#).

Description

The subject property comprises a mixed used building, with commercial premises to the ground floor on both East Street and New Road, with the upper floors in use as a Community Hall, Meeting Room and associated ancillary spaces. The community hall is accessible via an entrance at 25 East Street, Shoreham-by-Sea.

The general external construction consists of traditional brick construction and accented with rendered pebble dashed panels to the upper elevations. The windows are timber framed and single glazed to the ground and first floors. The roof is pitched, with slate grey tiling, and the design allows for four number dormer windows on the southern elevation and three on the northern elevation. This area is masked with a



masonry parapet wall above the windows on the southern side. The elevation to the western side is traditional brick construction, with painted render at ground level and rendered pebble dash to the upper elevation.

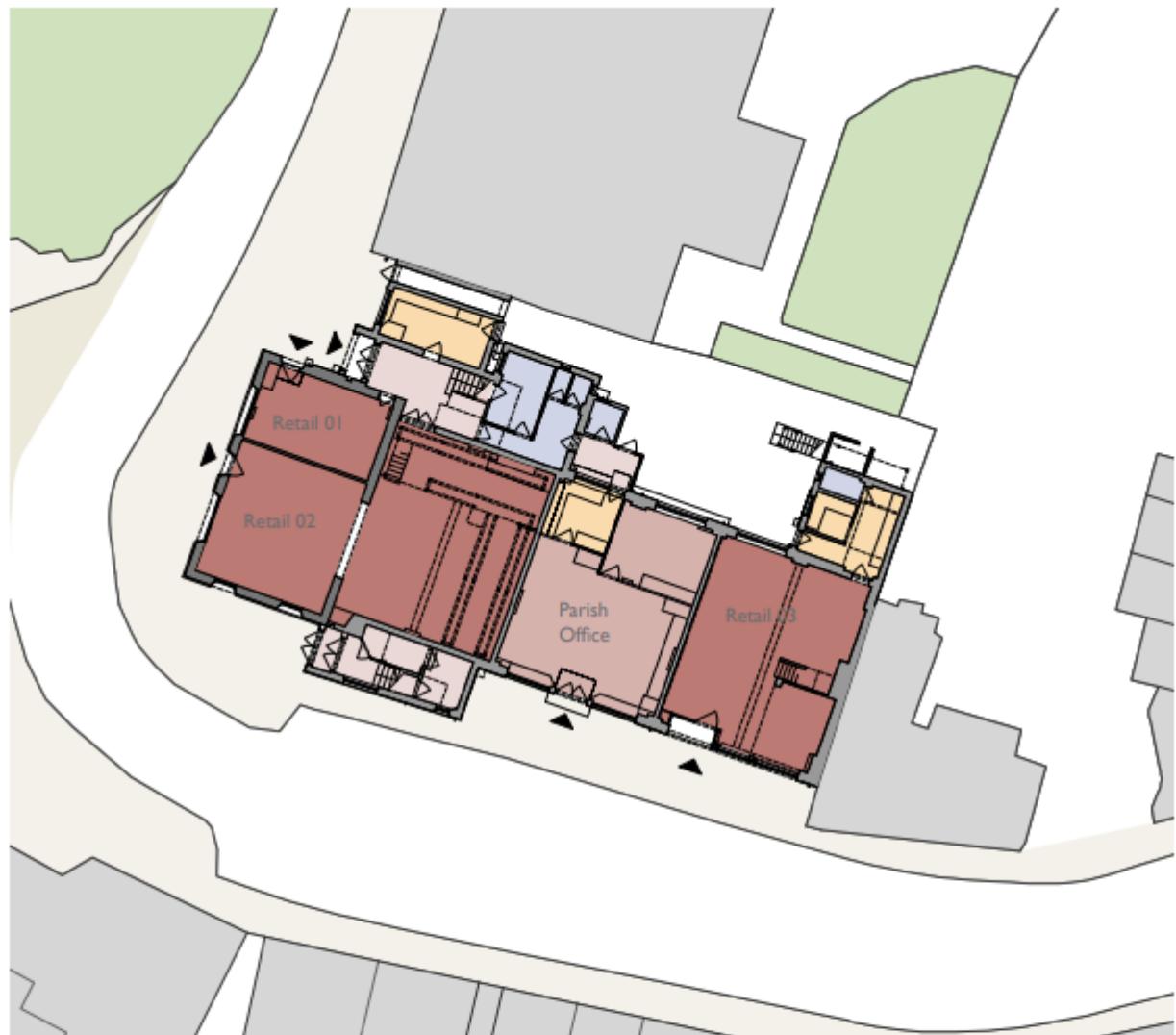
East Street and New Road, both provide two self-contained retail/E Class units. The premises on New Road have fully glazed frontages and conventional shaped units. The retail premises on East Street present differently, with 24 East Street having a “hard frontage” with limited window space and more prominent masonry. 24a East Street, provides a small “kiosk” unit with limited retailing space and concealed entrance, but a fully glazed frontage.

The community hall and ancillary rooms are accessible via a main entrance at 25 East Street and have a two further means of escape at the rear (northern) elevation, and on to New Road. The hall, ancillary rooms and association circulation spaces are of traditional design and construction with painted plastered walls and ceilings. The community hall has a wooden flooring throughout and we understand that it may have previously been used as a dance hall. It is presently a community space of the Church and their congregation.

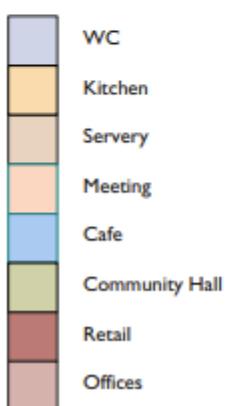
Existing arrangement and use of space

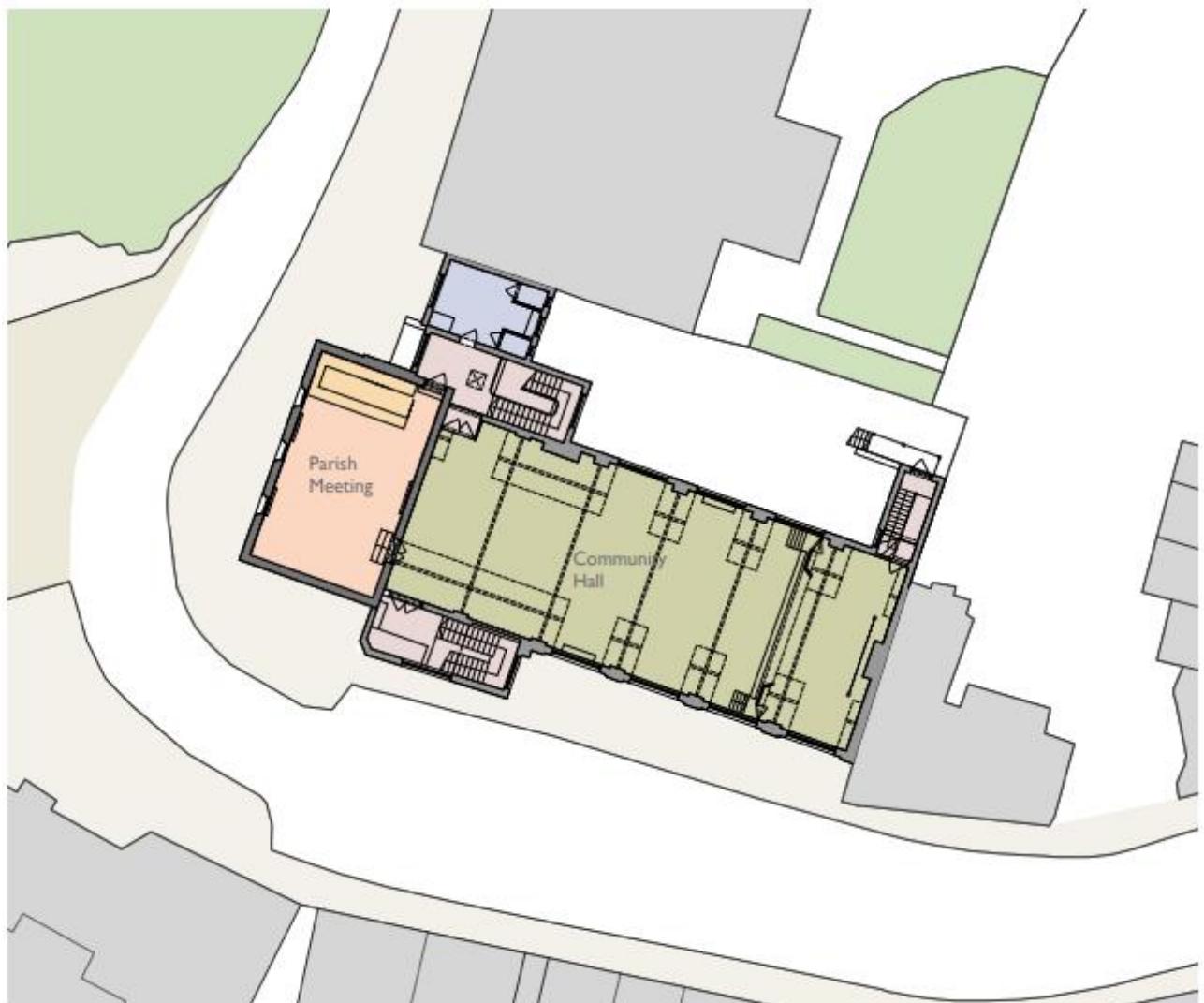
See plans below showing the current layout and use of the building.

Note that the area coloured green to the first floor and signed as “Community hall” is not used as it is in too poor state of repair.



Ground Floor, Existing Uses and Access - East Street/ New Road Site





First Floor, Existing Uses

WC
Kitchen
Servery
Meeting
Cafe
Community Hall
Retail
Offices



Accommodation

Floor Areas (NIA)

We have measured the premises and set out their Net Internal Area (NIA) as follows:

Area Summary – Net Internal Area (NIA)					
Unit	Floor	Description	sq m	sq ft	ITZA
1a New Road	Ground	<i>Shop</i>	67.66	728.27	525.66
	Ground	<i>Stores & Kiln Room</i>	11.00	118.36	
	First	<i>Mezzanine</i>	10.12	108.90	
			88.77	955.53	
1 New Road	Ground	<i>Shop</i>	71.87	773.61	636.62
	<i>Covered Stores to Rear</i>		1.89	20.30	
				73.76	793.91
24 East Street	Ground	<i>Shop</i>	109.97	1183.68	623.33
	<i>Mezz with reduced height</i>		32.03	344.72	
				141.99	1528.41
24a East Street	Ground	<i>Shop</i>	21.46	231.03	230.09
25 East Street	Ground	<i>Ancillary</i>	27.34	294.30	
	First	<i>Ancillary</i>	13.60	146.41	
	First	<i>Hall</i>	211.87	2280.56	
	First	<i>Music Room</i>	63.59	684.49	
			316.40	3405.76	
Total Net Internal Area (NIA)			642.39	6914.62	

Condition

We have not carried out a building survey, nor have we inspected those parts of the premises which are covered, unexposed or inaccessible, and such parts are assumed to be in good repair and condition.

We can though report the property is in a poor state of repair and condition. This is linked to years of insufficient funding for the church / income from the property to keep on top of repairs. In particular:

1. The main pitched roof to the building leaks in several locations and water pools on the first floor.
2. The ceiling at first floor level has degraded significantly, with large sections of plaster falling away.



3. The windowpanes and window frames throughout the upper levels are in poor condition. Some panes have fallen out. Temporary measures have been installed to reduce the risk of further panes falling to the ground below. All the windows either need significant repair / replacement.
4. The fire escape to New Road is in significant disrepair, with a visible hole in the ceiling and water ingress coming into this section.
5. The main stairwell at the entrance on 25 East Street requires refurbishment to include repairs to fix the source of any leaks and redecoration. The upper floor of this stair well has significant plaster cracking, damp patches and evidence of leaks.

Photos of the property are attached as Appendix A

3. BACKGROUND

Recent History of the building

The Church have been using the Community Hall and Parish Centre at No 1 New Road for their own use. The remaining ground floor accommodation is let to 3rd parties.

Due to a lack of funding the Church have been unable to keep up with the ongoing maintenance needs of the property. The property is increasingly unsuitable for the requirements of the Church – particularly with regard to access - and has fallen into disrepair. Some of the obvious items of disrepair summarised above. To the extent that the main hall to the first floor was considered – around 19 years ago - in too poor state of repair and too unsafe for continued use.

The remainder of the first floor, whilst still used by the Church, is in a basic and poor state of repair. Further, it lacks a lift, reasonable welfare facilities and is inaccessible to people with physical disabilities. It is only used on an occasional basis by the Church.

Informal estimates range from £250,000 - £450,000 to return the property to a basic and sound state of repair. Money which the Church doesn't have and which income from the property is insufficient to generate.



A further issue here being that if sufficient capital could be generated and necessary repairs were effected the Church do not have a regular and reliable source of sufficient income to keep the property in good repair going forward.

The poor state of repair of the building has increasingly impacted on the ability of the Church to provide accessible meeting and community facilities.

Apart from the ongoing need for a church office, the Church have an additional need for space. This is because the church has in recent years increased the events and activities now offered to the community, accommodating charity events and offering more in the way of social activities to combat loneliness and isolation.

Redevelopment options and process leading to the current proposals

A subcommittee of the Parochial Church Council (PCC) was set up to primarily review the development and reordering of the church and secondly the development of the East St/New Road building. Plans were drawn up for both buildings including the churchyard. The church development, which included conservation work as well as some reordering, would be heavily reliant on receiving substantial grants from the Heritage Lottery Fund.

Unfortunately the church failed to secure the necessary funding needed in 2018/19. The PCC then took the decision to prioritise the development of the subject property. The reason for doing so was primarily that the buildings were in a poor state of repair and the church had to draw on the limited funds held in the New Shoreham Church Trust (NSCT) to keep them safe and, wind and watertight.

Since then Flude have been engaged to advise on the subject property and options for redevelopment. This included working up detailed plans and undertaking a pre-application with the local planning authority for wholesale redevelopment with the New Road part of the site, which was to be demolished and rebuilt with a 4 storey residential block to include new community facilities on the ground floor for the Church.

Significant time and financial investment was made in working up these plans and undertaking the pre-application. However with changing market conditions – inflation, interest rate increases and an increasingly difficult sales market it was proving difficult to make this significant redevelopment option financially viable.

This led, in early 2024, to explore the market. To ascertain developer views of the proposals worked up by the Church, their view on values and ways in which redevelopment of the property might be achieved.



A number of developers active in the area were approached. This resulted in several rounds of investigation and meetings exploring different options. As these investigations continued it became apparent that the markets view of the redevelopment plans prepared by the Church were the same as ours. Whilst a physically appealing scheme it was not possible to make the scheme financially viable.

As discussions continued and feedback obtained from various developers it became apparent that retention of the existing buildings, change of use to parts and wholesale refurbishment was the more viable and lower risk option than wholesale redevelopment.

Discussions with prospective developer partners continued and a selection process reduced from an initial 6, to 3 and then to 1 preferred developer partner. Following this, terms were agreed for this transaction.

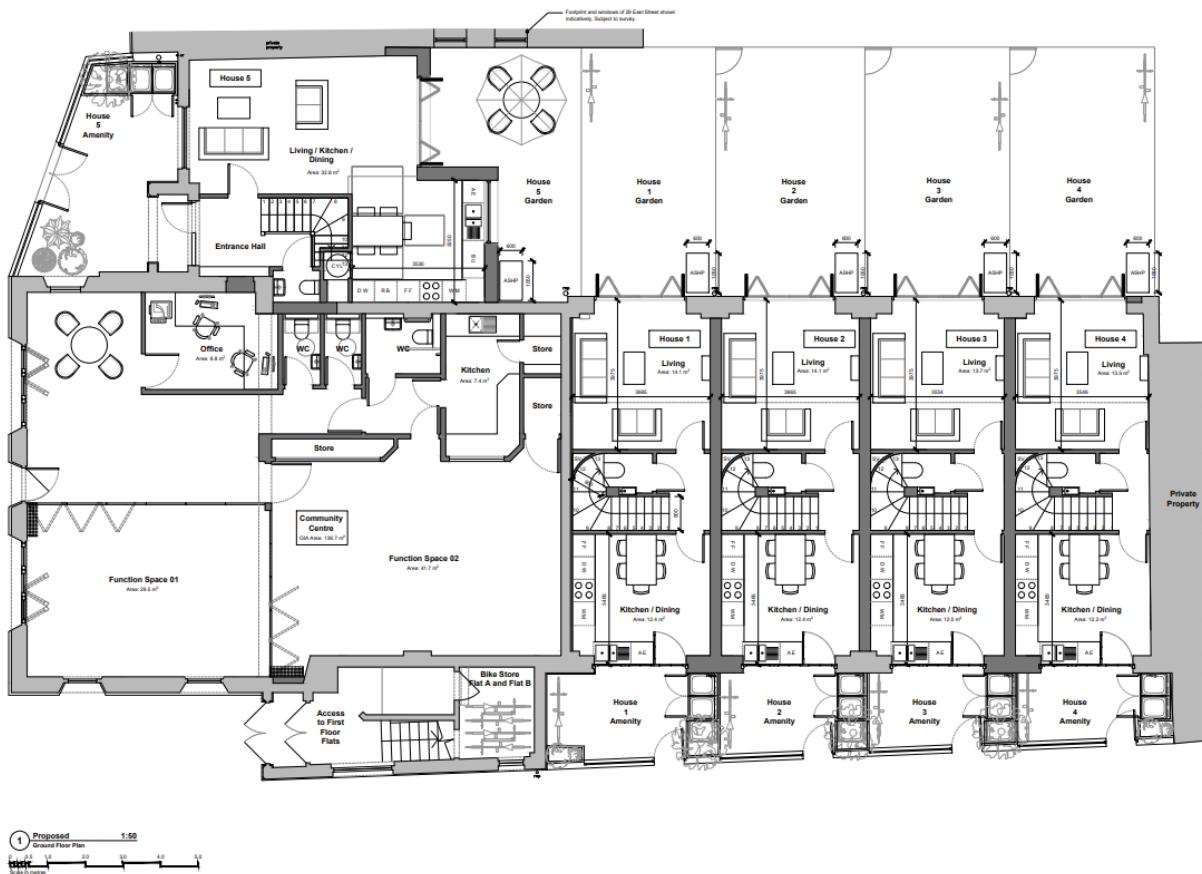
Principle of the proposed transaction & proposed scheme

The principle of the transaction is that the purchaser and vendor will work together with appropriate professionals to work up a scheme to redevelop the property to provide the vendor with new meeting facilities to the ground floor with the remainder of the building to be converted into residential accommodation.

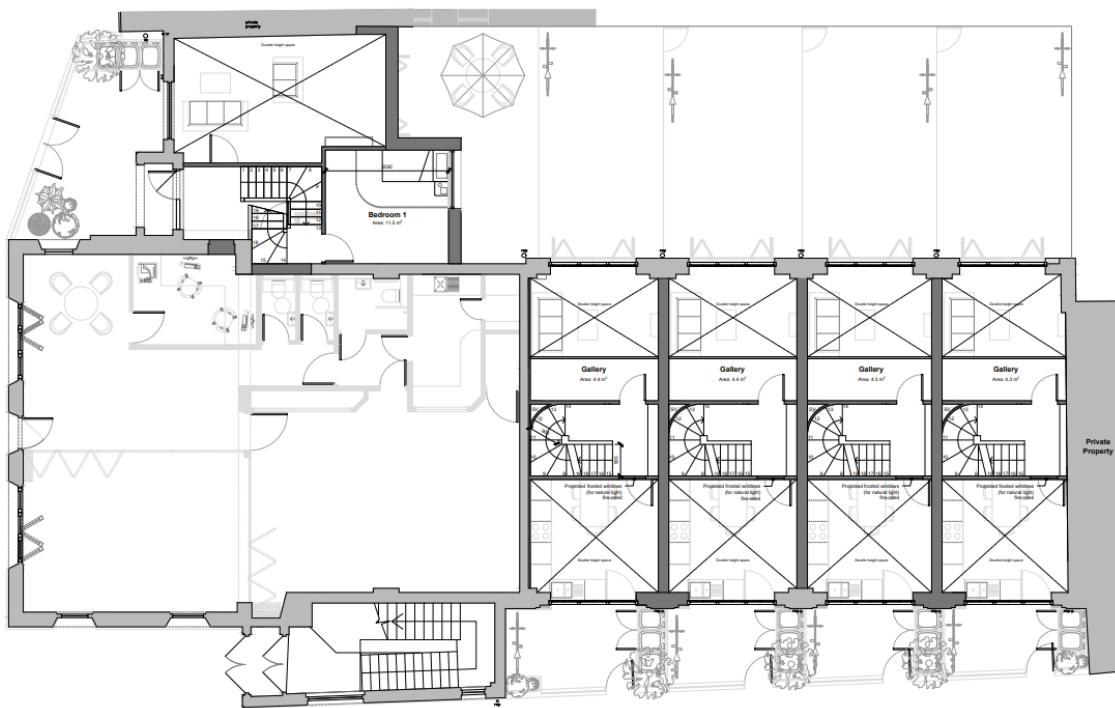
The plans below show the latest drafts of the proposed scheme. NB – these may be subject to further minor change prior to submission of an application.



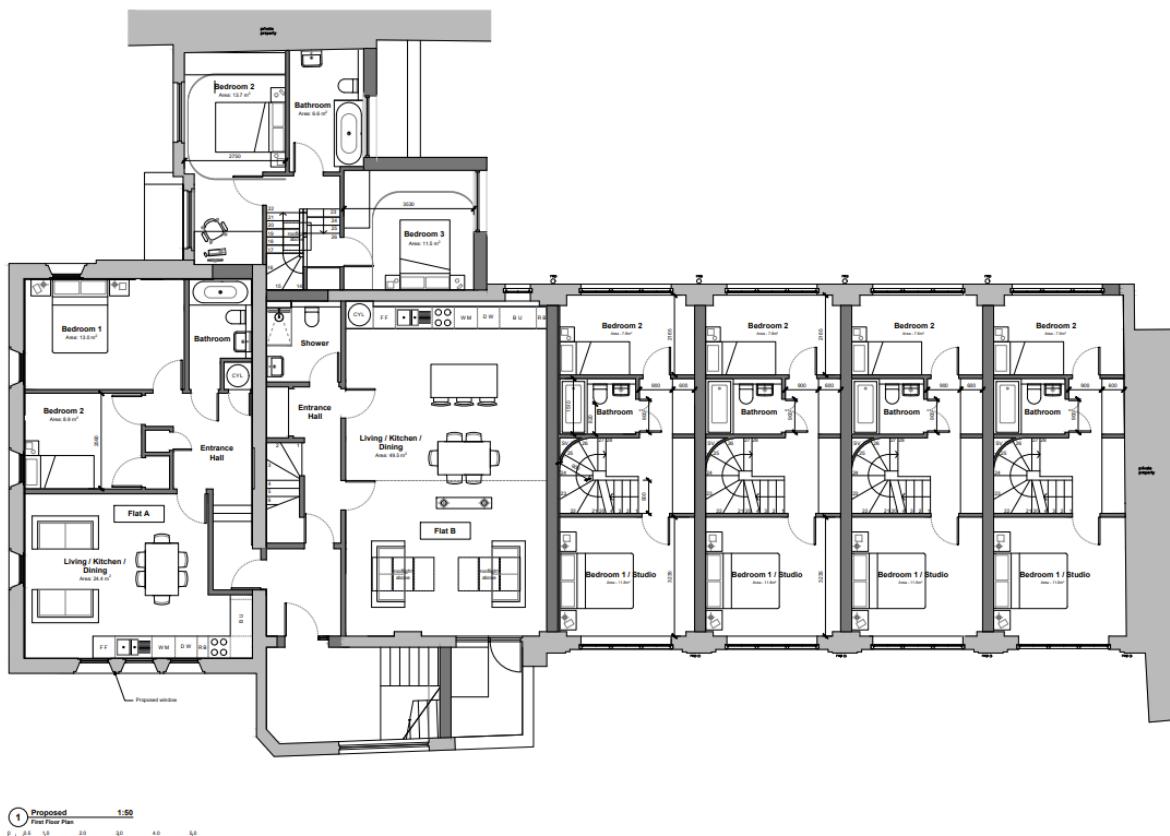
Ground floor



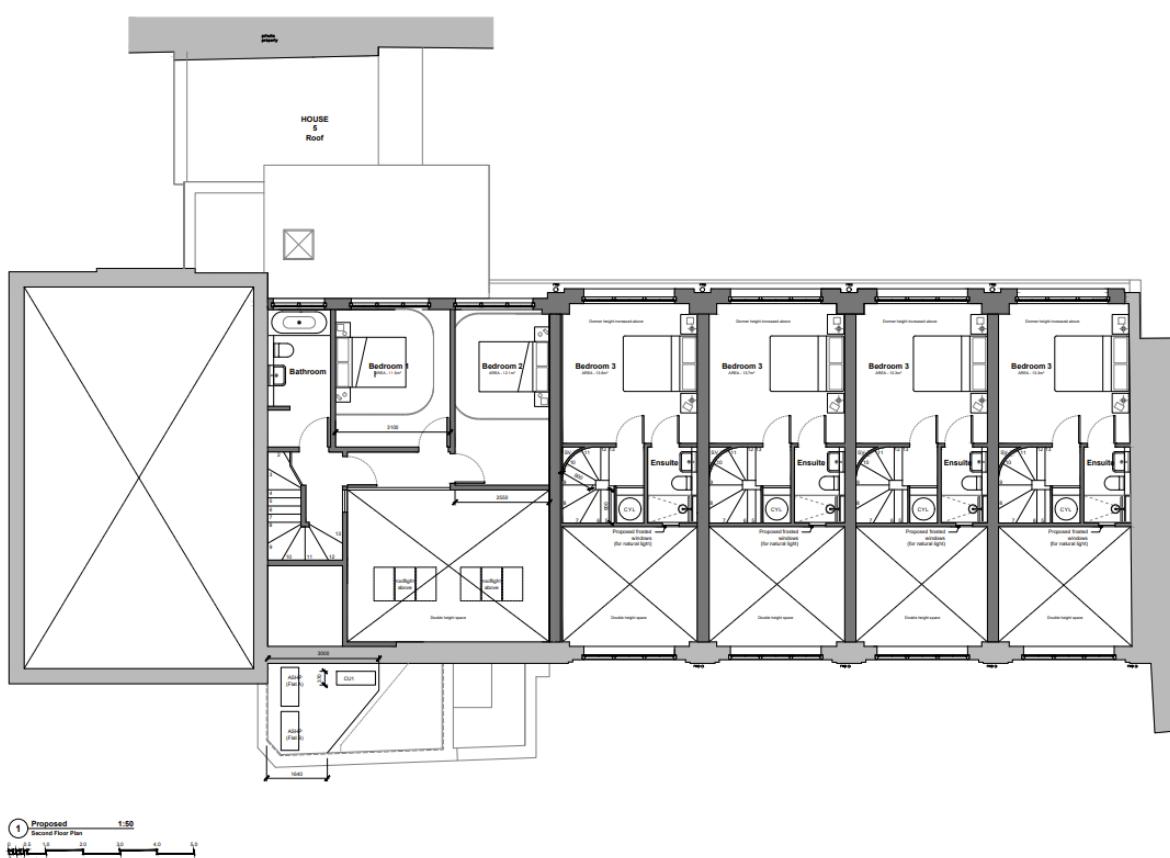
Lower First floor



Upper first floor



2nd floor



The following plan shows more detailed indicative proposals for the new community facility to the ground floor for the Church



The redevelopment proposals will see the ground floor of the East Street part of the property and part of the ground floor of the New Road part of the property converted and refurbished to provide new function facilities for the Church and for the wider community.

It is agreed that the post transaction ownership structure will see:

1. the buyer will acquire the freehold interest to the entire property.
2. the vendor will retain a new long leasehold interest in the area outlined in blue on plans 1 & 2. The long lease interest to be for a term of 999 years at a peppercorn rent.

The purchaser will undertake works to provide a new community hall for the vendor.



4. REDUCTION IN COMMERCIAL ACCOMMODATION

Current use of the building

The property is currently used / let as follows:

Floor	Unit	Sq ft	Occupier	Rent	Rent/sq ft	Notes
Ground	24-25 East Street	1,414	3 rd party tenant	£9,000	£6.36	
Ground	1 New Road	794	Owner occupied	N/A		Part time use as a Parish office
Ground	1a New Road	956	3 rd party tenant	£6,000	£6.28	
First	Meeting / Music room	685	Owner occupied	N/A		Ad hoc part time use
First	Hall	2,281	Vacant	N/A		Unused In too poor a condition to be used.

As things stand the majority of the existing first floor is unused due to its poor condition. The remainder of the first floor is also in poor condition but used on an ad hoc basis.

2 of the 3 ground floor units are let to 3rd parties. The 3rd unit is used as a parish office.

Proposed use

The proposals will see the 2 class E units in New Road and the upper parts of the building refurbished to residential accommodation as shown in the initial sketches above. Together with the provision of much improved church/community hall facilities.

Viability of ongoing class E use

As can be seen from the above summary the rents to the 2 units let to 3rd party tenants are small and certainly not sufficient to generate sufficient capital to cover the significant investment required to bring the buildings into good repair and to then cover ongoing maintenance costs.



On a broader perspective the decline in traditional high street retail use is well documented. Online retail has seen huge growth. It now represents 30% of total retail sales in the UK having doubled since 2014 (Source Retail Gazette).

Numerous multiple and single outlet retailers have gone bust over the past 20 years – Woolworths, Toys R Us, Debenhams, The Body Shop, Topshop, Miss Selfridge, BHS. Many who, prior to the rapid rise of online retail, were strong, long established businesses with healthy balance sheets.

Whilst the office market has been through much change with the growth of flexible working / working from home – accelerated by the Pandemic. Shoreham has a very small office market – too small to track. We track the Brighton & Hove office market. It has a total stock of office space of approximately 4 million sq ft. In brief – prior to the onset of the Pandemic – the city had a vacancy rate of approximately 100,000 sq ft. A vacancy rate of just 2.5%. A vacancy rate of circa 4% - 7% is considered healthy . necessary to facilitate the growth and relocation of occupiers. As things stand today the vacancy rate is 750,000 sq ft / 18.75%.

The UK is well documented to have been through – and continues to go through – challenging times. Rising inflation, interest rates, a struggling jobs market.

Conditions in the commercial property market are, in turn, challenging. See the latest RICS Commercial Monitor report attached as Appendix B. Occupier demand has reduced significantly. With significant occupational and employment costs the level of rent that many businesses are now able to pay is reduced. The general trend in commercial property rents has been downward.

Turning back specifically to Shoreham – the town's retail offer is scattered. It has a large shopping centre at Holmbush and a number of supermarkets in various locations around the town. The town centre predominantly comprises small units occupied by local businesses.

Turning back to the subject properties. The ground floor units are small, dated and within a building in a poor and deteriorating state.

The New Road units, in particular, are off pitch and visibility obscured behind the protruding fire escape staircase to the southern elevation of the building. Aside from these 2 units, the return frontage to La Galleria and a vacant retail at 3 New Road, New Road is a residential road with circa 70 – 100 residential units located on / access from New Road.



Comparable Evidence

We set out below some local evidence from recent commercial properties lettings in Shoreham of the evidence to which we have had regard as follows:-

Property Address	Event	Rent	Rent per Sq. Ft.
60 High Street, Shoreham By Sea, B43 5DB A large E class retail unit on the high street, the main retailing pitch for Shoreham.	Let February 2023. 5-year lease, FRI terms, tenant break and review at 3 rd anniversary.	£24,500 per annum. 1,390 sq ft 662 sq ft ITZA. 2 Parking spaces to rear.	£17.62 .
2 Tarmount Road, Shoreham By Sea. BN43 6DA A premises with a hard frontage trading as Café.	Let December 2023. 9 year lease, tenant break and upward only review at 5 th anniversary.	£21,500 per annum. 1,259 sq ft	£17.08
32-34 Brunswick Road, Shoreham By Sea. BN43 5WB A standard retailing E class unit, with upper floors presented as offices.	Let July 2023. 5 Year lease, FRI, tenant only break at 3 rd anniversary.	£14,000 per annum. 896 sq ft	£15.62psf

Having regard to the subject property and the comparable evidence summarised above we would comment that the comparable evidence is all from properties in a better commercial location than the subject property. It could still be argued that the passing rents to the subject property are on the light side. We would comment however that:

1. To achieve stronger rents would require significant work to return the property to full repair
2. Demand for the New Road units will remain very limited even if these units were in good condition
3. Even if the rents to the subject units were to double to a similar level to that which the comparable properties were let at the income generated would remain well short of what is necessary to fund refurbishment of the building



5. SUMMARY / CONCLUSION

In summary we make the following points:

1. The subject property is in a poor state of repair. Informal estimates indicate up to £500,000 could be spent to bring the property back to good repair and with appropriate access.
2. The Church are unable to provide sufficient quantity, quality or accessible community facilities for the activities of the Church.
3. Income from the units let to 3rd parties is limited and well short of generating sufficient income to fund refurbishment works
4. Commercial occupier demand is much reduced due to changes in the retail and office markets and ongoing challenging economic conditions.
5. The New Road units are off pitch with very limited visibility. Demand for these units is very low and rents achievable similarly low.
6. The Church has spent many years considering and pursuing various options for the property. Culminating in the currently agreed plan to work with Empire Group to provide new high quality and accessible community facilities to the ground floor of 24 East Street with this enabled by conversion and refurbishment of the remainder of the building to residential accommodation.
7. This proposal being the only option that has been shown to be viable and deliverable – subject to planning.

We trust that this report provides all the information required. However, we would be pleased to hear from you if any aspect of our advice should require further explanation or expansion.

Yours faithfully

Andrew Halfacree BSc (Hons) MRICS

For and on behalf of Flude Property Consultants

Appendix A – Photos of the property







Appendix B – Location Plans

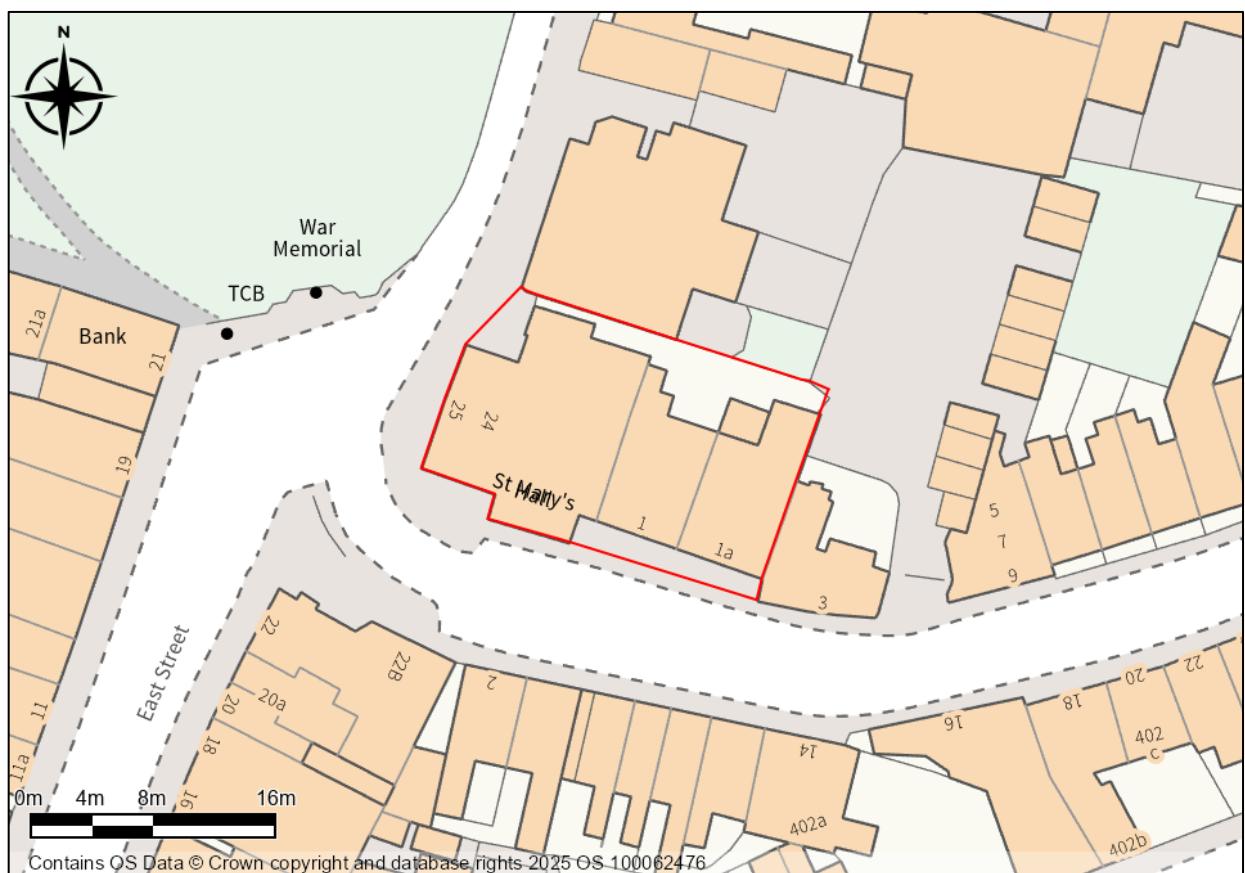


Appendix C – Aerial Photo of Site



For indicative purposes only

Appendix D – Site Plan





Appendix E – RICS UK Commercial Property Monitor

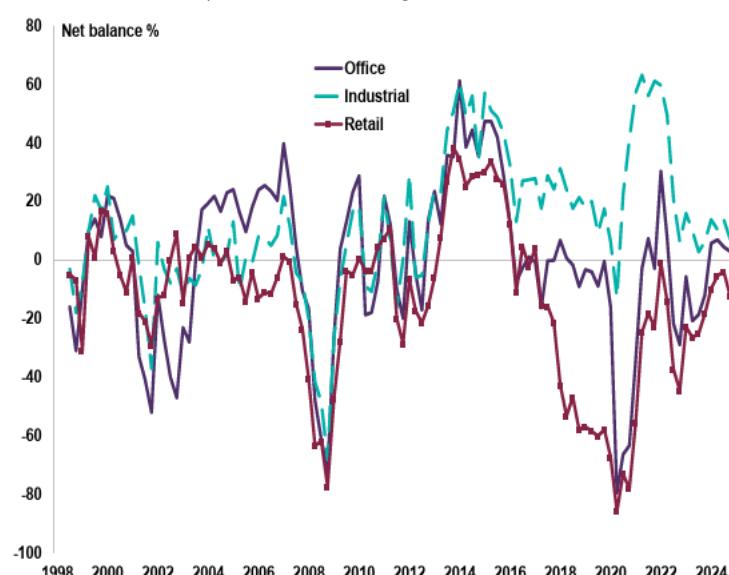
“The Q2 2025 RICS UK Commercial Property Monitor results point to a broadly stagnant backdrop, with headline measures of demand sitting in neutral territory on both the occupier and investment sides of the market. Meanwhile, views on the current stage of the property cycle are deeply divided, with 35% of respondents sensing the early stages of an upturn are underway, while an identical share feel the market is still turning down.

Occupier market remains subdued with landlords offering more incentives to tenants

As shown in Chart 1, the occupier demand series nudged down across both the office and industrial sectors during Q1, with the latest (respective) net balances of +2% and +4% indicative of a largely flat quarterly trend. Alongside this, the tenant demand gauge remains moderately weaker across the retail sector, posting a net balance reading of -13% (unchanged from the Q1 results).

On the supply front, vacant space reportedly rose across all mainstream sectors to a greater or lesser degree during Q2, prompting landlords to increase the value of incentive packages being offered to tenants in each instance. In a further sign of the industrial sector losing some of its shine in recent quarters (having expanded robustly over much of the previous decade), a net balance of +13% for the industrial inducements metric points to the most sizeable pick-up in such incentives since 2012 (excluding the first quarter during the Covid lockdown).

Chart 1 - Occupier demand by sector





Despite the relatively muted demand backdrop, respondents continue to foresee rental prices moving higher across both the office and industrial sectors over the year ahead. That said, this growth is anticipated to be concentrated in prime markets, while the outlook for secondary space is flatter for industrials and still negative for offices. Across the retail sector meanwhile, rents are seen edging up for prime space, but are expected to fall across secondary markets.

When looking at the regional data, Central London stands out as displaying an altogether stronger outlook for the office sector and, to a lesser extent, retail. Indeed, respondents based in central areas of the capital report firmer momentum behind occupier demand compared to the national data. Consequently, this is expected to translate into more robust rental price growth both in the near term and over the year ahead.

Investment market activity holds steady at a relatively soft level over the quarter

From an all-property average perspective, the investment enquiries indicator returned a net balance reading of zero, easing marginally from a figure of +4% beforehand. As such, this signals a flat picture for buyer activity during Q2. At the sector level, industrials continue to attract modest growth in investor demand, albeit the latest net balance of +10% suggests momentum is relatively lacklustre. For office and retail, respective net balances of -3% and -11% were registered in the Q2 results, consistent with a flat to slightly negative trend. On a slightly more encouraging note, a net balance of +9% of contributors saw an improvement in credit conditions in Q2 (the best reading since Q3 of last year). Going forward, a continuation of this trend will likely be pivotal if investment market activity is to gain impetus.

Regarding the outlook for capital values, it is once again the prime industrial and office sectors which exhibit a moderately positive assessment for the year ahead, while other portions of the market, particularly secondary assets, are projected to remain under pressure. Away from the mainstream sectors, alternatives such as data centres, aged care facilities, life sciences and multifamily residential are all expected to deliver a solid uplift in values over the coming twelve months.”