Financial Viability Assessment

Prepared for:

Former Buzz Bingo Site
Bolton Road
Banbury OX16 0TH

Churchill Retirement Living

10 December 2021

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Appendices

Executive Summary – Non Technical

For convenience, we summarise the key features of this Financial Viability Assessment which should nevertheless be read in full.

Existing Site Plan

Proposed Site Layout Plan

Property Type/Use: Existing commercial site (offices and former bingo hall) located in the centre of Banbury.

Proposed Scheme:

Type	No. of Units
Retirement Living Apartments (1 bed)	55
Retirement Living Apartments (2 bed)	24
Retirement Living Apartments (3 Bed)	1
TOTAL	**80**

Planning Application: A Planning application to be submitted for the erection of a retirement apartment building providing 80x age restricted 'Retirement Living' units with associated communal facilities, landscaping and car parking following the demolition of all existing buildings on site.

Benchmark Land Value: Benchmark Land Value: **£1,200,000**

Affordable Housing: **Policy BSC 3 - 30%**

The development seeks an off-site contribution due to the specialist nature of the retirement development proposed. It is well-established that affordable housing provision cannot be provided onsite within a single retirement apartment block. The management regime and high service charges that are an associated cost of retirement schemes render it problematic to, mix tenures (open market and affordable) in block and generally deters interest from Registered Providers.

The development economics of retirement development are also distinct from general market housing and apartment development in several respects, which typically render policy compliant provision non-viable. Paragraph 007 of the Viability Planning Practice Guidance recognises that there is justification for an application stage assessment where particular types of development are proposed which may significantly vary from standard models of development for sale, such as providing ‘housing for older people’.

CIL **£NIL**

Viability Assessment and Conclusion:

	Appraisal 100% Market Scheme
GDV	**£23,320,000**
Construction Costs	£12,930,700
Professional Fees	£1,231,495
Marketing/Disposal Fees	£1,218,000
Empty Property Costs	£551,419
Finance	£1,785,932
Profit on GDV	£4,664,000
Residual Price	£888,951
Benchmark Land Value	**£1,250,000**
Surplus/(Deficit)	**(£361,049)**

Our Financial Viability Assessment and review of the proposed CRL development for 80 Retirement Living apartments leads us to conclude there is no financial headroom available for additional planning obligations, after accounting for the anticipated gross sales receipts and all reasonable aspects of the outlay necessary.

1.0 Introduction

We are instructed by Planning Issues, acting as Planning Consultants for Churchill Retirement Lifestyles Limited (CRL), to undertake a Financial Viability Assessment (FVA) of a proposed redevelopment of the Property located at and known as: Former Buzz Bingo Site, Bolton Road, Banbury OX16 0TH (the Property).

This independent FVA is to provide support to CRL in demonstrating to the local planning authority, Cherwell District Council (CDC), whether or not planning obligations, and a developer's contribution towards off-site affordable housing in particular, can be delivered and provide a viable retirement scheme development.

This FVA report has been prepared in accordance with the RICS Professional Statement 'Financial Viability in Planning: Conduct and Reporting 1st Edition (May 2019). In relation to this statement we confirm the following:

- We have acted with objectivity, impartially, without interference and with reference to all appropriate available sources of information.

- In preparing this report, no performance related or contingent fee arrangements have been agreed.

- We have not provided previous advice to CRL on this site or any other third party.

We confirm that in accordance with the RICS Professional Statement Paragraph 2.2, we have no conflicts of interest in conducting this Financial Viability Assessment and have not received any specific requests by the applicants or decision-makers that contradict the mandatory requirements of the RICS Professional Statement.

We have also had regard to the Revised NPPF 2021 and Viability PPG which provides national planning policy and guidance in respect of undertaking viability assessments.

Please note that this assessment is undertaken at a particular point in time (November 2021). Values and costs will change over time and it must be understood that our assessment is based on current estimated values and costs as at the date of this report and is not a projection of value.

This report and its contents have been prepared specifically to support the planning application in respect of the Property. No responsibility whatsoever is accepted to any third party and neither the whole of the report, nor any part, nor references thereto, may be published in any document, statement or circular, nor in any communication with third parties without our prior written approval of the form and context in which it may appear.

This report is for feasibility assessment purposes only and it does not constitute a formal valuation. The advice contained in this report is exempt from the current RICS Valuation Global Standards - 31 January 2020 – (the Red Book). We reserve the right to update, amend or vary our advice should the matter progress to a planning Appeal Hearing or Inquiry.

We have produced this Viability Assessment utilising the Argus Developer residual appraisal software. Argus Developer is an established property development appraisal software program used by owners, commercial developers, house builders, land developers, agents and financial institutions. It is designed to work for all forms of property development, including commercial, single or multiphase residential, retail, office, industrial, hotels, land development and any combination for mixed use developments. This report summarises our assumptions, inputs and outcomes of our Argus model.

2.0 Background

A Location Plan showing the extent of the site 0.49 hectare (1.21 acre) site (the Property) for identification purposes is at Appendix 1.

Appendix 1 – Location Plan

The Property is centrally located in the market town of Banbury, immediately to the north west of the town centre. The Property provides a prominent corner site at the cross roads of the B4100 and the A361. The immediate area is mixed use in nature. Local amenities within walking distance include the town centre, the Castle Quays Shopping Centre and the main line railway station.

The Property is located within the Bolton Road Development Area allocated under the Cherwell Local Plan 2011-2031 as a major are for regeneration through mixed use development (Policy Banbury 8: Bolton Road Development Area).

3.0 Viability in Planning – Policy Context

3.1. National Planning Policy Framework (NPPF) 2021

The National Planning Policy Framework (NPPF) was revised on 20 July 2021 to set out the government's planning policies for England and how these should be applied. The new Framework replaces the previous NPPF published in March 2012, revised in July 2018 and updated in February 2019.

The Ministry of Housing, Communities and Local Government (MHCLG) confirmed in a statement that the updated NPPF "will place greater emphasis on beauty, place-making, the environment, sustainable development and underlines the importance of local design codes".

As with the previous versions of the Framework, the key principle set out in the document remains the presumption in favour of sustainable development. Paragraph 11 sets out:

For plan-making this means that:

a) all plans should promote a sustainable pattern of development that seeks to: meet the development needs of their area; align growth and infrastructure; improve the environment; mitigate climate change (including by making effective use of land in urban areas) and adapt to its effects;

b) strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas, unless:

- *i. the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area; or*
- *ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.*

For decision-taking this means:

c) *approving development proposals that accord with an up-to-date development plan without delay; or*

d) where there are no relevant development plan policies, or the policies which are most important for determining the application are out-of-date, granting permission unless:

- *i. the application of policies in this Framework that protect areas or assets of particular importance provides a clear reason for refusing the development proposed; or* *ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.*

In a section titled 'Planning conditions and obligations' the Framework states:

55. Local planning authorities should consider whether otherwise unacceptable development could be made acceptable through the use of conditions or planning obligations. Planning obligations should only be used where it is not possible to address unacceptable impacts through a planning condition.

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

57. Planning obligations must only be sought where they meet all of the following tests:

a) necessary to make the development acceptable in planning terms;

b) directly related to the development; and

c) fairly and reasonably related in scale and kind to the development.

58. 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."

There is thus an expectation that the majority of viability assessments will be undertaken at plan-making stage (rather than when determining applications). Plans are to set out the levels and types of affordable housing and other infrastructure that would be required from proposed developments. Viability assessments should ensure that the policy expectations are realistic and that the cumulative cost does not undermine deliverability of the plan.

The revised NPPF puts the burden on applicants to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage.

3.2. Viability Planning Practice Guidance (PPG)

The Department for Communities and Local Government in March 2014 revised and updated planning guidance designed to be easily accessible on-line and user friendly. The PPG contains 50 categories; from 'Advertisements' to 'When is permission required'.

The category of relevance in context with this report is the Guidance on 'Viability' which was also updated in July 2018 to reflect the updated policies contained within the NPPF. A number of the sections have subsequently been updated again in May 2019 and September 2019.

The Viability Guidance sets out the circumstances in which site specific viability assessments should be undertaken at the planning application stage. Paragraphs 007 and 008 state:

"Should viability be assessed in decision-taking?

Where up-to-date policies have set out the contributions expected from development, planning applications that fully 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. Policy compliant in decision making means that the development fully complies with up to date plan policies. A decision maker can give appropriate weight to emerging policies.

Such circumstances could include, for example where development is proposed on ***unallocated sites of a wholly different type to those used in viability assessment that informed the plan****; where further information on infrastructure or site costs is required;* ***where particular types of development are proposed which may significantly vary from standard models of development for sale (for example build to rent or housing for older people);*** *or where a recession or similar significant economic changes have occurred since the plan was brought into force".* **[Our emphasis]**

(Paragraph: 007 Reference ID: 10-007-20190509; Revision date: 9 May 2019)

"How should a viability assessment be treated in decision making?

Where a viability assessment is submitted to accompany a planning application this should be based upon and refer back to the viability assessment that informed the plan; and the applicant should provide evidence of what has changed since then.

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 viability evidence underpinning the plan is up to date, and site circumstances including any changes since the plan was brought into force, and the transparency of assumptions behind evidence submitted as part of the viability assessment.

Any viability assessment should reflect the government's recommended approach to defining key inputs as set out in National Planning Guidance."

(Paragraph: 008 Reference ID: 10-008-20190509; Revision date: 9 May 2019)

With regard to Paragraph 007 and the requirement that an applicant must demonstrate whether particular circumstances justify the need for a viability assessment at application stage, in this instance the site is unallocated and the proposed development type falls under the category of 'housing for older people'. These are two specific examples referred to within paragraph 007 which provides justification for an application stage assessment.

The circumstances are thus met and a viability assessment at application stage is wholly reasonable.

Further guidance is provided in the PPG which relates to the specific inputs that are appropriate in a viability assessment. These are outlined in turn in Sections 6 and 7 of this report.

3.3. RICS Professional Statement – Financial Viability in Planning: Conduct and Reporting

The RICS published a mandatory statement in May 2019 (effective from 1 September 2019) addressing the conduct and reporting requirements of Members who act in viability matters.

The Statement sets out mandatory requirements informing the practitioner on what must be included within reports and how the process must be conducted. This is to demonstrate how a reasonable, objective and impartial outcome, without interference, should be arrived at, and so support the statutory planning process.

3.4. RICS Guidance Note - Assessing viability in planning under the National Planning Policy Framework 2019 for England

In March this year, RICS published the Assessing Viability in Planning guidance. Effective from 1 July 2021, it replaces the previous 2012 guidance note. The new guidance note supplements and gives added guidance to RICS members and other stakeholders in the planning process on undertaking and understanding financial viability assessments (FVAs) under the NPPF and PPG in both a plan-making and decision-taking context.

RICS guidance notes set out good practice for RICS members and for firms that are regulated by RICS. An RICS guidance note is a professional or personal standard for the purposes of RICS Rules of Conduct. Guidance notes constitute areas of professional, behavioural competence and/or good practice. RICS recognises that there may be exceptional circumstances in which it is appropriate for a member to depart from these provisions – in such situations RICS may require the member to justify their decisions and actions.

3.5. **Local Planning Policy**

The Cherwell Local Plan 2011-2031 (Part 1) was adopted by the Council on 20 July 2015. Policy Bicester 13 was re-adopted on 19 December 2016. The following Policies are relevant to this report:

Policy Banbury 8: Bolton Road Development Area

The site is part of the wider 'Bolton Road Development Area' which has been allocated in the Local Plan. The Council is seeking the redevelopment of the area to include a range of town centre and high quality residential uses that will regenerate and enliven this part of the town centre.

Policy BSC3: Affordable Housing:

At Banbury and Bicester, all proposed developments that include 11 or more dwellings (gross), or which would be provided on sites suitable for 11 or more dwellings (gross), will be expected to provide at least 30% of new housing as affordable homes on site.

At Kidlington and elsewhere, all proposed developments that include 11 or more dwellings (gross), or which would be provided on sites suitable for 11 or more dwellings (gross), will be expected to provide at least 35% of new housing as affordable homes on site.

Where this policy would result in a requirement that part of an affordable home should be provided, a financial contribution of equivalent value will be required for that part only. Otherwise, financial contributions in lieu of on-site provision will only be acceptable in exceptional circumstances.

All qualifying developments will be expected to provide 70% of the affordable housing as affordable/social rented dwellings and 30% as other forms of intermediate affordable homes. Social rented housing will be particularly supported in the form of extra care or other supported housing. It is expected that these requirements will be met without the use of social housing grant or other grant.

Should the promoters of development consider that individual proposals would be unviable with the above requirements, 'open-book' financial analysis of proposed developments will be expected so that an in house economic viability assessment can be undertaken. Where it is agreed that an external economic viability assessment is required, the cost shall be met by the promoter.

Where development is demonstrated to be unviable with the above requirements, further negotiations will take place. These negotiations will include consideration of: the mix and type of housing, the split between social rented and intermediate housing, the availability of social housing grant/funding and the percentage of affordable housing to be provided.

The Council will require active consideration of proposals for community self-build or self-finish housing in particular where it is to a high design standard and will result in suitable empty properties being brought into residential use. Self-build and Self-finish should contribute towards meeting the need for affordable housing.

Affordable Housing will also be delivered through Policy Villages 3: Rural Exception Sites.

[Our emphasis]

3.6. **Developer Contributions SPD (February 2018)**

3.16 The LPA recognises that financial viability is a material consideration. In exceptional circumstances it may be necessary for the Council to prioritise the securing of particular developer contributions having regard to the Development Plan, the needs of the locality and the particular characteristics of the site and its locality. However, there may be circumstances in which the material Development Plan policies and/or the needs arising from proposed development are such that contributions will be sought even if a viability assessment accepted by the Council demonstrates that the development would not be viable with the required contributions.

3.17 Where a disagreement arises about financial viability and the planning obligations sought, the applicant will be expected to provide the Council with clear and transparent evidence to support their case. In most instances this will involve the Council reaching an understanding based on a detailed open book financial appraisal, undertaken by an independent assessor. Where there are significant financial issues arising for other public bodies responsible for providing infrastructure (including Oxfordshire County Council), the LPA will expect that body to be actively involved in this assessment process and conclusions. The Council will require this evidence prior to the granting of planning permission.

3.18 Section 106 Agreements can deal with issues of viability. For example, a developer may set out their 'predicted profitability levels'. In exceptional circumstances and on the basis of an open book appraisal prior to the determination of an application, it can be a requirement of the S106 Agreement for there to be a second viability appraisal at some point during the course of the development. If the results of this second viability appraisal show, for example:

• That the predicted profitability levels have increased then the Council will have a right to an overage, i.e. a further payment/provision of infrastructure or affordable housing to that already secured in the S106 Agreement;

• That the predicted profitability levels have stayed the same, then there will be nothing further to do with the S106 Agreement;

• That the predicted profitability levels have decreased, then the Council will negotiate further with the applicant concerning planning obligations.

3.19 All costs incurred by the Council in financial appraisal and viability assessment are to be met by the applicant.

4.20. Local Plan policy BSC3 states that only in exceptional circumstances will the Council accept commuted sums in lieu of on-site provision.

4.21. In the event that the Council accepts a commuted sum in lieu of on-site provision it will be calculated on the basis of the mix of tenures and sizes that the Council considers would have been appropriate for the site. The sum should be of a 'broadly equivalent value' of the developer/landowner contribution if the affordable housing was provided on site. The commuted payment will be based on a sum equal to the difference between an Open Market Value (OMV) and Affordable Housing Value (AHV).

4.0 The Proposed Scheme

A planning application is to be submitted by CRL for the development of a new retirement scheme providing 84 x age restricted 'Retirement Living' units.

All units are to be open market units in the mix as detailed below:

Type	Av. Size (Sq M)	No. of Units
Retirement Living Apartments (1 bed)	56.73	55
Retirement Living Apartments (2 bed)	82.75	24
Retirement Living Apartments (3 bed)	137.3	1
TOTAL		**80**

In common with most new build Retirement Living apartment schemes the floor space of the building can be broken down into the saleable and non-saleable areas.

The saleable area of the 80 apartments is 5,243.40 m^2 (56,440 sq ft). The saleable areas are the individual apartments for which capital receipts are expected from each of the occupiers. The non-saleable areas are the common parts, which in this case include:

- Entrance lobby, reception area and managers' office;
- Homeowner's lounge including coffee bar;
- Wellbeing Suite;
- Communal WC;
- Mobility Scooter Store;
- Refuse Store;
- Guest Suite;
- Typical circulation space (corridors, stair and lift wells) and plant and cleaners' stores on all floors.

We are advised that the Gross Internal Area (GIA) of the Retirement apartment building is 6,924.72 m^2 (74,538 sq ft). We have calculated that the design provides a 75.72% / 24.28% saleable/gross internal area ratio.

The Proposed Scheme Proposed Site Plan together with the Proposed Floor Plans are at Appendix 2.

Appendix 2 – Proposed Site Plan and Proposed Floor Plans

5.0 Viability Assessment Overview

As noted at 3.2 the Viability PPG outlines the recommended approach and standardised inputs that are expected to form the viability assessment.

Paragraph 10 states:

"Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return.

This National Planning Guidance sets out the government's recommended approach to viability assessment for planning. The approach supports accountability for communities by enabling them to understand the key inputs to and outcomes of viability assessment.

Any viability assessment should be supported by appropriate available evidence informed by engagement with developers, landowners, and infrastructure and affordable housing providers. Any viability assessment should follow the government's recommended approach to assessing viability as set out in this National Planning Guidance and be proportionate, simple, transparent and publicly available. Improving transparency of data associated with viability assessment will, over time, improve the data available for future assessment as well as provide more accountability regarding how viability informs decision making.

In plan making and decision making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission."

The usual test applied in establishing whether a planning obligations package (including Affordable Housing) is viable, is to consider whether the residual site value of the proposed scheme exceeds the benchmark Land Value of the property. If it does, there is financial headroom for planning obligations. If it does not, there is no financial headroom and thus there is no viability for planning obligations to be included.

The following sections outline the appraisal inputs that form this viability assessment, having regard to the guidance contained in the PPG and the RICS Guidance Note.

In Section 6 we review the appropriate benchmark Land Value. In the following Section 7 we review the other key viability appraisal inputs (other than the benchmark Land Value) and determine the viability of the Proposed Scheme based on current market conditions.

In Section 8, we sensitivity test the result of the appraisal to establish the impact should values and costs rise and fall in the near future.

6.0 Benchmark Land Value

The Land Value can either be inputted into the Argus appraisal as a fixed input or can be used as a comparative benchmark against which the residual element produced by an appraisal can be compared. In this instance it forms a fixed input into the appraisal.

Paragraph 13 of the Viability PPG outlines how land value should be defined for the purpose of viability assessments.

> *"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 comply with policy requirements. This approach is often called 'existing use value plus' (EUV+)."* **[Our emphasis]**

Paragraph 15 of the Viability PPG answers the question of what is meant by existing use value in viability assessment:

> *"Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield (excluding any hope value for development).*
>
> *Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency data; public sector estate/property teams' locally held evidence."*

Paragraph 16 of the viability PPG outlines how the premium to the landowner should be defined in viability assessments:

> *The premium (or the 'plus' in EUV+) is the second component of benchmark land value. It is the amount above existing use value (EUV) that goes to the landowner.* ***The premium should provide a reasonable incentive for a land owner to bring forward land for development*** *while allowing a sufficient contribution to fully comply with policy requirements.*
>
> *Plan makers should establish a reasonable premium to the landowner for the purpose of assessing the viability of their plan. This will be an iterative process informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration. Market evidence can include benchmark land values from other viability assessments. Land transactions can be used but only as a cross check to the other evidence. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners. Policy compliance means that the development complies fully with up to date plan policies including any policy requirements for contributions towards affordable housing requirements at the relevant levels set out in the plan. A decision maker can give appropriate weight to emerging policies. Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement).* **[Our emphasis]**

In respect of the 'Alternative Use Value' (AUV) approach, Viability PPG paragraph 17 states:

> *"Can alternative uses be used in establishing benchmark land value?*

For the purpose of viability assessment alternative use value (AUV) refers to the value of land for uses other than its existing use. AUV of the land may be informative in establishing benchmark land value. If applying alternative uses when establishing benchmark land value these should be limited to those uses which would fully comply with up to date development plan policies, including any policy requirements for contributions towards affordable housing at the relevant levels set out in the plan. Where it is assumed that an existing use will be refurbished or redeveloped this will be considered as an AUV when establishing BLV.

Plan makers can set out in which circumstances alternative uses can be used. This might include if there is evidence that the alternative use would fully comply with up to date development plan policies, if it can be demonstrated that the alternative use could be implemented on the site in question, if it can be demonstrated there is market demand for that use, and if there is an explanation as to why the alternative use has not been pursued. Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. Valuation based on AUV includes the premium to the landowner. If evidence of AUV is being considered the premium to the landowner must not be double counted."

The RICS Professional Statement (Mandatory Guidance for RICS Members) confirms at 2.7 of the Statement that in the interest of transparency, when providing benchmark land value in accordance with the PPG, members must report the:

- **Current use value**: CUV, referred to as EUV or first component in the PPG (paragraph 015).
- **Premium**: second component as set out in the PPG (paragraph 016).
- **Market Evidence** as adjusted in accordance with PPG (paragraph 16).
- **All supporting considerations, assumptions and justifications adopted** including valuation reports, where available (see PPG paragraphs 014, 015 and 016).
- **Alternative Use Value** as appropriate (market value on the special assumption of a specified alternative use (see PPG paragraph 017).

The first consideration is thus the EUV of the site, whilst the second consideration is the appropriate premium or minimum competitive return at which a reasonable landowner would sell their site based on the alternative options available to them.

6.1. Existing Use Value (EUV)

A separate valuation report has been produced by Alder King LLP and is enclosed at Appendix 3.

Appendix 3 – Alder King LLP Valuation Report

The report confirms an Existing Use Value for the site at £1,250,000.

6.2. Benchmark Land Value Conclusion

The application site offer a unique town centre development opportunity that is allocated in the Local Plan for high density development. The Property has been marketed with unconditional offers in excess of £2,100,000.

The valuation restricts the value to its Existing Use in line with PPG.

7.0 Viability Assessment

As noted above, in this Section 7 we review the other key viability appraisal inputs (other than the benchmark Land Value) and determine the viability of the Proposed Scheme based on current market conditions.

Our Argus Developer appraisal summary is at Appendix 4 but our assumptions and outcomes are summarised below.

Appendix 4 – Argus Developer Appraisal Summary

7.1. Appraisal Inputs

7.1.1. Development Programme/Timing Assumptions

In terms of timing it is assumed that construction would commence at month 7, i.e. following a 6 month lead-in period to receive all necessary consents. The construction period is assumed to be 18 months for the whole scheme with Practical Completion at the end of month 24 and the overall scheme end date is assumed to be in month 86 i.e. following a 54 month sales period (1.48 per month).

Our monitoring of sales rates at comparable sheltered schemes across the country indicates on average that approximately 15 - 25% of apartments are sold at practical completion. A further 40% - 50% are then sold to the end of the first year of sales. The rate of sale then slows over the following two to three years depending on the size of the scheme, with the average overall selling rate being around 1.5 per month.

The COVID-19 pandemic has had quite a significant effect on the sales of retirement schemes in particular. The practicalities of selling retirement properties have been greatly impacted. For the safety of its existing residents, additional restrictions over and above general Government advice have been placed on non-residents visiting homes (whether that be family members or perspective new buyers). The operator has a duty of care to protect their residents and this clearly has to take precedent over achieving new sales. When general national restrictions began lifting in summer 2020, the opening up of the homes was also slower so as to protect the residents.

Tighter restrictions have also been in place for much of the start of 2021, again limiting the ability of retirement developers to sell units. Whilst measures are gradually being eased following a successful vaccine programme, there is by no means any certainty that 'normal' market conditions will return. We appear to be in a period where infection rates are again increasing due to the 'Delta' variant with the timing of any further easing of restrictions delayed and uncertain.

We reserve the right to review this should new waves and variants manifest themselves over coming months which dent the current optimism.

7.1.2. Appraisal Revenue – Gross Development Value (GDV)

In respect of how GDV should be defined for the purpose of viability assessments, Viability PPG paragraph 11 states:

"Gross development value is an assessment of the value of development. For residential development, this may be total sales and/or capitalised net rental income from developments. Grant and other external sources of funding should be considered. For commercial development broad assessment of value in line with industry practice may be necessary.

For broad area-wide or site typology assessment at the plan making stage, average figures can be used, with adjustment to take into account land use, form, scale, location, rents and yields, disregarding outliers in the data. For housing, historic information about delivery rates can be informative.

For viability assessment of a specific site or development, market evidence (rather than average figures) from the actual site or from existing developments can be used. Any market evidence used should be adjusted to take into account variations in use, form, scale, location, rents and yields, disregarding outliers. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan."

The open market GDV figures comprise receipts from the apartment sales.

Generally speaking, retirement apartment property development, as a small and specialist sub-sector of the overall residential market, is price sensitive to the location. There are no directly comparable retirement schemes in the immediate area. We have had regard to both second hand and new build general housing in the immediate location over the last 24 months. A breakdown of these sales is at Appendix 5.

Appendix 5 – Market Sales Evidence

There have been few retirement apartments sold. Bromford Housing have developed Park Gardens on Bath Road, Banbury. The scheme offers retirement apartments for sale, including shared ownership. The Land Registry confirm that 27 apartments have sold over the last 2 years at an average price equating to £3,697.14 per sq m (£343 per sq ft). Average 1 bed apartments sold for an average price £215,980 (assuming a size bracket between 53 sqm – 65 sq m) and 2 bed apartments sold for £284,100 (assuming a size bracket between 76 sqm – 86 sq m). The remaining new build apartment sales (9) confirm an average price of £3,791.46 per sq m (£352 per sq ft).

We have also considered the general new build housing market. We have identified 178 sales over the last 12 months with an average price achieved of £3,215.98 per sq m (£299 per sq ft). Rightmove confirms that the average value in Banbury is £279,650 with the majority of sales being semi-detached properties selling for an average price of £268,659. Overall, sold prices in Banbury over the last year were 2% up on the previous year and 1% down on the 2018 peak.

The pricing of the proposed scheme has had regard to the above information. The majority of purchasers will come from the immediate area and so pricing needs to be in accordance with the local market. We have however considered the three other towns within the district. Rightmove states the following for the three key towns within the district:

Banbury (Average Semi-Detached House Price):	£268,659
Bicester (Average Semi-Detached House Price):	£297,673
Kidlington (Average Semi-Detached House Price):	£371,759

It is accepted that Banbury is a lower value location when set against these towns.

The Retirement Housing Group (RHG) commissioned Three Dragons to review the methodology of viability testing retirement apartments. In the absence of immediate retirement comparable schemes the report stated that the most common approach is to consider the value of a semi-detached property in the local market and price the retirement apartments equivalent to 75% of the value for a 1 bed apartment and 100% for a 2 bed apartment. The rationale is that because purchasers of retirement apartments rely on equity to buy an apartment (mortgage finance is not available) there is a ceiling against which apartments can be priced.

This methodology would produce the following results for the three main towns:

Banbury: 1 Bed Retirement: £201,495 / 2 Bed Retirement: £268,659

Bicester: 1 Bed Retirement: £223,255 / 2 Bed Retirement: £297,673

Kidlington: 1 Bed Retirement: £278,820 / 2 Bed Retirement: £371,759

We have valued the 1 bed units at an average of £260,000 (£4,583.11 per sq m) the 2 bed units at an average of £360,000 (£4,350.45 per sq m) and the 3 bed unit at £380,000 (£2,767.66). The three bed unit is significantly larger than the average 2 bed unit. We do not believe a purchaser would pay the same rate per sq m (pricing the 3-bed at £580,000) as a 2 bed or £230,000 uplift for an extra bedroom. We have therefore added £20,000 to reflect the additional bedroom when compared with a 2 bed apartment.

Overall the scheme produces a Gross Development Value of £23,320,000.

7.1.3. **Appraisal Outlay – Land, Residential Building, Marketing and S106 Costs**

7.1.3.1. **Land Acquisition Costs**

The Argus Developer appraisal has been set up to produce a residual land value having fixed the profit level. The result of the appraisal, the 'Residualised Amount' is the residual land value of the proposed development. This is then compared against the BLV to consider whether a surplus is available for planning obligations.

Added to the land value is Stamp Duty, a 1% Agent Fee and a 0.75% Legal Fee.

7.1.3.2. **Constructions Costs**

Regarding development costs, Viability PPG paragraph 12 states the following:

"Assessment of costs should be based on evidence which is reflective of local market conditions. As far as possible, costs should be identified at the plan making stage. Plan makers should identify where costs are unknown and identify where further viability assessment may support a planning application.

Costs include:

- *build costs based on appropriate data, for example that of the Building Cost Information Service*
- *abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites. These costs should be taken into account when defining benchmark land value*
- *site-specific infrastructure costs, which might include access roads, sustainable drainage systems, green infrastructure, connection to utilities and decentralised energy. These costs should be taken into account when defining benchmark land value*
- *the total cost of all relevant policy requirements including contributions towards affordable housing and infrastructure, Community Infrastructure Levy charges, and any other relevant policies or standards. These costs should be taken into account when defining benchmark land value*
- *general finance costs including those incurred through loans*
- *professional, project management, sales, marketing and legal costs incorporating organisational overheads associated with the site. Any professional site fees should also be taken into account when defining benchmark land value*
- *explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project* risk and developers return"

In line with the PPG, we have undertaken research using BCIS Review Online. The Building Cost Information Service (BCIS) of the Royal Institution of Chartered Surveyors (RICS) produces detailed cost information and indices and is a recognised source of assessing build costs when testing viability.

We have had regard to the median build cost figures for Supported Housing – Generally. The BCIS index is rebased to the location factor for Cherwell to ensure the build rate is geographically relevant. The index confirms a base price of £1,611 per m² as at November 2021 (see extract below).

BCIS® RICS®

£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.
Last updated: 20-Nov-2021 00:40
› Rebased to Cherwell (101; sample 22)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
843. Supported housing							
Generally (15)	1,727	881	1,457	1,611	1,864	3,515	132
Single storey (15)	2,000	1,237	1,597	1,724	2,116	3,515	17
2-storey (15)	1,734	881	1,461	1,593	1,935	3,094	40
3-storey (15)	1,584	883	1,435	1,524	1,745	2,355	47
4-storey or above (15)	1,782	1,085	1,433	1,645	1,824	3,408	25
843.1 Supported housing with shops, restaurants or the like (15)	1,649	1,063	1,400	1,576	1,731	2,780	31

BCIS costs only reflect the cost to construct the building itself (foundations up) and exclude site works and external costs. Thus, to the base index cost we have added an appropriate 8% for general external works.

In addition, we have been advised of the following abnormal costs associated with developing this brownfield site. These costs have been provided by CRL following initial site investigation works and surveys and the cost estimates are based on actual real examples from their extensive experience of developing across the country:

- Demolition/Site Clearance: £40,000
- Foundations: £111,650
- Cut & Fill: £35,000
- Archaeology: £80,000
- **Total:** **£266,650**

A contingency allowance of 5% is typically the norm for a scheme such as this and has been applied to all construction costs.

7.1.3.3. **Professional Fees**

Professional building design fees (Architect QS etc.) are assumed to be 10% of the total construction cost to include all planning and building regulation fees.

7.1.3.4. **Marketing and Sales Fees**

Typically, Marketing Costs (including show home, brochures etc.) for retirement schemes are in the order of 6%+ (including sale agent's fees).

Retirement housing is a specialist product aimed at elderly home owners. Generally, the purchaser funds the purchase exclusively from savings and/or proceeds from the sale of their current home. The average age of a typical purchaser is 70+ and widowed. This limits the market for the product and requires considerable resource for each sale often to both the purchaser and their extended family. Marketing involves targeting and direct contact of potential purchasers from the moment a scheme starts construction to the last sale of the scheme. Throughout this sale period, a sales office (typically one of the apartments adapted for the purpose) and several furnished 'show' apartments must be maintained on site with sales consultants employed full time 7 days a week.

Retirement housing purchasers do not typically buy apartments 'off-plan' they need to see the finished product. The requirement to buy comes from a physical need and thus are not purchased speculatively (unlike the open market). All development costs are therefore committed and incurred prior to any sale. The marketing and sales cost allowance is therefore higher than the open market equivalent and has been endorsed as appropriate at a number of Appeals including at Clacton-on-Sea (PINS Ref: PP/P1560/A/11/2161214), Hunstanton (PINS Ref: APP/V2635/A/14/2217840) and Redditch (PINS Ref: APP/Q1825/W/17/3166677) – all schemes Alder King have had a direct involvement with.

In this instance, combined Marketing (3%) and Sales costs (2%) allowances are assumed, amounting to 5% of each sale.

7.1.3.5. **Disposal Fees**

As noted above, sales agents' fees on the apartment sales are allowed for at 2% of GDV. Legal costs on open market sales equate to £650 per unit.

7.1.3.6. **Additional Costs**

Empty Property Costs (EPCs) – EPCs are an industry accepted cost of retirement apartment development and are widely accepted by third party reviewers as being a valid cost to be included within the appraisal. EPCs reflect the costs that have to be borne by the developer until the scheme is fully sold out. Retirement apartment developments are built in a single phase and the building is fully energised on practical completion.

It is considered entirely reasonable to include such costs within the viability appraisal as they are costs actually incurred and associated with the development of retirement living flatted schemes. The NPPG is clear at paragraph 007 that where types of development are proposed which may significantly differ from standard models of development (e.g. housing for older people), the particular viability considerations can be taken into account by decision makers. EPCs are a particular cost associated with older persons' accommodation.

The inclusion of EPCs within viability appraisals is agreed with other local planning authorities and their assessors on similar proposals throughout the country. EPCs are a typical and identifiable cost associated with this type of housing proposal.

The EPCs cover the provision of background heating to the empty apartments, the maintenance and up keep of the communal facilities and the employment of the Estate Manager, who is onsite from first occupation. The costs are covered by the service charge once all apartments are sold.

However, until such time that the scheme is fully sold, the shortfall in service charge income must be met by the developer as the costs must be met irrespective of the number of occupiers in the building and are payable from the scheme's first occupation. In addition council tax payments will need to be met on the empty units until they are sold.

An allowance for Empty Property Costs for the development has thus been made over the 54 month sales period. This equates to **£551,419** as shown on the Schedule at Appendix 6.

Appendix 6 – Empty Property Costs Schedule

7.1.4. **Finance Costs**

Where development finance is available (which having been available for a select number of situations is now improving) lenders are currently charging 3 - 5% above LIBOR. Arrangement fees (1-3%), monitoring fees (2-5%) and exit fees (1% of GDV) amongst other fees can be added costs dependant on the status of the borrower. These lending terms have emerged due to the bank's perceived risk of residential development in the current market.

An extract from the Investment Property Forum (IPF) 'UK Development Finance Review 2015' confirms the range of fees that banks may charge:

"*Fees are a significant feature of development finance and they often pose a challenge when attempting to compare all-in financing costs because of their variation. Many lenders offering the lowest margins will demand higher fees or impose more types of fees.*

The spectrum of fees a bank lender may require will include front end (i.e. arrangement) fees, exit fees, non-utilisation fees, hedging fees, booking fees for residential (as each unit is sold) and, occasionally, pre-payment fees. In addition, there may be an array of management and monitoring fees, while agency fees will be payable if the deal is a club or syndication."

In this instance we have adopted an 'all-in' debit interest rate of 6.5% together with a credit rate of 2.75%, with no additional allowance for fees, which we consider to be a realistic generic assumption for a development of this nature in the current market.

7.1.5. **Developer's Return for Risk and Profit**

Paragraph 18 of the Viability PPG sets out how the appropriate return to developer should be defined for the purpose of viability assessments. It states:

"Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan.

For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types."

The NPPG at paragraph 007 (viability guidance) and paragraph 015 (housing for older people guidance) acknowledges housing for older people as a different type of development to mainstream housing

The typical Retirement Housing apartment schemes built by CRL (and others) differ from and have a higher risk profile compared to general needs housing in the following ways:

- Retirement Housing is specialist flatted development (Blocks of Apartments/Flats) of units for independent communal living of the older persons, usually retirees.

- Blocks of Apartments/Flats are single phase specialist housing developments.

- Mostly located on and re-use Brownfield sustainable urban sites (PDL).

- No ability to phase or stop/start – once started each flatted development has to be completed before occupation by the older person's community. General needs market housing can stop/start or reduce/increase the build-out rate dependent on market demand.

- Significant capital outlay: land purchase; planning permission; construction of the entire development before revenue receipt. Funding and Financing of each development therefore commits substantial resources before any return on investment.

- Added to significant capital outlay is the period of time the capital is employed, i.e. longer cash-flow profile over the land purchase, planning permission, construction and sales period than general market housing.

- Significant Gross/Net floorspace ratio difference adds risk, compared to non-retirement blocks of Flats/Apartments, to account for community facilities for the elderly such as house manager's office accommodation, resident's lounge, guest suite (in some larger schemes), other common parts including buggy battery-recharging store, central refuse store, etc.

- Premium sales values are expected above the general needs housing market thus adding risk because of the requirement to accommodate:

    - Added levels of assistance for the older person and the disabled, i.e. hands rails, maximising level access (60% - 70% of occupants are aged 78 years or over).

    - Added levels of building and site security, including intruder alarm systems and emergency assistance alarm/help-line available to each unit.

- High level of garden landscaping appropriately designed as sitting-out areas for resident's enjoyment.

- Restricted Market – over 60's age as opposed to general needs market housing available to all-comers.

- Carefully considered purchase by the older person. Usually involving family decision making (their offspring often play a part in the decision to move) and often downsizing from a family home.

- Critical mass of 25 units or more to spread the cost and make affordable the occupational service-charge.

- No Help-to-Buy, i.e. No financial market support/intervention.

- Retirement Housing Sector Developers and their Shareholders & Lenders require adequate financial returns to carry the typical higher capital outlay and timing risks associated with specialist retirement housing.

As such, it is the current accepted norm of the marketplace that the appropriate developer profit level for specialist retirement housing represents a minimum of 20% Profit on GDV. Recent Appeal Decisions concerning retirement housing including at Cheam (PINS Ref: APP/P5870/W/16/3159137), Redditch (PINS Ref: APP/Q1825/W/17/3166677) and West Bridgford (PINS Ref: APP/P3040/W/19/3229412) have confirmed this position.

We detail at Appendix 6 a breakdown of previously agreed developer returns on schemes undertaken in the last 18 months by the two main providers of this type of retirement housing (McCarthy Stone and Churchill Retirement Living).

Appendix 7 – Retirement Developer Returns

Out of a total of 33 schemes where agreement has been reached on viability issues there is not one where 20% has not been the accepted level of developer return. This covers the period March 2018 to current 2021 cases and shows support for this level by a very wide range of respected viability consultants including DVS, BNP Paribas and Cushman and Wakefield.

The Profit amount is fixed at 20% Profit on GDV.

7.2. **Appraisal Summary**

The Argus Developer model has been utilised to establish whether the Proposed Scheme provides any surplus for S106 developer contributions, including an amount towards off-site Affordable Housing.

Having fixed the profit level at 20% on GDV, the appraisal produces a 'Residualised Amount' of **£888,951**. When compared against the BLV of £1,250,000 the scheme show a negative/unviable position. The summary table below shows the surplus arising out of the assumptions made and inputs used for a redevelopment for 80 Retirement Living apartments:

Financial Viability Assessment Summary			
Appraisal Revenue:			
1 Bed Retirement Living Apartments 2 Bed Retirement Living Apartments 3 Bed Retirement Living Apartments	£260,000 £360,000 £380,000	x 55 x 24 x 1	
Gross Development Value (GDV)			**£23,320,000**
Appraisal Outlay:			
Core Construction Cost		£11,155,835	
External Costs		£892,467	
Abnormals		£266,650	
Contingency		£615,748	
Professional Fees		£1,231,495	
Marketing		£699,600	
Disposal Fees		£518,400	
Empty Property Costs		£551,419	
Finance		£1,785,932	
Developers Profit :		**20% on GDV**	**£4,664,000**
Residualised Price			**£888,951**

The Argus summary worksheet of this appraisal is at Appendix 4.

8.0 Sensitivity Analysis

The viability of a development scheme when calculated by the residual method can be affected by variations in Gross Development Value, Build Costs and to a lesser extent by variations in planning obligations, finance costs, phasing/build and sales rates and industry expectations as to profit margins.

We set out below a "sensitivity analysis" schedule showing the effect of percentage changes in Gross Development Value and Build Costs to the viability of the scheme. The Sensitivity Analysis displays the residual land value generated from each scenario, which can then be compared against the Benchmark Land Value of £1,250,000 to understand if a surplus or deficit is produced for planning obligations, including offsite affordable housing commuted payment.

Table of Land Cost and Profit on GDV%

	Construction: Rate /m²				
Sales: Sales / Unit	-5.000%	-2.500%	0.000%	+2.500%	+5.000%
-5.000%	-£803,690 20.000%	-£513,578 20.000%	-£222,698 20.000%	£83,432 20.000%	£399,902 20.000%
-2.500%	-£1,136,433 20.000%	-£846,320 20.000%	-£556,208 20.000%	-£266,095 20.000%	£36,929 20.000%
0.000%	-£1,469,170 20.000%	-£1,179,063 20.000%	-£888,951 20.000%	-£598,838 20.000%	-£308,726 20.000%
+2.500%	-£1,801,919 20.000%	-£1,511,799 20.000%	-£1,221,694 20.000%	-£931,581 20.000%	-£641,469 20.000%
+5.000%	-£2,134,662 20.000%	-£1,844,549 20.000%	-£1,554,429 20.000%	-£1,264,324 20.000%	-£974,211 20.000%

Over the past 5 years (Q1 2016 – Q1 2021), the BCIS All-in Tender Price Index shows that build costs have risen by 18.9%.

Over the past 5 years, the UK House Price Index published by Land Registry demonstrates that average house prices have increased by 22.2%.

A copy of the sensitivity report is at Appendix 8.

Appendix 8 – Sensitivity Report

9.0 Conclusion

Our Financial Viability Assessment and review of the proposed CRL development leads us to conclude there is no financial headroom available for planning obligations, after accounting for the anticipated gross sales receipts and all reasonable aspects of the outlay necessary.

The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the date of this assessment some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value. The Retirement market still faces significant difficulty with resulted sales transactions limited during this period. The impact of other inputs adopted in this assessment may change during the course of the application and we reserve the right to amend should evidence demonstrate a sustained impact on this sector.

[redacted]

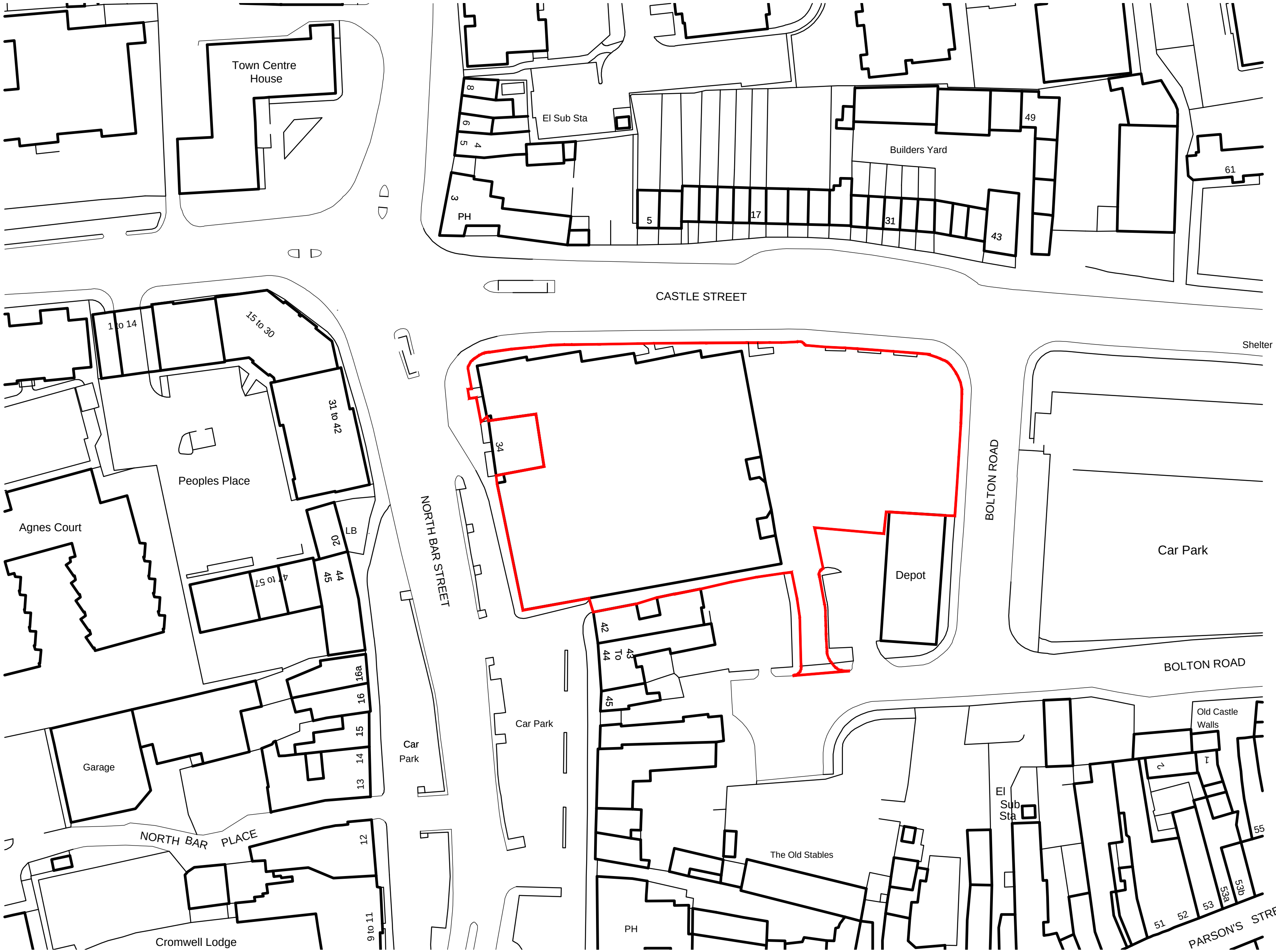
……………………………

R James Mackay (Hons) MRICS
Partner

For and on Behalf of
Alder King LLP

Tel: 01793 615477
Email: jmackay@alderking.com

Appendix 1 – Location Plan



REVISIONS

Rev. Date By

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planning issues
TOWN PLANNING AND ARCHITECTURAL DESIGN

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Client

Churchill Retirement Living

Project Title

Proposed Retirement Housing
Bolton Road
Banbury
OX16 0TH

Drawing Title

LOCATION PLAN
RED FILE

Scale	1: 1250 @ A4	Date	SEPT. 2021
Drawn	KLS	Checked	RJ
Drawing No.		Rev.	

coins number - RF00

Appendix 2 – Site Plan and Floor Plans (Proposed Scheme)

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planning issues
TOWN PLANNING AND ARCHITECTURAL DESIGN

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Client

Churchill Retirement Living

Project Title
Proposed Retirement Housing
Bolton Road
Banbury
OX16 0TH

Drawing Title
PROPOSED SITE PLAN
RED FILE

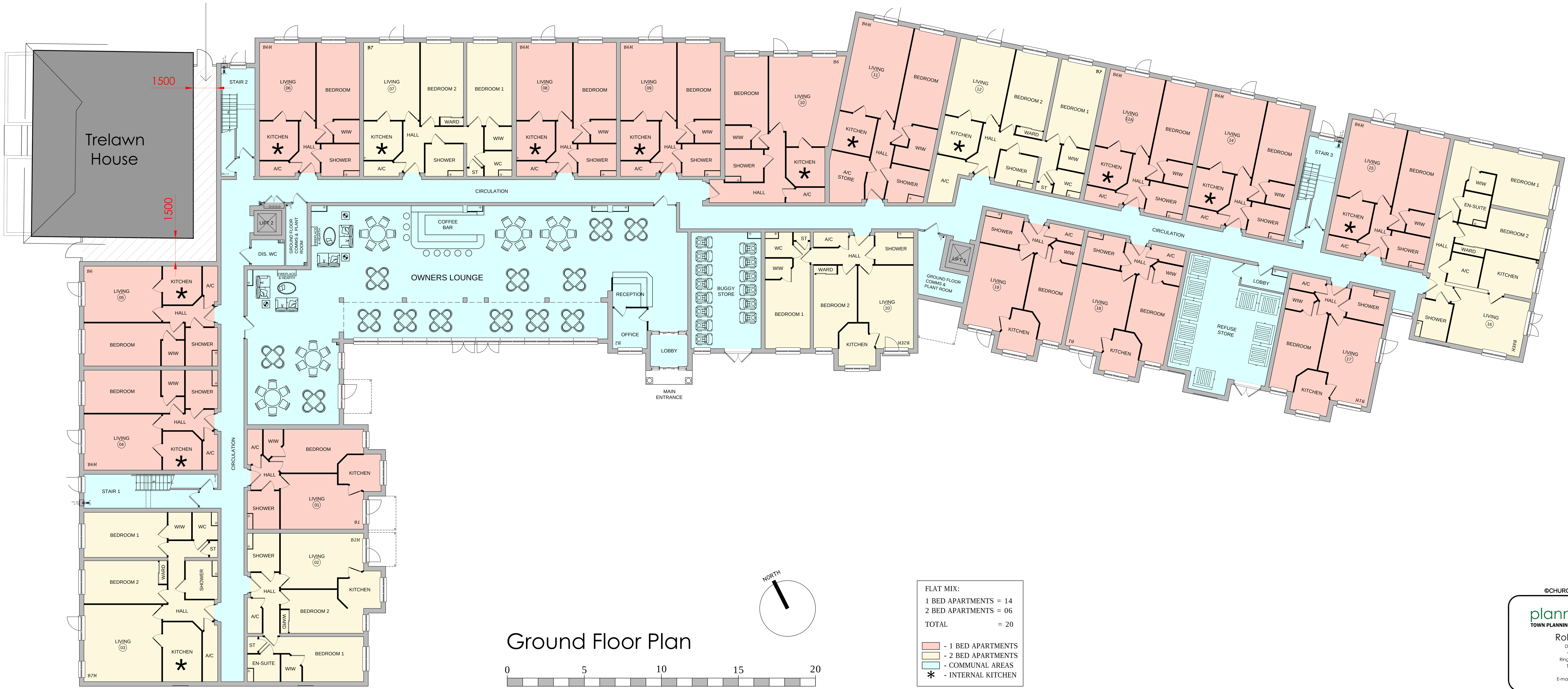
Scale	1:200 @ A1	Date	NOV. 2021
Drawn	KLS	Checked	RJ
Drawing No.		Rev.	

10116BB - RF01

REVISIONS

Rev. Date By

Line of rear of Trelawn House assumed as not picked up of measured survey; taken from OS map. 1500mm construction zone allowed for.



Ground Floor Plan

0 5 10 15 20

scale bar - metres

FLAT MIX:

1 BED APARTMENTS = 14
2 BED APARTMENTS = 06

TOTAL = 20

- 1 BED APARTMENTS
- 2 BED APARTMENTS
- COMMUNAL AREAS
* - INTERNAL KITCHEN

planning issues
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Client

Churchill Retirement Living

Project Title
Proposed Retirement Housing
Bolton Road
Banbury
OX16 0TH

Drawing Title

PROPOSED GROUND FLOOR PLAN
RED FILE

Scale	1:100 @ A0	Date	NOV. 2021
Drawn	KLS	Checked	RJ
Drawing No.		Rev.	

10116BB - RF02

Appendix 3 – EUV Valuation Report

Valuation Report

Former Buzz Bingo Site, Bolton Road, Banbury, OX16 0TH

Prepared for Churchill Retirement Living

6 December 2021

Prepared by: Richard Clark MRICS, FNARA
(Registered Valuer)

Reviewed by: David Harrison BSc (Hons) MRICS,
(Registered Valuer)

Alder King Property Consultants
12 Pine Court, Kembrey Park, SWINDON SN2 8AD
Email: rclark@alderking.com
Tel: 07342 949664

Contents

Appendices

Executive Summary

For your convenience, we summarise the key features of this Valuation Report which should be read in full.

Property Type/Use: Existing commercial site (offices and a former bingo hall) located in the town centre of Banbury.

Site Area:

Description	Hectares	Acres
Commercial	0.49	1.21

Floor Area (Total):

Description	m^2	ft^2
Offices (NIA)	782.80	8,426
Bingo Hall (GIA)	2,154.56	23,192

Planning: Assumed established Class B1 Use (now revised to Class E 1 September 2020).

Tenure: Freehold (assumed).

Tenancies: Two occupational tenancies, both of which have less than 6 months unexpired (to either expiry date or break option). The remainder of the Property is vacant.

Market Rent: £184,094 per annum.

Market Value with Special Assumption (EUV): **£1,250,000 (One Million Two Hundred and Fifty Thousand Pounds)**

The value of the Property is restricted to **Existing Use Value (EUV)**.

Key Observations:

- Affluent market town which benefits from a strategic location on the M40.
- Town centre location with a good, prominent, profile to a large crossroads (corner site).
- The majority of the Property is vacant with less than six months unexpired for occupational tenants.
- The Property is situated within an area allocated for development in the Local Plan.
- Potential for redevelopment – subject to planning.

1.0 Terms of Reference

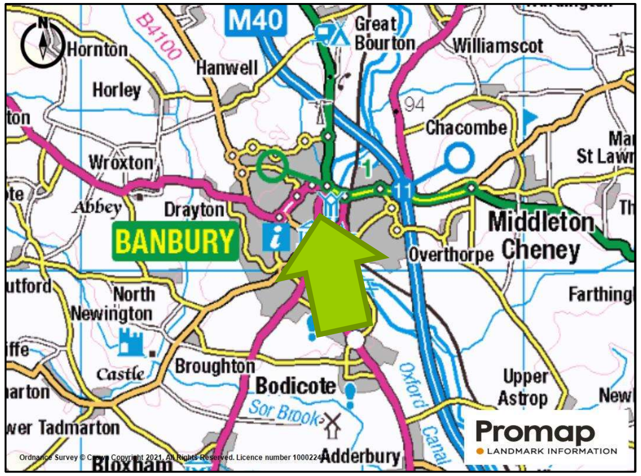
Client:	Churchill Retirement Lifestyles Limited, Churchill House, Parkside, Ringwood, Hampshire BH24 3SG. This report has been prepared for the sole use of the Client. Alder King does not permit third party reliance on this report.
Purpose of Valuation:	The report is to be used to assist assessment of the likely planning obligations/affordable housing content and/or ramifications of the relevant affordable housing policy, as they affect the Client's proposed redevelopment the Property.
Subject of Valuation:	Former Buzz Bingo Site, Bolton Road, Banbury, OX16 0TH (the 'Property').
Compliance Confirmation:	This report has been prepared in accordance with the RICS Valuation – Global Standards 2020 – incorporating the International Valuation Standards (Red Book). The report has also had regard to the RICS Professional Statement 'Financial viability in planning: conduct and reporting', effective from 1 September 2019.
Letter of instruction:	The report has been prepared in accordance with Churchill Retirement Lifestyles Ltd letter of instruction dated 2 November 2021, a copy of which is attached in Appendix 1 together with our confirmation and Scope of Work, dated 19 November 2021, a copy of which is contained in Appendix 2.
Basis of Value:	Market Value with the following Special Assumption. 1. The value of the Property is restricted to Existing Use Value (EUV) in accordance with the Para 015 of the government's Viability Planning Practice document (Viability PPG) updated May and September 2019.
Valuer:	**Richard Clark MRICS, FNARA** (RICS REGISTERED VALUER) **Status of Valuer:** External Valuers.
Disclosure:	We confirm that we have no previous, current or proposed material involvement with either the Property, a neighbouring property or the borrower or other parties involved which could conflict with our duty to provide you with our objective and unbiased opinion of value. Alder King holds current valuation instructions for the Client concerning properties in other locations and there is the possibility that further advice on the subject property in this instance may be required by the Client beyond this current instruction.
Date of inspection:	18 November 2021. We assume that there are no material changes to the Property subsequent to our inspection.
Limitations on Investigation:	We were able to inspect all parts of the Property.
Valuation Date:	Date of Report.
Limitations on Liability:	We have agreed our liability for this valuation shall be limited to a maximum of £5,000,000.
Additional Information:	Attached at Appendix 3 is some additional information in respect of various valuation issues pertinent to the Property (Appendix 3 must be read in full with this report).

Valuation Basis definition:	Market Value is defined as: '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.'

2.0 Location & Situation

The Property is centrally located in the market town of Banbury, immediately to the north west of the town centre. The Property provides a prominent corner site at the cross roads of the B4100 and the A361. The immediate area is mixed use in nature. Local amenities within walking distance include the town centre, the Castle Quays Shopping Centre and the main line railway station.

The town benefits from good road and rail communications, with quick and easy access to the M40 at Junction 11. The town has a direct line service to Oxford, London (Marylebone), Birmingham (New Street) and Reading.



3.0 Property Description

Element:	Description:
Age of Property	1980's (approx.)
Frame	A mix of traditional construction and steel frame.
External Elevations	Fair faced brickwork and slate tiles.
Roof	Combination of flat, mono and multi pitched roofs over.
Windows	Mix of powder coated aluminium framed and timber frame double glazed units.
Floors	Concrete and suspended (first floor).
Interior Wall	Plaster and painted.
Lighting	Mix of spotlighting and Cat II Lighting.
Lifts	None.
Heating/Cooling	Combination of gas central heating (wall-mounted radiators), comfort cooling/heating and electric wall-mounted radiators.
Services/Utilities	All mains services (assumed).
External Elements	Tarmacadam surfaced car park (approximately 30 spaces).
Condition	
No. 33:	Reasonable condition throughout. Good, secondary, office accommodation.
No. 37:	Reasonable but tired/in need of redecoration. Some water ingress. Basic, secondary, office accommodation.
No. 39:	Reasonable condition but tired/in need of redecoration. Basic, secondary, office accommodation.
No. 41:	Reasonable condition but tired/in need of redecoration. Basic, secondary, office accommodation.
Bingo Hall:	Reasonable however first floor offices in a dilapidated state. Basic.

Use: Bingo Hall and Offices.

Front elevation
(excludes property denoted by yellow arrow).

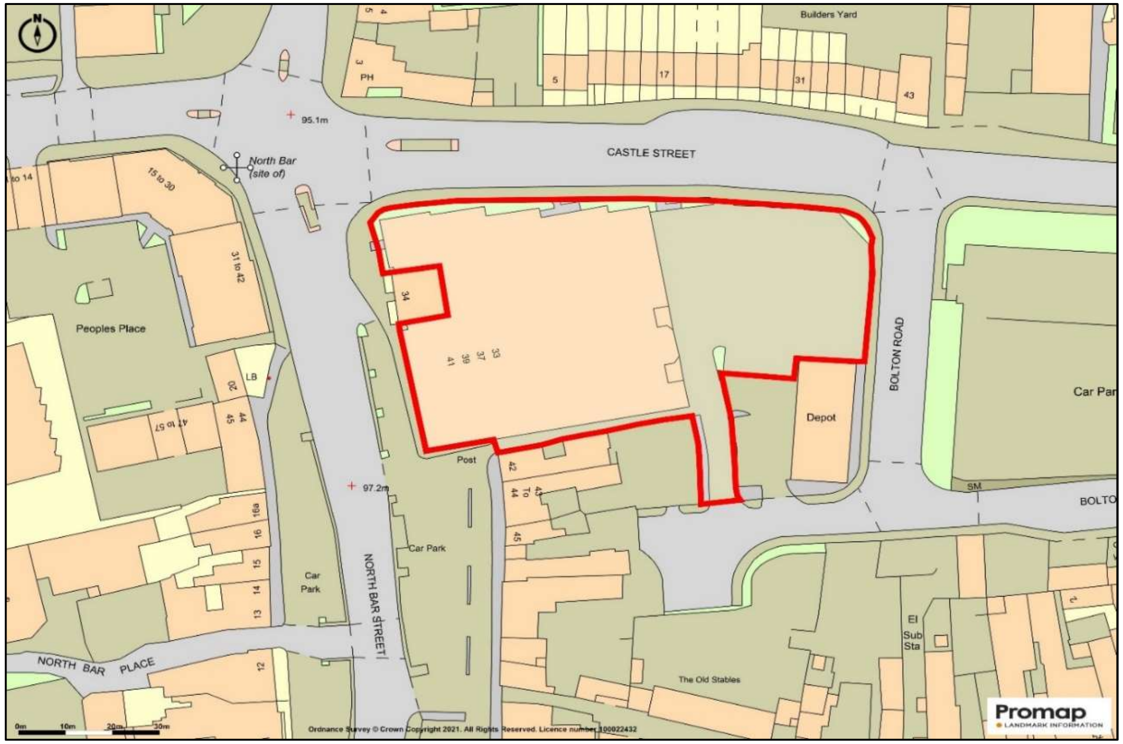
Rear elevation
Additional photographs at Appendix 4.

Floor Areas:	Basis	m²	ft²	Site Area:		Other Investigations:	
No. 33 Castle Link:	NIA	295.52	3,181	Hectares:	0.49	Mundic Block:	N/A.
No. 37:	NIA	149.93	1,614	Acres:	1.21	Concrete Frame:	N/A.

No. 39:	NIA	233.75	2,516	Source:	Promap.	Mining Area:	No.
No. 41:	NIA	103.60	1,115				
Bingo Hall:	GIA	2,154.56	23,192				

4.0 Legal Matters

Title:	Freehold (title no. ON191828). Our understanding of the title boundary is outlined (detailed in red) on the OS extract below. It should be noted, the existing building connects/is attached to an adjoining property, which falls outside the title, this being the Grade II Listed Trelawn House (No. 34 North Bar Street). This building is located along the west boundary of the title and connects along three elevations.
Title Plan:	The title comprises the following addresses: ▫ 33 (Castle Link) North Bar Street; ▫ 37 North Bar Street; ▫ 39 North Bar Street, ▫ 41 North Bar Street; and ▫ The building known as the Gala Bingo Club, accessed from Bolton Street.



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PROPERTY CONSULTANTS

Tenancies:	The Property is currently subject to two occupational tenancies. We summarise the salient lease terms below as follows: ▫ No. 33 Castle Link: Let to Brown & Co. from 01.08.20 to 23.03.22 at a rent of £20,000 per annum. Subject to a Schedule of Condition. Service charge capped at £7,500 per annum. Lease dated 24.03.21. ▫ No. 41: Let to Pertemps Ltd. from 09.11.21 to 08.11.26 at a rent of £12,500 per annum. Subject to a mutual break option which can be exercised at any time on or after 08.06.22 on three months-notice. Lease dated 09.11.21. The remainder of the Property is vacant.

5.0 Statutory & Regulatory Enquiries

Planning:	LPA:	Cherwell District Council.	Assumed Use:	Sui Generis and Use Class E (in part).	Rating:	Description:	Not known.
	Listed:	No.	Conservation Area:	Yes (Part).		Rateable Value:	Not identified.
	Other:	None.	Public Highway:	Yes.		UBR (Multiplier):	£0.504.
Planning Comments:	▫ The Property is located within the Bolton Road Development Area, which is allocated under the Cherwell Local Plan as a major area for regeneration by way of a mixed-use development in the form of new shopping, residential and other town centre uses.						

6.0 Planning Policy

National Planning Policy Framework (NPPF):	▫ The National Planning Policy Framework (NPPF) was revised on 20 July 2021 to set out the government's planning policies for England and how these should be applied. The new Framework replaces the previous NPPF published in March 2012, revised in July 2018 and updated in February 2019. ▫ The Ministry of Housing, Communities and Local Government (MHCLG) confirmed in a statement that the updated NPPF "will place greater emphasis on beauty, place-making, the environment, sustainable development and underlines the importance of local design codes".

Planning Practice Guidance (PPG):	▫ The Department for Communities and Local Government in March 2014 revised and updated planning guidance designed to be easily accessible on-line and user friendly. The PPG contains 50 categories; from 'Advertisements' to 'When is permission required'. ▫ The category of relevance in context with this report is the Guidance on 'Viability' (referred to in this report as the Viability PPG) which has been updated in May and September 2019 to reflect the updated policies contained within the NPPF. ▫ *Paragraph 13 of the Viability PPG outlines how land value should be defined for the purpose of viability assessments.* *"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 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+)."* ▫ Paragraph 15, 16 and 17 of the revised PPG provides further guidance on what is meant by Existing Use Value, Existing Use Value Plus Alternative Use Value respectively as detailed below:
Existing Use Value (EUV)	***"What is meant by existing use value in viability assessment?*** ▫ *Existing use value (EUV) is the first component of calculating benchmark land value (BLV). EUV is the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield (excluding any hope value for development).* ▫ *Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency data; public sector estate/property teams' locally held evidence."*
Alternative Use Value	***"Can alternative uses be used in establishing benchmark land value?*** ▫ *For the purpose of viability assessment alternative use value (AUV) refers to the value of land for uses other than its existing use. AUV of the land may be informative in establishing benchmark land value. If applying alternative uses when establishing benchmark land value these should be limited to those uses which would fully comply with up to date development plan policies, including any policy requirements for contributions towards affordable housing at the relevant levels set out in the plan. Where it is assumed that an existing use will be refurbished or redeveloped this will be considered as an AUV when establishing BLV.* ▫ *Plan makers can set out in which circumstances alternative uses can be used. This might include if there is evidence that the alternative use would fully comply with up to date development plan policies, if it can be demonstrated that the alternative use could be implemented on the site in question, if it can be demonstrated there is market demand for that use, and if there is an explanation as to why the alternative use has not been pursued. Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. Valuation based on AUV includes the premium to the landowner. If evidence of AUV is being considered the premium to the landowner must not be double counted."*

Local Planning Policy – Cherwell District Council	▫ Cherwell Local Plan was formally adopted on 20 July 2015 and overs the period 2011 to 2031. Key Policies include: ▫ Policy BSC 3: Affordable Housing – All developments of 11 dwellings or more, to provide 30% affordable housing. Viability will be taken into account using a residual value calculation. There is no stated requirement for a review mechanism in the policy or the supporting text. ▫ The Council's Developer Contributions SPD was adopted in February 2018 and confirms, inter alia, the Council's requirements for affordable housing. This confirms the threshold for sites that are required to contribute to affordable housing as 11 units. ▫ The SPD also confirms that viability will be taken into account when agreeing the amount of affordable housing to be provided on qualifying sites. Where affordable housing is to be achieved on site it states that commuted sums should be calculated by the difference in the open market and affordable housing values.
Planning Register:	▫ The Property is located within the Bolton Road Development Area, which is allocated under the Cherwell Local Plan as a major area for regeneration by way of a mixed-use development in the form of new shopping, residential and other town centre uses. ▫ No significant planning history affecting the site.

7.0 Environmental Matters

Contamination Comments:	None apparent from the extent of our limited inspection (see Additional Information).				
Hazardous Materials:	Not known.	Asbestos:	Potential – Age of existing building.	Asbestos Report:	None provided.
Flood Zone:	1	Flood Report:	No.	Flooding Comments:	None.
Radon:	Yes.	Level:	>30%.	Comments:	High.
Invasive Species:	No.	Comments:	None immediately apparent from the extent of our limited inspection.		
EPC:	See Comments below.	Rating:	Not known.	Date Issued:	Not known.
EPC Comments:	We have been informed by the Vendor's agent, the Property has an EPC rating of C. However, we have not had sight of the EPC and we have not been able to identify the EPC on the national EPC Register.				

8.0 Local Market & Evidence

Strengths/Opportunities:	▫ Prominent 1.2 acre site with development potential located within a Local Plan allocated Development Area. ▫ Popular market town benefiting from excellent road and rail communications with London, Oxford, Birmingham and Reading. ▫ Population growth exceeding 10% between 2008-2018. ▫ 2,500 new homes by 2031. ▫ Strong labour market underpinned by strategic location (proximity to Oxford) and logistics sector. ▫ Desirable residential location with good demand/supply dynamics. ▫ Affluent demographic.
Weaknesses/Threats:	▫ The out of town office market is more popular than the town centre due to car parking ratios and good road communications. ▫ Surrounding availability has increased with lower take-up of secondary/in town space resulting. ▫ Grade A refurbishment of the existing space is unlikely given the current demand/supply equation and a ceiling for rents/capital values in the town. ▫ The former bingo hall provides a large amount of accommodation albeit, it does benefit from the car parking to the rear. The lack of natural light will limit potential uses.
Supply/Demand:	▫ Demand for smaller offices within Banbury town centre has declined over recent months/years accelerated by COVID-19 and more opportunities to work from home. ▫ The supply of second hand office space has increased and resulted in a squeeze on rents (and yields) in the secondary sub-prime markets. ▫ The former bingo hall has the potential for various uses subject to planning. The uses will be restricted, to some degree, by the physical attributes of the building. Capital expenditure required to reconfigure internally.

Market Rent:

Bingo Hall Rental Comparables

Property Address	Description/Transaction Details	Analysis (£ per ft²)	Relevance
Bingo 3000, Castle Dene Shopping Centre, Peterlee, County Durham	2021 – Bingo hall providing 23,004 sq ft over ground floor together with car parking. New lease (15 years) at an initial rent of £100,000 per annum.	£3.83	Town centre location in close proximity to the retail core. Better specification.
Mecca Bingo, 54 Eastgate Street, Gloucester, Gloucestershire	2021 – Bingo hall arranged over ground, basement, circle foyer and circle providing some 23,004 sq ft. Lease renewal for a term of 10 years at an initial rent of £78,000 per annum	£3.39	City centre location with car parking. 1920s building.

Bingo Hall Rental Comparables

Property Address	Description/Transaction Details	Analysis (£ per ft²)	Relevance
Mecca Bingo, Corporation Street, Taunton, Somerset	2018 – Bingo hall arranged over ground, basement, two mezzanine levels, first and second floors providing some 37,865 sq ft. New lease (10 years) at an initial rent of £164,014 per annum	£4.28	Central location. No car parking. 1920s Grade II Listed building.

Office Rental Comparables

Property Address	Description/Transaction Details	Analysis m² (ft²)	Relevance
Unit 6, Manor Park, Banbury, Oxfordshire	2021 – Ground and first floor office suite of 4,154 sq ft. New lease in solicitor's hands (5 years with a tenants break at Year 3) at an initial rent of £51,925 per annum. Rent free period of one month per term certain (three months).	Headline £12.50	Business park location (out of town). Detached, well specified, building with good road communications. Refurbished throughout. Good car parking (16 spaces). Superior.
Unit 2A, Banbury Office Village, Banbury, Oxfordshire	2021 – Ground and first floor suite of 3,838 sq ft. New 10 year lease at an initial rent of £51,815 per annum. Rent free period of 12 months on the ground floor and six months on the first floor.	Headline £13.50	Business park location (out of town). End terrace, well specified, building with good road communications. Refurbished throughout. Good car parking (14 spaces). Superior - Grade A space.
Suite 2, Charter House, 25 High Street, Banbury	2021 – Ground floor suite of 1,410 sq ft. New 5 year lease at an initial rent of £15,850 per annum. Rent free period of six months in Year 1.	Headline £11.24	Reasonably comparable to the subject Property albeit arguably superior.

9.0 Existing Use Value

Methodology / Approach:	▫ Market Value with the Special Assumption the value of the Property is restricted to **Existing Use Value (EUV)** in accordance with Para 015 of the government's Viability Planning Practice document (Viability PPG) updated May and September 2019. ▫ We have adopted the Investment method (term & reversion). In doing so we have taken into account the existing tenancies and the rental income produced. It should be noted, the tenant of No. 33 Castle Link (Brown & Co) has a term of four months unexpired whilst the tenant of No. 41 (Pertemps) has a break option from 08.06.22. Our valuation therefore assumes both tenants vacate as soon as they are contractually able to do so.

Market Rent:	£184,094 per annum.
Market Value with Special Assumption:	**£1,250,000** **(Restricted to EUV)**
Comments/Notes:	▫ Rent and Yield approach. Reversionary all risks yield of 10% (office accommodation) / 15% (former bingo hall) adopted into perpetuity after allowing for adequate void periods depending on the size and condition of the demise (see Appendix 5). ▫ Purchaser's costs factored in including SDLT at the relevant rates.
Valuation Appraisal:	We attach a copy of our Valuation calculations in Appendix 5.

10.0 Valuations – General Comments

Purchaser with a Special Interest:	▫ No
Comments/Notes:	▫ We consider the Property would require a marketing period of 6 to 9 months within which to achieve a sale, such a sale to be by private treaty. ▫ The Property has clear redevelopment potential and is suitable for a range of alternative uses. As is noted in Paragraph 13 of the Viability PPG, the vendor will compare all the options available to them before deciding on which route to proceed with. Those options could relate to retaining the site and any buildings (in cases where existing buildings remain in situ) and/or reviewing the various redevelopment options that are a possibility. The value generated by those alternative uses will be critical in the landowner determining what they expect to achieve from the sale (i.e. their return) and which developer they will sell to. ▫ We have had valued the scheme on a EUV basis having regard to the definition of EUV stated in the Viability PPG.

11.0 Assumptions & Caveats

Appendix 2:	A copy of our Scope of Work is contained in Appendix 2 (must be read with the above report).
Appendix 3:	A copy of our Additional Information is contained in Appendix 3 (must be read with the above report).

Valuer:

[redacted]

Richard Clark MRICS, FNARA
Partner
RICS Registered Valuer

For and on Behalf of
Alder King LLP
12 Pine Court
Kembrey Park
SWINDON SN2 8AD

Tel: 07342 949664
Email: rclark@alderking.com

Checked By:

[redacted]

David Harrison MRICS
Partner
RICS Registered Valuer

For and on Behalf of
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15 Pembroke Road, Clifton
BRISTOL BS8 3BA

Tel: 0117 3171000
Email: dharrison@alderking.com

Appendix 1 - Alder King Confirmation and Scope of Work

ALDER KING LLP, VALUATION INSTRUCTION CONFIRMATION SHEET	
In respect of: **Former Buzz Bingo Site, Bolton Road, BANBURY, Oxfordshire, OX16 0TH**	**Client** **Damien Lynch – Churchill Retirement Lifestyles Ltd c/o Planning Issues**

Date	19 November 2021.
(a) Valuer.	i. Richard Clark MRICS FNARA (RICS Registered Valuer), Alder King LLP, 12 Pine Court, Kembrey Business Park, Swindon SN2 8AD. ii. The Valuer is in a position to provide an objective and unbiased valuation. iii. The Valuer (to include Alder King LLP) has no material connection or involvement with the subject of the valuation assignment or the party commissioning the assignment. Alder King LLP holds current valuation instructions for the Client concerning properties in other locations and there is the possibility that further advice on the subject property in this instance may be required by the Client beyond this current instruction. iv. The Valuer is competent to undertake the valuation having sufficient current local knowledge of the particular market and the skills and understanding to undertake the valuation competently.
(b) Client.	Churchill Retirement Lifestyles Limited, Churchill House, Parkside, Ringwood, Hampshire BH24 3SG. For the attention of Damien Lynch (Planning Issues).
(c) Other Intended Users.	Alder King does not permit third party reliance on the valuation report. Restrictions on those who may rely upon the valuation assignment are detailed in (m) below.
(d) Identification of the asset or liability.	Former Buzz Bingo Site, Bolton Road, BANBURY, Oxfordshire, OX16 0TH Freehold.
(e) Financial Currency.	GB Pound (£)
(f) Purpose of valuation.	To provide Market Values on Special Assumptions to assist in establishing a benchmark land value to be used in the financial viability assessment of a proposed Retirement Living re-development.

(g) Basis/Bases of value.	Market Value with Special Assumptions: i. That the value of the Property is restricted to Existing Use Value (EUV) in accordance with the Para 015 of the Government's Viability Planning Practice Guidance (Viability PPG) updated May 2019. ii. That the value of the Property is restricted to Alternative Use Value (AUV) in accordance with the Para 017 of the Government's Viability Planning Practice Guidance (Viability PPG) updated May 2019. The above valuation definitions are contained within the appended Scope of Work.
(h) Valuation Date.	As at date of report.
(i) Extent of Valuer's work - investigation:	Refer to appended Scope of Work and Alder King General Terms of Engagement. We would draw your attention to the provisions relating to asbestos. Alder King is not qualified to offer comprehensive advice about asbestos related matters and where concerns regarding asbestos exist, we would recommend advice is sought from specialist consultants, as appropriate.
(j) Nature and source of information to be relied upon.	Refer to appended Scope of Work.
(k) Assumptions & Special Assumptions.	Refer to appended Scope of Work for general assumptions.
(l) Format of report.	The valuation report will be provided in Alder King's free text landscape format and will meet Red Book VPS3 mandatory minimum terms of reporting. Additional terms of reporting will be as set out within the appended Scope of Work.
(m) Restrictions on use, distribution or publication.	This Agreement is enforceable by the original parties to it and by their successors in title and permitted assignees, nothing in this Agreement will confer any rights on any person under the Contracts (Rights of Third Parties) Act 1999 (save any specific requirements as detailed within Bank's previously agreed terms).

(n) Red Book/IVS Compliance Confirmation.	The Valuation will be undertaken in accordance with the RICS Valuation – Global Standards (Red Book) effective January 31 2020 – incorporating the International Valuation Standards.
(o) Alder King Fee.	£4,500 plus VAT.
(p) Alder King complaints handling procedure.	Alder King has a complaints procedure, which applies to all instructions undertaken. In the event of a client being dissatisfied with the service, the complaints procedure is as follows:- If you wish to raise a complaint, you should contact the Practice Manager, Joanne Springfield, Alder King, Pembroke House, 15 Pembroke Road, Bristol BS8 3BA, who will personally conduct a review of your complaint and contact you within 21 days to inform you of the conclusion of her review. If you remain dissatisfied with any aspect of our handling of your complaint, you may choose to resolve this promptly through negotiation, or otherwise agree to enter into mediation with us conducted by a qualified mediator to be agreed between us or nominated by The Royal Institution of Chartered Surveyors. If the complaint has still not been resolved to your satisfaction we agree to the referral of your compliant to **The Centre for Effective Dispute Resolution (CEDR)**, details of their scheme can be found via their website www.cedr.com/consumer/rics or by Telephone on (0) 207 536 6116. All cases referred to CEDR will be dealt with under the RICS Scheme Rules, which are provided by the RICS Regulation.
(q) RICS conduct and disciplinary regulations.	As an RICS regulated firm, the valuation may be investigated by the RICS for the purposes of the administrations of the institution's conduct and disciplinary regulations.
(r) Limitations on Liability.	Our liability for this valuation shall be limited to a maximum of £5,000,000.

Note - RICS is an abbreviation for the Royal Institution of Chartered Surveyors

GDPR and Privacy Policy	By signing and returning these Terms of Engagement you are permitting Alder King to collect, retain and process your personal data and relevant information for its legitimate business purposes. For information about how we process data and monitor communications please see our Privacy Policy which is available on our website www.alderking.com.
Privacy Notice	Alder King is committed to ensuring that your privacy is protected. Our Privacy Notice attached to this document sets out how Alder King use and protect the information you provide to us and the types of personal data we may need to collect about you when you interact with us. It also explains how we store your data and the steps we take to keep it safe.

Please sign below to confirm you agreement to the Terms of Engagement set out herein	
Signed:	
For:	Planning Issues
Print Name	Damien Lynch
Date	

N96240

Appendices

Appendix 1 Alder King Scope of Work

Appendix 2 Alder King General Terms of Engagement

A list of Members is available at the registered office.

Alder King Scope of Work for the Valuation of Commercial Property

This Scope of Work describes the Service which we will provide for the valuation of interests in land or buildings used for commercial purposes (“Commercial Property”). It is supplemental to:

(a) Our Valuation Confirmation/Engagement Sheet relating to the specific instruction.
(b) Our General Terms of Engagement.

Where there is any conflict between these documents, this Scope of Work shall take precedence over the General Terms of Engagement and the Valuation Confirmation/Engagement Sheet shall take precedence over both this Scope of Work and the General Terms.

1. The Service

1.1. We will provide you with a valuation prepared by a suitably qualified RICS Registered Valuer in accordance with the current Professional Standards for Valuation issued by the RICS, commonly known as the “Red Book”.

1.2. A suitably qualified valuer will have expertise in the type of property being valued and the market for that property as well as in the use of appropriate valuation techniques. However, they may identify matters that could impact on the value which require verification or expert advice from other specialists. Examples of where additional specialist advice may be required are identified in section 2 below.

1.3. The property interest to be valued is described in the Valuation Confirmation/Engagement Sheet, hereafter referred to as “the Property”. The Property will normally include all items that would transfer in a sale of the interest. In the case of a building, or part of a building, that would include any plant and equipment forming part of the normal service installations or items such as lifts or escalators. Any plant and equipment associated solely with the current use or occupation, such as process machinery, furnishings, computer networks etc will normally be excluded.

1.4. The purpose for which the valuation is prepared, the bases of value adopted and any special assumptions that we agree with you should be made are explained in the Valuation Confirmation/Engagement Sheet.

1.5. Our opinion of value will be provided in a report that will include a description of the Property, the results of our investigations into matters that could be relevant to its value, the assumptions we have made and the reasons for our opinion. Unless agreed otherwise our valuation will be reported in pounds sterling.

2. Investigations And Assumptions

This section explains the investigations we will make to enable us to prepare our valuation, together with the limitations that will apply to these investigations and the assumptions we will make, unless we agree with you anything to the contrary, 2.1. Title

We will not commission any legal search but will rely on information provided by you or your legal advisers regarding the interest to be valued and any associated rights or obligations. If we are provided with information by a third party, this will be mentioned in our report but will be subject to verification by your legal advisers. We will show our understanding of the extent of the Property by showing the assumed boundaries on a plan in the report, but this should not be relied upon as representing the legal boundaries. We shall otherwise assume that all information on title relied upon in our valuation and referenced in our report is complete and correct.

2.2. Condition of Buildings

We will note the general condition of any buildings. Unless we have also been instructed to carry out a condition survey by a specialist building surveyor we will not investigate the condition of any building in detail. Neither will we advise on the cause or repair of any defect that we do observe. Unless we become aware during our normal valuation investigations of anything to the contrary and mention this in our report, our valuation will assume:

a. Any building is in a condition commensurate with its age, use and design and is free from significant defect.

b. That no materials have been used in the construction of any building that are deleterious, or likely to give rise to structural defects.

c. That all relevant statutory requirements relating to use or construction have been complied with.

2.3. Utilities and Services

We will make enquiries of the current owner or occupier or rely on what is visible during our inspection to identify the public utilities connected or available to the property and of any plant or systems providing heating, cooling, ventilation, drainage or fire protection to any buildings. We will not make enquiries or commission specialists to establish the capacity, specification or operational efficiency of any of these utilities or services. Unless we become aware of anything to the contrary during our normal valuation investigations and enquiries we will assume:

a. That any information provided on the availability and capacity of public utilities is correct.

b. That any plant or equipment providing services to the property, together with any associated computer hardware and software, is fully operational and free from impending breakdown and compliant with current regulations.

2.4. Planning and Highways

We will research the planning history and any relevant planning policies through the relevant Local Planning Authority's website or by consulting publicly available information that is available free of charge. We will not commission a formal Local Search. We will assume that all information obtained is correct and, unless we have been advised to the contrary, that there are no current or pending compulsory purchase, enforcement, local charges or any other matter that would be revealed by a Local Search.

2.5. Environmental Matters

We will research freely available information issued by Government agencies and other public bodies on environmental matters, including flooding and the presence of radon gas. We will make enquiries of the existing owner or occupier to establish whether the Property has been affected by invasive species. We will also rely on our general knowledge of the local area and of any environmental risks that are commonly found there. We will not undertake sampling or analysis of any materials to establish or verify environmental risks, nor will we commission appropriate specialists to do so. Unless we become aware of anything to the contrary during our normal valuation investigations and mention this in our report, our valuation will assume:

a. That there is no abnormal risk of flooding.

b. That there are no high voltage overhead cables or large electrical supply equipment at or close to the Property.

c. That there are no invasive species present at the Property or within close proximity to the Property.

2.6. Contamination and Hazardous Materials

We will endeavour to identify any obvious indications that the Property may be at risk of contamination or if hazardous materials are either present or can reasonably expected to be present. Verification of whether contamination or hazardous materials are present in the land or any building can only be determined by appropriate specialists and is outside the scope of our Service. Neither will we carry out or commission investigations into past or present activities of the Property or any neighbouring property to establish whether there is contamination or potential for contamination. Unless it is confirmed to us by appropriately qualified specialists that the Property is affected by contamination or hazardous materials, or we have identified there is obvious potential for these to be present, we will assume that the Property is free from contamination and that there are no hazardous materials present.

2.7. Ground Conditions

We will take into account any adverse or abnormal ground conditions of which we are aware from our knowledge of the locality or that can be freely obtained from Government agencies or other public bodies, such as historic mining records. Otherwise we will not undertake investigations to establish the stability of the site or its suitability for future development. Neither will we undertake or commission archaeological investigations. Unless we are provided with information to the contrary we will assume that there are no adverse ground conditions, that there is no threat to the stability of existing buildings and that there would be no extraordinary costs involved in any future development or redevelopment of the Property.

2.8. Energy Performance

Whenever a building requires an Energy Performance Certificate and this is available we will include information about this in our report and comment on any implications this has on our valuation. We will not comment or advise on any work that may be necessary to improve an existing EPC rating.

2.9. Floor Areas

We may agree with you to rely on floor areas provided by you or a third party. Otherwise all measurements will be taken and calculated in accordance with the current RICS Property Measurement Professional Standard. The areas in our report will be derived either from measurements taken on site or that have been scaled from drawings supplied and checked by sample measurements on site. The floor areas will be within a tolerance that is appropriate having regard to the circumstances and purpose of the valuation instruction. We will use the basis of measurement that is most appropriate for the market in which the Property would exchange.

2.10. Inspection

We will undertake an inspection of those parts of the Property that are reasonably accessible without special equipment and which may be entered safely. We will advise you if we are prevented from entering part of the Property that may be material to our valuation for safety or security reasons before proceeding with our valuation so that we may agree how to proceed.

3. Other Conditions And Assumptions

3.1. Regulatory requirements

A property owner or occupier may be subject to statutory regulations. Examples include the Equality Act 2010, the Regulatory Reform (Fire Safety) Order 2005 and the Housing Act 2004. Depending on how a particular owner or occupier uses a building, regulations may require alterations to be made. Unless specifically agreed otherwise, we will not investigate or comment on whether a current owner or occupier is complying with any such regulation. Unless advised to the contrary, we shall assume that no work would be required to any building by a prospective owner or occupier to comply with regulatory requirements.

3.2. Tenant status

If the Property is let and we are valuing the lessor's interest, we will reflect the current market perception of a tenant's status in our valuation. We will not make specific enquiries into the actual financial status of any tenant on the valuation date.

3.3. Transaction Costs and Taxation

The reported valuation will be our estimate of the price that would be agreed with no adjustment made for costs that would be incurred by the parties in any transaction, such as legal fees or stamp duty land tax. It will also ignore any mortgage or similar financial encumbrance. Unless advised to the contrary we shall assume that the option to tax has not been exercised and that accordingly VAT will not be payable on the capital and rental values reported.

3.4. Non Disclosure

Neither the whole nor any part of our report, nor any reference thereto, may be included in any published document, circular or statement or published in any way without our prior written approval, including to the form or context of any reference.

3.5. RICS Regulation

As an RICS Regulated Firm our valuations are subject to occasional monitoring by RICS. Our valuation and supporting file may therefore be subject to a confidential inspection by RICS.

4. Valuation Bases

The Red Book defines a number of valuation bases which Alder King must use in defined circumstances, unless there are justifiable reasons for departing from them or for making additional assumptions. See Section (f) within the Valuation Confirmation/Engagement Sheet which confirms the basis/bases adopted for this instruction. The most usual of these are:

4.1 **Market Value (MV)** with its interpretative commentary is defined as:
'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 wherein the parties had each acted knowledgeably, prudently and without compulsion.'

4.2 **Market Value (MV)** for Capitals Gains Tax and Inheritance Tax is defined as:
'The price which the property might reasonably be expected to fetch if sold in the open market at that time, but that price must not be assumed to be reduced on the grounds that the whole property is to be placed on the open market at one and the same time.'

4.3 **Existing Use Value (EUV)** follows the definition of MV but with the additional assumption:
'Assuming that the buyer is granted vacant possession of all parts of the asset required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause it's Market Value to differ from that needed to replace the remaining service potential at least cost.'

This is a basis for use only when valuing under the Code of Practice on Local Authority Accounting (CIPFA) and the Government Financial Reporting Manual (FReM).

4.4 **Fair Value (FV)** as defined in in FRS 102 is as follows:
'the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted, between knowledgeable willing parties in an arm's length transaction'

or

Fair Value (FV) as defined in in IFRS is as follows:
'The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date'.

The appropriate definition to be used is to be agreed with the client.

4.5 **Market Rent (MR)** is defined as:
'The estimated amount for which a property, or space within a property, would 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 wherein the parties had acted knowledgeably, prudently and without compulsion.'

Appendix 2 - Additional Information

Appendix 2 - Additional Information

This Appendix provides background information on various matters referred to in the accompanying valuation report (numbering relating to the Report).

1.0 Terms of Reference

Alder King accepts no responsibility whatsoever to any other person who, choosing to rely upon this report, will do so entirely at his own risk. This applies even to a person who pays the client for this valuation report. Any right of any person to enforce Alder King's responsibility under the agreed terms and conditions of engagement pursuant to the Contract (Rights of Third Parties) Act 1999 are excluded.

This report, including these assumption and caveats, should be read as a whole so that no part may be taken out of context. Neither the whole nor any part of this report or any reference to it may be included in any published document, circular or statement in any way without Alder King's written approval of the form and context in which it may appear.

3.0 Property Description

Floor Areas

The areas stated are calculated in accordance with the RICS Property Measurement Professional Statement (Second Edition).

We have quoted the Gross Internal Area (GIA) or Net Internal Area (NIA) as stated. We have not used the alternative IPMS basis of measurement in line with local market practice, unless otherwise stated.

Site Area

The site area has been scaled and estimated by Promap digital mapping system based on the area outlined red on the site plan in Section 4.0 Legal.

Services

The services, as stated, are as advised by the owner or borrower.

As agreed, we have not tested any of these services and have assumed they are adequate for the current or proposed use of the Property. We have also assumed any plant or equipment providing services to the Property, together with any associated computer hardware and software, is fully operational and free from impending breakdown and compliant with current regulations.

Condition

Our instructions do not extend to the carrying out of a condition survey and we have not examined the building(s) in detail. We have not inspected parts of the Property that are not accessible or visible without special equipment or normally hidden from view. Unless we have stated otherwise in the Report, the buildings generally appear to be in a condition commensurate with their age, use and design. We have also assumed no materials have been used in the construction of any building that are deleterious, or likely to give rise to structural defects.

Ground Conditions

If the report identifies the Property is situated within a mining area, it is within or in close proximity of a known former mining area where specialist mining consultants advise an archive mining search is obtained. We recommend solicitors obtain such a mining search prior to the lending being finalised or amend/make assumption as appropriate. In the event the search identifies the Property is affected, further investigation may be required and the Market Value and the marketability of the Property could be materially affected.

Otherwise we have not undertaken investigations to establish the stability of the site or its suitability for future development. Neither have we undertaken or commissioned archaeological investigations. We have assumed there are no adverse ground conditions, there is no threat to the stability of existing buildings and there would be no extraordinary costs involved in any future development or redevelopment of the Property.

Mundic Block

If the report states 'Mundic Block' the building dates from a time when concrete (block) construction sometimes contained deleterious (mundic) materials which can cause latent defects to develop as a result of degeneration of the concrete block which can affect value, saleability and suitability of the Property for mortgage purposes.

We recommend a concrete screening (mundic) test is obtained from specialist consultants in order to confirm the position. The Market Value reported assumes the Property is not affected in this respect, but should the screening test identify an adverse position, the Market Value and other advice contained within this report could be materially affected.

Concrete Frame Construction

If the report states 'high alumina cement, Lafarge concrete, carbonation or alkali silica reaction' investigation is needed as the building may be at risk of being subject to these issues which can cause latent structural defects to develop. Ascertaining the presence of such material requires specialist advice from a building surveyor or structural engineer and may require samples to be removed for analysis. In the absence of information to the contrary we have assumed the building is not adversely affected.

4.0 Legal Matters

We have provided a site plan within 4.0 Legal. We have assumed the boundaries edged red are accurate in providing our valuation advice.

Unless otherwise commented upon we assume the Property has a good and marketable title.

5.0 Statutory and Regulatory Matters

Planning

We have obtained information about the planning history of the Property and any relevant current policies from the information available online from the Local Planning Authority.

We have assumed all information obtained is correct and there are no current or pending compulsory purchase, enforcement, local charges or any other matter that would be revealed by a Local Search.

Rating

We have obtained the business rate information about the current entry on the Rating List from the Valuation Office Agency website.

The rates currently payable may, depending upon circumstances, be subject to phasing provisions or reliefs.

Disability Discrimination

The Equality Act 2010 imposes a duty on employers and businesses offering a service to the public to make reasonable changes to practices and procedures to enable disabled people to do their jobs, or to remove or alter any feature that makes it impossible, or unreasonably difficult, for a disabled person to make use of the services provided. This may include making alterations to a building that are reasonable having regard to the nature of the business and the service provider.

Any building alterations that might be required are dependent on the nature and type of business in occupation. Since the Market Value reflects the price that would be obtainable in the market and not the requirements of a particular owner we will normally make the assumption that no specific work would be required to the building by the majority of potential buyers.

We have assumed prospective buyers of the Property would not all require a specific and material alteration to the Property to comply with the Equality Act.

Fire Safety Law

The Regulatory Reform (Fire Safety) Order 2005 requires the 'responsible person' to make a suitable and sufficient assessment of the risks, and to identify the fire precautions required at the Property to comply with the Order. The Order applies to all non-domestic property (and common parts of multi-unit residential blocks).

Such fire precautions may include adaptation of the building and installation of fire safety equipment, but in all cases they must include: signage, fire safety action plans, staff training, identifying duty holders and routine maintenance/monitoring via signed and dated checklists.

What are reasonable precautions will depend on the risk assessment for each prospective occupier and will reflect the nature and type of their business. Since the Market Value reflects the price that would be obtainable in the market and not the requirements of a particular owner we will normally make the assumption that no specific alterations would be required to the building by the majority of potential buyers.

We have assumed that prospective buyers would not all require specific or material alterations to the Property in order to provide adequate fire precautions under the Regulatory Reform (Fire Safety) Order 2005.

6.0 Environmental Matters

Contamination

We have had regard to the RICS guidance note, Contamination, the environment and sustainability: their implications for Chartered Surveyors (2010) when considering environmental issues pertinent to the Property.

If we indicate contamination is not present, no indications of past or present contaminative land uses or other environmental features were noted during the inspection. Our inspection was only of a limited visual nature and we cannot give any assurances that previous uses on the site or in the surrounding areas have not contaminated subsoils or groundwaters. Our valuation has been made on the basis there is no latent contamination that could adversely affect the Property.

In the event of contamination being discovered or if it transpires there are other environmental features specifically affecting the Property, further specialist advice should be obtained and our valuation may be adversely affected. You are advised to ensure your legal adviser takes up the usual enquiries on your behalf, in respect of possible contamination or environmental issues, prior to entering into any commitments.

If we state contamination is present, indications of potential contamination [and/or environmental features] were noted during our inspection and we recommend further investigations be undertaken by a suitably insured and qualified chartered environmental surveyor to determine the extent and nature of the contaminants and the likely costs of remediation. In the event of contamination being discovered or if it transpires there are other environmental features specifically affecting the Property our valuation may be adversely affected.

If you have not accepted our recommendations to appoint specialist chartered environmental surveyors we are instructed to make a Special Assumption that no contamination or other environmental feature exists.

Where we have been supplied with information [such as a specialist environmental report], which has identified contamination, our valuation has had specific regard to the estimated cost of the likely liability for treatment and our opinion of the market's likely perception of the issues involved. Should it, however, be established subsequently that other contaminants exist at the Property or on any neighbouring land, or that the Property has been or is being put to any other contaminative uses, this may reduce the value(s) now reported.

Flooding

Unless provided with a professional Flood Risk report we have visited the online flood risk maps on the Environment Agency website and reported the level of flood risk stated. The online flood risk maps are indicative and the matter can only be properly clarified by obtaining a professional flood risk report.

Radon

If a radon affected area, we have reported the percentage of buildings where the levels of Radon Gas entering a building are such remedial action is recommended as identified online on the Public Health England (PHE) website. PHE also publishes advice about levels of Radon Gas in the workplace and responsibility to employees in this respect.

It is not possible in the course of our inspection/survey to determine whether Radon Gas is present in any building, as the gas is colourless and odourless. Tests can be carried out to assess the level of Radon in a building and the minimum testing period is three months. Where Radon Gas is discovered, it has been the experience of Public Health England (PHE) that it is not expensive, in proportion to the value of the Property, to affect the recommended remedial measures. PHE also publishes advice about levels of Radon Gas in the workplace and responsibilities for employers in this respect.

Invasive Species

If we suspect the presence of Japanese Knotweed or other invasive species on site we have indicated this within the report. Japanese Knotweed is a highly invasive weed controlled under the Environment Protection Act 1990 and the Wildlife and Countryside Act 1981. Advice should be sought from specialists in respect of its management or removal. We advise costs of remedial treatment are established prior to the lending being finalised. If we have been provided with a remediation figure, we have stated this within the report.

Energy Performance Certificates

Where we have had sight of an Energy Performance Certificate(s) (EPC) for the Property we have summarised the details within the report.

In England and Wales the Government has implemented the European Energy Performance of Buildings Directive requiring an EPC to be made available for all properties, residential and commercial when bought, sold or rented.

An EPC must be made available by the 'relevant person' whenever a non-domestic building is constructed, sold or rented out subject to certain exemptions. EPCs are valid for 10 years.

The Energy Act 2011 provides from April 2018 it will be unlawful to let a commercial or residential Property with an Energy Assessment Rating of F or G. It will be unlawful to continue to let a domestic property from April 2020 or a commercial property from April 2023 with an Energy Assessment Rating of F or G.

It is possible in some cases changes can be made in respect of heating appliances and windows that incur a relatively modest level of cost to address in relation to the value of the Property.

There are a number of exemptions, for example Listed Buildings where it can be shown compliance would require unacceptable alterations, industrial buildings with low energy consumption and buildings due for demolition. For residential property there is grant assistance in some circumstances.

If the rating is F or G we advise you take advice from a suitably qualified professional advisor/EPC Assessor in this respect to include obtaining a MEES report to understand the issues and works involved for the Property to comply. If remedial works are required the value and marketability of the Property could be affected

Where we understand the Property does not have an EPC, an EPC is required prior to the lending being finalised. The valuations provided assume the EPC, when produced, will show an Energy Assessment Rating within Bands A – E (in the event of an EPC within Bands F or G remedial works are likely to be required and the valuations and marketability of the Property may be affected).

Asbestos

The use of asbestos in building materials has not been allowed in the UK since 1999. If the building was constructed after 1999 it should contain no asbestos.

It may therefore be present in older buildings. In most cases asbestos containing materials (ACMs) may be left in place if they are in good condition, managed and monitored. The Control of Asbestos Regulations 2012 requires an owner or tenant of non-domestic Property to have management plans in place. These plans will indicate whether asbestos containing materials (ACM) are present, or suspected to be present, as well as arrangements for their management to prevent risk to health. The confirmation as to whether ACMs are present in a pre1999 building and the appropriate management steps to be taken can only be made by specialist consultants.

Where appropriate we will enquire whether such a plan exists. Where one does, we have commented on this in the report. In the absence of a management plan, we assume the Property is not affected by the presence of ACMs and if present they are in a safe condition and no immediate works are required to either remove or contain them by an appropriately licenced contractor.

8 Valuation Considerations and Valuations

All of the valuation figures provided herein are exclusive of VAT.

Estimated Reinstatement Cost (when provided in Executive Summary)

The estimated reinstatement cost as set out within the report is given solely as a guide and without liability. It is the estimated cost of replacing the buildings in their present form and includes demolition/clearance costs and professional fees but excludes VAT (except on fees). A formal estimate for insurance purposes can be given only by a Quantity Surveyor or other person with sufficient current experience of replacement costs.

This figure makes no allowance for increases in building costs either during the insurance period or for any period of rebuilding, that it would be advisable to add.

The insured should take advice of an insurance broker as to whether the sum insured should include VAT on building and demolition costs and whether the policy gives sufficient cover for loss of rent or the cost of alternative accommodation for the reinstatement period which could amount to 3 years.

Residential Investment Property(not relevant otherwise)

Compulsory Landlord Registration Schemes - If we indicate in the main report that the Property lies in an area with such a scheme, the lender's solicitor should verify that the customer has a current registration on the scheme to be able to lawfully own and operate rented residential property, prior to lending being finalised.

Gas Safety Certificates - Under current legislation a landlord must obtain a gas safety check every year in respect of the Property. The gas safety check must be undertaken by a Gas Safe Registered Engineer and a copy of the certificate must be provided to the tenants within 28 days of being carried out or before they move in.

	Electrical - The Electrical Equipment & Safety Regulations state that the landlord must ensure that electrics are safe with operating instructions and safety notices supplied before a letting commences. We have assumed that this has been undertaken (unless stated otherwise). **Smoke and Carbon Monoxide Alarms -** Under the Smoke & Carbon Monoxide Alarm (England) Regulations 2015 a landlord in the private rented sector in England is required to ensure that a smoke alarm is installed in every storey of a rented dwelling when occupied under a tenancy and that a carbon monoxide alarm is equipped in any room which contains a solid fuel burning combustion appliance. We assume that the Property complies in this respect and this should be checked and confirmed to ensure that the Property is capable of meeting the regulations (unless stated otherwise).

Appendix 3 - Additional Photographs

APPENDIX 4

Former Buzz Bingo Site, Bolton Road, Banbury, Oxfordshire, OX16 0TH – Additional Photos

Front Elevation (excludes 35 North Bar Street)

33 Castle Link

Side (North) Elevation

Rear (East) Elevation

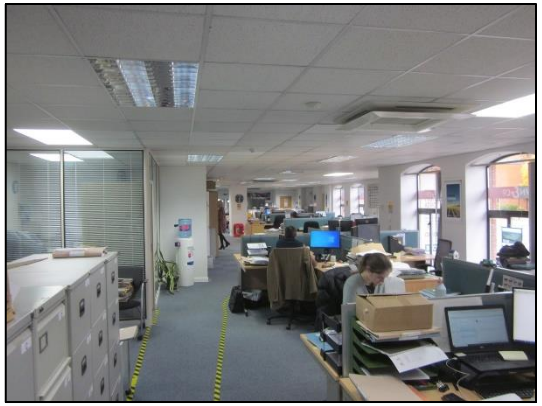
Rear Elevation

Rear Car Park

APPENDIX 4

Former Buzz Bingo Site, Bolton Road, Banbury, Oxfordshire, OX16 0TH – Additional Photos

37, 39 and 41 North Bar Street



33 Castle Link - Ground Floor Offices

37 North Bar Street - First Floor Offices

39 North Bar Street - Ground Floor Offices

41 North Bar Street - First Floor Offices

Bingo Hall - Ground Floor Foyer

Appendix 4 - Valuation Calculations (EUV)

FORMER BUZZ BINGO SITE, BANBURY - EXISTING USE VALUATION (EUV) - AS AT 6 DECEMBER 2021

Demise	Status		Floor Areas			Lease Terms		Market Rent				Valuations & Approach			
	Tenant/Vacant	Basis	Sq M	Sq Ft	Expiry	UXT	Rent	£ per sq ft	£ per annum	YP	Term	YP into Perp	Void (say)	Reversion	Gross EUV
North Bar Road															
No. 33	Brown & Co									**10.00%**		**10.00%**	0.50 Yrs		
Ground		NIA	295.52	3,181	23.03.22	0.33 Yrs	£20,000	£12.00	£38,172	0.3096	£6,193	10.000	0.9535	£363,953	£370,146
No. 37	Vacant									0.00%		**10.00%**	0.75 Yrs		
Ground Floor	Stairwell		0.00	0				£0.00	£0			10.000			
First Floor	Office	NIA	149.93	1,614	-	-	£0	£11.00	£17,752	0.0000	£0	10.000	0.9310	£165,276	£165,276
No. 39	Vacant									0.00%		**10.00%**	0.50 Yrs		
Ground Floor	Office	NIA	233.75	2,516	-	-	£0	£11.50	£28,935	0.0000	£0	10.000	0.9535	£275,884	£275,884
No. 41	Pertemps									**10.00%**		**10.00%**	0.75 Yrs		
Ground Floor	Stairwell & WC		0.00	0		MBO[1] 08.06.22		£0.00	£0			10.000			
First Floor	Office	NIA	103.60	1,115	08.11.26	0.50 Yrs	£12,250	£11.00	£12,267	0.4654	£5,701	10.000	0.9310	£114,204	£119,905
Bolton Street	Vacant									0.00%		**15.00%**	2.50 Yrs		
Ground Floor	Bingo Hall	GIA	2,016.06	21,701				£3.75	£81,378			6.667			
First Floor	Office	GIA	138.5	1,491	-	-	£0	£3.75	£5,591	0.0000	£0	6.667	0.7051	£408,816	£408,816
Totals:		**NIA**	**782.80**	**8,426**			**£32,250**		**£184,094**						**£1,340,027**
		GIA	**2,154.56**	**23,192**									**Purchasers Costs:**		
													Less: SDLT		£56,501
													Less: Fees	1.80%	£24,120
													EUV:		£1,259,405
													(say)		**£1,250,000**

SDLT rates adopted:

Up to	£150,000	0.00%
£150,001	£250,000	2.00%
At or above	£250,001	5.00%

[1]MBO - Mutual break option

Bingo Hall Rental Comparables

Property 1: **Bingo 3000, Castle Dene Shopping Centre, Peterlee, County Durham**
Tenant: Fraser Capital Management ltd. (t/a Club 3000 Bingo)
Term: New 15 year lease from January 2021
Rent: £100,000 pax
GIA: 26,082 sq ft
Equates to: £3.83 per sq ft

Property 2: **Mecca Bingo, 54 Eatgate Stree, Gloucester, Gloucestershire**
Tenant: Mecca Bingo Ltd.
Term: Lease renewal from June 2021
Rent: £78,000 pax
GIA: 23,004 sq ft
Equates to: £3.39 per sq ft

Property 3: **Mecca Bingo, Corporation Street, Taunton, Somerset**
Tenant: Mecca Bingo Ltd.
Term: New 10 year lease from August 2018
Rent: £162,014 pax
GIA: 37,865 sq ft
Equates to: £4.28 per sq ft

Office Rental Comparables

Property 1: **Unit 6, Manor Park, Banbury, Oxfordshire**
Tenant: New tenant (OML)
Term: 5 year lease from December 2021 (in solicitors hands).
Rent: £51,925 pax
GIA: 4,154 sq ft
Equates to: £12.50 per sq ft

Property 2: **Unit 2A, Banbury Office Village, Banbury, Oxfordshire**
Tenant: New tenant (OML)
Term: 10 year lease from September 2021.
Rent: £51,815 pax
GIA: 3,838 sq ft
Equates to: £13.50 per sq ft

Property 3: **Suite 2, Charter House, 25 High Street, Banbury, Oxfordshire**
Tenant: New tenant (OML)
Term: 5 year lease from September 2021.
Rent: £15,850 pax
GIA: 1,410 sq ft
Equates to: £11.24 per sq ft

Appendix 4 – ARGUS Summary Appraisal (CRL Scheme)

APPRAISAL SUMMARY — ALDER KING LLP

BANBURY - CRL Retirement Scheme
80 Bed RL
FVA Appraisal - Alder King LLP

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales
1 Bed RP (Av)	55	3,120.15	4,583.11	260,000	14,300,000
2 Bed RP (Av)	24	1,986.00	4,350.45	360,000	8,640,000
3 Bed RP	1	137.30	2,767.66	380,000	380,000
Totals	**80**	**5,243.45**			**23,320,000**

NET REALISATION				**23,320,000**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			888,951	
				888,951
Stamp Duty			33,947	
Effective Stamp Duty Rate		3.82%		
Agent Fee		1.00%	8,890	
Legal Fee		0.75%	6,667	
				49,504

CONSTRUCTION COSTS

Construction	m²	Build Rate m²	Cost	
1 Bed RP (Av)	4,120.64	1,611.00	6,638,354	
2 Bed RP (Av)	2,622.82	1,611.00	4,225,365	
3 Bed RP	181.33	1,611.00	292,116	
Totals	**6,924.79 m²**		**11,155,835**	**11,155,835**
Contingency		5.00%	615,748	
Demolition			40,000	
Abnormal Foundations			111,650	
Cut and Fill			35,000	
Achaeology			80,000	
				882,398
Other Construction				
Other Construction - External Works		8.00%	892,467	
				892,467
PROFESSIONAL FEES				
Other Professionals		10.00%	1,231,495	
				1,231,495
MARKETING & LETTING				
Marketing		3.00%	699,600	
				699,600
DISPOSAL FEES				
Sales Agent Fee		2.00%	466,400	
Sales Legal Fee	80.00 un	650.00 /un	52,000	
				518,400
Additional Costs				
Empty Property Costs			551,419	
				551,419

FINANCE

Timescale	Duration	Commences		
Purchase	1	Dec 2021		
Pre-Construction	6	Jan 2022		
Construction	18	Jul 2022		
Sale	54	Jan 2024		
Total Duration	79			
Debit Rate 6.500%, Credit Rate 2.750% (Nominal)				
Land			129,230	
Construction			646,412	
Other			1,010,290	
Total Finance Cost				1,785,932

BANBURY - CRL Retirement Scheme
80 Bed RL
FVA Appraisal - Alder King LLP

TOTAL COSTS		**18,656,000**
PROFIT		
		4,664,000
Performance Measures		
Profit on Cost%	25.00%	
Profit on GDV%	20.00%	
Profit on NDV%	20.00%	
IRR% (without Interest)	16.28%	

Appendix 5 – Market Sales Information

Date	Address	Address	Town	Postcode	Price Paid	Size (sq m)	Analysis
19/06/2020	12	REEDMACE	BANBURY	OX15 4TG	£369,995.00	62	£5,967.66
19/03/2021	13	SIMMONS	BANBURY	OX15 5FT	£395,950.00	95	£4,167.89
27/03/2020	3	RUSSETT S	BANBURY	OX15 4UE	£274,950.00	70	£3,927.86
26/06/2020	5	RUSSETT S	BANBURY	OX15 4UE	£274,950.00	70	£3,927.86
06/03/2020	4	PIPPIN CLO	BANBURY	OX15 4UD	£269,950.00	70	£3,856.43
27/11/2020	15	SIMMONS	BANBURY	OX15 5FT	£365,950.00	95	£3,852.11
29/06/2020	4	SIMMONS	BANBURY	OX15 5FT	£365,000.00	95	£3,842.11
03/08/2020	3	BEAVINGT(	BANBURY	OX15 5FQ	£365,000.00	95	£3,842.11
04/09/2020	4	CALDWELL	BANBURY	OX16 9FB	£236,000.00	62	£3,806.45
21/08/2020	3	CALDWELL	BANBURY	OX16 9FB	£291,995.00	77	£3,792.14
17/06/2020	1	DAVIES RO.	BANBURY	OX16 1HY	£299,000.00	79	£3,784.81
30/10/2020	87	BISMORE R	BANBURY	OX16 1JN	£235,000.00	63	£3,730.16
14/08/2020	2	BALDWIN F	BANBURY	OX15 5BF	£670,000.00	180	£3,722.22
05/03/2021	4	BEAVINGT(	BANBURY	OX15 5FQ	£495,950.00	134	£3,701.12
15/10/2020	85	BISMORE R	BANBURY	OX16 1JN	£231,500.00	63	£3,674.60
21/08/2020	2	PIPPIN CLO	BANBURY	OX15 4UD	£345,000.00	94	£3,670.21
28/08/2020	1	YEOMAN C	BANBURY	OX15 4UF	£345,000.00	94	£3,670.21
30/06/2020	47	BISMORE R	BANBURY	OX16 1JN	£230,000.00	63	£3,650.79
09/10/2020	45	BISMORE R	BANBURY	OX16 1JN	£230,000.00	63	£3,650.79
23/10/2020	2	SIMMONS	BANBURY	OX15 5FT	£430,000.00	118	£3,644.07
10/08/2020	32	TYRRELL R(	BANBURY	OX16 9WT	£519,950.00	143	£3,636.01
04/12/2020	9	BIDWELL R	BANBURY	OX16 9ZL	£300,950.00	83	£3,625.90
31/01/2020	36	KINGERLEE	BANBURY	OX16 1HF	£290,000.00	80	£3,625.00
19/03/2021	5	HERITAGE (	BANBURY	OX15 5FS	£485,000.00	134	£3,619.40
29/01/2021	1	BEAVINGT(	BANBURY	OX15 5FQ	£484,950.00	134	£3,619.03
21/10/2020	2	HERITAGE (	BANBURY	OX15 5FS	£425,000.00	118	£3,601.69
24/01/2020	17	MEADOW I	BANBURY	OX17 2PT	£450,000.00	126	£3,571.43
25/09/2020	7	CALDWELL	BANBURY	OX16 9FB	£280,995.00	79	£3,556.90
24/01/2020	4	DAVIES RO.	BANBURY	OX16 1HY	£312,950.00	88	£3,556.25
27/03/2020	4	STONE CLO	BANBURY	OX16 1HJ	£245,000.00	69	£3,550.72
27/03/2020	9	DAVIES RO.	BANBURY	OX16 1HY	£280,000.00	79	£3,544.30
28/02/2020	5	DAVIES RO.	BANBURY	OX16 1HY	£279,950.00	79	£3,543.67
23/10/2020	16	LONGDON	BANBURY	OX16 9FP	£279,000.00	79	£3,531.65
21/08/2020	7	BALDWIN F	BANBURY	OX15 5BF	£840,000.00	238	£3,529.41
28/08/2020	155	LONGFORD	BANBURY	OX15 4SZ	£274,995.00	78	£3,525.58
27/11/2020	17	HERMON R	BANBURY	OX16 1HP	£285,000.00	81	£3,518.52
27/03/2020	2	STONE CLO	BANBURY	OX16 1HJ	£242,000.00	69	£3,507.25
20/01/2020	18	MEADOW I	BANBURY	OX17 2PT	£440,000.00	126	£3,492.06
17/11/2020	1	BIDWELL R	BANBURY	OX16 9ZL	£362,950.00	104	£3,489.90
23/10/2020	22	LONGDON	BANBURY	OX16 9FP	£275,000.00	79	£3,481.01
28/02/2020	3	DAVIES RO.	BANBURY	OX16 1HY	£274,950.00	79	£3,480.38
25/09/2020	22	BIDWELL R	BANBURY	OX16 9ZL	£342,950.00	99	£3,464.14
28/08/2020	24	FLUX DRIVI	BANBURY	OX15 0AF	£675,000.00	195	£3,461.54
17/11/2020	2	BETTS CLO:	BANBURY	OX16 9ZN	£359,950.00	104	£3,461.06
20/03/2020	22	REEDMACE	BANBURY	OX15 4TG	£317,995.00	92	£3,456.47
03/08/2020	16	MEADOW I	BANBURY	OX17 2PT	£380,000.00	110	£3,454.55

25/09/2020	5	CALDWELL	BANBURY	OX16 9FB	£265,996.00	77	£3,454.49
27/03/2020	50	KINGERLEE	BANBURY	OX16 1HF	£300,000.00	87	£3,448.28
20/01/2020	6	DAVIES RO/	BANBURY	OX16 1HY	£309,950.00	90	£3,443.89
28/08/2020	1	CALDWELL	BANBURY	OX16 9FB	£389,995.00	114	£3,421.01
19/06/2020	6	ANSTEE CL(	BANBURY	OX16 9ZW	£337,950.00	99	£3,413.64
21/02/2020	9	ANSTEE CL(	BANBURY	OX16 9ZW	£354,950.00	104	£3,412.98
14/09/2020	1	JACKSON R	BANBURY	OX16 9FN	£289,995.00	85	£3,411.71
30/06/2020	37	BENNETT D	BANBURY	OX16 1HX	£306,950.00	90	£3,410.56
12/02/2021	28	BISMORE R	BANBURY	OX16 1JP	£310,000.00	91	£3,406.59
20/03/2020	28	BAILEY RO/	BANBURY	OX16 1HW	£304,950.00	90	£3,388.33
25/06/2020	35	BENNETT D	BANBURY	OX16 1HX	£304,950.00	90	£3,388.33
06/02/2020	121	PARSONS F	BANBURY	OX16 9GQ	£524,750.00	155	£3,385.48
28/02/2020	134	PARSONS F	BANBURY	OX16 9GW	£524,750.00	155	£3,385.48
27/11/2020	97	BISMORE R	BANBURY	OX16 1JN	£308,000.00	91	£3,384.62
10/01/2020	6	WATTS RO/	BANBURY	OX16 1BA	£239,995.00	71	£3,380.21
24/01/2020	3	VERA WOC	BANBURY	OX17 3FX	£569,995.00	169	£3,372.75
24/07/2020	10	ANSTEE CL(	BANBURY	OX16 9ZW	£394,950.00	118	£3,347.03
12/06/2020	142	PARSONS F	BANBURY	OX16 9GW	£542,750.00	163	£3,329.75
31/01/2020	37	THENFORD	BANBURY	OX16 2DS	£295,000.00	89	£3,314.61
09/10/2020	19	JARVIS CIR(	BANBURY	OX16 1HH	£265,050.00	80	£3,313.13
04/12/2020	7	BIDWELL R	BANBURY	OX16 9ZL	£306,950.00	93	£3,300.54
29/05/2020	2	MARSTON	BANBURY	OX16 2DQ	£320,000.00	97	£3,298.97
20/02/2020	159	NICKLING F	BANBURY	OX16 1BB	£309,995.00	94	£3,297.82
30/06/2020	49	BISMORE R	BANBURY	OX16 1JN	£300,000.00	91	£3,296.70
28/08/2020	61	BISMORE R	BANBURY	OX16 1JN	£300,000.00	91	£3,296.70
30/10/2020	89	BISMORE R	BANBURY	OX16 1JN	£300,000.00	91	£3,296.70
29/05/2020	4	HALL CLOSI	BANBURY	OX16 1JA	£355,000.00	108	£3,287.04
22/05/2020	3	BATEMAN (	BANBURY	OX16 9XQ	£389,950.00	119	£3,276.89
24/04/2020	8	WATTS RO/	BANBURY	OX16 1BA	£231,995.00	71	£3,267.54
23/07/2020	5	ANSTEE CL(	BANBURY	OX16 9ZW	£414,950.00	127	£3,267.32
26/06/2020	43	BISMORE R	BANBURY	OX16 1JN	£297,000.00	91	£3,263.74
30/01/2020	5	VERA WOC	BANBURY	OX17 3FX	£590,000.00	181	£3,259.67
14/02/2020	56	PARSONS F	BANBURY	OX16 9GW	£400,000.00	123	£3,252.03
09/03/2020	12	LOCK DRIVI	BANBURY	OX16 9FD	£369,995.00	114	£3,245.57
30/09/2020	2	PINFOLD CI	BANBURY	OX15 5FR	£610,000.00	188	£3,244.68
30/03/2020	35	BISMORE R	BANBURY	OX16 1JN	£295,000.00	91	£3,241.76
17/07/2020	8	SEEDLING I	BANBURY	OX15 4UB	£474,950.00	147	£3,230.95
14/02/2020	13	ANSTEE CL(	BANBURY	OX16 9ZW	£409,950.00	127	£3,227.95
24/02/2020	11	CHACOMBI	BANBURY	OX16 2DP	£290,000.00	90	£3,222.22
26/06/2020	8	LOCK DRIVI	BANBURY	OX16 9FD	£379,995.00	118	£3,220.30
28/08/2020	5	HEARN DRI	BANBURY	OX16 9FJ	£379,995.00	118	£3,220.30
25/09/2020	3	HEARN DRI	BANBURY	OX16 9FJ	£379,995.00	118	£3,220.30
31/07/2020	1	SEEDLING I	BANBURY	OX15 4UB	£472,950.00	147	£3,217.35
12/03/2020	1	BATEMAN (	BANBURY	OX16 9XQ	£414,950.00	129	£3,216.67
10/06/2020	11	ANSTEE CL(	BANBURY	OX16 9ZW	£414,950.00	129	£3,216.67
18/09/2020	20	BIDWELL R	BANBURY	OX16 9ZL	£352,950.00	110	£3,208.64
29/01/2021	105	BISMORE R	BANBURY	OX16 1JN	£358,000.00	112	£3,196.43

20/03/2020	8	BATEMAN (	BANBURY	OX16 9XQ	£379,950.00	119	£3,192.86
07/02/2020	15	ANSTEE CL(	BANBURY	OX16 9ZW	£349,950.00	110	£3,181.36
31/07/2020	30	TYRRELL R(	BANBURY	OX16 9WT	£349,950.00	110	£3,181.36
26/06/2020	12	SEEDLING I	BANBURY	OX15 4UB	£464,950.00	147	£3,162.93
25/09/2020	1	HEARN DRI	BANBURY	OX16 9FJ	£359,995.00	114	£3,157.85
27/08/2020	2	HALL CLOSI	BANBURY	OX16 1JA	£410,000.00	130	£3,153.85
22/05/2020	9	FIVASH CLC	BANBURY	OX16 1HZ	£409,950.00	130	£3,153.46
30/01/2020	12	DAVIES RO.	BANBURY	OX16 1HY	£339,950.00	108	£3,147.69
19/03/2020	46	KINGERLEE	BANBURY	OX16 1HF	£365,000.00	116	£3,146.55
28/04/2020	7	ANSTEE CL(	BANBURY	OX16 9ZW	£449,950.00	143	£3,146.50
14/10/2020	12	DIGWOOD	BANBURY	OX16 1HN	£363,750.00	116	£3,135.78
31/07/2020	30	BAILEY RO/	BANBURY	OX16 1HW	£405,000.00	130	£3,115.38
27/01/2020	8	BANNISTEF	BANBURY	OX16 1GQ	£379,995.00	122	£3,114.71
30/03/2020	1	BISMORE R	BANBURY	OX16 1JN	£348,000.00	112	£3,107.14
17/01/2020	7	REEDMACE	BANBURY	OX15 4TG	£399,995.00	129	£3,100.74
21/02/2020	3	FORD CRES	BANBURY	OX16 9ZB	£399,950.00	129	£3,100.39
27/02/2020	1	ANSTEE CL(	BANBURY	OX16 9ZW	£399,950.00	129	£3,100.39
06/01/2020	10	SEEDLING I	BANBURY	OX15 4UB	£429,950.00	139	£3,093.17
28/08/2020	153	LONGFORD	BANBURY	OX15 4SZ	£339,995.00	110	£3,090.86
30/06/2020	8	HALL CLOSI	BANBURY	OX16 1JA	£360,000.00	117	£3,076.92
15/10/2020	24	LONGDON	BANBURY	OX16 9FP	£390,000.00	127	£3,070.87
28/02/2020	6	HAVILL CRE	BANBURY	OX15 4TU	£310,000.00	101	£3,069.31
26/06/2020	53	BISMORE R	BANBURY	OX16 1JN	£342,500.00	112	£3,058.04
30/03/2020	33	BISMORE R	BANBURY	OX16 1JN	£370,000.00	121	£3,057.85
04/11/2020	83	BISMORE R	BANBURY	OX16 1JN	£370,000.00	121	£3,057.85
11/09/2020	160	PARSONS F	BANBURY	OX16 9GW	£599,750.00	197	£3,044.42
02/10/2020	115	PARSONS F	BANBURY	OX16 9GQ	£599,750.00	197	£3,044.42
31/01/2020	82	BOURTON	BANBURY	OX16 2DL	£294,995.00	97	£3,041.19
26/06/2020	37	BAILEY RO/	BANBURY	OX16 1HW	£395,000.00	130	£3,038.46
28/10/2020	1	HERITAGE (	BANBURY	OX15 5FS	£571,000.00	188	£3,037.23
28/08/2020	9	SPEEDWEL	BANBURY	OX15 4TN	£382,495.00	126	£3,035.67
20/03/2020	17	CHACOMBI	BANBURY	OX16 2DP	£360,000.00	119	£3,025.21
18/12/2020	20	JARVIS CIR(	BANBURY	OX16 1HH	£429,000.00	142	£3,021.13
21/02/2020	34	KINGERLEE	BANBURY	OX16 1HF	£350,000.00	116	£3,017.24
18/12/2020	103	BISMORE R	BANBURY	OX16 1JN	£364,500.00	121	£3,012.40
30/06/2020	29	BISMORE R	BANBURY	OX16 1JN	£328,000.00	109	£3,009.17
18/12/2020	93	BISMORE R	BANBURY	OX16 1JN	£385,000.00	129	£2,984.50
10/01/2020	4	WATTS RO.	BANBURY	OX16 1BA	£369,995.00	124	£2,983.83
25/02/2020	8	DAVIES RO.	BANBURY	OX16 1HY	£355,000.00	119	£2,983.19
30/10/2020	27	BISMORE R	BANBURY	OX16 1JN	£325,000.00	109	£2,981.65
31/03/2020	163	NICKLING F	BANBURY	OX16 1BB	£280,000.00	94	£2,978.72
23/12/2020	2	BISMORE R	BANBURY	OX16 1JP	£330,000.00	111	£2,972.97
03/12/2020	3	TOWNS FIE	BANBURY	OX16 1HS	£422,000.00	142	£2,971.83
27/03/2020	16	HAVILL CRE	BANBURY	OX15 4TU	£300,000.00	101	£2,970.30
24/01/2020	2	HEARN DRI	BANBURY	OX16 9FJ	£174,920.00	59	£2,964.75
30/06/2020	10	HALL CLOSI	BANBURY	OX16 1JA	£345,000.00	117	£2,948.72
27/03/2020	18	HAVILL CRE	BANBURY	OX15 4TU	£296,000.00	101	£2,930.69

31/01/2020	6	HORNTON	BANBURY	OX16 2DG	£349,995.00	120	£2,916.63
15/05/2020	17	BYWATER [	BANBURY	OX16 9FF	£314,995.00	108	£2,916.62
02/10/2020	36	LONGDON	BANBURY	OX16 9FP	£408,000.00	140	£2,914.29
28/08/2020	57	BISMORE R	BANBURY	OX16 1JN	£375,750.00	129	£2,912.79
31/01/2020	6	RUSSELL ST	BANBURY	OX15 4TX	£480,000.00	165	£2,909.09
08/10/2020	59	BISMORE R	BANBURY	OX16 1JN	£385,000.00	134	£2,873.13
27/08/2020	7	SPEEDWEL	BANBURY	OX15 4TN	£339,995.00	119	£2,857.10
25/09/2020	11	SPEEDWEL	BANBURY	OX15 4TN	£339,995.00	119	£2,857.10
13/01/2020	6	LOCK DRIV	BANBURY	OX16 9FD	£305,995.00	108	£2,833.29
27/03/2020	7	HEARN DRI	BANBURY	OX16 9FJ	£305,995.00	108	£2,833.29
27/11/2020	37	BOURTON	BANBURY	OX16 2DD	£312,000.00	111	£2,810.81
10/08/2020	8	JACKSON R	BANBURY	OX16 9FN	£305,000.00	109	£2,798.17
27/08/2020	11	NICKLING F	BANBURY	OX16 1AR	£456,000.00	163	£2,797.55
07/12/2020	48	NICKLING F	BANBURY	OX16 1AR	£295,000.00	106	£2,783.02
21/02/2020	24	TYRRELL R(	BANBURY	OX16 9WT	£339,950.00	123	£2,763.82
31/01/2020	8	HAVILL CRE	BANBURY	OX15 4TU	£300,000.00	109	£2,752.29
24/07/2020	10	JACKSON R	BANBURY	OX16 9FN	£299,250.00	109	£2,745.41
25/06/2020	28	BYWATER [	BANBURY	OX16 9FF	£299,000.00	109	£2,743.12
17/07/2020	12	JACKSON R	BANBURY	OX16 9FN	£299,000.00	109	£2,743.12
11/09/2020	6	JACKSON R	BANBURY	OX16 9FN	£299,000.00	109	£2,743.12
17/01/2020	38	CALDWELL	BANBURY	OX16 9FB	£295,000.00	109	£2,706.42
13/03/2020	29	BYWATER [	BANBURY	OX16 9FF	£295,000.00	109	£2,706.42
17/02/2020	29	BOURTON	BANBURY	OX16 2DD	£300,000.00	111	£2,702.70
21/08/2020	40	CALDWELL	BANBURY	OX16 9FB	£460,750.00	171	£2,694.44
28/02/2020	39	BAILEY RO/	BANBURY	OX16 1HW	£325,950.00	121	£2,693.80
16/03/2020	24	BYWATER [	BANBURY	OX16 9FF	£320,000.00	119	£2,689.08
21/10/2020	67	BISMORE R	BANBURY	OX16 1JN	£340,000.00	127	£2,677.17
28/02/2020	7	BANBURY \	BANBURY	OX16 2DE	£460,000.00	172	£2,674.42
17/01/2020	72	BOURTON	BANBURY	OX16 2DL	£289,995.00	111	£2,612.57
29/01/2020	80	BOURTON	BANBURY	OX16 2DL	£410,000.00	158	£2,594.94
30/01/2020	77	BOURTON	BANBURY	OX16 2DL	£409,995.00	158	£2,594.91
11/06/2020	27	BYWATER [	BANBURY	OX16 9FF	£305,000.00	119	£2,563.03
21/09/2020	26	BYWATER [	BANBURY	OX16 9FF	£300,000.00	119	£2,521.01
21/10/2020	1	PINFOLD C	BANBURY	OX15 5FR	£492,500.00	200	£2,462.50
30/10/2020	69	BISMORE R	BANBURY	OX16 1JN	£325,000.00	134	£2,425.37
30/10/2020	71	BISMORE R	BANBURY	OX16 1JN	£325,000.00	134	£2,425.37
30/11/2020	99	BISMORE R	BANBURY	OX16 1JN	£151,964.00	63	£2,412.13
30/11/2020	101	BISMORE R	BANBURY	OX16 1JN	£151,964.00	63	£2,412.13
							£3,215.92

Appendix 6 – Empty Property Costs

BANBURY
Empty Property Costs
Retirement Living Plus Block

Council Tax Calculation	Per Year	Per Month	Saleable No.	Total/month
1 bed apartment - Band C	£ 1,835.56	£152.96	55	£8,412.98
2/3 bed apartment - Band D	£ 2,065.01	£172.08	25	£4,302.10
			80	£12,715.09
		average per unit per month =		**£158.94**

Service Charge	Per Month	Saleable No.	Total/month
1 Bed apt @ £1,950 per annum	£162.50	55	£8,937.50
2/3 Bed apt @ £2,860 per annum	£238.33	25	£5,958.25
		80	£14,895.75
	average per unit per month =		**£186.20**

Monthly Budget

Month	Sales Rate %	No. of Sales	Unsold Units	Costs: Service Charge	Council Tax	Utilities	Total pcm
Assumed Cost per month				**£186**	**£159**	**£17.50**	
0			80				
1	20%	16	64.0	£11,917	£0	£1,120	**£13,037**
2			62.5	£11,646	£10,172	£1,095	**£22,912**
3			61.1	£11,375	£9,710	£1,069	**£22,154**
4			59.6	£11,104	£9,479	£1,044	**£21,626**
5			58.2	£10,833	£9,247	£1,018	**£21,099**
6			56.7	£10,562	£9,016	£993	**£20,571**
7	20%	16	55.3	£10,292	£8,785	£967	**£20,044**
8			53.8	£10,021	£8,554	£942	**£19,516**
9			52.4	£9,750	£8,323	£916	**£18,989**
10			50.9	£9,479	£8,091	£891	**£18,461**
11			49.5	£9,208	£7,860	£865	**£17,934**
12			48.0	£8,937	£7,629	£840	**£17,407**
13			46.7	£8,689	£7,417	£817	**£16,923**
14			45.3	£8,441	£7,205	£793	**£16,439**
15			44.0	£8,193	£6,993	£770	**£15,956**
16			42.7	£7,944	£6,781	£747	**£15,472**
17			41.3	£7,696	£6,569	£723	**£14,989**
18	20%	16	40.0	£7,448	£6,358	£700	**£14,505**
19			38.7	£7,200	£6,146	£677	**£14,022**
20			37.3	£6,951	£5,934	£653	**£13,538**
21			36.0	£6,703	£5,722	£630	**£13,055**
22			34.7	£6,455	£5,510	£607	**£12,571**
23			33.3	£6,207	£5,298	£583	**£12,088**
24			32.0	£5,958	£5,086	£560	**£11,604**
25			30.7	£5,710	£4,874	£537	**£11,121**
26			29.3	£5,462	£4,662	£513	**£10,637**
27			28.0	£5,214	£4,450	£490	**£10,154**
28			26.7	£4,965	£4,238	£467	**£9,670**
29			25.3	£4,717	£4,026	£443	**£9,187**
30	20%	16	24.0	£4,469	£3,815	£420	**£8,703**
31			22.7	£4,220	£3,603	£397	**£8,220**
32			21.3	£3,972	£3,391	£373	**£7,736**
33			20.0	£3,724	£3,179	£350	**£7,253**
34			18.7	£3,476	£2,967	£327	**£6,769**
35			17.3	£3,227	£2,755	£303	**£6,286**
36			16.0	£2,979	£2,543	£280	**£5,802**
37			15.0	£2,793	£2,384	£263	**£5,440**
38			14.0	£2,607	£2,225	£245	**£5,077**
39			13.0	£2,421	£2,066	£228	**£4,714**
40			12.0	£2,234	£1,907	£210	**£4,352**
41			11.0	£2,048	£1,748	£193	**£3,989**
42	15%	12	10.0	£1,862	£1,589	£175	**£3,626**
43			9.0	£1,676	£1,430	£158	**£3,264**
44			8.0	£1,490	£1,272	£140	**£2,901**
45			7.0	£1,303	£1,113	£123	**£2,538**
46			6.0	£1,117	£954	£105	**£2,176**
47			5.0	£931	£795	£88	**£1,813**
48			4.0	£745	£636	£70	**£1,451**
49			3.3	£621	£530	£58	**£1,209**
50			2.7	£497	£424	£47	**£967**
51	5%	4	2.0	£372	£318	£35	**£725**
52			1.3	£248	£212	£23	**£484**
53			0.7	£124	£106	£12	**£242**
54			0.0	£0	£0	£0	**£0**
		80		£288,233	£236,096	£27,090	**£551,419**

1.25

Av Rate of Sale **1.48** **per month** **Cost**

Appendix 7 – Recent Profit Level Decisions

RETIREMENT LIVING DEVELOPMENTS - LIST OF RECENT PLANNING APPLICATION WHERE VIABILITY WAS AN ISSUE

	SITE LOCATION	DEVELOPER	LOCAL AUTHORITY	PROFIT % AGREED	Planning Approval Date	COUNCIL'S CONSULTANT	No. of Apartments		Comments
1	Market Harborough	Churchill	Harborough	20.00%	Mar-18	Aspinall Verdi	38	Planning granted Total contributions agreed at £160,300	*AV Report: The applicant's appraisal shows that the scheme achieves 20% profit on GDV which equates to £1,997,600. Residential developers normally expect to secure a profit on GDV between 15% and 20% depending on the nature of the proposed scheme. We consider the proposed target of 20% of GDV to be acceptable and for the purpose of our own appraisal have also applied this target profit on GDV.*
2	Cockermouth	McCarthy & Stone	Allerdale	20.00%	Mar-18	Keppie Massie	40	Nil contribution for affordable housing agreed.	*Keppie Massie report: In undertaking residential developments developers historically sought profit returns (inclusive of overheads) in the region of 15 to 20% of GDV. In this particular instance the Viability appraisal contains a profit (inclusive of overheads) at 20% of GDV. This is considered a reasonable level of return in this case given the characteristics of the development proposals, and in particular the fact that it is not possible to phase development to match sales rates.*
3	Ashbourne	Churchill	Derbyshire Dales	20.00%	Apr-18	DVS	38	Planning granted total contributions of £144,955	*DVS report: For moderate to large sized residential developments it is not uncommon for developers to state a profit figure as a certain percentage based on scheme costs or value. … Churchill Retirement Living shows a profit on costs of 24.85% on profit on GDV of 20% (sic). ... I have chosen this profit level of 20% on GDV which equates too (sic) £1,489,599 developers profit. To demonstate viability therefore I am looking for the resdual figure for profit of a planning compliant scheme to show a profit level in excess of the rates detailed above.*
4	Hythe	McCarthy & Stone	New Forest	20.00%	Apr-18	DVS	35	Agreed contribution of £46,283 for Affordable housing and s106 to be paid plus a 'top up' of £220,067 if ground rents can be charged on completion	*DVS report: For private flatted schemes we would normally adopt a profit level of between 17.5% and 20%.* *We believe that a profit level of 20% on GDV for this scheme is reasonable taking into account the risk of this retirement living flatted scheme, which needs to be built before units can be sold with an extensive sales period, and has been adopted on other retirement schemes in the region. AK have also adopted 20%.*
5	Hitchin	Churchill	North Herts	20.00%	May-18	Dixon Searle	53	Planning granted with contribution of £462,079	*Profit level of 20% accepted by DSP*
6	Reigate	Churchill	Reigate and Banstead	20.00%	May-18	In-house Council	31	Planning granted with AH contribution of £240,000	*Profit level of 20% accepted by Reigate and Banstaed*
7	Yate	Churchill	South Gloucestershire	20.00%	May-18	DVS	62	Planning granted with AH contribution of £322,671	*DVS report: In modelling the development viability appraisal, I have however also included a developers return of 20% against GDV on market housing in the particualr circumstances of this case, including the additional perception of risks arising from the brownfield nature of the site and the indicated abnormal site costs. ... I am of the view that in the light of evidence available, and our own experience of development appraisals this level of developer's return represents a 'competiitve return' in this case, as described in paragraph 173 of the NPPF.*
8	Bridgnorth	Churchill	Shropshire	20.00%	May-18	DVS	52	Agreed following refused planning application. Nil contribution for affordable housing.	*DVS report : An allowance for developer's profit based on 20% of the gross development value has been adopted by the planning applicant's agent. In my opinion, this is not unreasonable, but does sit at the upper end of an acceptable range for a devlopment scheme of this nature.*
9	Staines	Churchill	Runnymede	20.00%	Jun-18	Dixon Searle	29	Planning granted with affordable housing of £439,686	*Profit level of 20% accepted by DSP.*
10	Great Tattenhams	Churchill	Reigate and Banstead	20.00%	Jun-18	In-house Council	34	Planning granted with affordable housing contribution of £470,000	*Reigate and Banstead accepted profit level of 20% of GDV*
11	Royston	Churchill	North Herts	20.00%	Jun-18	Dixon Searle	41	Viability agreed at £315,000 for affordable housing	*Profit level of 20% accepted by DSP.*

12	Abergavenny	McCarthy & Stone	Monmouthsire	20.00%	Jul-18	DVS	47	Viability agreed at £231,000 for affordable housing	*Profit level of 20% accepted by DVS.*
13	Stalham	McCarthy & Stone	North Norfolk	20.00%	Jul-18	Stuart Bizley	30 (Plus 12 Bungalows)	Viability agreed at £Nil for affordable housing	*No specifc commentary provided on profit, but 20% not disputed by Stuart Bizley*
14	Bingley	McCarthy & Stone	Bradford	20.00%	Aug-18	Cushman & Wakefield	45	Affordable Housing contribution of £245,091 agreed	*C&W undertakes a significant number of bank funding valuations for developments to be undertaken by housebuilders and can confirm that a development which generates a profit of GDV of less than 20% is highly unlikely to be able to secure development funding. In the absence of bank funding, some housebuilders have sought funding through alternative sources, notably high net worth individuals and property investment companies. In our experience, such individuals are also unwilling to support developments which generate a profit of less than 20% of GDV.The Applicant has identified an appropriate profit level as being 20% of GDV, which we consider appropriate. We have therefore assumed a profit of 20% of GDV is required to make the scheme viable."*
15	Barnsley	McCarthy & Stone	Barnsley	20.00%	Aug-18	DVS	54	Nil contribution for affordable housing agreed.	
16	Cambourne	McCarthy & Stone	South Cambridgeshire	20.00%	Aug 2018 and June 2019	Bespoke	49 revised to 54	Affordable Housing contribution of £160,264 agreed	*The Applicant has identified an appropriate profit level as being 20% of GDV, which we consider appropriate. We have therefore assumed a profit of 20% of GDV is required to make the scheme viable."*
17	Knowle	Churchill	Solihull	20.00%	Sep-18	Cushman & Wakefield	30	Planning granted AH contribution of £184,870	*CW report: PI have allowed for a 20% return on GDV for the open market dwellings, which Cushman and Wakefield views as consistent with lender expectations concerning profit margins.*
18	Filey	McCarthy & Stone	Scarborough	20.00%	Sep-18	In-house Council	39 (Plus 20 Bungalows)	Total S106 contribution of £300,000 agreed.	*Profit level of 20% accepted.*
19	Waltham Abbey	McCarthy & Stone	Epping Forest	20.00%	Sep-18	Kift Consulting	52	Viability Agreed off-site contribution £437,749.	*Profit level of 20% accepted. Kift Consulting report stated: Current profit levels for private residential / commercial components of a scheme are likely to fall within a range of 15-20% on Gross Development Value (GDV) or 20-25% on Cost, depending on the circumstances of the proposal. Further, it is widely acknowledged following a number of Appeal decisions, which have highlighted the perception of higher risk due, in part, to the longer sales periods experienced in the retirement market to that of the general needs market that a profit margin of 20% is appropriate for this type of product*
20	Abingdon	Churchill	Vale of White Horse	20.00%	Oct-18	BNP Paribas	36	Planning granted with affordable housing contribution of £442,309.	*BNP report: We have adopted a profit rate of 20% on GDV for the market housing units to reflect the level of risk that we consider to be present in the current market.*
21	Shipston on Stour	Churchill	Stratford on Avon	20.00%	Oct-18	Lambert Smith Hampton	33	Total S106 contribution of £265,000 agreed.	*LSH Report: The overall target return has been fixed at 20% on Gross Development Value.* *Due to the nature of retirement housing the schemes are delivered in flatted, usually single phase projects, with inefficient net to gross floor space ratios. Usually, the entire development has to be completed and ready for occupation prior to the first sale. In addition, there is also a restricted buyers market given than age of the purchasers. The adopted developer's profit is considered reasonable.*
22	Burnham	Churchill	South Bucks	20.00%	Nov-18	DVS	48	Viability agreed prior to appeal (allowed) with affordable housing at £325,997	*20% Profit on GDV accepted by DVS*
23	Nuneaton	McCarthy & Stone	Nuneaton & Bedworth	20.00%	Nov-18	In-house Council	50	Nil contribution for affordable housing agreed.	*Viability inputs accepted including 20% profit on GDV.*
24	Chippenham	Churchill	Wiltshire	20.00%	Jan-19	Cushman Wakefield	46	Planning granted with affordable housing at £107,000	*Alder King (on behalf of Churchill Retirment Living); The profit amount is fixed at £2,324,000 representing in performace measures, 20% profit on GDV. This level of profit is the current accepted norm of the marketplace for flatted Sheltered Housing (Developers would typically seek a minimum profit level of 20% on open market GDV for a large flatted development of this nature).*

25	Middlewhich	McC&S & Private Housing Developer	Cheshire East	20.00%	Jan-19	GeraldEve	50	Viability agreed.	*The Advisor has applied a profit rate of 20% profit on Gross Development Value (''GDV') for the retirement living and 18.5% for the market housing. This equates to a blended rate of 19.7% Profit on GDV. We consider this is a reasonable target profit level for a development of this nature.*
26	Purley (Woodcote Road)	McCarthy & Stone	Croydon	20.00%	Mar-19	BNP Paribas	26	Viability agreed prior to appeal (allowed) at £39,515.	*BNP: The Applicant has adopted a profit on value of 20%. We have adopted a profit rate of 20% on GDV for the market housing units to reflect the level of risk that we consider to be present in the current market. We recently experienced a range of 17% to 20% on GDV when considering developments in the London area. However, due to the uncertainty that is now apparent after the EU Referendum in the United Kingdom and potential risks associated with leaving the European Union, we consider a profit allowance of 20% on GDV to be reflective of the current market.*
27	Rainham	Churchill	Medway	20.00%	Apr-19	Pathfinder	54	Planning granted with affordable housing contribution of £225,000.	*Pathfinder: It is currently deemed likely that any private residential development proposals predicting an overhead and profit return of less than between 15% and 20% of gross development value would not be considerd viable. We note the contents of the recently revised NPPF in this regard, and separately the minimum of most funders. We have therefore adopted an overhead and profit rate of 20% of gross development value for the scheme ... taking into account the levels of working capital employed before sales occure (sic) and the lengthy sales periods for such projects.*
28	Orpington	Churchill	Bromley	20.00%	Apr-19	Adams Integra	27	Viability agreed prior to appeal (allowed) with affordable hopusing of £87,615	*Profit level of 20% accepted by Adams Integra.*
29	Taunton	Churchill	Taunton Deane	20.00%	May-19	In-house Council	72	Planning granted with agreed contribution of £167,430	*Viability inputs accepted including 20% profit on GDV. (see notes to Oxted (32) below.*
30	Bitterne	Churchill	Southampton	20.00%	May-19	DVS	34	Viability agreed prior to appeal (allowed) at £104,741	*DVS report: In the current market a range of 15% to 20% of GDV for private residential, 6% of GDV for affordable is considered reasonable. The applicant has used a profit rate of 20% on GDV for this scheme which, whilst at the high end of the range we would expect to see, is deemed acceptable for this flatted development of retirement flats taking account of the inherent associated risks involved with this type of scheme.*
31	Tadley	McCarthy & Stone	Basingstoke & Deane	20.00%	May-19	Adams Integra	42	Planning awaiting determination but AH contribution of £202,326 agreed	*Adams Integra Report: Our experience over the last 5 years is that a typical allowance would currently be between 15% and 20% on GDV.* *The Alder King report says the following:* *"As such, it is the current accepted norm of the marketplace that the appropriate developer profit level for specialist retirement housing represents a minimum of 20% Profit on GDV. Recent Appeal Decisions concerning retirement housing including at Cheam and Redditch have confirmed this position.* *In respect of the separate retail/open market apartment block, we have applied a lower profit level of 18.5% on GDV to reflect the lower risk associated with a non-retirement development."* *In this case, it is our opinion this is a fair and reasonable assumption.*
32	Oxted	Churchill	Tandridge	20.00%	Jun-19	Adams Integra	34	Negotiations continuing but 20% profit target agreed with Adams Integra.	*Adams Integra: We are satisfied that a profit level of 20% of GDV for the open market units is a fair and reasonable assumption.*
33	Melton Mowbray	McCarthy & Stone	Melton	20.00%	Jun-19	DVS	46 (Plus 10 Bungalows)	Planning awaiting determination but AH contribution of £210,000 agreed	*DVS report: This is regarded to be a popular location and DVS view that the scheme will be well received, however I have examined appeal decisions on retirement schemes and agreements on this issue and recognise 20% is frequently adopted.* *An allowance for developer's profit based on 20% of the gross development value has been accepted.*

34	Hinckley	McCarthy & Stone	Hinckley and Bosworth	20.00%	Jun-19	Lambert Smith Hampton	57 Extra Care (Plus 16 Retirement Living Bungalows)	Total S106 contribution of £219,000 agreed.	*Profit level of 20% accepted by LSH.*
35	Hexham	McCarthy & Stone	Northumberland County Council	20.00%	Jan-20	In-house Council	43	Affordable Housing contribution of £290,250 agreed	*The applicants appraisal adopts a profit rate of 20% of total revenue. I consider this to be an acceptable profit level.*
36	Market Drayton	McCarthy & Stone	Shropshire Council	20.00%	Sep-20	RCA	53	Nil contribution for affordable housing agreed.	*Profit is a fixed input at 20% in the AK appraisal to take account of the higher risks associated with a Retirement Housing apartment scheme.* *We understand that the market for the Retirement Living apartments is a restricted one so have therefore also applied a 20% profit on GDV within our appraisal*
37	Maghull	McCarthy & Stone	Sefton Council	20.00%	Oct-20	CPV	44	£150,000 AH contribution agreed with GR and £38,000 without GR	*In our experience profit margins fluctuate depending on the nature of the scheme and the type of developer implementing the project. However, and only as a broad guide, we tend to see profit margins in the region of 15% to 20% of revenue. This range is also referred to in the Planning Practice Guidance on viability. However, it is accepted that there are a number of appeal cases where a 20% on revenue profit margin has been accepted for retirement apartment schemes (albeit we still support the principle that each site should be taken on its merits). We conclude that for this particular scheme it is reasonable to apply a 20% on revenue profit.*
38	Great Dunmow	McCarthy & Stone	Uttlesford District Council (UDC)	20.00%	Oct-20	Kift Consulting	29	Sec106: £404,240	*The latest viability guidance issued in 24/07/2018 suggests 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability. Alternative figures may be applied where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types. AK have assumed a developer's profit of 20% of GDV and this is in line with other similar retirement schemes KCL has recently validated. It is also in line with a number of Planning Inspector decisions who have recognised that the return on risk is higher and have allowed 20% profit on retirement living schemes.*
39	Woodhall Spa	McCarthy & Stone	East Lindsey District Council	20.00%	Dec-20	CPV	49 retirement bungalows	9 onsite AH units	*AK apply a 20% profit to the market value units…* *On balance, and having considered the nature of the scheme, particularly this being a restricted purchaser product, we have accepted AK's allowance in our appraisal.*
40	Studley	McCarthy & Stone	Stratford-on-Avon District Council	20.00%	Jan-21	RCA	45	Planning granted with affordable housing amounting to £18,370.	*Profit is a fixed input at 20% of the GDV to take account of the higher risks associated with a retirement housing apartment scheme.* *We understand that the market for the retirement living apartments is a restricted one so have therefore also applied a 20% profit on GDV within our appraisal.*
41	Oundle	McCarthy & Stone	East Northamptonshire Council	20.00%	Awaiting Determination	Ashby House Land and Development	31	Negotiations continuing but 20% profit target agreed.	*Alder King has proposed a developer's profit of 20% of GDV for private sale dwellings which is acceptable. Normally in viability appraisals the acceptable levels of profit for developers are 17.5% to 20% for private salehousing and 6% for affordable housing. On a scheme of this nature and size I would advocate 20% for private sale and 6% for affordable housing.*
42	Warminster	McCarthy & Stone	Wiltshire Council	20.00%	Awaiting Determination	DVS	45	Negotiations continuing but 20% profit target agreed.	*In their report AK have suggested a developer return of 20% on GDV as appropriate. In modelling the development viability appraisal, I have also included a developer's return of 20% against GDV on market housing. I have adopted a figure at the higher end of a normally expected range as the proposed development is a 'brownfield' site, and the sales will occur only when the scheme is complete. I am of the view that in the light of evidence available, and our own experience of development appraisals this level of profit represents a 'competitive return' to the developer.*

Appendix 8 – Sensitivity Analysis

BANBURY - CRL Retirement Scheme
80 Bed RL
FVA Appraisal - Alder King LLP

Table of Land Cost and Profit on GDV%

	Construction: Rate /m²				
Sales: Sales / Unit	-5.000%	-2.500%	0.000%	+2.500%	+5.000%
-5.000%	-£803,690 20.000%	-£513,578 20.000%	-£222,698 20.000%	£83,432 20.000%	£399,902 20.000%
-2.500%	-£1,136,433 20.000%	-£846,320 20.000%	-£556,208 20.000%	-£266,095 20.000%	£36,929 20.000%
0.000%	-£1,469,170 20.000%	-£1,179,063 20.000%	-£888,951 20.000%	-£598,838 20.000%	-£308,726 20.000%
+2.500%	-£1,801,919 20.000%	-£1,511,799 20.000%	-£1,221,694 20.000%	-£931,581 20.000%	-£641,469 20.000%
+5.000%	-£2,134,662 20.000%	-£1,844,549 20.000%	-£1,554,429 20.000%	-£1,264,324 20.000%	-£974,211 20.000%

Sensitivity Analysis : Assumptions for Calculation

Construction: Rate /m²
Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
1 Bed RP (Av)	1	£1,611.00	2.00 Up & Down
2 Bed RP (Av)	1	£1,611.00	2.00 Up & Down

Sales: Sales / Unit
Original Values are varied by Steps of 2.500%.

Heading	Phase	Amount	No. of Steps
1 Bed RP (Av)	1	£260,000	2.00 Up & Down
2 Bed RP (Av)	1	£360,000	2.00 Up & Down