

APPENDIX 4

Vail Williams – Commercial Valuation Report (123 Unit scheme)

Report and Development Valuation

Martlets Way, Goring-by-Sea, Worthing, West Sussex
BN12 4UB

Report date: 16 February 2024

Prepared for:

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Executive Summary

Address:	Martlets Way, Goring-by-Sea, Worthing, West Sussex BN12 4UB			
Location:	The site is located within a mixed-use area in Goring-by-Sea, Worthing in the county of West Sussex. Worthing is a seaside town at the foot of the South Downs, 11 miles west of Brighton and 18 miles east of Chichester, with an estimated population of 111,300 (2021 Census).			
Description:	This valuation assumes full planning consent will be granted for 19 light industrial units (Use Class E formerly B1(c) and/or B8) in accordance with drawing number SK03. The subject site is a broadly rectangular, vacant parcel of land and one of three parcels that make up the allocation covered in adopted Policy A10 of the Worthing Local Plan.			
Assumed Built Floor Area:	6,421 sq m (69,115 sq ft) overall GIA			
Tenure:	Freehold			
Tenancies:	Vacant site			
Valuation Date:	12 February 2024			
Market Rent on completion of the proposed development – (pa):	£917,000			
Market Value on completion of the development or `Net Development Value` (MV1):	£12,740,000			
Level of Deficit (negative land value):	-£3,000,000			
Strengths:	Weaknesses: - Relatively clear site. - Local Plan allocation. - Contamination concerns associated with previous use of land. - No public highways access.			
Opportunities:	Threats: - Acquire full planning consent. - Develop the site as employment land with a focus on Use Class B8 & E class property. - See comments in report regarding the current state of the market. - Current viability shows a land value deficit.			

This summary is strictly confidential to the addressee. It must only be read or considered in conjunction with the full report.

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Valuation Summary

Instructions

Our instructions are to prepare a report and valuation of the freehold interest in **Martlets Way, Goring-by-Sea, Worthing, West Sussex BN12 4UB** based on the assumption that planning consent has been obtained for 19 light industrial units (Use Class E formerly B1(c) and/or B8) in accordance with Drawing SK03, as confirmed in the Vail Williams LLP Terms of Engagement 25 January 2024.

Date of Valuation

12 February 2024

Valuation

Subject to the considerations set out in this report, we are of the opinion that the **Market Value on the Special Assumption of completion of the proposed development or `Net Development Value` (MV1)** of the freehold interest in the subject property, can, as at the date of valuation, be fairly stated to be:

£12,740,000 (Twelve Million Seven Hundred and Forty Thousand Pounds)

Subject to the considerations set out in this report, we are of the opinion that the **level of deficit produced by the proposed development**, can, as at the date of valuation, be fairly stated to be:

-£3,000,000 (Minus Three Million Pounds)

It is confirmed that the property has been valued by an External Valuer, qualified for the purpose of the valuation, and experienced in valuing properties of a comparable nature, complexity and value as the subject property. We confirm that Vail Williams LLP holds appropriate Professional Indemnity Insurance cover for this valuation instruction, and we are not aware of any conflicts of interest or prior involvement that preclude us from acting in this matter.

This valuation report is for negotiation purposes. As such, the mandatory application of VPS 1-5 of the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards 2022 does not apply, though the Standards are acknowledged as best practice. Furthermore, this summary is to be considered as a constituent part of our report and not in isolation. Your attention is drawn to paragraph 1.9 below and the bases of valuation contained therein. Neither the whole nor any part of our report may be reproduced or referred to without the Valuer's written approval.



Elise Thompson BA(Hons) MSc MRICS
RICS Registered Valuer
RICS Number: 6681015
Senior Surveyor
For and on behalf of Vail Williams LLP
16 February 2024



Andrew Osborne BSc (Hons)
Partner and LLP Member
For and on behalf of Vail Williams LLP
16 February 2024

1 Instructions & Definitions

- 1.1. Our instructions are to prepare a report and valuation of the freehold interest in **Martlets Way, Goring-by-Sea, Worthing, West Sussex BN12 4UB** based on the assumption that planning consent has been obtained for 19 light industrial units (Use Class E formerly B1(c) and/or B8) in accordance with drawing SK03, as confirmed in the Vail Williams LLP Terms of Engagement 25 January 2024.
- 1.2. This Report and Valuation on **Martlets Way, Goring-by-Sea, Worthing, West Sussex BN12 4UB** has been completed by **Vail Williams LLP, 4 Peveril Court, 6-8 London Road, Crawley, West Sussex RH10 8JE** for the benefit of **Church Barn Developments Limited, Church Barn, Washington, The Street, Pulborough, RH20 4AS**.
- 1.3. The surveyor responsible for undertaking this Report and Valuation is Elise Thompson BA(Hons) MSc MRICS (RICS No. 6681015), an RICS Registered Valuer qualified for the purpose of this valuation and experienced in valuing properties in a comparable location and of a comparable nature, complexity, and value as the subject property.
- 1.4. This exercise has been supported by the Vail Williams Agency team familiar with the location and site proposals. This assessment has been undertaken on a desktop basis with cost information provided by a third party and relied upon. The Report has been counter signed by Andrew Osborne BSc (Hons), Partner and LLP Member of Vail Williams LLP, and head the Development team.
- 1.5. This report is for negotiation purposes and as such the mandatory application of VPS 1-5 of the RICS Valuation – Global Standards 2022 (the “Red Book”) does not apply. However, the Red Book principles have been acknowledged as best practice.
- 1.6. We can confirm that there are no conflicts of interest or areas of prior involvement that preclude us from acting in this capacity.
- 1.7. In accordance with our instructions, the property has been valued on the following bases:
 - Market Rent
 - Market Value (development once completed and let, and the residual land value/deficit)
- 1.8. The bases of valuation above are as defined within the RICS Valuation – Global Standards 2022 and subject to the qualifications and limitations referred to therein, and those contained within this report, defined as follows:

Market Rent

The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Market Value

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

2 Location

- 2.1. A Location Plan and an HM Land Registry Title Plan are enclosed as appendices to this report. The latter outlines our understanding of the site boundaries.
- 2.2. The site is located within a mixed-use area in Goring-by-Sea, Worthing in the county of West Sussex. Worthing is a seaside town at the foot of the South Downs, 11 miles west of Brighton and 18 miles east of Chichester, with an estimated population of 111,300 (2021 Census). Goring-by-Sea is an established residential suburb approximately 2 miles from the town centre, with some light industrial units to the south of the railway tracks leading towards Durrington-on-Sea station.
- 2.3. To the south of the site is predominantly low-rise residential properties and public amenity areas, with the commercial areas being west (Goring Business Park and the Holm Oak Business Centre) and north. The site is well connected to public transport, with Durrington-on-Sea train station to the east and Goring-by-Sea to the west, both providing links to Worthing and London.

3 Description

The Existing Site

- 3.1. We have not inspected the site and our report is on a desktop basis. The following observations have been gathered from online resources.
- 3.2. The subject site is a broadly rectangular, vacant parcel of land and one of three parcels that make up the allocation covered in adopted Policy A10 of the Worthing Local Plan. It is open, relatively level, and currently comprises ground and grassland with scattered bramble scrub. There is a small parcel of hardstanding on site but no buildings, and tree screening along the parcel's east and northern boundaries.
- 3.3. From the Planning Statement for the planning application expanded upon below, we understand that the site formerly housed a water sewage treatment works that closed circa. 20 years ago, and neighbours the former British Gas Holder site. Since the closure of the sewage works, the site has by majority been vacant, save for temporary use as open storage.

Proposals for Redevelopment

- 3.4. This valuation has been undertaken prior to the granting of full planning consent. We understand that the proposals include the development of 19 light industrial units (Use Class E formerly B1(c) and/or B8) which form part of a wider, multi-site proposal as follows:

A Hybrid application seeking full planning permission for the construction of 28 residential dwellings (Use Class C3) and associated soft and hard landscaping, car and cycle parking, and vehicular access, and outline planning permission for up to 6,500 sq m of employment floorspace (E(g)(iii) class (light industrial, former B1(c)), and/or B8 uses (storage and distribution) with all matters reserved apart from access details.

- 3.5. Scale, landscaping and appearance will be confirmed at Reserved Matter stages but we have assumed an appropriate modern specification proportionate to the smaller size of the units. Building heights will remain in line with existing industrial and storage buildings in the immediate area. We have assumed the works will be completed to a good standard.

- 3.6. From the site plan we can see that each unit will have six parking spaces (eight for unit 19) plus guest spaces on the southern access road.
- 3.7. Below is the proposed site plan:



4 Accommodation

Proposed

- 4.1. The Feasibility Estimate cost plan dated November 2023 gives a total floor area GIFA of 6,421 sq m / 69,115 sq ft sq ft under Option 3 and unit values of 150 sq m, 300 sq m and 415 sq m. We assume the slight floor area differences are due to rounding. We have adopted the breakdown areas found under the Project Summary of the Feasibility Estimate.
- 4.2. Floor areas have been measured in metric units and converted to imperial using a conversion factor of 10.7639.

Type	Units	Sq m per unit	Sq ft per unit	Total (sqm)	Total (sqft)
Small	Units 7, 8, 9, 10, 11, 12, 13 & 14	206	2,217	1,648	17,739
Medium	Units 2, 3, 4, 5, 6, 15, 16, 17, 18 & 19	418	4,499	4,180	44,993
Large	Unit 1	593	6,383	593	6,383
Total (GIA)				6,421	69,115

- 4.3. We have calculated the total site area of the property from an Ordnance Survey extract to be 1.26 hectares (3.11 acres), though we note previous planning documents specify 1.37 hectares (3.39 acres).

5 Condition

- 5.1. We have not carried out a site survey. Our instructions assume a desktop assessment only.
- 5.2. The site appears to be currently vacant, brownfield land. Most of the land is open grassland and shrubbery with a patch of hardstanding. Historic uses may raise contamination concerns that we understand have been factored into the Feasibility Study cost plan by MacConvilles dated November 2023.
- 5.3. We have assumed the proposed development will be completed to a good quality with all required Building Regulations approval.

6 Statutory and Environmental

Asbestos

- 6.1. Since May 2004, legislation has required property owners, occupiers, and managers to identify and control asbestos containing material (ACM) in their property. If potential ACM is identified and is in good condition and undisturbed, the Health & Safety Executive recommends that an Asbestos Management Plan (AMP) is formulated whereby it is regularly inspected, steps are taken to keep disturbance at a minimum and it is only removed if it is in a poor condition, or at risk of damage.
- 6.2. There does not appear to be a permanent structure on the site requiring an AMP.
- 6.3. Upon completion of the proposed development the entire subject property will be of new build construction and will therefore not require an Asbestos Management Plan to ensure compliance with the Control of Asbestos at Work Regulations 2012.

Energy Performance Certificates

- 6.1. Legislative changes under the Energy Act 2011 made it unlawful to rent out and re-let premises with an EPC rating below a minimum level of E from 1 April 2018. This applies to any property let on a tenancy which is six months or more and less than 99 years in length, and which is legally required to have an EPC. From April 2020, the legislation covers existing lettings for residential properties and, from April 2023, will be extended to cover all leases, including existing leases on commercial properties.
- 6.2. EPCs will be required on completion of the development. As the development will be built out in accordance with building regulations, we have assumed that the properties on completion will meet the minimum standards required.
- 6.3. It is important to keep EPC issues under review and to consider the potential impact on property value of any additional future government initiatives.

7 Services and Utilities

- 7.1. No inspection of services has been undertaken as part of this report. However, we assume that the subject property benefits from connection to all mains services.
- 7.2. We have assumed that all necessary connections can be made into the existing service network for the proposed development and that there will be no capacity issues, service diversions, off-site reinforcement, or any third-party ransom position in respect of service easements.

8 Planning

- 8.1. The property is in an area administrated by Worth Borough Council. The Worthing Borough Council Local Plan 2020-2036 was adopted in March 2023.

- 8.2. From an inspection of the Proposals Map, we understand the property has an allocation in the current Local Plan. Site reference A10 recognises the site as a vacant former water treatment and a neighbouring gasholder site with the potential for 10,000 sq m of employment space plus residential dwellings, in combination with a second development site to the east.
- 8.3. We have made online enquiries via the relevant planning portal and confirm that we are not aware of any planning applications or consents on the subject property or in the immediate vicinity that would adversely affect the values reported.
- 8.4. There is a request for screening under EIAOPINION/0003/16 for the provision of up to 77 residential dwellings including affordable units and 2,800 sq m of employment land and associated works. There is also a hybrid application (AWDM/0131/23) validated 1 February 2023 for full consent for the construction of 28 residential dwellings (Use Class C3) and associated works, and outline planning permission for up to 6,500 sq m of employment floorspace (Class E, former B1©), and/or B8 uses (storage and distribution). The latter has not been decided.
- 8.5. The Planning Statement for application AWDM/0131/23 details further planning history on the site:
 - *Most recently an application (Ref: 06/1384/FUL) for the construction of new business development(Use Class B1/B8), comprising four new buildings divided into 28 No. units and formation of access road and associated parking was submitted in 2006 and withdrawn in May 2007.*
 - *An application (Ref: 03/00008/FUL) for the redevelopment of the site with the construction of two blocks of accommodation for business use (Use Class B1), including access, parking and associated site works, was granted in November 2003. The approved Site Layout Plan (Dwg no: 3448 AL 102) indicates that the proposal comprised approximately 5,400sq.m of B1 floorspace.*
 - *An application (Ref: 02/00037/FULL) for the redevelopment of the site for 3 buildings comprising 7 units including a Post Office sorting office for Consignia, plus B1 (Business) and/or B8 (Storage and Distribution) uses, together with access, parking and other associated site works was submitted and withdrawn in March 2002.*
 - *An outline application (Ref: 98/00943/OUT) for business use (Use Class B1) was granted in January 1999. No further details have been made publicly available on the Council's online register.*
- 8.6. Planning consent has not yet been granted and we have assumed that there would be no onerous conditions attached to the consent that will have a material impact on value.
- 8.7. We have consulted the Community Infrastructure Levy Revised Charging Schedule August 2021 which states that 'All other development' has a nil CIL charge.
- 8.8. As the planning application extends to the subject property and adjoining land, we assume the subject property will not be liable for any contribution or provision linked to Affordable Housing. We have not incorporated any S106 payments into our appraisal, including a payment in lieu of affordable housing.
- 8.9. We have confirmed via the English Heritage portal that the property is not Listed and is not located within a Conservation Area.

- 8.10. It is believed that parts of Martlets Way, Juno Close and parts of Barrington Road (leading onto other potential access points) are not adopted highways. It is assumed, for the purpose of this valuation, that all parties benefiting from unfettered access/egress over these roads are responsible for a fair and reasonable proportion of the costs of repairing, maintaining, and renewing the proposed access road. Should this assumption prove inaccurate, the matter should be referred to the valuer for additional consideration and/or comment.
- 8.11. We have valued the site on the assumption that unfettered access is obtainable and of satisfactory width, including the right to lay services and media. We note that any additional payments for access over private land have not presently been factored into the appraisal and, if relevant, will need to be added as a cost to our assumed development costs.
- 8.12. For the purposes of our report, we have assumed that there are no outstanding planning issues preventing the proposed use of the property within Use Class E and B8 uses of the Town & Country Planning (Use Classes Order) 1987 (as amended).
- 8.13. We are not aware of any current enforcement action on the property.
- 8.14. We recommend the above assumptions are verified by your legal advisers.

9 Rating

- 9.1. We have obtained details of the following rating assessment currently listed under this postcode, from the Valuation Office Agency website. Details of the entry into the 2023 Rating List are as follows:

Unit	Description	Rateable Value
Land North Of, Juno Close, Goring-by-sea, Worthing, West Sussex, BN12 4UB	Land used for storage and premises	£24,000

- 9.2. Upon completion of the proposed development the Rateable Value will require reassessment.

10 Environmental Issues

Contamination

- 10.1. A completed RICS Property Observation Checklist is attached as an Appendix to this report. This should not be construed as an environmental audit but is a record of any visual indicators of potential contamination on site. If you have any concerns arising from the completed checklist, you should seek appropriate professional advice from an Environmental Consultant.
- 10.2. We understand that the site is vacant land. We believe that the site would have historically been used for open storage purposes in addition to wastewater treatment but can provide no guarantee as such.

- 10.3. The previous uses indicate a contamination risk on the site. Our report assumes this has been fully factored into the Feasibility Estimate cost plan.
- 10.4. Our exercise is desktop only and we cannot give any assurances that previous uses on the site, or in the surrounding areas, have not contaminated sub-soils or ground waters.
- 10.5. In arriving at our opinion of value we have assumed that no contamination exists, beyond that which may be priced into the Feasibility Estimate and would be remedied over the course of development. In the event of contamination being discovered, further specialist advice should be obtained.

Flood Risk

- 10.6. We have undertaken an online search via the Environment Agency website (<https://flood-map-for-planning.service.gov.uk>) and confirm that the property lies within Flood Zone 1, where there is minimal risk of flooding. Flood risk assessments take into account the effect of any flood defences in the area. Flood defences reduce, but do not completely stop, the chance of flooding as they can be overtopped or fail.
- 10.7. Furthermore, the surface water flood risk level at this site is classed as very low.
- 10.8. It is assumed that full insurance cover for all usual risks is available in the market at economic cost.

Radon

- 10.9. From reference to www.ukradon.org, we believe that the property is located within an area where radon affects between 3% and 5% of properties. It is considered, based on the incidence rate, that the risks posed by radon are modest. Should the client have concerns in this regard, we would recommend specialist investigations to determine the presence of radon.
- 10.10. We have assumed that the Feasibility Study takes radon risks into account.

Invasive Plant Material

- 10.11. Investigations to establish the presence or otherwise of invasive plant material would usually be undertaken by an environmental specialist. Vail Williams LLP is not qualified to undertake such investigation, and this was in any event outside of the scope of our instructions.
- 10.12. Japanese Knotweed is proscribed under the Wildlife and Countryside Act 1981, making it an offence to allow the plant to spread. All parts of the plant, and any soil contaminated with the rhizome, are classified as 'controlled waste' requiring all the duty of care requirements contained within the Environmental Protection Act 1990 to be met.
- 10.13. If left uncontrolled, Japanese Knotweed and other invasive species can damage drains, foundations, building structures and surfaced areas, rapidly degrading the immediate environment.
- 10.14. We have been instructed to value on a desktop basis and as such have not investigated any invasive plant species on the site. Our assumptions assume the site is clear of any invasive plant material.

- 10.15. It is recommended that the client ensures that full legal due diligence is undertaken in relation to potential contamination and environmental factors relating to the site.

11 Tenure

- 11.1. We understand the property is of freehold tenure, registered at HM Land Registry under title number WSX237886.
- 11.2. At the time of reporting, a report on title has not been provided. Consequently, we have valued on the assumption that there are no onerous conditions or restrictions affecting the title which might adversely affect the Market Value reported.
- 11.3. It is recommended that a report on title be obtained and provided to the valuer for consideration, so that any assumptions can be verified.

12 Occupational Leases

- 12.1. The property is understood to be a cleared development site and not income producing.
- 12.2. Assumptions as to occupational tenancies should be clarified by your legal adviser in the course of standard enquiries, and any discrepancies referred to the valuer for additional comment.

13 Market Trends & General Remarks

General Economy

- 13.1. The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 4.2% in the 12 months to December 2023, the same rate as in November. On a monthly basis, CPIH rose by 0.4% in December 2023, the same rate as in December 2022 (ONS). Although prices are no longer rising as quickly, CPI remains well above the Bank of England's 2% target. The UK has experienced a sharp rise in inflation since 2021, generally outstripping wage growth, leading to a squeeze on living standards for many.
- 13.2. Central banks around the world have been tightening monetary policy in a bid to tackle rising inflation. In February, the Federal Reserve held interest rates at a target range of 5.25% to 5.5%. In the same month, The Bank of England held interest rates at 5.25%.
- 13.3. Real gross domestic product (GDP) is estimated to have fallen by 0.2% in the three months to November 2023, compared with the three months to August 2023. This is the latest data available. Monthly GDP is estimated to have grown by 0.3% in November 2023, following a fall of 0.3% in October 2023 (ONS).
- 13.4. GDP data issued by ONS in December indicates that the UK experienced negligible economic growth during 2023, with the first three quarters of the year showing 0.3%, 0.0% and -0.1% growth respectively, indicating a further slowing of the economy through the year.

- 13.5. Geopolitical uncertainty, including the ongoing War in Ukraine, and escalating tensions in the Middle East, could feed through into higher interest rates, lower growth, and persistent inflation.

Industrial Commentary

- 13.6. During Q3 and Q4 2023 the occupational market started to show signs of recovery driven by business uncertainty caused by rising interest rates which appear to have now stabilised at 5.25% for prime property at the moment.
- 13.7. As new developments complete and let and there is a drop in the number of new developments starting, there has been an easing of rental growth in the sector albeit according to the MSCI Monthly Index average rents rose by 5.3% during the first nine months of 2023.
- 13.8. Some businesses remain reluctant to invest in new buildings during the current economic uncertainty which has impacted on demand and also those transactions that do take place are taking longer to complete.
- 13.9. There is a move from developers and investors to deliver new buildings which have increased ESG accreditation such as BREAAAM Very Good or better and EPC ratings of A to meet the demand from occupiers looking to improve their own ESG credentials.
- 13.10. The industrial investment market in 2023 saw a reduced number of transactions, characterised by an absence of large portfolio sales completing, and a downturn in purchases of higher lot sizes. The market continues to be heavily impacted by economic conditions, the large outward shift in the cost of debt and a wide gap between buyer and seller expectations. As such, according to CoStar total investment volumes fell to £6.4bn during 2023, having seen just £1.2bn transact during the final quarter of the year.
- 13.11. Investors do still view the industrial market as having strong fundamentals due to rental growth still being anticipated and with many buildings being situated in built up areas with a lack of available industrial land and increasing populations. There is also the possibility of adding value through asset management opportunities in multi-let estates or through redevelopment. Overall, investors also view the industrial sector as providing better returns than both the retail and office sectors.

Micro Commentary

- 13.12. According to CoStar, Worthing can be described as a mid-sized industrial market with around 2,100,000 sq ft of industrial and logistics space of all sizes. By majority, this is older stock, though there are modern developments both on the market and in the pipeline. Overall, there is an estimated 510,000 sq ft of smaller light industrial space with an availability rate of 0.7%, and an average asking rent of £10.64 psf. These indicate a favourable supply and demand ratio.
- 13.13. Worthing is a secondary industrial market despite its strong connection northwards along the A24, and east to west on the A27. As a subsidiary of this market, Goring-by-Sea is an even smaller, with little to no significant market transactions or lettings in the past 12 months. We consider this an opportunistic secondary market.
- 13.14. We consider that, given the location and nature of the subject property, demand would be stronger from occupiers seeking modern spaces in a more affordable location. There is a notable lack of smaller, modern developments appealing to the needs of medium-sized businesses, and the proposed development will address the gap.

- 13.15. The investment market for such units is more uncertain, with much of the recent evidence being for larger estates. However, on the basis that the scheme will address a gap in the rental market, we anticipate a fully let estate could experience reasonable to good levels of demand from investors. Regrettably until there is a viable scheme demonstrated on the site, the appeal from stand-alone developers will be more limited, though without contamination concerns, we have seen land values in the range of £500,000-£1,000,000 per net developable acre in similar areas for clear sites.

14 Occupational Market Evidence

- 14.1. In arriving at our opinion of Market Rent for the subject property, we have adopted the comparable method of valuation. We have had regard to comparable market transactions and availability to include the following:
- **Highdown Industrial Park, Ferring, Worthing** – In February 2024, Vail Williams let two new units on this industrial park on a five-year FRI lease, with security of tenure. The starting rent in Year 1 is £55,000 increasing to £60,000 by Year 3. The average rent is therefore £58,800, compared to the asking rent of £55,700 pa. The units are modern with 6m internal eaves, 3-phase electric, electric roller shutter doors and 10 allocated parking spaces. The average rent equates to £13.20 psf pa or £12.76 psf net of tenant incentives.
 - **29 Eldon Way, Littlehampton** – 2,657 sq ft concrete-framed warehouse as part of a terrace of six similar properties. It has a reasonable minimum eaves of 5m, office space, and a full height electric roller shutter door. We understand the asking rent was achieved in September 2023 wherein the property was let for £33,000 (£12.42 psf) on a 10-year FRI lease.
 - **Glenmore Business Park, Portfield, Chichester** – Units K39 and K40 are modern industrial units in a well established location, built in 2018. The properties have a reasonable level of amenity including 50% mezzanines, 2 car parking spaces, and a loading bay. They are currently under offer but the offer remains confidential. The asking rent, £28,000 pa, is the equivalent of £13.83 psf pa blended or £16.61 psf assuming the mezzanines are half the value of the ground floor space. More recent lettings of smaller units (1,039 sq ft) have achieved £12.99 psf blended.
 - **Unit 6 Dominion Trade Centre, Dominion Way West, Worthing** – A refurbished light industrial unit providing open plan accommodation and a rolling shutter door. 2,628 sq ft of space let in June 2023 for £32,500 pa or £12.37 psf. The agreement is for an FRI lease.
 - **Unit 2 Sheddingdean Business Centre, Burgess Hill** – In an arguably stronger location is this 1,525 sq ft portal-frame warehouse part of a 15-unit estate. The property let in February 2022 for £11.15 psf on a five year lease outside of the Act.
 - **Northbrook Business Park, Worthing** – 3,378-6,756 sq ft of warehouse space has recently come to the market on this industrial estate asking £51,000-£102,000 pa. Units 13 and 14 both have first floor mezzanines, modern interiors, and parking. The asking rents are the equivalent of £15.10 psf pa but we have been unable to contact the agent to clarify interest.

15 Market Rent

- 15.1. In coming to our opinion of the Market Rent of the subject development, we have used the comparable method of valuation. The subject will be new-build, with reasonable amenity including private and communal parking, and has as established market exemplified in its allocation in the Local Plan. The best evidence is Highdown Industrial Park in the comparable location of Ferring, in which £13.20 gross psf was agreed this month on a similar product.
- 15.2. Generally speaking, prime logistics space in the catchment is currently asking £15.00 psf and we would expect the subject to be below this given its secondary location.
- 15.3. Furthermore, the units have circa. 40% mezzanine space with the cost plan assuming basic fitout with walls and doors, extra lighting and small power distribution that will allow the spaces to be used as open plan offices. We assume the offices are carpeted and would comment that this office space is higher than expected, with around 20% first floor office being typical. We have therefore discounted the quantum of office/ mezzanine above 20%, applying half the rental value of the ground floor space.
- 15.4. We consider base rents for the smallest units to be £15.00 psf, £14.00 psf for the medium sized units and £13.50 psf for the single larger unit, which is most similar to the size of Highdown Industrial Park. We have blended this against the spaces at half rent and rounded to the nearest £1,000 pa. This results in a blended rental range of £13.27 psf.
- 15.5. Having regard to the above, we are of the opinion that the **Market Rent** for the proposed dwellings upon completion of the works and the assumption that they are let on 10 year leases, on standard commercial terms and FRI bases, are as follows:

Type	Units	Sq ft per unit	Rent psf (blended)	Rent pa (per unit)	Total pa
Small	Units 7, 8, 9, 10, 11, 12, 13 & 14	2,217	£13.98	£31,000	£248,000
Medium	Units 2, 3, 4, 5, 6, 15, 16, 17, 18 & 19	4,499	£13.11	£59,000	£590,000
Large	Unit 1	6,383	£12.38	£79,000	£79,000
Total (GIA)					£917,000

- 15.6. Having regard to the above, together with the size and configuration of the subject property, we are of the opinion that the **Market Rent**, subject to the **Special Assumption of the completion of the proposed development**, can, as at the date of valuation, be fairly stated to be:

£917,000 (Nine Hundred and Seventeen Thousand Pounds) per annum exclusive

16 Capital Market Evidence

- 16.1. In arriving at our opinion of Market Value for the proposed development, we have adopted the comparable method of valuation, having regard to comparable market transactions and availability, as well as current market trends.
- 16.2. By way of summary, we have among others had regard to the following sales of industrial property in the area:
 - **Unit 11, Silverdale, Meadow Road, Worthing, BN11 2RZ** – Modern terraced warehouse with 15 external car parking spaces and requiring refurbishment. Sold in July 2023 for £563,500 (£115 psf assuming 50% on the mezzanine). Sold at auction as the previous owners went into receivership.
 - **Chandlers Yard, Upper High Street, Worthing, BN11 1DL** – Freehold sold June 2023 for £550,000 (£217 psf excluding the yard). 20-year-old business unit with half height roller shutter door, ancillary offices, on a 0.16 acre site. Offers were invited in excess of £500,000.
 - **Unit 4, 7 Commerce Way, Lancing Business Park, BN15 8SW** sold in March 2023 for £570,000. Single storey low-quality industrial property fitted substantially as offices. We believe the property measures 6,051 sq ft (£94.19 psf).
 - **Unit 4, Cradle Hill Industrial Estate, Seaford** – Lewes District Council sold the freehold of this low-specification unit to a self-storage operator on 8 December 2022 for £1,161,000. The property is larger, 15,600 sq ft, and the sale price reflects £74 psf discounting mezzanines.
 - **Unit 10, Highfield Industrial Estate, Edison Road, Eastbourne** – A mid-terrace warehouse with shared yard and parking sold 22 November 2022 for £366,000. The property is believed to be of basic specification with mezzanine space and minimum eaves of 4.75m (under the mezzanine 2.8m). The price paid reflects £97 psf if the mezzanine is discounted by 50%.
- 16.3. The above gives a range of £74.00-£217 psf. By majority, the evidence is of inferior quality to the modern space that would be provided for the proposed scheme. We would expect values to be at the higher end of this range.
- 16.4. In addition we are aware of the following recent investment purchases, involving older properties:
 - **The Compton Industrial Estate, Eastbourne** – 150,224 sq ft of warehouse space spread across 15 units were purchased by JR Capital and Chancerygate as a joint venture investment. Individual units range from 3,555-121,780 sq ft. The portfolio was purchased for £13,670,000 (£91 psf) with tenants in situ. The purchase reflects a net initial yield of 7.00%.
 - **Unit 1 & 2 Brooklyn Road, Seaford** – On 11 August 2022 this 0.26 acre yard with low-quality warehouses totalling 3,686 sq ft sold for £250,000, giving a net initial yield of 7.50% against a passing rent of £19,200 pa.
 - **Rudford Industrial Estate, Arundel** – A freehold sale in July 2023 of a circa 4 acre site with an income of £328,750 pa and no vacant parts. The sale was for £4,125,000, a Net Initial Yield of 7.97%.
- 16.5. In the absence of new build yield evidence in Worthing we have considered a wider catchment, including comparable evidence out of region.

- We are aware that mid box larger units in the best locations are attracting a sale yield of circa 5.25%, with market sentiment suggesting it might improve to 5% but there is no evidence yet to widely support that yield improvement.
- DPD, Burgess Hill - A substantial logistics unit with yard and parking in Burgess Hill currently quoting at a Net Initial Yield of 5.00%, including 20 year unexpired lease term and 5-yearly open market rent reviews. The current tenant, DPD, is considered an excellent covenant and this is therefore a superior investment opportunity to the subject.
- Kiers Logistics City - recently achieved a reversionary yield on 3 units at 5.36%. The property is currently let at £10.30 psf but the estimated rental value is now at £13.00 psf. Again, more sizable units with superior road connections and therefore the yield is expected to be keener than the subject.
- Reading Trade Centre, Rose Kiln Lane, Reading – a multi-let trade park was recently bought to market at quoting 6.25% NIY. The Reading Trade centre is within immediate proximity of the A33 and within 3 miles of Junction 11 of the M4. Furthermore, its excellent connectivity to London Paddington train station, London Heathrow Airport and Southampton Airport (all accessed in under an hour) makes it a popular logistics Hub outside of the M25. The units are 5,013-6,411 sq ft each, with 6 units in total. All tenants occupy on a secured tenancy basis with a WAULT of 7.2 years to expiry, paying an average £14.03 psf pa.
- Verda Park, Wallingford –7.56 acres housing circa 150,000 sq ft of logistics and office space over 12 units with signed leases in 2022 and 2023. Vacant units are currently on the market quoting £13.50 psf pa and let units are at a rate of £9.94-£14.00 psf, all on 10-15 year leases (WAULT 8.5 years to expiry). The site layout is similar to the subject in that there are a mix of sizes available, each with a minimum 10 private parking spaces including EV charging on site. The properties are BREEAM Excellent and have EPCs of A+. Despite these excellent credentials, the unit failed to sell due to a high quoting yield of 5.25%.
- We have consulted to our Investment Department and are of the opinion that an appropriate yield to apply to the completed development, assuming the units are well let would be in the range of 6.25% to 6.5% range. We consider 6.5% to be appropriate in this instance as the access road involves third party land.

17 Market Value on completion of the development or 'Net Development Value' (MV1)

- 17.1. In coming to our opinion of the Market Value on completion of the development (commonly referred to as Net Development Value) (MV1) of the subject property, we have used the investment and comparison methods of valuation.
- 17.2. Firstly, the investment method. It is apparent that there has been a significant lack of market activity both in the rental and sales markets in this area. Our agency team note that whilst Worthing is a secondary market, there are high-quality industrial developments being delivered that have an opportunity to address a gap in supply. Goring-by-Sea is well connected to the A24 running north and A27 running east and west and presents an affordable opportunity against other seaside town locations.
- 17.3. Good, secondary market stock has regrettably experienced negative yield sentiment year-on-year since late 2022, with the average range in 2024 being 6.75%-7.25%. The evidence available above corroborates this with yields at 7.00%-7.50%.
- 17.4. Assuming this will be good quality, high-specification stock, we have adopted a keen yield of 6.50%. We have also included a 6 month rent-free period. This gives a capital value of £13,670,399 or £12,740,000, rounded and after purchaser's costs, which is at the higher end of the evidence.
- 17.5. To cross-check our valuation by investment method, we have used the comparison method. £12,740,000 is the equivalent of £184 psf or circa. £670,000 per unit. The above gives a range of £74.00-£115 psf. The evidence available is of inferior quality to the modern space and is by majority larger, with discounts psf for quantum. At 2,535 sq ft, Chandlers Yard is a similar size to the average unit on this site but had a generous yard, and it achieved £217 psf with an initial asking price of £197 psf. This leads us to conclude that our values are reasonable.
- 17.6. In the current market we anticipate an average marketing period of no less than 6 months from the end of the construction period, assuming 'off-plan' marketing during construction.
- 17.7. Subject to the considerations set out in this report, we are of the opinion that the **Market Value on completion of the development or 'Net Development Value' (MV1)** of the freehold interest in the subject property, can, as at the date of valuation, be fairly stated to be:

£12,740,000 (Twelve Million Seven Hundred and Forty Thousand Pounds)

18 Costs of Development

- 18.1. The proposed development consists of 19x modern warehouse/industrial units and in arriving at our opinion of the land Market Value we have undertaken a residual appraisal.
- 18.2. We have been provided with a Feasibility Assessment on costs and have relied upon this as our main cost exercise. The Assessment has been prepared by MacConvilles and is dated November 2023. It adopts a rate of £2,282 per sq m on the proposed gross internal area. The total cost is £14,655,108. These costs assume a BREEAM 'very good' rating, a Design and Construction Risk allowance of 5% (contingency), VAT (20%) and professional fees at 12%.
- 18.3. We have removed VAT for the purpose of our appraisal and adopted the same contingency and fees rate.
- 18.4. The Building Cost Information Service (BCIS) of the RICS places mean building costs of purpose built warehouses as £1,279 psm. This is much lower than the feasibility estimate, which gives £1,610 psm before fees. The feasibility estimate includes cost items such as substructure, external works, and facilitating works, which broadly bridges this gap. On the basis that the feasibility estimate is site specific and has been calculated in elemental detail, we have relied on these costs as opposed to BCIS benchmarking.
- 18.5. We do not believe the development is CIL chargeable.
- 18.6. We have not allowed for any additional Section 106 costs.
- 18.7. We have calculated the GDV of the proposed development at £12,740,000. We have deducted purchaser's costs at 6.80% including VAT.
- 18.8. We have adopted finance costs at 9% over a 6 month lead-in period, in order to instruct and mobilise contractors and deal with any planning pre-commencement conditions, and allowed for a construction period of 12 months. We have assumed a 6-month, post-construction sales period and allowed for 6 months rent-free on the lettings. Finally, costs for the purchase of the site, including Stamp Duty Land Tax, legal and agency introduction fees have been deducted.
- 18.9. Finally, we have allowed a developer's 20% profit on cost or £2,123,468.
- 18.10. It is a known fault in the Argus Developer software that a negative land value results in a double-negative (i.e. positive) land finance cost calculation. This underplays the true deficit of the scheme. To remedy this, we have balanced the double-negative finance cost as an acquisition cost in the appraisal.
- 18.11. The residual land value produced by our appraisal is negative, at -£2,995,394
- 18.12. These costs are detailed in our appraisal as an Appendix to this report and, from our experience of similar schemes in the area, are considered realistic.
- 18.13. This indicates that the proposed development is unviable even before a land cost allowance, and requires some form of cross subsidy or change in development proposals.

19 Level of Deficit

- 19.1. In arriving at our opinion of the Market Value (MV2) we have undertaken a residual appraisal to ascertain the site value with the benefit of planning permission of the proposed development.
- 19.2. Within our appraisal we have made an allowance for the build and sale costs detailed earlier. We have made an allowance of developer's profit of 20% on Cost. Our appraisal shows a site value of -£2,995,394 say -£3,000,000.
- 19.3. Subject to the considerations set out in this report, we are of the opinion that **the level of deficit produced by the proposed development**, can, as at the date of valuation, be fairly stated to be:

-£3,000,000 (Minus Three Million Pounds)
- 19.4. Furthermore, we have sensitivity tested the level of upfront contribution that would be required in order to produce a nil land value. This may not be considered a break-even scenario, as our exercise does not include any upfront land value. We calculate that an upfront payment of circa. £3,200,000 would produce a nominal, positive land value. In order to calculate the viability deficit, a financial viability assessment should be undertaken to determine Existing Use Value for comparison against the residual land value of the proposed development.

Appendix 1

Valuation Calculations

Marlets Way
P24-0184

Martlets Way
Goring-By-Sea
Worthing
West Sussex
BN12 4UB

Development Appraisal
Vail Williams LLP
16 February 2024

APPRAISAL SUMMARY**VAIL WILLIAMS LLP****Marlets Way****Appraisal Summary for Phase 1**

Currency in £

REVENUE**Rental Area Summary**

	Units	ft ²	Rent Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Small units	8	17,739	13.98	31,000	248,000	248,000
Medium units	10	44,993	13.11	59,000	590,000	590,000
Large unit	1	6,383	12.38	79,000	79,000	79,000
Totals	19	69,115			917,000	917,000

Investment Valuation**Small units**

Market Rent	248,000	YP @	6.5000%	15.3846	
(6mths Rent Free)		PV 6mths @	6.5000%	0.9690	3,697,120

Medium units

Market Rent	590,000	YP @	6.5000%	15.3846	
(6mths Rent Free)		PV 6mths @	6.5000%	0.9690	8,795,567

Large unit

Market Rent	79,000	YP @	6.5000%	15.3846	
(6mths Rent Free)		PV 6mths @	6.5000%	0.9690	1,177,712

Total Investment Valuation**13,670,399****GROSS DEVELOPMENT VALUE****13,670,399**

Purchaser's Costs		(929,587)	
Effective Purchaser's Costs Rate	6.80%		(929,587)

NET DEVELOPMENT VALUE**12,740,811****NET REALISATION****12,740,811****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)	(2,995,394)	
		(2,995,394)

Other Acquisition Costs

Land finance	317,624	
		317,624

CONSTRUCTION COSTS**Construction**

	ft ²	Build Rate ft ²	Cost	
Base costs	69,115	149.54	10,335,638	10,335,638
Contingency		5.00%	516,782	
BREEAM		0.50%	51,678	
				568,460

PROFESSIONAL FEES

Professional Fees	12.00%	1,308,492	
			1,308,492

MARKETING & LETTING

Marketing	10,000	
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APPRAISAL SUMMARY**VAIL WILLIAMS LLP****Marlets Way**

Letting Agent Fee	15.00%	137,550	147,550
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DISPOSAL FEES

Sales Agent Fee	1.00%	127,408	
Sales Legal Fee	0.50%	63,704	191,112

TOTAL COSTS BEFORE FINANCE**9,873,482****FINANCE**

Timescale	Duration	Commences
Purchase	6	Feb 2024
Construction	12	Aug 2024
Post Development	6	Aug 2025
Sale	1	Feb 2026
Total Duration	25	

Debit Rate 9.000%, Credit Rate 0.000% (Nominal)

Land	(317,624)	
Construction	1,061,486	
Total Finance Cost		743,862

TOTAL COSTS**10,617,344****PROFIT****2,123,468****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	15.53%
Profit on NDV%	16.67%
Development Yield% (on Rent)	8.64%
Equivalent Yield% (Nominal)	6.50%
Equivalent Yield% (True)	6.77%

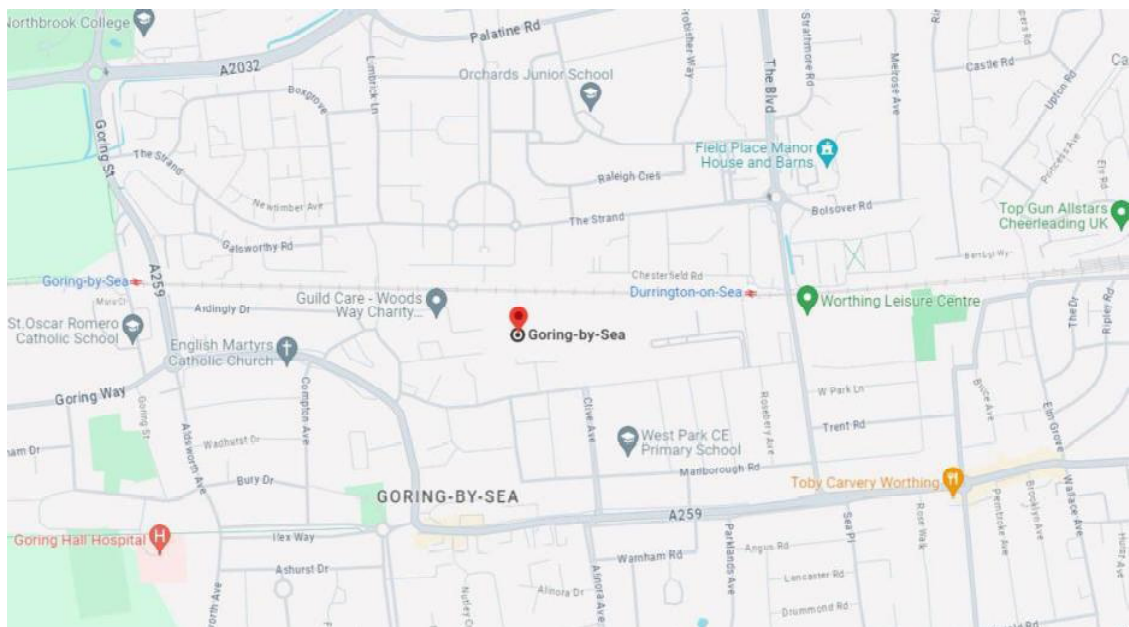
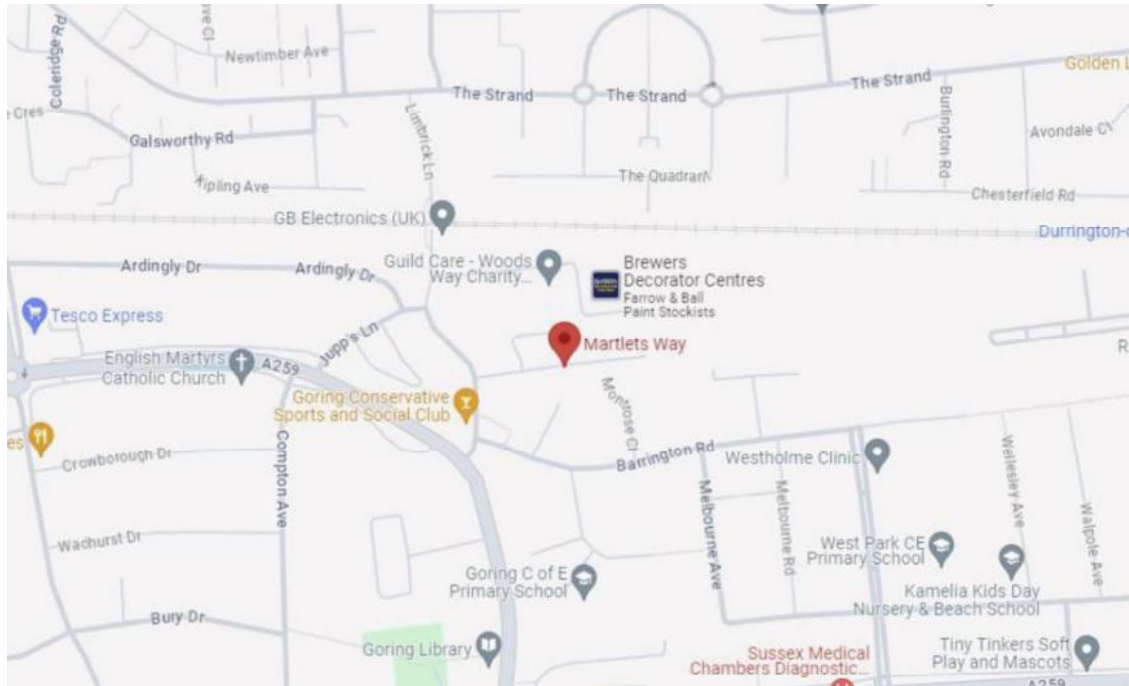
IRR% (without Interest) 47.87%

Rent Cover	2 yrs 4 mths
Profit Erosion (finance rate 9.000)	2 yrs 1 mth

Appendix 2

Location Plan

Martlets Way, Goring-by-Sea, Worthing BN12 4UB



Appendix 3

HMLR Title Plan

These are the notes referred to on the following official copy

The electronic official copy of the title plan follows this message.

Please note that this is the only official copy we will issue. We will not issue a paper official copy.

This official copy was delivered electronically and when printed will not be to scale. You can obtain a paper official copy by ordering one from HM Land Registry.

This official copy is issued on 15 February 2024 shows the state of this title plan on 15 February 2024 at 12:25:03. It is admissible in evidence to the same extent as the original (s.67 Land Registration Act 2002).

This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground.

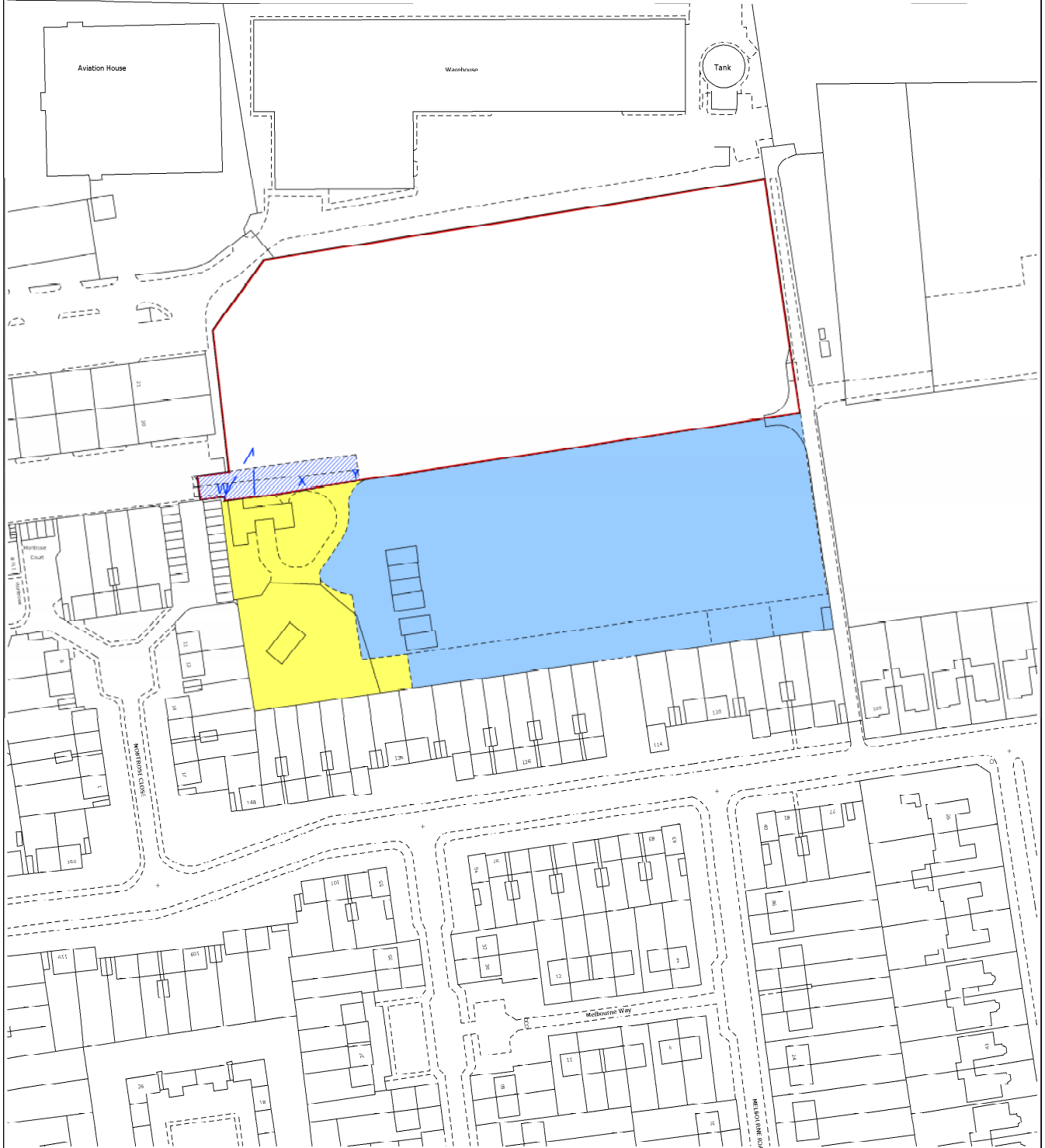
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Official copy of
title plan

Title number **WSX237886**
Ordnance Survey map reference **TQ1103SW**
Scale **1:1250**
Administrative area **West Sussex : Worthing**

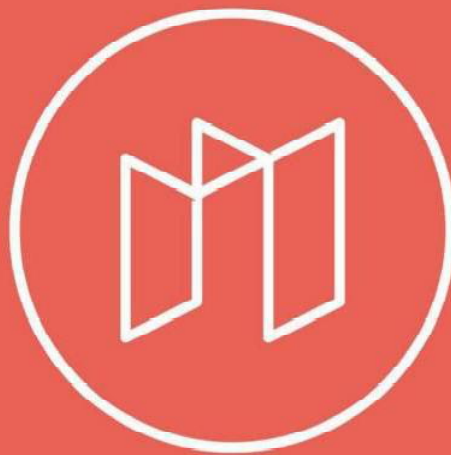


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Appendix 4

Feasibility Estimate



FEASIBILITY ESTIMATE

~
Church Barn Holdings Ltd

Proposed Development at Martlets Way, Goring-by-Sea, West
Sussex, BN12 4HF

26450

November 202

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November 2023

26474

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Control Issue Sheet

Ver/Rev	Issue Date	Status	Prepared By	Checked By
-	21 November 2023	For Discussion	Craig Baker Quantity Surveyor	Robert Francis Quantity Surveying Director

PART 1
SCOPE OF REPORT

November 2023

26474

Introduction

MacConvilles Surveying have been commissioned by Church Barn Holdings Ltd to produce a Feasibility estimate for the construction of 19nr industrial units at Marlets Way, Goring-by-Sea, West Sussex.

The rates and prices used in this estimate have been obtained from historical information and analyses for works of a similar nature both from in-house sources and that published by the Building Cost Information Service (BCIS).

This report is provided solely for the use and benefit of Church Barn Holdings Ltd. In no event, regardless of whether MacConvilles have consented, shall MacConvilles assume any liability or responsibility to any third party to whom the report is disclosed or otherwise made available.

Project Summary

The works comprise construction of 19nr industrial units with a proposed total GIFA of 4,615m² [without mezzanines] or 6,421m² GIFA with mezzanines; along with associated hard and soft landscaping works.

The proposal consists: 1nr 415m², 10nr 300m², and 8nr 150m² units, with a total 129nr parking spaces.

We have provide an additional option that includes 1,827m² of Mezzanine open plan empty space. Piling has also been considered due to made up ground and the extent of fill required to low lying areas. Please see below a list of options provided.

The costs within Section 2 of this report show allowances and assumptions made, however, a full list of exclusions and assumptions can be found within Appendix A.

The costs included are accurate at the date of issue of this report and should the project be revisited at a later date, costs should be re-based to reflect this.

Option 1: Traditional ground bearing RC slab [no mezzanine or piling]

Option 2: Traditional ground bearing RC slab including mezzanine [no piling]

Option 3: Piled foundation throughout with RC ground bearing slabs with mezzanine

Option 4: Piled foundation throughout with RC ground bearing slabs without mezzanine

PART 2.1 COST SUMMARY - OPTION 1

November 2023

26474

Issue Date:	21-Nov-23	Gross Area (GIFA):	m2	4,594
Base Date:	11-Nov-23		ft2	49,449

Total Construction Cost:	£ 12,615,733	Cost per m2:	£	2,746
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Project Description: Option 1: construction of 19nr industrial units with traditional ground bearing RC slabs [no mezzanine or piling]

Feasibility

		Total (£)	£ / m2	£ / sq.ft
Facilitating Works	£	316,286	69	6
Substructure	£	1,044,894	227	21
Superstructure	£	3,532,387	769	71
Internal Finishes	£	219,982	48	4
Fittings, Furnishings and Equipment	£	95,000	21	2
Mechanical & Electrical	£	962,906	210	19
External Works	£	1,218,372	265	25
Sub-Total	£	7,389,827	1,609	149
Main Contractors Preliminaries (12%)	£	886,779	193	18
Main Contractors Overheads & Profit (7.5%)	£	620,745	135	13
Construction Cost	£	8,897,352	1,937	180
BREEAM 'Very Good' Rating (0.5%)	£	44,487	10	1
Design and Construction Risk (5%)	£	444,868	97	9
Professional fees (12%)	£	1,126,405	245	23
VAT (20%)	£	2,102,622	458	43
Total Construction Cost	£	12,615,733	2,746	255

PART 2.2 COST SUMMARY - OPTION 2

November 2023

26474

Issue Date:	21-Nov-23	Gross Area (GIFA):	m2	6,421
Base Date:	11-Nov-23		ft2	69,115

Total Construction Cost:	£ 13,596,335	Cost per m2:	£	2,117
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Project Description: Option 2: construction of 19nr industrial units with traditional ground bearing RC slabs, including mezzanine [no piling]

Feasibility

		Total (£)	£ / m2	£ / sq.ft
Facilitating Works	£	316,286	49	5
Substructure	£	1,044,894	163	15
Superstructure	£	4,106,787	640	59
Internal Finishes	£	219,982	34	3
Fittings, Furnishings and Equipment	£	95,000	15	1
Mechanical & Electrical	£	962,906	150	14
External Works	£	1,218,372	190	18
Sub-Total	£	7,964,227	1,240	115
Main Contractors Preliminaries (12%)	£	955,707	149	14
Main Contractors Overheads & Profit (7.5%)	£	668,995	104	10
Construction Cost	£	9,588,929	1,493	139
BREEAM 'Very Good' Rating (0.5%)	£	47,945	7	1
Design and Construction Risk (5%)	£	479,446	75	7
Professional fees (12%)	£	1,213,958	189	18
VAT (20%)	£	2,266,056	353	33
Total Construction Cost	£	13,596,335	2,117	197

PART 2.3 COST SUMMARY - OPTION 3

November 2023

26474

Issue Date:	21-Nov-23	Gross Area (GIFA):	m2	6,421
Base Date:	11-Nov-23		ft2	69,115

Total Construction Cost:	£ 14,655,108	Cost per m2:	£	2,282
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Project Description: Option 3: construction of 19nr industrial units with piled foundations throughout, RC ground bearing slabs, including mezzanine

Feasibility

		Total (£)	£ / m2	£ / sq.ft
Facilitating Works	£	316,286	49	5
Substructure	£	1,665,084	259	24
Superstructure	£	4,106,787	640	59
Internal Finishes	£	219,982	34	3
Fittings, Furnishings and Equipment	£	95,000	15	1
Mechanical & Electrical	£	962,906	150	14
External Works	£	1,218,372	190	18
Sub-Total	£	8,584,417	1,337	124
Main Contractors Preliminaries (12%)	£	1,030,130	160	15
Main Contractors Overheads & Profit (7.5%)	£	721,091	112	10
Construction Cost	£	10,335,638	1,610	150
BREEAM 'Very Good' Rating (0.5%)	£	51,678	8	1
Design and Construction Risk (5%)	£	516,782	80	7
Professional fees (12%)	£	1,308,492	204	19
VAT (20%)	£	2,442,518	380	35
Total Construction Cost	£	14,655,108	2,282	212

PART 2.4 COST SUMMARY - OPTION 4

November 2023

26474

Issue Date:	21-Nov-23	Gross Area (GIFA):	m2	4,594
Base Date:	11-Nov-23		ft2	49,449

Total Construction Cost:	£ 13,674,506	Cost per m2:	£	2,977
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Project Description: Option 4: construction of 19nr industrial units with piled foundations throughout, RC ground bearing slabs, without mezzanine

Feasibility

		Total (£)	£ / m2	£ / sq.ft
Facilitating Works	£	316,286	69	6
Substructure	£	1,665,084	362	34
Superstructure	£	3,532,387	769	71
Internal Finishes	£	219,982	48	4
Fittings, Furnishings and Equipment	£	95,000	21	2
Mechanical & Electrical	£	962,906	210	19
External Works	£	1,218,372	265	25
Sub-Total	£	8,010,017	1,744	162
Main Contractors Preliminaries (12%)	£	961,202	209	19
Main Contractors Overheads & Profit (7.5%)	£	672,841	146	14
Construction Cost	£	9,644,060	2,099	195
BREEAM 'Very Good' Rating (0.5%)	£	48,220	10	1
Design and Construction Risk (5%)	£	482,203	105	10
Professional fees (12%)	£	1,220,938	266	25
VAT (20%)	£	2,279,084	496	46
Total Construction Cost	£	13,674,506	2,977	277



APPENDIX A

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BASIS OF ESTIMATE

**APPENDIX A
BASIS OF ESTIMATE**

November 2023

26474

Design Information

Drawing Number	Revision	Drawing Name
<u>Folkes Architects</u> 20082/SK03	D	Proposed Site Plan - Martlets Way - Option A
<u>Bright Plan Civils</u> D2012-PL600	-	Drainage Strategy - Site A

Programme

The preliminaries included within this cost plan are based on a percentage of the estimated construction cost.

Procurement

Costs are based on a traditional procurement route. A number of contract options are available and these will need to be discussed at an early stage as the decision can materially affect the programme and risk.

APPENDIX A
BASIS OF ESTIMATE

November 2023

26474

Assumptions

The following are additional assumptions made but not noted within the estimate:

- Costs are based on a JCT intermediate or standard building contract via a traditional competitive procurement route.
- In the absence of any structural specification or scope of works the specification has been assumed.
- In the absence of any M&E specification or scope of works the specification has been assumed.
- No existing below ground drainage located on site
- Each unit is to have one DDA WC, based on minimum DDA dimensions: 2,200mm x 1,500mm x 2,400mm ceiling high
- Fire and intruder alarm systems are to be installed by tenants
- Unit heating systems are to be installed by tenants
- One kitchenette per unit is to be installed as part of these works
- Access road only to have street lighting
- WC based on minimum DDA dimensions: 2,200mm x 1,500mm x 2,400mm ceiling high
- All proposed levels are to suit existing levels; no allowance for cut and fill
- External services distribution measured from site boundary; no allowance for upgrading existing

APPENDIX A
BASIS OF ESTIMATE

November 2023

26474

Exclusions

The following are excluded from this estimate:

- Works in connection with abnormal ground or drainage conditions, other than where stated
- Works in connection with existing services or obstructions in the ground, other than where stated.
- Excessive excavation due to poor ground
- Land remediation or removal of contaminated material, other than where stated.
- Services diversions or upgrades, other than where stated
- Legal fees and funding costs
- Project finance and insurance
- Works outside the site boundaries; where not stated
- Inflation for construction works commencing beyond Q4 2023
- IT and telecommunications equipment
- Archaeological investigations and/or works
- Unexploded ordnance
- Ecology
- External lighting to units; assumed to be installed by tenants
- Any landscaping works to areas outside of the red boundary line as shown on drawing 20082/SK03/D
- Out of hours working
- Internal fixtures, fittings and equipment unless stated

This estimate has been priced based on current market rates and conditions that are very volatile due to coronavirus implications and substantial inflation to some common materials. The budgetary costs should be reviewed at regular intervals of no longer than 3 months.

Appendix 5

Instructions

TERMS OF ENGAGEMENT

CLIENT NAME & ADDRESS	Church Barn Developments Limited Church Barn Washington The Street Pulborough RH20 4AS	Purchase Order N°/Supplier Reference N°	<i>(if applicable)</i>
		Invoicing Details	<i>(if different from Client details)</i>
PRIMARY CONTACT	Mike Jones	mike@churchbarngroup.co.uk 07802 449321	

PROPERTY TO BE VALUED	Land at Martlets Way, Goring-by-Sea, Worthing BN12 4UB
INTEREST IN PROPERTY	Freehold
CURRENCY OF VALUATION	Pound Sterling (GBP)
PURPOSE OF VALUATION	Negotiation
BASIS OF VALUATION	The following definitions of Basis of Value will be used. They are derived from the International Valuation Standards. Market Rent. The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. Our assumptions of what are 'appropriate lease terms' for this property will be set out in our report. Market Value. The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.
VALUATION DATE	Date of Report
SPECIAL ASSUMPTIONS	<i>Special Assumptions are those things which are not true but will be assumed to be true e.g. vacant possession when the property is in fact occupied, or that planning consent has been obtained, or that building works are completed. For further guidance see Red Book VPS 4.8)</i> Assumption that the proposed development has been completed
ASSUMPTIONS AND ANY LIMITATIONS ON THE SCOPE OF WORK	Significant general assumptions on which we base your report, and limitations on the scope of work, are listed in Terms & Conditions sections 17 (Methodology), 18 (Assumptions about Future Growth), 19 (Valuations for Inclusion in Company Accounts) and 20 (Reinstatement Valuations) as applicable. Please ensure you are happy with these terms.

TERMS OF ENGAGEMENT

SOURCES OF INFORMATION	In the course of providing the Report and Valuation, we will rely on the following publicly available sources: Rating and Council Tax: Valuation Office Agency website Planning: Local Planning Authority website Environmental: Environment Agency website and / or specific environmental report Flooding: Environment Agency website and / or specific environmental report Radon Gas: www.ukradon.org/information/ukmaps Title: Report on Title or Land Registry website Tenancies: Tenancy schedule and / or leases supplied to us by the Client / Customer
RESTRICTIONS ON PUBLICATION	The Valuation Report is not to be published without the prior written consent of Vail Williams LLP.
THIRD PARTY LIABILITY	Restrictions on sharing the Valuation Report and associated liability The Valuation Report is supplied to you solely for your benefit. You may not share the Valuation Report directly or indirectly with any third party without our prior written consent which we may make subject to such conditions as we may in our absolute discretion specify (including without limitation the payment of further Fees by you). If you share the Valuation Report directly or indirectly with a third party you shall indemnify us and keep us indemnified from and against any and all claims, costs, damages, demands, expenses (including legal expenses), liabilities and losses suffered or incurred by us as a result of such third party relying on such Valuation Report. The Deliverables and Pre-existing Materials are supplied by us solely for your benefit. If you share any Deliverables or Pre-existing Materials directly or indirectly with a third party, you shall indemnify us and keep us indemnified from and against any and all claims, costs, damages, demands, expenses (including legal expenses), liabilities and losses suffered or incurred by us as a result of the third party relying on those Pre-existing Materials or Deliverables.
RICS VALUATION STANDARDS (AND DEPARTURES FROM THOSE STANDARDS)	In accordance with your instructions in preparing our valuation report we will depart from the mandatory requirements of Red Book as it is for negotiation purposes.
DESCRIPTION OF THE REPORT	The report will be made available as a secured pdf. The report will comply with the requirement for minimum content of VPS 3.2.

FEES AGREED	FEE
Payment of fees. We will collect our fee directly from you prior to the release of our report. VAT, taxes and levies. All fees are subject to any VAT, taxes and levies unless otherwise agreed by us in writing. Please see Terms & Conditions 6.4 and 15.2 for further details. All fees exclude disbursements and expenses. Please see Terms & Conditions 6.3 for further details. Hourly rates are subject to an annual rate review, usually held in September.	£5,500 plus VAT

TARGET DATES FOR SERVICE DELIVERY	TARGET DATE
Preparation of the services above.	15 February 2024

TERMS OF ENGAGEMENT

DECLARATIONS AND TERMS OF BUSINESS	
DECLARATION OF INTERESTS AND COMPETENCE	Competence The Valuation will be carried out by Elise Thompson BA (Hons) MSc MRICS, a RICS Registered Valuer (Membership number 6681015) who will be acting as an independent Valuer. We confirm this Valuer will act with independence, integrity and objectivity, and has sufficient current local and national knowledge of the particular asset type at its particular market as well as the skills, qualifications, experience and understanding necessary to undertake the valuation competently. We shall ensure that all persons engaged by us to deliver the Services are of sufficient seniority and experience to deliver the Services in accordance with the Agreement. We reserve the right to change the persons engaged by us to deliver the Services at any time. Our firm is registered with and regulated by RICS and has a compliant Complaint Handling Procedure in accordance with the RICS Rules of Conduct 2021. A copy is available on request from any of our offices or our website at www.vailwilliams.com. You acknowledge that confidential information may be passed to VW's Insurer of professional advisors or to a regulated body to deal with complaints or other service issues. Please note that our files may be subject to monitoring under RICS conduct and disciplinary regulations. We can confirm that we hold adequate Professional Indemnity Insurance for the purposes of this instruction. Declaration of Interests Where we have been provided with or you have provided to us, information which allows us to identify a unique natural person/s or corporate entity as another party or borrower, we can confirm that there is no prior involvement or conflict of interest that requires management. You shall immediately notify us if you become aware of any connection which may exist between us and you (other than our appointment to provide the Services under the Agreement). If we are asked to provide property-related services to a third party and the provision of those services conflicts with the provision of the Services to you, we shall notify the third party and you as soon as reasonably possible and ask for consent from both parties to continue to act. If either party does not consent, we may, without liability to you, serve notice on you to terminate the Agreement with immediate effect.
	Our attached Terms & Conditions, along with these Terms of Engagement, together form the Agreement we have with you. Basis of Agreement Your instructions to act shall be deemed to be your acceptance of the terms of the Agreement. In the event that we do not receive your written confirmation of your instruction, your continuing instructions in this matter in the absence of any written objection will amount to your continuing acceptance of the terms of the Agreement. The Agreement constitutes the entire agreement between the parties for the provision of the Services. Each party agrees that it has not relied on any statement, representation or warranty not set out in the Agreement. Your indemnity to us You shall indemnify us and keep us indemnified for and against any and all claims, costs, damages, demands, expenses (including legal expenses), liabilities and losses suffered or incurred by us as a result of the death or personal injury of any person, or the damage to any person's property, if the death or personal injury to that person, or the damage to that person's property, is suffered or incurred as a result of that person's attendance at the Property, save that this indemnity shall not apply if the death or personal injury, or damage to property, is caused as a result of our negligence. Nothing in the Agreement shall limit or exclude either party's liability for fraud or fraudulent misrepresentation. Other key terms While we have highlighted particular terms of the Terms & Conditions within these Terms of Engagement, you are still required to read and understand the full terms of both documents. Note in particular the payment terms and timeframes, termination and cancellation terms; terms explaining the liability of both parties and terms outlining the processing of personal data.
TERMS OF BUSINESS	

TERMS OF ENGAGEMENT

LIMITATIONS AND EXCLUSIONS	We draw your attention to clause 9 of our Terms and Conditions. Our aggregate liability to you, whether in contract or tort or otherwise, arising from any act or default, or a series of acts or defaults resulting in the same or similar loss, shall not exceed 50.00 % of market value (including interest and costs). If we are found to be liable to you for damages in respect of which another person, including you, is also liable, our liability shall be limited so as to be in proportion to our relative contribution to that damage. You agree that all advice received by you during the course of this engagement is provided to you by Vail Williams LLP and you agree that in the event of any claim arising that your sole recourse is against Vail Williams LLP and not the individual (member, employee or consultant of Vail Williams LLP) who may have advised you during the course of the engagement.
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VW PRIMARY CONTACT			
VAIL WILLIAMS CONTACT DETAILS	Elise Thompson Senior Surveyor 07823790581		
SIGNATURE	<u>Elise Thompson</u> Elise Thompson (Jan 25, 2024, 4:07pm)	DATE	25 Jan 2024

CLIENT CONFIRMATION OF ENGAGEMENT			
On behalf of the Client, I confirm that I accept these Terms of Engagement and the Terms and Conditions to include the terms on abortive fee and limitations and exclusions drawn to my attention above.			
NAME	Mike Jones		
SIGNED ON BEHALF OF THE CLIENT	<u>m jones</u> Mike Jones (Jan 27, 2024, 4:50pm)	DATE	27 Jan 2024

FOR VAIL WILLIAMS ADMINISTRATION		VAIL WILLIAMS AUTHORISED SIGNATORY	
PROJECT NUMBER	P24-0184	NAME	Nigel Whitehurst
PROJECT TITLE	Land at Martlets Way, Goring-by-Sea, Worthing	TITLE	Partner
SERVICES	Valuation Commercial Development	CONTACT DETAILS	07769 374884
		SIGNATURE	<u>N Whitehurst</u> Nigel Whitehurst (Jan 26, 2024, 7:52am)

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