



FINANCIAL VIABILITY REPORT

THE MONTAGUE CENTRE, LIVERPOOL ROAD, WORTHING

Prepared for **Cayuga Developments Limited**

Prepared by **Chris Oakley** MRICS

February 2026

oakleyproperty.com

12th February 2026



Mr. M Hoad
Director
Cayuga Developments Limited
2a Addison Road
Hove
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Dear Sir,

THE MONTAGUE CENTRE, LIVERPOOL ROAD, WORTHING -FINANCIAL VIABILITY REPORT UPDATE

Further to our Financial Viability Assessment Report dated 27th April 2023 and the subsequent update of the 31st March 2025. We have been instructed to update our report in order to account for a revision to the scheme, which will comprise the addition of nine further apartments.

We understand that retail tenants TK Maxx have surrendered their lease on the former storage and office accommodation upon the first floor of the existing property, which provides the opportunity to convert this area to residential use, supplemental to the main approved scheme AWDM/1624/22. It is now proposed that this space will provide a further nine apartments, located within the existing west end of the building, which will comprise 4 x 2 bed units and 5 x 1 bed units.

Our updated FVA report of March 2025 concluded that approved roof space scheme of 46 apartments was unable to show any surplus over and above the 'nil' Benchmark Land Value (BLV) and due to the abnormal costs of development and other planning contributions, demonstrated a negative Residual Land Value (RLV), showing a Viability Gap of £1,650,000. Accordingly, it was accepted by the local authority that there was no 'affordable housing pot' in accordance with NPPF and Local Plan requirements.

In respect of the current proposal, due to the significant viability gap that was demonstrated last year and in the light of the currently prevailing difficult market conditions, we have been instructed to provide only a light touch review of the original FVA. So, in this regard we have largely used those costs adopted within our 2023 report in order to save cost to the client in respect of undertaking a major revaluation of the whole scheme, which would incur considerable cost. Needless to say, build costs have gone up and sale prices down since this time, making viability even more challenging.

In this regard we have not sought to undertake a comprehensive review of our original development appraisal and have been instructed to rely upon the construction costs and sales values as adopted in our 2023 FVA report. It is widely accepted that over the course of

the last three years the global and domestic economy has worsened, due to many factors and the property market is currently proving very challenging for developers. This is both in terms of achieving sales at the levels previously secured before the disastrous 2022 Mini Budget and securing investor funding for development, which is now considerably more expensive to reflect the risks of development, despite recent lowering of the UK base rate.

Within **Appendix 1** we have included the revised floor plans for the first floor that demonstrate the conversion of the former TK Maxx storage space to provide the nine apartments, edged red. We are of the opinion that it could readily be demonstrated that since our original report, sales values in the locality have fallen. However, we have not changed the value tone used in our original report for the assessment of GDV, as needless to say with such a significant shortfall in viability and tougher market conditions, this is somewhat of an academic process. We have though updated the value of the new proposed units and valued the 2 bed apartments at £250,000 per unit and the 1 bed apartments at £210,000 each.

Accel Cost Consultants have prepared a detailed Construction Cost Analysis in relation to the cost of the proposed conversion for the nine new units. This is included within **Appendix 2** and confirms the total current construction cost at £1,450,000. Again, we would be of the view that the construction cost quoted in our original FVA dated April 2023, will now be subject to inflation which over the last two years has run nationally at the level of around 4.5% annually. We have not applied these costs, as again this would seem somewhat academic.

We have accordingly updated our Development Appraisal at **Appendix 3**, in order to consider the RLV, subject to the amendment to increase the scheme by a further nine apartments, up to 55 units.

The revision of the scheme has increased the GDV from £16,315,000 to £18,365,000. The construction costs have increased from £13,669,191 to £15,119,191. These resultant changes demonstrate that the RLV (shown within the appraisal as the Residualised Price at - £1,577,790) remains as a negative land value. However, the situation is slightly improved upon the March 2025 review, having reduced from -£1,650,000 to -£1,575,000.

Suffice to say, if the true build costs were accounted for and sales values reduced, as commented upon above, the viability gap would be far more significant.

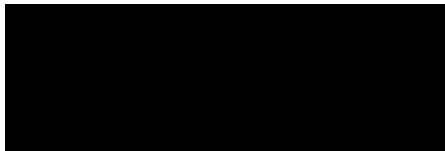
In conclusion, the revised scheme still demonstrates a significant viability gap and is unable to deliver any surplus over the BLV in the form of an affordable housing pot.



However, we would state that the reality is that a comprehensive review of the FVA would likely demonstrate an even more substantial viability gap. Since our original review, to reflect the more riskier development environment, increased borrowing costs and associated charges, which have increased and developers are also seeking higher returns. Sales rates have also slowed significantly, all of which would have a further significant impact on the viability of this scheme.

We trust this brief report is adequate for your immediate purposes.

Yours sincerely



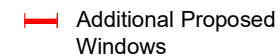
CHRIS OAKLEY MRICS

Executive Chairman

Direct Line: [REDACTED]

Email: [REDACTED]

Appendix 1



Appendix 2

	MONTAGUE QUARTER, WORTHING	U	Q	Rate	Value	%	To Date
10	PROPOSED 9 NR ADDITIONAL FLATS FIRST FLOOR NORTH <i>Flats N1 to N9</i> <i>2 beds are N1, N2, N3 and N7; 4nr</i> <i>1 beds are N4, N5, N6, N8 and N9; 5 nr</i> <i>There are no ensuites</i> <i>GIFA for the Flats is 776.5 m2</i> <i>GIFA for the Common Ways and storage areas is 213.6 m2</i>						
10.1	STRUCTURAL and ALTERATIONS WORKS Strip all Unit 13 internal doors and internal partitions, suspended ceilings and floor finishes and fixtures and fittings and high and low voltage installations and sprinklers and ventilation and AC equipment etc Ditto Unit 12 ditto Infill all redundant ductwork and other penetrations within Units 12 and 13 between GF and FF, and all penetrations within external and party walls Take down and clear away existing blockwork dividing wall at first floor level between Units 12 and 13 Removal of TK Maxx escalator and infill opening to SE details Demolition of escape staircase on NE elevation and infill opening to SE details Ditto escape staircase within Unit 12 Removal of lift shaft and infill opening to SE details (only FF to 2F allowed here) Addressing the main octagonal turret staircase between GF and 2F; removal of two levels of the stair and infill opening at 1F level to SE details	item item item item item item item item	1 1 1 1 1 1 1 1	135 000 10 000 5 000 10 000 50 000 25 000 25 000 20 000 50 000	135 000 10 000 5 000 10 000 50 000 25 000 25 000 20 000 50 000		

	MONTAGUE QUARTER, WORTHING	U	Q	Rate	Value	%	To Date
	Form new AOV commercial service riser within 1F and 2F slabs	nr	2	10 000	20 000		
	New knock through to lift / stair lobby	item	1	10 000	10 000		
	Risk item on floors to prep for the new finishes; allow for 50mm flow screed throughout to address all sorts	m ²	990	40	39 600		
	Carefully take out existing windows and cart away	nr	22	400	8 800		
	Forming new windows within existing external cavity masonry walls						
	Flat N1	nr	3	1 500	4 500		
	Flat N2	nr	2	1 500	3 000		
	Flat N3	nr	1	1 500	1 500		
	Flat N5	nr	2	1 500	3 000		
	Flat N7	nr	3	1 500	4 500		
10.2	SUPPLY and FIT NEW WINDOWS; ALLOW Bereco HERITAGE						
	Prepare existing openings to receive new windows	nr	23	300	6 900		
	1300mm wide x 2500 high	nr	34	2 250	76 500		
10.3	SPRINKLERS						
	Generally	nr	9	2 100	18 900		
10.4	SANITARYWARE						
	Supply only (no ensuites)	nr	9	2 000	18 000		
10.5	MECHANICAL INSTALLATIONS						
	Generally	nr	9	17 500	157 500		
10.6	ELECTRICAL INSTALLATIONS						
	Apartments	nr	9	13 500	121 500		
	Storage	item	1	13 500	13 500		

	MONTAGUE QUARTER, WORTHING	U	Q	Rate	Value	%	To Date
10.7	EXTRACT VENTILATION						
	Generally	nr	9	2 200	19 800		
10.8	LIFTS						
	No additional work	item	1		Excl		
10.9	BWIC M&E						
	Generally	nr	10	2 000	20 000		
10.1	DRYLINING and PLASTERING incl INT WALLS						
N	<i>Common areas included in rates</i>						
	Treatment of the internal face of the external wall (and including the party wall to Flat 1 and the staircore etc); msd over all windows and doors; girth is 127ml x height of	m ²					
	Metal Stud Partitions; EB UDL	nr	9	3 100	27 900		
	Boarding to partitions	nr	9	7 000	63 000		
	Add to last two items for 4600mm height to waffle soffit						
	MF Ceilings	nr	9	2 900	26 100		
	Extra for abnormal drop; say add 20%				5 220		
	Boarding to ceilings	nr	9	1 800	16 200		
	Jointing	nr	9	1 700	15 300		
	Making good	nr	9	470	4 230		
10.11	FIRST FIX CARPENTRY LABOUR & MATERIALS						
	Build Floor up from						
	Apartments	nr	9	750	6 750		
	Storage and others	nr	1	2 000	2 000		

	MONTAGUE QUARTER, WORTHING	U	Q	Rate	Value	%	To Date
10.12	SUPPLY ONLY 2nd FIX CARPENTRY ITEMS						
	Skirtings and Architraves	nr	10	400	4 000		
	Odds and sods	nr	10	250	2 500		
	Front doors	nr	11	550	6 050		
	KLD doors	nr	9	230	2 070		
	Bedroom doors	nr	13	230	2 990		
	Bathroom doors	nr	9	230	2 070		
	Cylinder cupboard doors	nr	9	230	2 070		
	Store cupboard doors	nr	9	230	2 070		
	Common way doors / screens	nr	4	2 000	8 000		
10.13	LABOUR ONLY 2nd FIX CARPENTRY COSTS						
	Window boards see first fix						
	Front doors	nr	11	150	1 650		
	Internal doors	nr	49	125	6 125		
	Architraves; both sides	nr	49	25	1 225		
	Skirtings and odds and sods; say typical flat 2 man days	nr	11	700	7 700		
10.14	KITCHENS						
	Supply and Fit incl white goods	nr	9	6 500	58 500		
10.15	WARDROBES						
	Supply and Fit	nr	9	1 200	10 800		
10.16	SUPPLY ONLY TILING						
	Kitchens and bathrooms; assumed sheet flooring to bathroom floors	nr	9	400	3 600		

	MONTAGUE QUARTER, WORTHING	U	Q	Rate	Value	%	To Date
10.17	LABOUR ONLY TILING						
	Kitchens and bathrooms; assume sheet flooring to bathroom floors	nr	9	600	5 400		
10.18	PAINTING and DECORATING; LABOUR and MATERIALS						
	Common Ways and Storage	item	1	10 000	10 000		
	1 beds	nr	5	1 750	8 750		
	2 beds	nr	4	1 850	7 400		
	Touching up return visits; say 15%				3 923		
10.19	FLOOR FINISHES; LABOUR and MATERIALS						
	Common Ways and Storage; allow for a merged rate for latex and carpet tiles to all areas	m ²	215	50	10 750		
	Flats; allow for a merged rate for carpet to the bedrooms and latex and laminate to the hallways and KLD's and decent quality sheet flooring to the bathrooms	m ²	780	60	46 800		
10.2	SPARKLE CLEANING						
	1 beds	nr	5	300	1 500		
	2 beds	nr	4	350	1 400		
10.21	MASTIC MAN						
	Internally	nr	9	180	1 620		
	Externally	nr	9	200	1 800		
10.23	PRELIMINARIES						
	As percentage; 10%				126 496		
10.24	CONTINGENCY / ROUNDING				58 541		
	TOTAL ESTIMATED BUILD COST			£	1 450 000		0

Appendix 3

Montague Centre Worthing FVA
55 Unit Development (updated with Additional 9 Flats)
Non Policy Compliant No Affordable Feb 2026

Development Appraisal
Oakley Property
12 February 2026

APPRAISAL SUMMARY**OAKLEY PROPERTY**

Montague Centre Worthing FVA
55 Unit Development (updated with Additional 9 Flats)
Non Policy Compliant No Affordable Feb 2026

Summary Appraisal for Phase 1 Market Sale Apartments

Currency in £

REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
Apartments Market Sale Units	55	44,739	410.49	333,909	18,365,000

NET REALISATION**18,365,000****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)	(1,577,790)	(1,577,790)
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CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost	
Apartments Market Sale Units	61,063 ft²	247.60 pf²	15,119,191	15,119,191
Statutory/LA			97,335	97,335

PROFESSIONAL FEES

All Professional Fees	200,000	200,000
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MARKETING & LETTING

Marketing	1.00%	183,650	183,650
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DISPOSAL FEES

Sales Agent Fee	1.00%	183,650	
Sales Legal Fee	55 un 1,000.00 /un	55,000	
			238,650

FINANCE

Debit Rate 7.750%, Credit Rate 2.500% (Nominal)			
Land		(201,144)	
Construction		878,417	
Other		212,815	
Total Finance Cost			890,089

TOTAL COSTS**15,151,125****PROFIT****3,213,875****Performance Measures**

Profit on Cost%	21.21%
Profit on GDV%	17.50%
Profit on NDV%	17.50%
IRR	32.08%
Profit Erosion (finance rate 7.750%)	2 yrs 6 mths

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