



Viability Report for a development at New Salts Farm Barns, New Salts Farm Road, Shoreham by Sea

On behalf of NSF Barns Ltd

June 2026

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Instructions and Compliance with RICS Professional Statement

- 1.0 Bespoke Property Consultants have been instructed by NSF Barns Ltd to carry out a viability assessment of their proposed residential development at New Salts Farm Barns, Shoreham by Sea and make recommendations for a viable level of S.106 contributions and affordable housing provision in accordance with para 59 of the NPPF.
- 1.1 BPC have not inspected the property.
- 1.2 This assessment is provided for the purposes of agreeing appropriate S.106 and affordable housing obligations and is not a valuation of the subject site or scheme. It is provided for the sole use of the party to whom it is addressed and the Local Planning Authority who will review it.
- 1.3 Bespoke Properties Ltd accepts responsibility to the Client named at the start of this report alone that this report has been prepared with the skill, care and diligence reasonably to be expected of a competent consultant dealing with financial viability of developments but accept no responsibility whatsoever to any person other than the client themselves. As such it is exempted from the RICS "Red Book" (with the exception of PS 2 in relation to ethics, competency, objectivity and disclosures) on the basis of the parties negotiating and agreeing the planning obligations.
- 1.4 The Executive Summary may be extracted by the Local Planning Authority as a "Non-Technical Summary" in line with the requirements of para 21 of the NPPG.
- 1.5 This report may be made publicly available by the Local Planning Authority in accordance with its statutory duties and particularly in accordance with para 21 of the NPPG (Dec 2025).
- 1.6 We confirm compliance with the RICS Professional Statement "Financial Viability in Planning: Conduct and Reporting" May 2019. As required by the Professional Statement we confirm the following matters:
 - a) We have acted with objectivity, impartiality, without interference and with reference to all appropriate available sources of information.
 - b) We have identified no conflicts of interest or risk of conflicts in preparing this report.
 - c) We are not working under a performance related fee agreement or on a contingent fee basis.

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- d) We advocate reasonable, transparent and appropriate engagement between the parties in the planning process and we will do all that we can to assist in that process.
 - e) We have not carried out nor are working on any area wide viability assessments on behalf of the Council in whose area this development is sited.
 - f) We have justified as necessary the assumptions used and where differences arise once the Council's assessor has reviewed this report we will seek to resolve those differences as set out in RICS guidance.
 - g) Our position with regard to the Benchmark Land Value has been suitably supported by market evidence and where this is not available justified by other suitable methodologies.
 - h) All of the sub-consultants who have contributed to this report have been made aware of the Professional Statement and its requirements, they in turn have confirmed compliance with it.
 - i) We have been allowed sufficient time since instruction to carry out this FVA bearing in mind the scale of the development and the status of the information as at the date of this report.
- 1.7 We have not yet carried out sensitivity testing as required by the RICS Professional Statement as we wish to agree with the local authority the parameters for such testing.
- 1.8 The status of this report is Final subject to any sensitivity testing that our client or the Council may require.

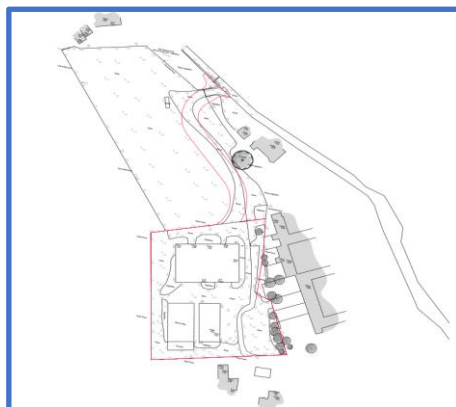
2.0 Executive Summary

- 2.1 The site is currently proposed to be developed with 10 residential units, comprising 7 x 4 bed houses and 3 x 3 bed houses.
- 2.2 The appraisal has been carried out using drawings for the scheme design provided by Meynell and Gunton architects together with the accommodation schedule which is attached at Appendix D.
- 2.3 We have identified the following issues which influence the viability of the scheme:
- Gross Development Value (GDV)
 - Build Costs
 - Benchmark Land Value (BLV)
- 2.4 We have carried out the viability assessment of the proposed scheme using Argus Developer Software and a summary of the results is shown at Appendix A.
- 2.5 The assumptions we have made are set out in Section 6 of this report and are generally in line with industry norms, reflective of the site characteristics and the local market.
- 2.6 **Local Plan FVA Assumptions**
- In line with the requirements of para 8 of the NPPG we would normally provide a comparison table between the scheme appraisal assumptions and the Local Plan Viability Assessment. However, that document was produced in 2014 and therefore is considered to be significantly out of date.
- 2.7 The Benchmark Land Value of the site has been determined based on local plan evidence for small areas of paddock land including the current barns on the site. We have used the rate of £500,000 per hectare and on the basis of the site being 0.575 hectares we have adopted a Benchmark Land Value of £287,500.

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- 2.8 We have carried out an assessment of the scheme with a fixed land value (the BLV) and the residual profit as the outcome, which is a standard valuation methodology for new developments.
- 2.9 Based on the proposed scheme of 10 residential dwellings with a fixed land value equating to the BLV, a commuted sum for Affordable Housing of £100,000, the residual profit is £501,308. This represents a profit on GDV of 7.43% which is significantly below the minimum return of 15% recognised in the National Planning Policy Guidance.
- 2.10 In summary we can conclude the development does not generate a surplus sufficient to make a financial contribution towards Affordable Housing of more than the figure of £100,000 offered by the applicant.
- 2.11 The applicant recognises the need for Affordable Housing and is prepared to make the offer of £100,000 as a payment in lieu of on-site provision.

3.0 Development Description

- 3.1 The site is proposed to be redeveloped with 10 residential units.
- 3.2 The mix of accommodation to be provided is 7no 4-bed dwellings and 3no 3-bed dwellings.
- 3.3 4no dwellings are semi-detached, along the eastern side, the remaining 6no dwellings are detached.
- 3.4 A generous landscape buffer is proposed along the north and western site boundaries. This will create a soft transition from the open fields to the edges of private amenity space.
- 3.5 Open space is proposed at the north-east corner of the site - providing a valuable location for new residents to meet.
- 3.6 Central, over-sized soft landscaped verges run through the heart of the site providing a green finger of high-quality landscaping - this will be visible from key vantage points in the wider context and will help break up any perceived mass from the development.
- 3.7 A SUDs basin is located in the south-east corner of the site.
- 3.8 A key feature within the drainage strategy which can be utilised for other uses during dry seasons such as the proposed Nature Walk with seating to encourage community use.
- 3.9 An image of the site is shown below:



4.0 Housing Market Outlook

- 4.1 The UK property market is currently sending out some mixed signals. Mortgage rates have started to creep up again, and ongoing global uncertainty – particularly events in the Middle East – is adding volatility.
- 4.2 Under normal circumstances, slowing inflation, low growth and rising unemployment would encourage the Bank of England to reduce interest rates, helping to bring down mortgage costs. But these aren't typical conditions. The conflict involving Iran has contributed to a sharp rise in mortgage rates, which could influence house prices in the months ahead.
- 4.3 As well as the five main House Price Indexes released on a regular basis, the Royal Institution of Chartered Surveyors (RICS) also publishes a monthly Residential Market Survey. The report generates net balance scores between -100 and +100 in response to a series of questions put to its members (estate agents and surveyors) about how the housing market has changed. Recent RICS reports had suggested the housing market is showing signs of "tentative recovery," but now members are warning that confidence is stalling due to ongoing tensions in the Gulf.
- 4.4 Surveyors have turned more negative on buyer demand and sales expectations, although their assessment was that house prices were broadly flat at the national level, with the headline price net balance registering -12%.
- 4.5 There are big regional differences, though, with surveyors in London at -40%, the Southeast at -24% and East Anglia at -26% recording the greater downward forecasts, while those in Northern Ireland, Scotland and the Northwest of England are still reporting positive price forecasts. And despite all the confusion, they say the sentiment over 12 months remains positive, with a net balance of +33% expecting prices to edge upwards.
- 4.6 While short-term uncertainty around mortgage rates and global events is creating mixed signals, the broader outlook for the UK housing market in 2026 remains cautiously positive.
- 4.7 For buyers and sellers alike, this is less about dramatic swings and more about steady movement – with opportunities still very much present for those taking a longer-term view.

5.0 Policy Context

5.1 Core Strategy for Adur

5.1.1 The Adur Local Plan was adopted at a meeting of Adur Full Council on 14th December 2017. The new Local Plan sets the strategic development and land-use priorities for Adur (outside the South Downs National Park) up to 2032, and contains the policies against which development management decisions within that area will be made. It replaces the saved policies of the Adur Local Plan 1996 as the Council's Local Plan.

5.1.2 Policy 21 confirms that *“On development sites of 11 dwellings or more (gross) a target of 30% affordable housing, including social rented, affordable rented and intermediate housing will be sought. The preferred mix of tenure will be 75% social/affordable rented housing and 25% intermediate housing. On individual sites, the preferred affordable housing mix in terms of size and tenure will be determined through negotiation, taking account of upto-date assessments and the characteristics of the area. Where developers are unable to meet the requirements for delivery of affordable housing, the Local Planning Authority will need to be satisfied by robust financial viability evidence (through an open book approach) that the target cannot be met. An independent assessment will be provided at the developers cost.”*

5.1.3 Adur District Council published an Interim Affordable Housing Position Statement on 8th April 2020¹ confirming that *“However the National Planning Policy Framework (revised 2019) now states that affordable housing can be sought on major developments - that is, sites of 10 dwellings or more. National policy therefore allows affordable housing to be sought from developments of 10 or more dwellings. This is a material consideration for development management purposes. Following a review of the Council’s position and a decision by the Executive Member for Economy, from 8th April 2020 Adur District Council will use the NPPF threshold of 10 dwellings for seeking affordable housing contributions”*

5.2 National Planning Policy Framework (Feb 2025)

5.2.1 Para 57 sets out that *“Planning conditions should be kept to a minimum and only imposed where they are necessary, relevant to planning and to the development to be permitted, enforceable, precise and reasonable in all other respects. Agreeing conditions early is*

¹ <https://www.adur-worthing.gov.uk/media/Media,156780,smxx.pdf>

beneficial to all parties involved in the process and can speed up decision making. Conditions that are required to be discharged before development commences should be avoided, unless there is a clear justification.

5.2.2 The framework, in paragraph 58, states that planning obligations normally required under S.106 agreements should only be sought where they meet all of the following tests:

- Necessary to make the development acceptable in planning terms;
- Directly related to the development; and
- Fairly and reasonably related in scale and kind to the development.

5.2.3 Para 59 goes on to say; *“Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.”*

5.3 **National Planning Practice Guidance (Viability Dec 2025)**

5.3.1 Paragraph 2 states that the role of a financial viability assessment (FVA) is primarily at the plan-making stage. It is the responsibility of site promoters to engage in plan making and the price paid for land is not relevant justification for failing to accord with the relevant policies of the plan.

5.3.2 Paragraph 6 states that developers should have regard to the total cost of the relevant planning policies when buying land.

5.3.3 Paragraph 9 requires that the FVA should refer back to the information that supported the Local Plan making and explain the differences. A viability assessment should be presented in a way that allows clear interpretation and interrogation of it. It should evidence inputs used and explain any differences from the inputs and assumptions used in the viability assessment

that formed the basis of the plan.

- 5.3.4 Ultimately it is for the decision-maker having regard to the transparency of assumptions made in the FVA including whether the local plan and viability evidence underpinning the plan is up to date as to the weight to be applied to the FVA in coming to the final decision.
- 5.3.5 Paragraph 10 of the guidance advises that review mechanisms should be used where appropriate and there is no mention in the guidance of whether these should be pre or post-implementation or whether the size of a scheme impacts on the decision whether to use one.
- 5.3.6 Paragraph 11 states that any FVA should be supported by appropriate evidence and that the FVAs should be proportionate, simple, transparent and publicly available. This ethos is expanded upon in paragraphs 11-18 where the relative values and costs (including land value and profit) are discussed in further detail.
- 5.3.7 Paragraph 14 states that the benchmark land value should primarily be based on Existing Use Value (EUV) plus a premium and paragraph 15 expands upon this to say that the EUV should reflect the implications of abnormal costs, infrastructure, professional fees and be informed by market evidence.
- 5.3.8 Paragraph 16 states that the EUV is the value of the land in its existing without 'hope value'.
- 5.3.9 Paragraph 17 advises that the premium to be applied to the EUV should be a reasonable incentive to the landowner to bring forward the development whilst allowing for policy compliance. As a practice we have always taken this to mean that EUV plus a premium would equal market value as defined by the RICS Guidance Note 94/2012.
- 5.3.10 The guidance advises at para 18 that AUV should be based on a development that would fully comply with up-to-date plan policies. To such value no landowner premium is to be added. If such an alternative use is being utilised as the benchmark, then the applicant should give a justification for why it is not being pursued.

6.0 Model Inputs and Assumptions

6.1 Mix of Units

6.1.1 The appraisal has been carried out on the Scheme provided which has the following mix of units:

- 3 x 3 bed units 113 m²
- 4 x 4 bed units 143.8m²
- 3 x 4 bed units 157.3m²

6.2 Residential Market Research and Sale Prices

6.2.1 We have been provided with an assessment of local pricing provided by Estate Agents Bacon and company which is provided in Appendix B(i) and a second one from Coast and Country Estate Agents (Appendix B(iii)).

6.2.2 On the basis of the information provided by the Estate Agents we have adopted a total Gross Development Value of £6,750,000 which we consider is reflective of the scheme content, location and amenity.

6.2.3 We consider this to be reasonable given that Cala Homes are selling plots (asking price) on their site at New Monks Farm Park for between £376 and £450 per sqft.(Appendix B(ii)).

6.2.4 The pricing that we have adopted reflects a value of £452 per sqft (estimated achieved price).

Development Timescale

6.3.1 We have adopted what we consider to be optimistic timescales for this development as follows:

Pre-construction:	12 months to reflect the drainage diversion works
Construction:	12 Months
Sale:	10 Months (commencing 3 months prior to completion)

6.3.2 We reserve our position on this element given the opinion provided by both Estate Agents.

6.4 Build Costs

- 6.4.1 For the purposes of arriving at a build cost we have adopted the Median BCIS build cost rate for this type of development as set out in Appendix C(i). On this basis, the base build cost rate is £2,158 per m², which we consider reflects the unit types to be provided.
- 6.4.2 In addition to the base build costs we have allowed 10% for external costs, 5% for contingency, £105,000 for garage construction costs, (which is a conservative allowance), Part L costs of £3,500 per unit and Part O Costs at £1,000 per unit.
- 6.4.3 We have allowed 10% for professional fees. This allowance reflects the scheme size, advice taken in respect of the site and the costs associated with developing the proposals in the current market.

6.5 Abnormal Costs

- 6.5.1 In addition to the base build and external costs we have been provided with a QS cost plan for the abnormal costs associated with developing this site which amounts to £1,128,100. (see Appendix C(ii)).
- 6.5.2 On this basis the total assumed build cost including contingency is considered to be £4,737,910.

6.6 General Development Cost Assumptions

- 6.6.1 Sales, marketing & legal costs have been taken at 2.5% plus £1,000 per unit, which is within a normal range of 2% – 4.5% and relevant to the subject scheme type.
- 6.6.2 We have had reference to the following s106 costs which are taken from the local authority calculator:

Summary of Contributions	
S106 type	Monies Due
Education - Primary	£61,535
Education - Secondary	£66,226
Education - 6 th Form	£15,514
Libraries	£11,960
Waste	No contribution
Fire & Rescue	£542
No. of Hydrants	secured under Condition
TAD	£23,997
Total Contribution	£179,774

6.6.3 We have also included a payment in lieu of £100,000 for Affordable Housing on the basis of a commercial decision by the applicant, notwithstanding the viability position reported.

6.6.4 At the current time a finance interest rate of 6.5% - 7.5% is applicable, depending on whether fees are inclusive or allowed for separately. This is applied in a viability assessment to all development costs and not just the debt funding, so the rate used will be lower than the “pay-rate”. The availability of credit is still an issue, and many lenders are reluctant to fund developments. They will put a margin on their lending rates to suit. In this appraisal an interest rate of 7% has been adopted which we regard to be relevant and appropriate for the subject scheme and likely developer.

6.7 **Benchmark Land Value and Comparable Land Market Evidence**

6.7.3 For the purposes of this appraisal, we have noted that the site has an existing built footprint of 1,202m² comprising of two open sided barns. The overall site is 0.575 hectares in size.

6.7.4 In arriving at the Benchmark Land Value for this site we have had reference to the NPPG on viability¹ which confirms in Paragraph: 002 Reference ID: 10-002-20251216 that *“It is the responsibility of land owners, site promoters and developers to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. Policy compliant means development which fully complies with up-to-date plan policies. A decision maker can give appropriate weight to emerging policies. The price paid for land is not a relevant justification for failing to accord with relevant policies in the plan. Landowners and site purchasers should consider this when agreeing land transaction”*

6.7.5 The NPPG confirms that “ To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient

contribution to fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'existing use value plus' (EUV+)."

- 6.7.6 On this basis the land would have agricultural use value, but an appropriate premium would have to be applied for the land to be released for development.
- 6.7.7 In this case we have had reference to the most recent Plan Wide Viability Appraisal for Adur (undertaken in 2017). We consider that the work is sufficiently historic not to provide current meaningful context.
- 6.7.8 We therefore have, in accordance with good practice, referred to the work of an adjoining borough (Worthing) which sets out in their plan wide viability appraisal dated January 2021 that "Typically, we would expect to apply an EUV+ based land value benchmark at approximately £250,000/ha (perhaps to an upper level of around £500,000/ha in respect of small areas of paddock land or similar) for greenfield land release, based on a circa ten times uplift factor (the "plus" element) from the EUV for agricultural land."
- 6.7.9 We also have reference to other sites where an appropriate benchmark land value has been assessed at £125,000 per gross acre (circa £308,000/ha).
- 6.7.10 Adopting £500,000/ha for this site and given that the size is 0.575 hectares gives an appropriate Benchmark Land Value for this site for viability purposes at £287,500.

7 Conclusions

- 7.1 In this section BPC provide an appraisal output for the proposed scheme having regard to the methodology and inputs outlined in the previous sections of this FVA assessment.
- 7.2 We consider that an appropriate Benchmark Land Value for this site, for viability purposes, is £287,500.
- 7.3 We have carried out an assessment of the scheme with a fixed land value (BLV) and residual profit as the outcome.
- 7.4 Based on the proposed scheme of 10 residential dwellings, a fixed land value as noted above and a commuted sum for Affordable Housing of £100,000, the residual profit is £501,308 which represents a profit on GDV of 7.43%. This is significantly below the minimum return of 15% recognised in the National Planning Policy Guidance.
- 7.5 In summary we can conclude the development does not generate a surplus sufficient to make a financial contribution towards Affordable Housing of more than £100,000 offered by the applicant.

Appendix A - New Salts Farm Barns

Appendix A - New Salts Farm Barns

Project Pro Forma for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Open Market Sales	10	14,919	452.44	675,000	6,750,000

TOTAL PROJECT REVENUE

6,750,000

DEVELOPMENT COSTS

ACQUISITION COSTS

Fixed Price		287,500			
Fixed Price			287,500		
				287,500	
Land Transfer Tax		4.93%	14,174		
Agent Fee		1.00%	2,875		
Legal Fee		0.80%	2,300		
				19,349	

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost	
Open Market Sales	14,919	200.48	2,990,961	
Contingency		5.00%	169,753	
External Works			299,096	
Garage construction works			105,000	
Abnormal Costs			1,128,100	
Part L	10 un	3,500.00 /un	35,000	
Part O	10 un	1,000.00 /un	10,000	
				4,737,910

Other Construction Costs

Building Safety Levy	14,919 ft²	1.81	27,003	
				27,003

Section 106 Costs

Other planning obligations			179,774	
Affordable Housing offer			100,000	
				279,774

PROFESSIONAL FEES

Professional Fees		10.00%	452,316	
				452,316

DISPOSAL FEES

Sales Agent Fee		2.50%	168,750	
Sales Legal Fee	10 un	1,000.00 /un	10,000	
				178,750

TOTAL COSTS BEFORE FINANCE

5,982,602

FINANCE

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)				
Land			43,663	
Construction			161,408	
Other			61,019	
Total Finance Cost				266,090

TOTAL COSTS

6,248,692

PROFIT

501,308

Performance Measures

Profit on Cost%	8.02%
Profit on GDV%	7.43%
Profit on NDV%	7.43%

Appendix A - New Salts Farm Barns

IRR% (without Interest)	17.55%
Profit Erosion (finance rate 7.000)	1 yr 1 mth

Appendix A - New Salts Farm Barns

Project Timescale

Project Start Date	Mar 2026
Project End Date	Sep 2028
Project Duration (Inc Exit Period)	31 months

Phase 1

	Start Date	Duration	End Date	Mar 26	Sep 26	Mar 27	Sep 27	Mar 28	Sep 28
Project	Mar 2026	31 Month(s)	Sep 2028						
Purchase	Mar 2026	0 Month(s)							
Pre-Construction	Mar 2026	12 Month(s)	Feb 2027						
Construction	Mar 2027	12 Month(s)	Feb 2028						
Post Development	Mar 2028	0 Month(s)							
Letting	Mar 2028	0 Month(s)							
Income Flow	Mar 2028	0 Month(s)							
Sale	Dec 2027	10 Month(s)	Sep 2028						
Cash Activity	Mar 2026	31 Month(s)	Sep 2028						
				1	7	13	19	25	31

27th May 2026

Private & Confidential

For the attention of: NSF Barns Ltd & Bespoke Property Consultants

Re: Market Appraisal – Proposed Residential Development at New Salts Farm Barns, Shoreham-by-Sea, BN43

Dear Jack,

At your request, we have undertaken a market appraisal of the proposed residential development comprising 10 new dwellings at New Salts Farm Barns, Shoreham-by-Sea. This letter provides our professional opinion of achievable open market sales values for the proposed development.

Our assessment is based on an inspection of the site, a review of the proposed plans and Design & Access Statement, and analysis of comparable new-build and high-quality second-hand homes within Shoreham-by-Sea, Lancing and the wider BN43/BN15 coastal fringe.

It should be noted the contents of this letter conforms to the requirements of The *RICS 2019 Financial viability in planning: conduct and reporting*. In providing this information to support your Financial Viability Appraisal we have acted with objectivity, impartially, without interference and with reference to all appropriate available sources of information

1. Executive Summary

The housing market is currently characterised by subdued buyer confidence, reduced transaction volumes and ongoing affordability pressures. These conditions are placing downward pressure on values across the mid-to-upper price brackets, particularly for larger family homes and locations outside established residential areas.

Given the scheme's characteristics — including its semi-rural setting, private access track, Flood Zone 3 designation, and non-standard construction requirements — the development is likely to achieve values below those seen in stronger, more central parts of Shoreham-by-Sea.

Under present market conditions, we consider the following values appropriate for the proposed development:



baconandco.co.uk

Goring Branch:
72 Goring Road, Worthing,
West Sussex, BN12 4AB
01903 520002
goring@baconandco.co.uk

Broadwater Branch:
1-3 Broadwater Street West,
Worthing, West Sussex, BN14 9BT
01903 524000
broadwater@baconandco.co.uk

Lettings Branch:
1-3 Broadwater Street West,
Worthing, West Sussex, BN14 9BT
01903 700854
lettings@baconandco.co.uk

Unit Type	Size	Value Range	£/sq ft
3-bed houses	1,216 sq ft	£550,000	£450
4-bed houses	1,548–1,693 sq ft	£700,000 - £765,000	£450

Total GDV: £6.75m

2. Market Context

2.1 Buyer Confidence

- Mortgage rates remain significantly higher than the ultra-low levels of previous years.
- Buyers are more cautious about committing to higher-value homes.
- Many households are prioritising financial stability over discretionary moves.

2.2 Reduced Transaction Volumes

- We are seeing slower sales rates, particularly for homes above £600,000.
- Properties are taking longer to sell, with increased reliance on price adjustments.

2.3 Affordability Pressures

- Wage growth has not kept pace with mortgage costs.
- Stress-testing at higher interest rates is excluding a significant portion of potential buyers.
- Family homes in the £600k–£850k bracket are experiencing the sharpest slowdown.

2.4 Softening of New-Build Premiums

Historically, new-build homes commanded a 5–10% premium. In the current climate, this premium has weakened, with some schemes achieving parity with or even falling below high-quality second-hand stock.

3. Site-Specific Factors Affecting Values

3.1 Flood Zone 3 Designation

This remains a material concern for many buyers and mortgage lenders despite the mitigation measures adopted by the proposed scheme and the River Adur flood defences. Even with this mitigation, the designation can reduce confidence and resale prospects.

3.2 Private Access Track

Buyers typically prefer adopted roads. Private access introduces concerns around:

- Maintenance liabilities



baconandco.co.uk

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72 Goring Road, Worthing,
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01903 700854
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- Vehicle wear
- Perceived remoteness

3.3 Semi-Rural Position

The site does not benefit from the premium uplift associated with:

- Shoreham Beach
- Riverside locations
- Central Shoreham amenities

3.4 Non-Standard Construction

Green roofs, raised floor levels and specialist drainage increase build costs but do not necessarily translate into higher sales values.

3.5 Competition from Stronger Locations

Nearby schemes in more established residential areas continue to outperform rural-edge developments.

4. Comparable Evidence

4.1 New-Build Comparables

- **Malthouse Meadows, West Street, Lancing, BN15 0BE; Persimmon Development** – sales values for the phase 1 development range between £385–£450/sq ft.
- **New Monks Farm, Lancing, BN15; Cala Homes Development of a mix of 600 apartments and houses** – sales values for the phase 2 development range between £395–£450/sq ft.
- **104-106 Brighton Road, Lancing, BN15 8LW; an exclusive development of 5 luxury 4 bedroom terrace houses** - sales values range between £440–£460/sq ft. This is a premium riverside/beach front location in the Widewater Lagoon area and therefore it is expected this development would achieve higher sales values than the New Salts Farm Barns proposed development.
- **4-6 Old Shoreham Road, Lancing, BN15 0QT; development of 4 four bedroom houses** - sales value of £340–£375/sq ft.

4.2 Second-Hand Comparables

- **8 Seahaven Gardens, Shoreham-by-Sea, BN43 5NX** - sold for £650,000 in November 2025 (£428/sq ft). We would consider this a direct comparable noting its close proximity to the New Salts Farm Barns proposed development.
- **220 Brighton Road, Lancing, BN15 8LJ** - sold for £975,000 in March 2025 (£420/sq ft). We would consider this a direct comparable given its contemporary design and high quality finish. However, it is noted this is located in a premium riverside location in the Widewater Lagoon area.



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- **Shoreham Beach Area** – contemporary homes achieving anywhere between £500–£600/sq ft. This is considered a premium coastal location that has a long standing history of achieving high sales values compared to the surrounding areas. In our opinion it would not be possible for the proposed development at New Salts Farm Barns to achieve this level of sales values.

Considering the comparable evidence and given the site's constraints, a sales value in the region of **£450/sq ft** is considered appropriate for the proposed development.

5. Recommended Values (Unit by Unit)

Plot	Type	Size	Value
1	4-bed semi	1,548 sq ft	£700,000
2	3-bed semi	1,216 sq ft	£550,000
3	3-bed semi	1,216 sq ft	£550,000
4	3-bed semi	1,216 sq ft	£550,000
5	4-bed detached	1,548 sq ft	£700,000
6	4-bed detached	1,693 sq ft	£765,000
7	4-bed detached	1,548 sq ft	£700,000
8	4-bed detached	1,693 sq ft	£765,000
9	4-bed detached	1,548 sq ft	£700,000
10	4-bed detached	1,693 sq ft	£765,000

Total GDV: £6,750,000

6. Sales Rate & Absorption

- Expected sales rate: **0.5–0.75 units per month**
- Total sales period: **14–18 months**
- Increased likelihood of:
 - Price adjustments
 - Incentives (stamp duty contributions, flooring packages, legal fees etc)
 - Significantly longer reservation-to-exchange periods

7. Conclusion



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Under current market conditions, and taking into account the site's specific constraints, a GDV in the region of **£6.75m** is considered reasonable for the proposed development.

This reflects:

- Reduced buyer confidence
- Higher mortgage costs
- Slower absorption rates
- Flood-zone designation
- Private access and semi-rural location
- Weakening of the new-build premium

Should you require any further clarification or wish to discuss the appraisal in more detail, we would be pleased to assist.

Yours faithfully,

Wayne Kenward

Director



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Appendix B(ii) Cala Homes Pricing

Plot	Beds	price	sqft	price per sqft
332	1	£220,000	572	£384.62
334	1	£220,000	539	£408.16
335	1	£225,000	572	£393.36
562	2	£395,000	876	£450.91
568	2	£495,000	1114	£444.34
571	2	£475,000	1114	£426.39
	2	£470,000	1248	£376.60
537	3	£495,000	1254	£394.74
539	3	£475,000	1101	£431.43
	3	£400,000	1248	£320.51
	3	£515,000	1248	£412.66
	4	£520,000	1248	£416.67

<https://www.cala.co.uk/homes-for-sale/south-east-england/west-sussex/new-monks-park-phase-2/availability-prices/>



Appendix B(iii)

Private & Confidential

For the attention of: NSF Barns Ltd & Bespoke Property Consultants

5th June 2026

Market Appraisal For The Proposed Residential Development At New Salts Farm Barns, Shoreham-by-Sea (BN43)

Dear Jack,

Thank you for instructing us to provide a market appraisal for the proposed development of ten new homes at New Salts Farm Barns. Please note this assessment has been prepared in accordance with the RICS 2019 Financial viability in planning: conduct and reporting professional standard.

Our appraisal is based on a review of the proposed plans, the design report, and analysis of comparable new-build and second-hand sales across Shoreham-by-Sea, Lancing and the wider BN43/BN15 coastal fringe.

1. Executive Summary

The site's semi-rural setting, private access track, Flood Zone 3 designation and specialist construction requirements mean that achievable values are likely to sit below those achieved in stronger, more central Shoreham and waterfront locations.

Based on current evidence, a value level of approximately £450 per sq ft is considered appropriate. Indicative values are as follows:

- Three-bedroom homes of around 1,216 sq ft: circa £550,000
- Four-bedroom homes of 1,548–1,693 sq ft: £700,000 to £765,000

This results in a total GDV of approximately £6.75 million.

2. Market Context

Buyer sentiment remains cautious due to higher mortgage rates and affordability pressures. Homes above £600,000 are experiencing slower sales, longer marketing periods and increased reliance on incentives. The traditional new-build premium has weakened, with many schemes achieving parity with high-quality second-hand stock.

3. Site-Specific Considerations

Several factors are likely to constrain values relative to stronger local markets:

- **Flood Zone 3 designation**, which continues to concern buyers and lenders despite mitigation.
- **Private access track**, raising issues around maintenance, vehicle wear and perceived remoteness.
- **Semi-rural position**, which lacks the uplift associated with Shoreham Beach, riverside/waterfront settings and the central Shoreham area.
- **Non-standard construction**, including raised floor levels, green roofs and specialist drainage, which increase build costs will not necessarily enhance the property values.
- **Competition from stronger locations**, where established residential areas continue to outperform rural-edge developments.





4. Comparable Evidence

New-build schemes in the surrounding area are achieving values broadly between £385 and £450 per sq ft, with premium waterfront developments achieving slightly higher levels. However, these premium schemes are not directly comparable due to their superior locations such as Shoreham Beach, Ropetackle and Widewater Lagoon.

Second-hand comparables close to the site include:

- A property at Seahaven Gardens achieving £428 per sq ft, identified as a direct comparable.
- A contemporary riverside home on Brighton Road achieving £420 per sq ft, though benefiting from a premium waterfront setting.
- A contemporary riverside townhouse on Salt Marsh Road achieving £435 per sq ft. However, this is deemed a premium location compared to the New Salts Farm Barns proposed development.

These comparables support the conclusion that £450 per sq ft is an appropriate benchmark for the proposed development.

5. Recommended Values

The three-bedroom units, each around 1,216 sq ft, are expected to achieve values in the region of up to £550,000. The four-bedroom homes, ranging from approximately 1,548 to 1,693 sq ft, are expected to achieve between £700,000 and £765,000, depending on size and position within the scheme.

Across all ten units, this results in a total Gross Development Value of approximately £6,750,000.

6. Sales Rate & Absorption

We anticipate a sales rate of 0.5 to 0.75 units per month, resulting in a total sales period of approximately 14 to 18 months. Incentives such as flooring packages, legal fee contributions or stamp duty support may be required. Reservation-to-exchange periods are also likely to be longer than average in the current market conditions.

7. Conclusion

Taking into account current market conditions and the specific constraints of the site, a GDV of **around £6.75 million** is considered reasonable. This reflects:

- Reduced buyer confidence and higher mortgage costs
- Slower absorption rates
- Semi-rural setting
- Weakening of the new-build premium

We trust this appraisal is helpful. Do let us know if you need to discuss this in more detail.

Yours Sincerely,

Chris Trott | MNAEA
Director
Coast & Country Real Estate



£/M2 STUDY

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 18-Apr-2026 08:09

Rebased to 2Q 2026 (413; forecast) and Adur (112; sample 4)

MAXIMUM AGE OF RESULTS: DEFAULT PERIOD

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
New build								
810. Housing, mixed developments (15)	1,839	978	1,590	1,774	2,018	4,551	1246	
810.1 Estate housing								
Generally (15)	1,803	898	1,527	1,724	1,975	6,182	1255	
Single storey (15)	2,067	1,198	1,733	1,984	2,252	6,182	196	
2-storey (15)	1,739	898	1,500	1,686	1,910	3,756	992	
3-storey (15)	1,831	1,115	1,559	1,773	2,033	3,648	62	
4-storey or above (15)	3,747	1,834	3,001	3,349	4,985	5,568	5	
810.11 Estate housing detached (15)	2,502	1,314	1,838	2,158	2,885	6,182	16	
810.12 Estate housing semi detached								
Generally (15)	1,826	1,055	1,547	1,772	2,003	3,996	323	
Single storey (15)	2,030	1,303	1,779	2,015	2,197	3,996	73	
2-storey (15)	1,767	1,055	1,532	1,703	1,933	3,067	240	
3-storey (15)	1,756	1,319	1,395	1,677	2,022	2,558	10	
810.13 Estate housing terraced								

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
Generally (15)	1,806	1,064	1,489	1,703	1,959	5,568	195	
Single storey (15)	2,007	1,279	1,709	1,959	2,377	2,852	14	
2-storey (15)	1,739	1,064	1,476	1,663	1,880	3,756	153	
3-storey (15)	1,828	1,115	1,565	1,760	2,017	3,648	26	
4-storey or above (15)	5,276	4,985	-	-	-	5,568	2	

Abnormal Cost Schedule

New Salts Farm Barns, Shoreham-by-Sea (BN43)

Residential Development of 10 Dwellings

Prepared for: NSF Barns Ltd and Bespoke Property Consultants

Date: June 2026

1. Executive Summary

This report identifies the abnormal development costs associated with the proposed residential scheme at New Salts Farm Barns. These costs arise from site-specific physical, environmental and planning constraints that materially increase development expenditure beyond standard residential assumptions.

The total abnormal cost identified is: **£1,128,100**

The principal abnormal cost drivers include:

- Demolition of agricultural barns and asbestos removal
- Remediation of contamination to area of made ground
- Ground improvement and piled foundations
- Ground raising to required levels for drainage
- Permeable access road construction and junction upgrades
- SuDS infrastructure including infiltration basin
- Foul sewer diversion
- Enhanced landscaping and design-driven requirements
- First-floor living accommodation above flood level
- Green roof system
- Extended utility connections

These costs represent a significant uplift above typical development allowances and must be fully considered when assessing the scheme's financial viability.

2. Introduction

This Abnormal Cost Report has been prepared to support the Financial Viability Assessment for the proposed development of 10 dwellings at New Salts Farm Barns.

The purpose of this report is to:

- Identify abnormal cost items
- Provide justification based on technical evidence
- Present quantified cost allowances
- Demonstrate the impact of these costs on the financial viability of the development

The abnormal items are supported by the following documents:

- Phase 1 Contamination Report prepared by Hilson Moran
- Transport Statement prepared by Motion Consultants
- Flood Risk Assessment & Drainage Strategy prepared by Hilson Moran
- Landscape and Visual Appraisal prepared by Huskisson Brown Associates
- Architectural drawings and design information prepared by Meynell Gunton

3. Detailed Abnormal Cost Schedule

3.1 Site Preparation & Remediation — £240,500

Description	Qty	Unit	Rate (£)	Total (£)	Justification
Demolition of existing structures	1	item	80,000	80,000	Demolition of existing barns (1,202m ² GIA) including steel frame, cladding, roof coverings, brickwork, hardstanding areas and shallow foundations
Remediation of contamination to area of made ground	870	m ³	150	130,500	Made ground area in the south east of the site - subject to phase 2 contamination survey. Quantity excludes contamination from infill of former gravel pit.
Asbestos removal	1	item	20,000	20,000	ACMs likely due to barn construction dates (1981–1990). Subject to survey

Validation and testing	1	item	10,000	10,000	Required post-remediation.
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3.2 Ground Conditions & Foundations — £237,600

Description	Qty	Unit	Rate (£)	Total (£)	Justification
Import fill to raise levels incl level and compaction	1,460	m³	60	87,600	Required to the north and western areas to achieve formation level for drainage falls into infiltration basin.
Piled foundations	10	nr	15,000	150,000	Land stability issues linked to underlying geology.

3.3 Utilities & Infrastructure — £450,000

Description	Qty	Unit	Rate (£)	Total (£)	Justification
Permeable access road	100	m	1,500	150,000	5.5m carriageway with 2m service margins. Constructed from porous tarmac or a stabilised gravel solution (modular permeable paver system) laid on a free-draining sub-base overlaid with a geotextile membrane separator followed by coarse sand bedding layer. Reinforce existing culvert over land drain.

Modifications to New Salts Farm Road	1	item	50,000	50,000	Relocation of traffic calming features and road markings, local carriageway widening where feasible.
SuDS infiltration basin	1	item	50,000	50,000	99.2m³ basin in the south east of the site
Foul sewer diversion	1	item	100,000	100,000	Section 6.3.6 in the FRA. 70m of 200mm sewer at 3.3 m deep (excavate, lay, backfill, dewater, reinstate) including 3 new manholes, design, Section 185, surveys and approvals
Extended utility connections	1	item	100,000	100,000	Utility connections distributed under 100m access road to site - Water, power, drainage, fibre and gas.

3.4 Other / Specialist Costs — £200,000

Description	Qty	Unit	Rate (£)	Total (£)	Justification
Enhanced landscaping	1	item	25,000	25,000	Enhanced boundary planting as per LVIA report
Flood mitigation measures; raised floor levels	10	nr	10,000	100,000	First floor sleeping accommodation above 5.98m AOD flood line - Additional substructure, superstructure and internal works.

Green roof system	10	nr	7,500	75,000	Extra-over cost vs pitched roof - including structural reinforcement and specialised waterproofing & root barriers
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4. Total Abnormal Cost Summary

Category	Total (£)
Site Preparation & Remediation	£240,500
Ground Conditions & Foundations	£237,600
Utilities & Infrastructure	£450,000
Other / Specialist	£200,000
Total Abnormal Costs	£1,128,100

5. Basis of Estimate

Costs are presented in Q2 2026 prices and reflect typical market rates for small-scale residential developments in the South East.

The estimate is informed by:

- Benchmark rates from comparable schemes
- Industry standard cost data
- Professional judgement based on similar rural-edge developments
- Quantities derived from planning documents and engineering assumptions

Costs are expressed as high-level allowances suitable for viability testing only. They are not detailed tender estimates.

6. Exclusions & Clarifications

General Exclusions

The following are excluded:

- Standard build costs
- Professional fees
- Statutory fees (planning, building control, S106, CIL)
- Land acquisition, legal fees, finance costs
- Marketing and sales costs
- Inflation allowances
- Contingency

Ground Conditions

- Quantities for made ground and contamination are based on Phase 1 desk study only and exclude any contamination from infill of the historical gravel pit.
- Asbestos allowance is provisional pending survey
- No allowance for hazardous waste disposal beyond assumptions stated
- Removal of deep foundations and below ground obstructions as part of demolition works
- UXO and archaeological findings

Flood Risk & Drainage

- No allowance for pumping stations or off-site flood mitigation.
- Costs assume FRA requirements remain unchanged.

Highways

- No allowance for road closures, diversions or statutory undertaker protection works.
- Assumes no Section 278 works given New Salts Farm Road is a private road

Utilities

- Assumes water, gas, fibre, drainage and power supplies are taken from nearby mains supplies in New Salts Farm Road
- No additional network reinforcement beyond stated assumptions.
- The existing sewer is a 200mm VC pipe and works can be completed under a Section 185 application. It is assumed this is not a strategically important sewer (i.e. not a trunk sewer).

Design & Specification

- No allowance for bespoke architectural features beyond stated items.

Programme & Procurement

- Costs assume a single-phase programme.
 - No allowance for supply chain disruption or contractor risk premiums.
-

7. Limitations of Use

This report has been prepared solely for the purpose of informing the Financial Viability Assessment for the proposed development at New Salts Farm Barns.

It must not be relied upon for:

- Tendering
- Contract negotiation
- Detailed design
- Construction programming
- Legal or financial decision-making outside viability assessment

All costs remain subject to refinement following:

- Intrusive ground investigation
- Detailed drainage and highways design
- Utility provider quotations
- Structural engineering design
- Final architectural specification

This Abnormal Cost Report has been prepared by an RICS Chartered Quantity Surveyor, with specialist experience in cost planning and the appraisal of abnormal development constraints.

The contents of this report conform to the requirements of the RICS (2019) Financial viability in planning: conduct and reporting professional standard, ensuring that the methodology, assumptions and reporting structure meet the expectations for transparency, robustness and professional integrity set out by RICS.

All cost assessments have been prepared with due skill, care and diligence, reflecting current market conditions, benchmark data, and the technical information available at the time of reporting.

2250 - New Salts Farm - Area Schedule

Rev A

20/01/2026

Building / Plot	Building Type	No. of Bedrooms	No. of Occupants	Level	Total GEA per Building Type (m2)	Total GIA per Plot (m2)
Plot 1	Semi	4B	7-persons	Ground	157.4	76.3
	Garage			First	139	67.5
				Ground	21	
Plot 2	Semi	3B	5-persons	Ground	inc in Plot 1 above	60.5
				First	inc in Plot 1 above	52.5
Plot 3	Semi	3B	5-persons	Ground	140	60.5
				First	123.4	52.5
Plot 4	Semi	3B	5-persons	Ground	inc in Plot 3 above	60.5
				First	inc in Plot 3 above	52.5
Plot 5	Detached	4B	7-persons	Ground	89	76.3
	Garage			First	79.6	67.5
				Ground	21	
Plot 6	Detached	4B	7-persons	Ground	96	81.2
	Garage			First	88.3	76.1
				Ground	21	
Plot 7	Detached	4B	7-persons	Ground	89	76.3
	Garage			First	79.6	67.5
				Ground	21	
Plot 8	Detached	4B	7-persons	Ground	96	81.2
	Garage			First	88.3	76.1
				Ground	21	
Plot 9	Detached	4B	7-persons	Ground	89	76.3
	Garage			First	79.6	67.5
				Ground	21	
Plot 10	Detached	4B	7-persons	Ground	96	81.2
	Garage			First	88.3	76.1
				Ground	21	
TOTAL					1765.5	1386.1