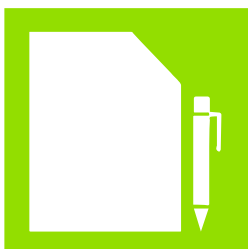


BEACHLANDS, BEACH ROAD, HAYLING ISLAND, HAMPSHIRE, PO11 0JG

Financial Viability Assessment for
Linland Limited (Portsmouth)
24th April 2025
Our Ref: AH/25-00209



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Quality Assurance

This report has been prepared within the quality system operated at Rapleys LLP according to British Standard ISO 9001:2015.

We confirm that the undersigned is an appropriately qualified and experienced professional in the commercial property sector.

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1 INTRODUCTION

- 1.1 We have been instructed by PWP Architects on behalf of the applicant Linland Limited (Portsmouth) to provide a financial viability assessment of the proposed development of the Beachlands, Hayling Island providing 4no. retail units and 32no. apartments.
- 1.2 The purpose of this report is to consider, in an open book format, the financial viability of the proposed scheme and the level of affordable housing and financial Section 106 contributions that can be supported. In preparing this viability report we have considered the adopted Havant Core Strategy (2011) and the Allocations Plan (2014). Policy CS9 states 'a provision to deliver 30% up to 40% affordable housing on sites of 15 dwellings (gross) or more and secure a suitable contribution'. Most recently Havant Borough Council have released a Housing Delivery Position Statement (2022). Within this it states 'developments of 10 dwellings or more will be expected to provide 30% affordable housing outside Havant, Waterlooville and Leigh Park town centres.'
- 1.3 We are aware there has been a revision to the National Planning Framework (2024) and further changes are due from local and national governments. If these are to affect findings within our report, we will reserve the right to amend and include the updates that might impact the subject development.
- 1.4 The financial viability assessment (FVA) considers the total value of the completed scheme and the total cost of its delivery, using recognised residual appraisal software)- Argus Developer. In accordance with standard viability methodology, the resulting residual land value is then compared with an appropriate benchmark value to determine the scheme's viability.
- 1.5 The advice set out in this report is provided in the context of negotiating planning obligations and therefore in accordance with PS 1 of the RICS Valuation – Global Standards (December 2024) incorporating the IVSC International Valuation Standards (Red Book), the provisions of VPS 1 – 5 are not of mandatory application and accordingly this report should not be relied upon as a Red Book Valuation.
- 1.6 Specifically, we would state:
- Our advice and opinions contained herein are given without liability, therefore falling outside the scope of the requirement of the RICS Valuation – Global Standards December 2024 Edition.
- We have not conducted a full survey, inspection and measurement nor undertaken all the necessary enquiries required in providing a Red Book Valuation.
- 1.7 In accordance with the RICS Financial Viability in planning: conduct and reporting (May 2019) (FVIP), in preparing this report we have acted with objectivity and impartially, without interference and with reference to all appropriate available sources of information. This report fully complies with the requirements set out in FVIP.
- 1.8 Our terms of engagement are attached in Appendix 1, which confirm that no performance-related or contingent fees have been agreed in this instruction. We confirm that no conflict of interest exists.
- 1.9 We have been provided with, and relied upon, the following key information:
- Planning drawings provided by PWP Architects.
- Accommodation Schedule provided by PWP Architects.
- Cost Construction Plan provided by Holloway Squire Partnership.

2 ASSUMPTIONS

2.1 In undertaking this report, unless otherwise specifically stated, we have made the following assumptions:

We assume that the site is held freehold with vacant possession and free from all encumbrances such as onerous covenants, easements and rights of way.

We assume that there are no items that could lead to adverse development costs such as contamination, adverse ground conditions, right of light issues or the designation of an area of archaeological significance.

We assume that the site does not fall within a flood zone and therefore no overly onerous costs are required to deal with flood prevention measures.

We have not arranged nor undertaken any investigations to determine whether or not any deleterious sub-standard or hazardous materials have been used in the construction, services or finishes of any existing structures or have been since incorporated.

We have assumed that planning permission will be granted for the development as described in Section 5 below.

2.2 If any of these assumptions prove to be incorrect, they could have a significant impact on our conclusions.

3 NON-TECHNICAL SUMMARY

3.1 This non-technical summary presents an overview of the FVA and a summary of the viability position. We have assessed the viability of the scheme on all open market basis to determine the total surplus which is generated to support affordable housing and other s106 costs.

3.2 We have established that the scheme delivering 0% affordable housing generates a Gross Development Value (GDV) of £13.98million. The total costs for delivering the scheme are £16.84 million. We have assumed a developer return at 17.5% return on GDV. Based on a 100% open market development with no affordable housing the scheme generates a residual land value of -£5,379,858.

3.3 The Planning Practice Guidance states that we should base the benchmark land value on an existing use plus premium valuation of the site or reasonable alternative use value. The application site is currently occupied by an amusement arcade, car park, café, burger bar and a 3-bed flat. In line with the Planning Practice Guidance, we have valued these properties on an existing use. Using Argus developer, this generates a residual land value of £536,000 (rounded).

3.4 The results of the assessment are summarised below:

	100% OPEN MARKET (USING COST PLAN)	100% OPEN MARKET (USING BCIS COSTS)	POLICY COMPLIANT 30% - 10 UNITS (USING COST PLAN)
Gross Development Value	£13,888,113	£13,888,114	£12,539,590
Less			
Development Costs	£16,841,718	£11,283,630	£16,481,030
Less			
Profit	£2,426,253	£2,426,253	£2,190,666
Equals			
Residual Land Value	-£5,379,858	£178,231	-£6,132,106
Compared To			
Benchmark Land Value	£536,000	£536,000	£536,000
Equals			
Deficit	-£5,915,858	-£357,769	-£6,668,106

3.5 The above appraisals show that no surplus is generated. Using the cost plan provided, the 100% private appraisal shows the scheme generates a deficit of -£5,915,858. The policy compliant appraisal including 10no. affordable units (30%), generates a deficit of -£6,668,106.

3.6 As a sensitivity test we have also tested the scheme using the BCIS cost data on the 100% private residential and commercial scheme – this still generates a deficit, albeit lower of -£357,769. This shows the scheme would be marginally viable based on standard construction costs and it is really the abnormal construction costs associated with this development which is generating the viability gap.

3.7 We would also note, another contributing factor is that the commercial element of the site is currently generating a large deficit contributing to the negative viability scenario. This element of the scheme has a build cost of £236.30psf compared to an estimated achievable rent of £10.00psf. We have adopted a large incentive of 12 months' rent free to attract tenants to the site as with 4no commercial units we would deem it difficult for the developer in the current location and market conditions to let all units quickly post completion.

4 BACKGROUND

- 4.1 The site is located at the southern end of Hayling Island, on the sea front and adjacent to the 'Funland Amusement Park' to the east and council-owned public toilets and car park to the north-west.
- 4.2 The Site adjoins a three-way roundabout north of the Site, which serves the Application Site and neighbouring uses and connects to the eastern and western stretches of the sea front. The roundabout also bestows strong links to the local highway network through its access to the A3023, located approximately 100m north of the Site that runs north-south through Hayling Island which ingresses onto the A27 and A259.
- 4.3 The Site encompasses a rectangular parcel of land, and according to the Planning Statement by SLR, the site covers approximately 2.00 acres (0.81hectares) in area. The Site is currently occupied by a ground floor amusement arcade and café with a flat on the upper floor of approximately 1,220 sq m (13,132 sq ft).
- 4.4 We are aware that a full planning application was submitted in November 2024 (planning reference: APP/24/00968) for the:
'Development of 4no. commercial units (E Use) and 32no. residential flats (C3 use) over 4 floors associated open space, public realm enhancements, demolition of existing Beachlands Amusement Arcade Budlings and dwelling and associated works.'

5 PROPOSED DEVELOPMENT

5.1 The proposed development will provide 4no commercial units and 32no apartments as the following mix of accommodation:

No	Type	GIA Floor Area (m ²)	GIA Floor Area (sq ft)
4	Commercial	313.8	3377.7
4	2B3P	63.7	685.7
4	2B3P	65.3	702.9
8	2B3P	66.0	710.4
8	3B4P	89.4	962.3
4	3B4P	89.5	963.4
4	3B5P	100.1	1,077.5
Total 4 Commercial Units & 32 Residential Units			

5.2 The net to gross ratio for the development is set out below:

Residential Proposed Gross Internal Area (GIA)	2,949 sqm / 31,745 sq ft
Commercial Gross Internal Area (GIA)	1,255 sqm / 13,511 sq ft
Overall Development Net to Gross	89.73%

6 INTRODUCTION TO VIABILITY

6.1 In preparing our advice we have paid regard to Paragraph 59 of the recently updated National Planning Policy Framework (NPPF) December 2024 the Viability Guidance prepared by the Ministry of Housing, Communities & Local Government that sits alongside the NPPF, RICS Professional Statement “Financial Viability in Planning: conduct and reporting (First Edition) May 2019” (FVIP).

6.2 The Viability Guidance prepared alongside the 2024 NPPF at Paragraph: 010 Reference ID: 10-010-20180724 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.”

6.3 The NPPF and updated Viability guidance note advocates the use of viability assessments at the plan-making, rather than the decision-taking, stage. Specifically, paragraph 59 of the recently published NPPF details:

“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.”

6.4 The NPPF therefore puts the responsibility on the applicant to demonstrate whether particular circumstances justify the need for a viability assessment. In terms of the weight given to an assessment this is now a matter for the decision maker having regard to all of the circumstances in the case. The decision maker needs to pay regard to whether the plan and the viability evidence underpinning it are up to date.

6.5 The NPPF seeks to move the focus of viability studies to the plan making stage. Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable, without the need for further viability assessment at the decision making stage.

6.6 The Southeast Plan (2009) targets a 35% target of affordable housing in developments. The Havant Core Strategy (2011) and the Allocations Plan (2014) follow this requirement. Policy CS9 states
‘A provision to deliver 30% up to 40% affordable housing on sites of 15 dwellings (gross) or more and secure a suitable contribution providing a mix of dwelling types, sizes and tenures which help meet identified local housing need.’

6.7 The NPPF was published in July 2018 and subsequently updated in December 2024. The affordable housing requirement is set out in the Havant Core Strategy which was adopted in July 2014. The viability testing of the local plan requirement will predate the adoption and will therefore date back at least 3 years and in that time there will have been significant changes in market conditions. This Local Plan Viability evidence base is out of date and therefore we need to present our evidence at the application stage. Therefore, considerable weight needs to be given to this viability submission prepared at the application stage.

6.8 Paragraph 59 goes on to say:

“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.”

6.9 This viability assessment, with respect to the assessment of the proposed residential scheme, follows the recommended approach detailed in the Viability Guidance Note including the adoption of the standardised inputs. It is therefore reasonable and accords with policy requirements. With regard to our approach to the assessment of the benchmark land value, this is set out further down in the report.

- 6.10 A scheme is considered viable, in planning terms, if the value generated by the development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, planning obligations, land value, landowner premium, and developer return. In practical terms we assess viability by undertaking the following process:

GROSS DEVELOPMENT VALUE
less
COSTS
less
PLANNING CONTRIBUTIONS
less
PROFIT
equals
RESIDUAL LAND VALUE
compared to
APPROPRIATE BENCHMARK VALUE

7 VIABILITY APPROACH

- 7.1 We have considered the acceptable level of profit required by a developer and tested whether once the anticipated revenue and all the costs, including planning obligations, likely to be incurred in bringing the development forward are taken into account, a residual land value can be generated that is in excess of an appropriate benchmark land value.
- 7.2 The PPG for Viability advocates at paragraph 018 that for the purpose of plan making (which we also consider relevant to decision taking by LPAs) 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.
- 7.3 In this context we have had regard to the current residential development market, current economic circumstances and the scale and nature of the proposed scheme and are of the opinion that a willing developer would require a minimum return of 17.5% of the GDV in respect of the private tenure units. We assess profit on any affordable tenure units at 6% on GDV.
- 7.4 To prepare the appraisals we have used the industry recognised Argus Developer residual valuation tool designed for viability assessment purposes.

8 APPRAISAL INPUTS

- 8.1 We have adopted inputs that reflect cost and values as at the date of this report. There is a possibility that our assumptions may change in accordance with the market as the scheme evolves and further information comes to light. We set out below our assumptions in respect of these inputs.

9 PRIVATE UNIT SALES VALUES

9.1 To assess the achievable residential sale values, we have looked at comparable properties available on the market and recently sold within 1.0 mile of the site.

9.2 We have adopted inputs that reflect cost and values as at the date of this report. There is a possibility that our assumptions may change in accordance with the market as the scheme evolves and further information comes to light. We set out below our assumptions in respect of these inputs.

9.3 To assess the achievable residential sale values, we have looked at comparable properties available on the market and recently sold within 1.0 mile of the site. The best evidence will be provided by other flatted buildings.

9.4 We have reviewed local new build schemes to compare to the proposed scheme. There is very little new build development within the immediate local area, so we have widened our search from the immediate local area. Park View Apartments is a boutique scheme of 19no. new build flats located on Station Road, West Hayling to the north of the subject site. The scheme, completing construction in 2024, comprises of 1 and 2-bed flats comprising open plan layouts, views over West Hayling Park and selected units benefitting from allocated parking. Current availability shows:

PROPERTY ADDRESS	FLOOR AREA (SQ M)	FLOOR AREA (SQ FT)	SALE PRICE (£)	£PSF VALUE
Flat 3	71	764	£350,000	£458psf
Flat 5	84	904	£350,000	£387psf
Flat 9	84	904	£400,000	£442psf
Flat 1	84	904	£400,000	£442psf

9.5 The selling agent confirmed that they have reserved 4no. of the units. Their most recent reservation was a 2nd floor 2-bed flat for £400,000 (£447psf). The units have been finished to a high specification. It would be reasonable to expect a premium at the subject site due to its seaside location compared to the central location of Park View Apartments.

9.6 We also identified Station Court, a development by F&F Homes Limited, built in 2020. The scheme comprised of 18no. new build flats, located on the junction of West Lane and Station Road. 1no. 1-bed flat has recently been released on the second hand market with local agents, Hugh Hickman & Sons for £195,000 (£324psf) and 2-bed flats from £215,000 (£357psf) up to £242,500 (£358psf). The flats are in a modern condition, above a retail unit and is on the market with access to off road parking. The most recent sale at the site was a 1-bed flat for £145,000 (£287psf). It is our opinion, that the subject site would achieve higher values, on both unit type basis and the location premium the subject site benefits from compared to the location of Station Court.

9.7 Elm Grove was a development built in 2020. The boutique scheme comprised 6no. 2-bed flats, located on the West side of Elm Grove. A 2-bed flat has recently returned to the second hand market. The Agency UK are currently under offer on a 2-bed flat for £220,000 (£305psf). Previous to this the last 2-bed flat was sold in January 2023 for £212,500 (£278psf). Speaking with the sales agent, all the flats remain in a good modern condition. All units benefit from allocated parking. It would be reasonable to assume that the subject site would achieve a premium on these values due to the sea front location.

There is very limited further new build evidence within Hayling Island. To understand the location and market in more depth, we have also reviewed modern second-hand properties:

Seafront – Morris Dibben are marketing a 2nd floor 2-bed flat with restricted sea view for £180,000 (£246psf). The property measures 730 sq ft.

Seafront – Morris Dibben are marketing a 2nd floor 2-bed flat with sea views, access to a communal garden and allocated parking for £205,000 (£290psf). The property measures 707 sq ft.

Acasta Court – Morris Dibben are under offer on a modern 1st floor 2-bed flat with sea views for £290,000 (£412psf). The property measures 705 sq ft.

Seafront – High Hickman & Son have recently reduced the price of a modern ground floor 2-bed flat with 2 balconies facing the sea to £310,000 (£331psf). The property measures 936 sq ft.

Seafront – High Hickman & Son are marketing a ground floor 3-bed flat with dated interior with a garage and access to a communal garden for £399,995 (£438psf). The property measures 914 sq ft.

Southwood Road – Morris Dibben are marketing a 1st floor 3-bed flat with a balcony and garage for £425,000 (£338psf). The property benefits from 180 degree sea views. The property measures £338psf.

- 9.8 We need to be cautious relying on properties on the market as the listed values will be asking prices which can be subject to offers and asking price reductions. A more reliable evidence base will be sold values taken from Land Registry records from which we have identified the following transactions:

Property Address	Floor Area (Sqm)	Floor Area (Sq.Ft)	Sale Price (£)	Sale Date	£psf Value
Flat 4, Norfolk Mews, Sea Front, Hayling Island, PO11 0AP	39	421	£90,000	2/2024	£214
Flat 45, 354 Sea Front, Hayling Island, PO11 0BA	44	474	£96,000	12/2023	£203
268a Sea Front, Hayling Island, PO11 0AY	50	538	£115,000	1/2024	£214
Ward Court, 65, Flat 12 Sea Front, Hayling Island, PO11 0AL	71	764	£130,000	5/2024	£170
Flat 2, 354 Sea Front, Hayling Island, PO11 0BA	50	538	£132,500	12/2023	£246
Flat 67, The Gate House, 354 Sea Front, Hayling Island PO11 0AT	59	635	£132,500	12/2023	£209
Flat 23, Ward Court, 65 Sea Front, Hayling Island, PO11 0AL	72	775	£140,000	4/2024	£181
53, Flat 9, Sea Front, Hayling Island, PO11 0AN	53	570	£165,000	4/2024	£289

- 9.9 Having reviewed the comparable evidence, we are of the opinion the subject units will be of a higher standard finish than the second hand comparable listed. We have consulted with local agents to understand the market and appropriately price the subject units.

- 9.10 We have there adopted the following sales values across the subject units:

TYPE	AVG. AREA (SQ M)	AVG. AREA (SQ FT)	AVG. SALE PRICE (£)	AVG. £PSF
2B3P	63.7	685.7	£360,000 - £375,000	£525psf – £547psf
2B3P	65.3	702.9	£365,000 - £380,000	£519psf - £541psf
2B3P	66.0	710.4	£365,000	£514psf
3B4P	89.4	962.3	£417,500	£434psf
3B4P	89.5	963.4	£415,000 - £432,500	£431psf - £449psf
3B5P	100.1	1,077.5	£435,000 - £442,500	£394psf - £411psf

- 9.11 The overall gross development value on an all-open market basis is £12,660,000 which equates to an average sales value at £5,029 per sq m / £467sq ft.

10 AFFORDABLE HOUSING VALUES

- 10.1 Havant Borough Council have released a Housing Delivery Position Statement (2022). Within this it states 'developments of 10 dwellings or more will be expected to provide 30% affordable housing outside Havant, Waterloooville and Leigh Park town centres which will equate to 9.60 dwellings which we have rounded up to 10no. dwellings. We have assumed this would need to be delivered as 5no affordable rent and 5no shared ownership dwellings.
- 10.2 To assess the value of the affordable housing we have prepared an appraisal using the Pro-Val model which assumes the affordable rents are set at 80% of market rent capped at the Local Housing Allowance rate and the shared ownership is based on a 40% initial sales and a rent at 2.75%pa of the unsold equity. This shows a land and build package price at £2,230,000 which equates to 58.92% of open market value which is within slightly lower than the usual rate at 60-70% of open market value, due to the Local Housing Allowance Rates cap which is relatively low in the Havant area.

11 COMMERCIAL PROPERTY VALUES

11.1 South Hayling contains a small hub of retail and service uses in the administrative area, around Elm Grove and Station Road – both to the north of the subject site.

11.2 The city centre offering includes a broad range of retailers, from national multiples such as Dominoes, Sainsbury's Local, Co-op, and Tesco Express to specialist and independent and regional operators.

11.3 We are aware of limited commercial units on the local market. For example:

22B Elm Grove - which is currently on the market comprising a ground floor retail unit with a flat and garage to let, available for £19,850 per annum (£22.61psf).

Eastoke Corner, Seafront – which is currently on the market comprising a retail units and an office is under offer at £6,000 per annum (£28.44psf).

The Old Grain Store, Manor Farm – is currently available on the market, comprising of a recently refurbished offer at £10,000 (£14.22psf).

11.4 In general, the subject site is located within a residential area. Notably the Seafront contains few commercial assets. We have therefore reviewed evidence within the wider area of South Hayling.

11.5 We have noted several transactions occurring within the immediate area over the last 24 months as follows:

ADDRESS	FLOOR AREA (SQ FT)	DATE	ACHIEVED RENT (PA)	£/SQ FT
25 Mengham Road, Hayling Island, PO11 9BG	709	10/01/2025	£14,500	£20.45
8, The Precint, Hayling Island, PO11 9BS	1,101	17/05/2024	£15,000	£13.62
Ground Floor, 14 Elm Grove, Hayling Island, PO11 9EF	912	20/06/2022	£13,500	£14.80
9- 11 Megham Road, Hayling Island, PO11 9EF	4,472	01/02/2022	£40,000	£8.94

11.6 Due to the nature of the development, we would assume the 4no. commercial units would be built to a shell and core standard.

11.7 We have therefore applied notional rental level of £10.00 psf for each of the 4no. retail units:

COMMERICAL UNIT	FLOOR AREA (SQ FT)	ACHIEVED RENT (PA)	£/SQ FT
Unit 1	3,378	3,378	£10.00
Unit 2	3,378	3,378	£10.00
Unit 3	3,378	3,378	£10.00
Unit 4	3,378	3,378	£10.00

11.8 We have also reviewed investment yields. Following conversations with local agents and the new build condition the commercial units would be brought to market of an open commercial class use. We would deem a yield of 9.00% appropriate given, the size, location and condition of the new build commercial units.

12 APPRAISAL ASSUMPTIONS

CONSTRUCTION COSTS

COST PLAN

12.1 We have been provided with a full cost plan, prepared by Holloway Squire Partnership, dated 13 August 2024. The cost plan sets out a Gross Internal Floor Area of the proposed scheme of 4,188 sq m (4,5080 sq ft). The plan estimates a total build cost of £15,100,852.92, equating to £3,605.74 p sqm (£325.78psf).

12.2 The cost plan includes allowances for contingency and design fees, in a viability assessment construction costs are usually expressed net of these costs. We have stripped these out of the construction costs and included industry standard element in the appraisals as shown below:

10% Professional Fees.

5% Development Contingency.

12.3 We have therefore adopted a total build cost net of contingency and design fees at £13,356,925.92 equating to £3,189 sqm (£296.30 psf).

BCIS

12.4 As a sensitivity test we have also assessed the proposed scheme using construction costs based on the Building Cost Information Service Construction Data (BCIS).

12.5 We have adopted the following rates rebased to Havant Borough Council:

Residential – Median 3-5 storey flats generate a cost of £1,858 per sqm (£173.54psf).

Commercial – Median 1-2 storey shops generate a cost of £1,607 per sqm (£149.29psf)

12.6 The BCIS rates exclude any allowances in connection with external works and the usual assumption is around 10% of the base build costs so we have adopted the following build cost rates:

Residential – a build cost of £2,055 per sqm (£190.90psf)

Commercial – a build cost of £1,768 per sqm (£164.22psf)

PROFESSIONAL FEES

12.7 We have adopted professional fees at 10 % which is considered reasonable for a scheme of this size and is in line with current industry practice for schemes of this scale and nature and reflects the additional structural engineering input required around the façade retention works.

SECTION 106 COSTS

12.8 We have not been informed as to the anticipated s.106 financial contributions that the Local Authority intends to levy against the proposed scheme.

COMMUNITY INFRASTRUCTURE LEVY (CIL)

12.9 We understand CIL was adopted by Havant Borough Council on 01 August 2013, as a charged rate for Hayling Island of £100 per sqm.

12.10 They also do provide an indexed rate for 2025 of £174.55 per sqm, which we have adopted within our appraisals.

12.11 We have been informed the current buildings on site consist of 1,220 sqm (13,132 sq ft) and the proposed development consist of 4,188 sq m (45,080 sq ft).

12.12 Due to the premises being currently occupied and operational, we have discounted the total existing structure of the subject site within our calculations.

12.13 This estimates a CIL charge of:

100% Private appraisal an estimated charge of £518,064 – which we have rounded to £518,000

Policy Complaint appraisal (30% affordable housing provision) an estimated charge of £429,989 – which we have rounded to £430,000.

ACQUISITION AND PREPARATION COSTS

12.14 We have assumed standard Stamp Duty Land Tax charges, 1% agents' fees and a legal fee of 0.5% for site purchase.

DISPOSAL COSTS

12.15 We have assumed the following sales and legal fees for the private units:

2.5% of GDV to fund a show apartment, agents costs and associated advertising and promotion costs.

Legal Fee of £1,000 per unit.

FINANCE

12.16 Over the last few years the author has agreed a finance assumption at 6.5% on similar developments across the region. This was however agreed when the base rate were in the range of 0.75-1% so the effective lending margin was 5.5-5.75 points, over the last few months in response to inflationary pressure in the economy the base lending rate has significantly increased to 5.25% but has since dropped back to 4.5%. To maintain the same lending margin the finance rate would need to increase to 8-9% but it is possible lenders may take a commercial view on the required margins and we have adopted a slightly lower rate at 7.5%.

TIMESCALES AND PHASING

12.17 The table below details the timescale and phasing assumptions within our appraisals.

Timescale	Period
Purchase	1 month
Pre-Construction / Procurement	3 months
Construction	18 months
Private Sales Period	8 months
Project Period	30 months

13 VIABILITY APPRAISALS

13.1 Taking all of the above factors into account we have carried out development appraisals of the site. The full viability appraisals can be found at Appendix 4. In summary the results are as follows:

APPRAISAL SCENARIO	RESIDUAL LAND VALUE (£)	BENCHMARK LAND VALUE (£)	DEFICIT (£)
4no. commercial units & 32no. residential units open market – 100% Private (using the cost plan)	£5,379,858 (negative)	£536,000	£5,915,858 (Negative)
4no. commercial units & 32no. residential units open market – 100% Private (using BCIS)	£178,231	£536,000	£438,169 (Negative)
4no. commercial units & 32no. residential units open market – 30% affordable housing - Policy compliant (using the cost plan)	£6,132,106 (negative)	£536,000	£6,668,106 (Negative)

14 SENSITIVITY ANALYSIS

14.1 We have set out a sensitivity analysis below applying a change to the sales values and build cost rate at 5% the summary report is attached in the appendices to this report.

Proposed Scheme 100% Private (Cost Plan Provided)		Sales: Rate /ft ²				
		- 10.00%	- 5.00%	0.00%	+ 5.00%	+ 10.00%
		£ /ft ²	£ /ft ²	£ /ft ²	£ /ft ²	£ /ft ²
Construction Rate /ft ²	- 10.00%	£4,820,396	£4,369,421	£3,919,222	£3,469,239	£3,020,239
	- 5.00%	£5,551,533	£5,100,127	£4,649,031	£4,198,831	£3,748,632
	0.00%	£6,382,090	£5,831,264	£5,379,859	£4,928,640	£4,478,441
	+ 5.00%	£7,015,407	£6,582,797	£6,110,996	£5,659,590	£5,208,250
	+ 10.00%	£7,747,723	£7,925,114	£6,842,504	£5,390,727	£5,939,321

15 BENCHMARK LAND VALUE

- 15.1 The Viability Guidance Note attached to the 2019 NPPF confirms that a benchmark land value should be established on the basis of the existing use value (EUV) of the land. It defines EUV as the value of the land in its existing use together with the right to implement any development for which there are policy compliant extant planning consents, including realistic deemed consents, but without regard to alternative uses.
- 15.2 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 (PPG para 16).
- 15.3 The Financial Viability in Planning (FVIP) details that when providing benchmark land value, we must report the current use value (CUV) referred to as EUV or first component in the PPG referred to above. For the Benchmark Land Value, we have relied upon the Existing Use Value plus premium approach as advocated by national planning guidance and FVIP.
- 15.4 The Site encompasses a rectangular parcel of land, and according to the Planning Statement by SLR, the site covers approximately 2.00 acres (0.81hectares) in area.
- 15.5 The Site is currently occupied by a ground floor amusement arcade and café with a flat on the upper floor of approximately 1,220 sq m (13,132 sq ft).

UNIT DETAILS	FLOOR AREA (M ²)
Amusement Arcade	905
Residential dwelling	315
Total	1,220

- 15.6 We inspected the site on 12 February 2025 and took photographs to ascertain the condition, layout and local area. Appendix 4 shows a full photo schedule of the site.
- 15.7 We have been informed of the following rental income is generated from the commercial aspect of the site at present:

UNIT	RENT PER ANNUM
Car Park	£5,000
Café	£41,600
Burger Bar	£10,000
Ice Cream Bar	£10,000
Amusement Arcade	£120,000
Total	£186,600

- 15.8 We have been informed the rent level from the current business on site, generates an annual rent of £186,600 per annum.
- 15.9 The rent level from the subject building equates to £19.16 psf. This is within the range of comparable properties that we have reviewed compiling this report and we believe is reflective of the condition of the building and location away from central area activity, on this basis we will utilise the subject rent of the property of £186,600 per annum.
- 15.10 The Knight Frank Yield Guide January 2025 states that “good tertiary retail” should achieve a 10 % yield, we have therefore capitalised the income on a 10 % yield and allowed for a twelve month rent free period and buyers costs at 5.75%. Given the remote location, current condition of the site and current market conditions we would deem the adjustments reasonable.

- 15.11 For the residential dwelling on site, we have been informed that the property is currently a 5-bed flat with fire damage that is beyond economic repair.
- 15.12 Following our site inspection, we can see that 3-bedrooms are still within occupation and are in reasonable repair. We will therefore value the residential aspect on site as a 3-bed flat.
- 15.13 We have reviewed similar properties in the local area currently on the market:

ADDRESS	DESCRIPTION	FLOOR AREA (SQ FT)	ASKING PRICE	£/SQ FT
Ward Court, 65 Sea Front,	3 Bed flat, 3rd floor, 1 bathroom, dated interior, sea view balcony, parking, garage,	815	£170,000	£209
Holly Tree, Mark Anthony Court,	3 bed flat, 1st floor, 1 bathroom, dated interior separate kitchen and living room, balcony,	833	£220,000	£264
Stamford Avenue	3 bed flat, ground floor, communal garden, dated interior, separate kitchen and living room,	1,076	£270,000	£251
Buccaneer House, Rails Lane	3 bed flat, ground floor, modern, built in 2007, 1 allocated car parking space,	-	£200,000	£-
Seafront, Hayling Island	3 bed flat, ground floor, dated interior, communal gardens, south facing patio, garage	914	£399,995	£438

- 15.14 Following an inspection of the residential dwelling we would deem the property to be a 3-bed flat in an average condition. Reviewing the site in person as well as reviewing the local market, we would deem a value of £350,000 to be appropriate.
- 15.15 We have also accommodated a refurbishment cost of £70,000 to the residential element due to its current condition.
- 15.16 Appendix 5 contains the full calculation of our existing use value.

Element	Value
Gross Development Value	£2,032,197
Total Costs (including refurbishment)	£1,727,367
Residual Land Value	£535,588
Benchmark Land Value (Rounded)	£536,000

- 15.17 The combined existing use value including both elements of the building is £536,000.
- 15.18 The Planning Practice Guidance states that where we have based the benchmark land value on an existing use valuation (for example the inclusion of refurbishment costs), we should not allow for a landowner's premium to provide an incentive to bring the site forward for development.
- 15.19 Therefore, we have adopted a Benchmark Land Value of £536,000 for our assessment of viability.

16 CONCLUSION

16.1 We therefore set out below our assessment of the proposed scheme and compare the residual land values against a Benchmark Land.

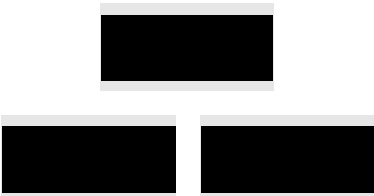
Scheme	Residual Land Value	BLV	Viable / Not Viable
4no. commercial units & 32no. residential units open market – 100% Private (using the cost plan)	£5,379,858 (negative)	£536,000	Not Viable
4no. commercial units & 32no. residential units open market – 100% Private (using BCIS)	£178,231	£536,000	Not viable
4no. commercial units & 32no. residential units open market – 30% affordable housing - Policy compliant (using the cost plan)	£6,132,106 (negative)	£536,000	Not viable

16.2 The above appraisals show that no surplus is generated. Using the cost plan provided, the 100% private appraisal shows the scheme generates a deficit of -£5,915,858. The policy compliant appraisal including 10no. affordable units (30%), generates a deficit of -£6,668,106.

16.3 As a sensitivity test we have also tested the scheme using the BCIS cost data on the 100% private residential and commercial scheme – this still generates a deficit, albeit lower of -£357,769. This shows the scheme would be marginally viable based on standard construction costs and it is really the abnormal construction costs associated with this development which is generating the viability gap.

16.4 We would also note, another contributing factor is that the commercial element of the site is currently generating a large deficit contributing to the negative viability scenario. This element of the scheme has a build cost of £236.30psf compared to an estimated achievable rent of £10.00psf. We have adopted a large incentive of 12 months' rent free to attract tenants to the site as with 4no commercial units we would deem it difficult for the developer in the current location and market conditions to let all units quickly post completion.

Terms of Engagement



RAPLEYS LLP TERMS OF ENGAGEMENT FOR PROVIDING GENERAL PROPERTY ADVICE

1 INSTRUCTION

- 1.1 We are instructed by Linland Limited to provide a viability assessment for the proposed development to advise if the development can viably support any affordable housing provision and provide a viability assessment report.

2 THE PROPERTY

- 2.1 The Property to which the instruction relates to is known as land at Beachlands, Hayling Island, Hants.

3 FEE BASIS

- 3.1 Our fee basis for acting in this matter will be:

1. A Fixed Fee of [REDACTED] exclusive of VAT and disbursements, fee payment is required for issue of the final report but we will provide a draft report for approval before invoicing.
2. For any negotiations required with the LPA post submission in connection with the early stage review we will charge on an hourly fee basis. Negotiations on this case will be dealt with by Simon Corp at an hourly rate c [REDACTED] plus VAT. We will keep a detailed timesheet which will be attached to any hourly rate invoice. [REDACTED]

- 3.2 Disbursements will include, for example, the cost of obtaining documents, photocopying, photography, binding, maps, plans, postage, travel, flights, overnight accommodation and subsistence away from the office. The use of Rapleys LLP's cars are charged at 90 pence per mile.

- 3.3 If for any reason our instructions are prematurely terminated we will make an abortive fee charge based on our current hourly charging rates for professional staff for the time actually expended as at the date of termination plus any disbursements incurred.

4 FEE INVOICE

- 4.1 The Fixed Fee will be submitted when our report on the updated viability position is provided to you.

- 4.2 In the case of hourly fee rates, interim fee invoices are submitted at monthly intervals, provided that outstanding fees (excluding VAT and disbursements) exceed £500 or chargeable time has not been recorded for over three months.

- 4.3 Interim invoices for disbursements are submitted at monthly intervals provided that the balance outstanding exceeds £100 exclusive of VAT.

- 4.4 A final fee invoice will be submitted when the instruction has been completed.

- 4.5 Invoices are payable upon receipt. We reserve the right to charge interest from the 31st day following the date of the invoice at a rate of 2% per month calculated on a daily basis.

5 VARIATION

- 5.1 These Terms of Engagement may only be varied if accepted in writing by a Partner in Rapleys LLP.

6 EXCLUSIONS

- 6.1 We will not undertake or arrange for any investigation to be carried out to determine whether or not any deleterious, substandard or hazardous materials have been used in the construction, services or

finishes of the property or have since been incorporated. These materials include, but are not limited to, asbestos, high alumina cement, calcium chloride, woodwool slabs, galvanised steel wall ties and composite cladding panels. We therefore will not be able to report that the property is free from such material nor to make any comment with regard to them. We recommend that if the Client has any concerns at all about any of these materials, the Client should commission a specialist report. We shall have no liability in respect of any matter relating to such materials.

- 6.2 We will not carry out an inspection to establish if asbestos is present in the property in order to comply with any of the provisions of The Control of Asbestos Regulations 2012 or for any other purpose. We shall have no liability in respect of any matter relating to asbestos including, but not limited to, its presence at the property.
- 6.3 We will neither investigate nor request any information relating to any pollution or contamination at the property or on any other adjoining land. Accordingly, our advice will be prepared on the basis that no such pollution or contamination exists. Should the Client have any doubts as to the suitability of this assumption, we would recommend that appropriate investigations are made and the results referred to us in order that we may review our advice. We shall have no liability in respect of any matter relating to pollution or contamination.
- 6.4 We will not carry out an inspection nor arrange for any investigation to establish the presence or absence at the property of any invasive or obnoxious weeds or plants. We shall have no liability in respect of any matter relating to any such weeds or plants including, but not limited to, their presence at the property.
- 6.5 We will not carry out any research nor give any information or advice on the risk of flooding at the property and we will not carry out any searches, at the Environment Agency or elsewhere, nor make any enquiries about the risk of flooding at the property.
- 6.6 We will not carry out an inspection or arrange for any investigation to be carried out to determine whether there is actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, moulds, spores or mica toxins of any kind at the property. We shall have no liability in respect of any matter relating to any such fungi, moulds, spores or mica toxins of any kind including, but not limited to, their presence at the property.

7 LIABILITY

- 7.1 Our liability is solely to the named client below. Nothing in these terms shall exclude or restrict our liability in respect of personal injury or death resulting from our negligence or for fraudulent misrepresentation or in any other circumstances where liability may not be so limited under any applicable law or regulation.

- 7.2 Subject thereto and as agreed with the client, as evidenced by the acceptance of these Terms:

We shall not be liable for any indirect, special or consequential loss or damage, or any loss of profit, opportunity, production or accruals arising in any circumstances whatsoever, whether in contract, tort, negligence, for breach of statutory duty or otherwise and howsoever caused.

Our entire aggregate liability for any claim or claims in contract, tort, negligence, for breach of statutory duty or otherwise, for any loss, costs or expenses howsoever caused arising out of or in connection with the services to be provided under these Terms shall be limited to £5 million.

8 CONFIDENTIALITY AND DATA PROTECTION (IN LINE WITH GDPR)

- 8.1 Each Party undertakes that, except as provided by clause 8.2 or as authorised in writing by the other Party, it shall at all times during and after the Term:

Keep confidential all Confidential Information and take reasonable steps to protect Confidential Information against theft, damage, loss or unauthorised access;
nor disclose any Confidential Information to any other party without prior written consent;
not use or deal with any Confidential Information for any purpose other than as contemplated by this Agreement;
not make any copies of, record in any way or part with possession of any Confidential Information; and
store and use personal information in compliance with the GDPR and as described in the our Data Protection Policy.

8.2 Either Party may disclose Confidential Information:

As required by law, court order or any governmental or regulatory authority;
to its employees, officers, representatives, agents, contractors and advisers but only to the extent they need to know to enable the Party perform its obligations under this Agreement and/or exercise its rights under this Agreement and that Party shall procure that the recipient only uses the information for the purposes contemplated, knows the information is confidential and does not disclose the information; and
to the extent that such information becomes public knowledge through no breach of this Agreement by that Party.

9 COMPLAINTS PROCEDURE

9.1 As part of our internal Code of Conduct, Rapleys LLP has an established complaints procedure and a copy of this document is available upon request.

10 GENERAL

- 10.1 All amounts stated in these Terms are exclusive of VAT, which, if appropriate, shall be added and paid at the appropriate rate.
- 10.2 Either party may terminate these arrangements at any time on 7 days' notice or immediately on notice if the other party ceases to trade, becomes insolvent or has an Administrator, Receiver or Liquidator appointed or is in breach of any provision of these terms and fails, where the breach is capable of being remedied, to remedy the breach within 7 days of service of a notice specifying the breach and requiring it to be remedied.
- 10.3 We will do our best to perform our obligations in accordance with any time frame that is agreed or set, but this is an estimate only and time shall not be of the essence.
- 10.4 Neither party shall be in breach of their obligations for any delay or failure to perform their respective obligations which is caused by reasons outside that party's reasonable control.
- 10.5 These Terms shall be governed by English Law. The Court of England shall have exclusive jurisdiction in respect of any disputes and both parties submit to that jurisdiction.
- 10.6 Both parties do not intend that any person other than the Client and Rapleys LLP shall have any rights under these Terms and under the contract between us by virtue of the Contracts (Rights of Third Parties) Act 1999 or otherwise.
- 10.7 We take conflict issues seriously. We have procedures in place to ensure that conflict checks are carried out on every matter as soon as practical so that, if an issue arises, it can be discussed with the Client and dealt with as soon as possible. Our conflict procedures help us to fulfil our professional obligation not to act for one client in a matter where there is an actual (or significant risk of a) conflict with the interests of another client for whom we are already acting

- 10.8 If at any time the Client becomes aware of an actual or potential conflict of interest, the Client should raise it with us immediately.
- 10.9 Subject to our professional duties, we will always seek to resolve any conflict issues in the most advantageous way to the clients concerned. Where our professional rules allow, the Client agrees that after termination of our retainer, we may act or continue to act for another client in circumstances where we hold information which is confidential to the Client and material to the engagement with that other client. We will not, however, disclose the Client's confidential information to that other client.
- 10.10 We will keep confidential any information which we acquire about the Client's business and affairs, unless we are required to disclose any such information:
- to our auditors, external assessors or other advisers or for the purposes of our professional indemnity insurance; or
 - by law or other regulatory authority to which we are subject.
- 10.11 If we or the Client engage other professional advisers to assist with a matter we will assume, unless the Client notifies us otherwise, that we may disclose any such information to such other advisers as necessary.
- 10.12 On occasion we may use external agencies to undertake typing, printing, photocopying, mailings and other business support services. Before doing so we ensure that appropriate safeguards are in place to protect confidentiality. If the Client has any concerns about this or would like to know more, the Client should let us know
- 10.13 In certain circumstances, it may be necessary to erect an information barrier (or Chinese Wall) to protect the confidentiality of client information; if this is needed we will discuss it with the Client.
- 10.14 Where possible, we will disclose to the Client all information which is material to the Client's affairs and business regardless of the source of that information. However, we will not disclose to the Client any confidential information about the business and affairs of any other existing or former client, or any information in respect of which we owe a duty of confidentiality to a third party.
- 10.15 If at any time a third party requests access to documents held by us or asks to interview any of our partners or employees in connection with the services we have provided, we may be required as a matter of law to comply with this request. The client will be responsible for our fees, disbursements and expenses in dealing with any such request, including the fees, disbursements and expenses involved in identifying relevant documents, attending interviews or making or defending any application in connection with the validity of the request. Disbursements and expenses may include the fees of third parties instructed by us in order to advise on issues connected with the request.
- 10.16 We will use the personal information we receive about the Client for the administration of our relationship with the Client, billing (and, where necessary, debt collection) and marketing. To help us to make credit decisions about the Client, to prevent fraud, to check the Client's identity and to prevent money laundering, we may also use the information to search the files of credit reference agencies who will record any credit searches on the Client's file. The information may be used by other credit grantors for making credit decisions about the Client and the people with whom the Client is financially associated, for fraud prevention, money laundering prevention and occasionally for tracing debtors. We may disclose the Client's details to our agents and service providers for any of the purposes set out in this paragraph
- 10.17 We may from time to time contact the Client by mail, telephone, or email to provide information that may be of interest to the Client, including details of the services we offer, newsletters and invitations to events. The Client should let us know if they do not want to receive such information.
- 10.18 We store documents and papers for clients, normally without charge. We also do not normally make a charge for retrieving stored documents and papers in response to continuing or new instructions to

act for the Client. However, we reserve the right to make a charge based on the time we spend on reading papers, writing letters or providing other services necessary to comply with the instructions.

- 10.19 On completion of a matter and payment of any outstanding bills we shall return to the Client, on request, any documents lent to us by the Client for the purposes of the matter. Where we are acting for joint clients and one joint client asks us to transfer documents lent to us for the purposes of the matter, we will deliver them to, or to the order of, the joint client who delivered them to us.
- 10.20 We do not agree to retain files for any particular period of time but generally keep all files for a minimum period of 16 years. We reserve the right to destroy files without further reference to the Client 16 years after completion of a matter.
- 10.21 The services provided by us are for the Client's benefit alone and solely for the purpose of the matter to which they relate. They may not be used or relied upon for any other purpose or by third parties. Our duty of care is to the Client and does not extend to any third party. No third party shall have any right under the Contract (Rights of Third Parties) Act 1999 to enforce any of the terms in this document, provided that no right or remedy of any such person which exists or is available otherwise than by virtue of that Act shall be adversely affected by the terms of this document.
- 10.22 We will, on the Client's behalf, instruct, liaise with or coordinate advice from other professional advisers. We will not be responsible for the accuracy or appropriateness of the advice given or work undertaken by those other advisers or for payment of their fees and expenses.
- 10.23 We are committed to promoting equality and diversity in all of our dealing with clients, third parties and employees. We will not discriminate in the way we provide our services on the grounds of sex (including gender reassignment), marital status, sexual orientation, disability, race, colour, religion, age, nationality or ethnic or national origins.

11 ACCEPTANCE

- 11.1 A copy of our Terms of Engagement is to be signed and returned by the instructing Client prior to commencement of the instruction as detailed above.
- 11.2 It is hereby agreed that the above terms are acceptable and I/we instruct Rapleys LLP to proceed. The Client instructing and/or continuing to instruct Rapleys LLP shall constitute acceptance of these Terms of Engagement irrespective of whether such copy is signed and returned.

CLIENTS SIGNATURE

PRINT NAME

POSITION IN COMPANY
NAME OF INSTRUCTING COMPANY

DATE
REGISTERED OFFICE

Schedule of Accommodation



ACCOMMODATION SCHEDULE

RAPLEYS

BEACHLANDS, BEACH ROAD, HAYLING ISLAND, HAMPSHIRE, PO11 0JG

Residential:

Plot No.	Unit No.	Floor	Bedrooms	Persons	Bathrooms	GIA Sq M	GIA Sq Ft	£psf	100% Private Feb 2025	30% AH Feb 2025
1	West	1	2	3	1	64	686	£525	£360,000	£ 360,000
2	West	1	2	3	1	65	703	£519	£365,000	£ 365,000
3	West	1	2	3	1	66	710	£514	£365,000	£ 365,000
4	West	1	2	3	1	66	710	£514	£365,000	£ 365,000
5	West	1	2	3	1	65	703	£541	£380,000	£ 380,000
6	West	1	2	3	1	64	686	£547	£375,000	£ 375,000
7	West	1	2	3	1	66	710	£514	£365,000	£ 365,000
8	West	1	2	3	1	66	710	£514	£365,000	£ 365,000
9	West	3	3	4	2	90	963	£433	£417,500	£ 417,500
10	West	3	3	5	2	100	1077	£397	£427,500	£ 427,500
11	West	3	3	4	2	89	962	£434	£417,500	£ 417,500
12	West	3	3	4	2	89	962	£434	£417,500	£ 417,500
13	West	3	3	5	2	100	1077	£411	£442,500	£ 442,500
14	West	3	3	4	2	90	963	£449	£432,500	£ 432,500
15	West	3	3	4	2	89	962	£434	£417,500	£ 417,500
16	West	3	3	4	2	89	962	£434	£417,500	£ 417,500
17	East	1	2	3	1	64	686	£525	£360,000	Affordable Rent
18	East	1	2	3	1	65	703	£519	£365,000	Affordable Rent
19	East	1	2	3	1	66	710	£514	£365,000	Affordable Rent
20	East	1	2	3	1	66	710	£514	£365,000	Affordable Rent
21	East	1	2	3	1	65	703	£541	£380,000	Affordable Rent
22	East	1	2	3	1	64	686	£547	£375,000	Shared Ownership
23	East	1	2	3	1	66	710	£514	£365,000	Shared Ownership
24	East	1	2	3	1	66	710	£514	£365,000	Shared Ownership
25	East	2/3	3	4	2	90	963	£433	£417,500	Shared Ownership

ACCOMMODATION SCHEDULE



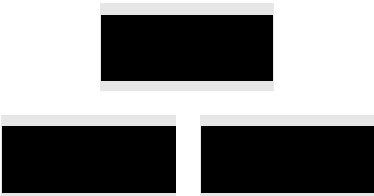
BEACHLANDS, BEACH ROAD, HAYLING ISLAND, HAMPSHIRE, PO11 0JG

Plot No.	Unit No.	Floor	Bedrooms	Persons	Bathrooms	GIA Sq M	GIA Sq Ft	£psf	100% Private Feb 2025	30% AH Feb 2025
26	East	2/3	3	5	2	100	1077	£397	£427,500	Shared Ownership
27	East	2/3	3	4	2	89	962	£434	£417,500	£ 417,500
28	East	2/3	3	4	2	89	962	£434	£417,500	£ 417,500
29	East	2/3	3	5	2	100	1077	£411	£442,500	£ 442,500
30	East	2/3	3	4	2	90	963	£449	£432,500	£ 432,500
31	East	2/3	3	4	2	89	962	£434	£417,500	£ 417,500
32	East	2/3	3	4	2	89	962	£434	£417,500	£ 417,500
32						2,518	27,099	£ 15,224.30	£ 12,660,000	£ 8,875,000.00
								£ 467.17		

Commerical:

Unit No.	Floor	Sq M	Sq ft	Use	£psf	£pa
1	G	314	3378	Commerical	£10	£33,777
2	G	314	3378	Commerical	£10	£33,777
3	G	314	3378	Commerical	£10	£33,777
4	G	314	3378	Commerical	£10	£33,777
4		1255	13511			£135,110

Cost Plan



Beachlands

The Sea Front, Hayling Island

Mr Savage

Elemental Cost Plan



13th August 2024

Project Ref: 3937

A	Project title:
A.1	Project: Beachlands
A.2	Client: Mr Peak
A.3	Location: Hayling Island
B	Project description:
B.1	Construction of a new build, mixed development adjacent the beach front at Hayling Island, complete with new services. The project comprises 32 flats over 4 commercial units (which could be sub-divided). The Commercial units are completed to shell and core level only.
C	Status of cost plan
C.1	This is an elemental cost plan level 1 prepared in accordance with the RICS ' <i>New rules of measurement: Order of cost estimating and elemental cost planning 1st Edition May 2009</i> ' to correspond to the RIBA Work Stage C: Concept
D	Statement of cost (including <i>cost limit</i>):
D.1	The elemental cost plan included within this report estimates the base cost of the works to be £13,990,000 including contribution costs to date but excluding contingencies, inflation and VAT, The cost limit for the works is estimated to be £15,100,000 including risk and inflation but excluding VAT. Please refer to section M of this report for the inclusions and exclusions made in compiling this estimate
E	Details of the information and specification on which the cost plan was prepared
E.1	The following information was used in preparing this cost estimate. Architects drawings and specification: 5855 1050; 1102; 1250; 1255; 1260; 1280; 9000; 9001; 9002; 9003 Structural Engineer drawings and specification: None Service Engineer drawings and specification: None Other reports: None
F	A statement of the floor areas
F.1	The Gross Internal Floor Areas calculated in accordance with the New Rules of Measurement have been used in the preparation of this Cost Plan.
F.2	The floor areas are as follows Basement none Ground floor 690 m² First floor 600 m² Second floor 556 m² Third floor 248 m² Total GIFA 2095m² (per block) <u>Hence total GIFA 4,188 m²</u>
G	The cost plan:

G.1	The Cost Plan is included at the rear of this report.
H	Basis of cost estimates
H.1	The cost plan is based on competitive tenders being obtained on a fixed price basis at present day levels.
H.2	Current market trends are providing increases in material and labour costs allowance has been made for inflation within the Cost Plan
H.3	The cost plan is based upon the specification and drawings listed in Section E of this report. Discussions concerning the scope of the project have been held with Stuart Bone and Jonathan Spivey of PWP Architects and the result of those discussions is included within this report.
H.4	Levels of specification and design details have been based upon the latest information issued by the Design Team. Where no detail is available, assumptions have been made.
H.5	Specific notes have been included within the Cost Plan against individual items, we would however make the following general comments Ground conditions: Poor (beach / gravel) Foundation design: Piled foundations with ground beams have been allowed for Building structure: the costs are based on a reinforced concrete first floor with supporting concrete columns, with block infill and render externally. First floor walls and structure above as a SIPP panel construction, with cladding to walls and slates or Aluminium metal roof coverings. Mains services: Included as Provisional Sums i.e.; water, electricity and telephones (no gas). We have no cost information from the services Statutory bodies. Builders work in connection has been measured provisionally based on assumed runs. Contamination: Assumed none Drainage layouts: Foul and surface water drainage layouts have been assumed. Discharge is assumed to be via the adjacent mains sewers in the turning area. External works: The costs for this section are based upon the general layout drawing. Specifications for road, footpath, paved areas etc. are all assumed and based on a reasonable bearing pressure available from the ground. Mechanical and Electrical installation: No subcontract prices have been yet sought due to the lack of design information at this time, costs are therefore included as Provisional Sums. These are based on costs per flat and additional costs for communal and commercial requirements.
H.6	The following cost significant items have been included as provisional sums at this stage Foundations SIPP panel frame / structure M&E installations Services and external works
H.7	Contractors profit and overheads are included to reflect current market trends.
H.8	Contractors preliminaries and site costs are included to reflect current market trends and the specific nature of this project.

I	Estimate base date (i.e. to which inflation has been applied)
I.1	This estimate is based upon rates current as at 3Q24
J	Changes to previous cost targets:
J.1	No previous Cost Plans have been provided for this project.
K	Estimated costs of alternative proposal:
K.1	At this stage alternative proposals have not been considered.
L	Cash flow forecast
L.1	At this stage a cash flow forecast has not been requested.
M	Inclusions and exclusions from the Cost Plan:
M.1	The notes included with the Cost Plan in regard to specific inclusions and exclusions should be read in conjunction with the following exclusions - Fees (consultants) - Professional team - Specialist reports (ground and site investigation reports, asbestos surveys, drain surveys etc) - Site Acquisition Costs - Land costs - Legal charges - Tax and duties - Local Authority Charges - Planning Charges - Building Regulations Charges - Finance - Finance charges/interest - Bank charges - Value added tax - Third Party Costs - Party wall issues - Rights of light compensation - Licenses for cranes - Planning Matters - Off site costs associated with the permission - Section 38 and 106 Agreements (Costs for CIL, Nitrates and Bird Migration have been included as scheduled to date) - Archaeological investigations or watching briefs - All other issues forming part of the planning permission and not included within the build cost - Temporary Accommodation - The Works - Removal of buried obstructions and structures



	Removal of and inspection for Ordnance Basements Excavation in ground water (other than £20k provisional sum for local dewatering) Alterations and diversions to mains services (other than noted new mains connection allowances) Air conditioning Water sprinkler systems Security alarms Music systems IT systems and data caballing Unfixed fittings and furniture Fit out costs to the Commercial units Work beyond the boundary of the site Work to boundary walls/fences
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N	Summary
N.1	This document should be used to promote further discussion and as a cost yardstick to rationalize design criteria to the proposed budget. There may also be options to reduce the costs through design review and development.
N.2	We would stress that this report has been prepared with extremely limited information and as such the proposed costs should be viewed with due allowance for scheme and design development. To that end we have included a design contingency of 5% within the Cost Plan and a 5% Risk allowance as a general project contingency within section 14 of the Cost Plan.
N.3	Section 14 of the Cost Plan provides allowances for contingent risk, given the nature of the items these allowances are approximate and should be considered with caution.
N.4	Surveys and investigation of the mains services, ground conditions and the like are or will be undertaken; as the results of these surveys become known the Cost Plan should be adjusted to accordingly.
N.5	This document will be developed as the scheme design progresses, in particular specialist quotations should be obtained for the SIPP panel system and Reinforced concrete structures along with M&E installation budgets, in order to confirm the accuracy of estimated costs for these specialist works
N.6	Possible savings may be made in specification to the scheme and by further detail work being undertaken.

COST CENTRE	GROUP ELEMENT/ ELEMENT	COST/M ² OF GIFA	TOTAL COST OF ELEMENT (TARGET COST)
		£	£
BUILDING WORKS			
1.0	Substructure	253.14	1,060,146.00
2.0	Superstructure	1,212.98	5,079,958.00
3.0	Internal finishes	327.79	1,372,785.00
4.0	Fittings, furnishings and equipment	74.81	313,300.00
5.0	Services	498.69	2,088,500.00
6.0	Complete buildings and building units	-	-
7.0	External works	187.17	783,887.00
8.0	Drainage	87.80	367,700.00
9.0	External Services	83.55	349,900.00
	SUB TOTAL: BUILDING WORKS	2,725.93	11,416,176.00
10.0	Main contractor's preliminaries	272.59	1,141,617.60
	SUB TOTAL: BUILDING WORKS (including main contractor's preliminaries)	2,998.52	12,557,793.60
11.0	Main contractor's overheads and profit	190.81	799,132.32
	TOTAL: BUILDING WORKS ESTIMATE (A)	3,189.33	13,356,925.92
PROJECT/DESIGN TEAM FEES AND OTHER DEVELOPMENT/PROJECT			
12.0	Project/design team fees	-	-
13.0	Other development costs	151.89	636,127.00
	TOTAL: PROJECT/DESIGN TEAM FEES AND OTHER DEVELOPMENT/ PROJECT COST ESTIMATE (B)	151.89	636,127.00
	BASE COST ESTIMATE © [C= A + B]	3,341.23	13,993,052.92
RISK			
14.0	Risks	159.50	668,000.00
	TOTAL: RISK ALLOWANCE ESTIMATE (D)	159.50	668,000.00
	COST LIMIT (excluding inflation) (E) [E = C + D]	3,500.73	14,661,052.92
INFLATION			
15.0	Inflation	105.01	439,800.00
	TOTAL: INFLATION ALLOWANCE (F)	105.01	439,800.00
	COST LIMIT (excluding VAT assessment) (G) [G = E + F]	3,605.74	15,100,852.92
16.0	VAT ASSESSMENT		Excluded

1 Base date of cost plan:.....

2 Gross Internal Floor Area 4,188.00 m²

Note: Value Added Tax (VAT) in relation to buildings is a complex area. Therefore, it is recommended that VAT be excluded from order of cost estimates. It is recommended that specialist advice is sought on VAT matters to ensure that the correct rates are applied to the various aspects of a building project.

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COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	BUILDING WORKS	Quantity	Unit	Rate	Total	Notes
1.0	Substructure					
1.1	Substructure					
1.1.1	Site clearance; removing any scrub or pavings					
1.1.1.1	generally	4498	m ²	3	13,494	nominal allowance
1.1.2	Reduced level excavation to buildings; disposal off site					
1.1.2.1	allow to adjust levels and move existing back for site	1428	m ²	84	119,952	based on a scheme cost with volume adjustments - no details of level adjustments required but beach gravel likely to need moving.
1.1.3	Foundations; piled foundations for ground beams; piling mat					
1.1.3.1	to building footprint	1428	m ²	168	239,904	based on current scheme
1.1.4	Ground beams and pile caps; for buildings					
1.1.4.1	to building footprint	1428	m ²	265	378,420	based on current scheme
1.1.5	Isolated pad foundations; plain in the concrete					
1.1.5.1	to column bases	26	nr	750	19,500	
1.1.6	Ground floor slab; beam and block suspended floor; insulation and damp membrane					
1.1.6.1	to building footprint	1428	m ²	76	108,528	based on current scheme
1.1.7	External wall foundations; masonry below damp course; to cavity and external and internal support walls					

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COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	BUILDING WORKS	Quantity	Unit	Rate	Total	Notes
1.1.7.1	to building footprint	236	m	288	67,968	based on current scheme
1.1.7.2	allowance for internal wall foundations; party walls and staircases	260	m	238	61,880	simple allowance based on external walls, block instead of brick
1.1.8	Allowance for sundry detailing					
1.1.8.1	generally	1	item	50,500	50,500	Allowed at 5%
	SUB TOTAL: SUBSTRUCTURE 1.0				1,060,146	
2.0	Superstructure					
2.1	Frame					
2.1.1	Concrete framed ground floor to first floor construction; concrete columns with beams to support deck at first floor (separately measured)					
2.1.1.1	3.50 high columns; and downstand beams	1812	m ²	365	661,380	reviewed House frame
2.1.1.2	extra; decorative iron support columns to façade	26	nr	1,200	31,200	
2.1.2	Allowance for sundry detailing					
2.1.2.1	generally	1	item	34,600	34,600	Allowed at 5%
2.2	Upper floors					
2.2.1	Concrete first floor structure; reinforced concrete; form work with voids as required					
2.2.1.1	nominally 250 thick	1812	m ²	230	416,760	

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COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	BUILDING WORKS	Quantity	Unit	Rate	Total	Notes
2.2.2	Structural insulated panel structure forming first and second floors and roof structure; supply and installation					
2.2.2.1	2½ storey structure above concrete podium slab; ...x ...on plan; ...high; 4 pitched roof sections pack	2	nr	800,000	1,600,000	budget from Chris Blackmore at Forest
2.2.3	Allowance for sundry detailing					
2.2.3.1	generally	1	item	100,800	100,800	Allowed at 5%
2.3	Roof					
note	Work to proposed SIPP panel roof structure (see Upper Floors)					
2.3.1	Roof coverings; Spanish slate on battens and underlay; counter battens					This may be sheet material (Aluminium), which would add circa £30-40k
2.3.1.1	to 45 degree pitch	1990	m²	135	268,650	
2.3.1.2	extra; ridge	214	m	75	16,050	
2.3.1.3	extra; raking valley	116	m	75	8,700	
2.3.1.4	extra; flat valley; lead valley former	84	m	240	20,160	
2.3.1.5	extra; eaves	157	m	40	6,280	
2.3.1.6	extra; verge	277	m	45	12,465	
2.3.1.7	extra; abutments; lead flashing; soakers	91	m	110	10,010	

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COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	BUILDING WORKS	Quantity	Unit	Rate	Total	Notes
2.3.2	Flat roofing system; proprietary system; laid over insitu concrete deck					
2.3.2.1	over 300 wide	505	m ²	90	45,450	
2.3.2.2	extra; surface for pedestrian walkway	168	m ²	40	6,720	
2.3.2.3	extra; flashing and upstand at abutment	152	m	110	16,720	
2.3.2.4	extra; verge/eaves detail; fascia to concrete edge	174	m	60	10,440	
2.3.2.5	extra; dressing and flashing to penetrations or supports	1	item	4,000	4,000	
2.3.3	Boarded soffit to concrete slab; battens; uPVC or similar cladding board; fixing with stainless fixings					
2.3.3.1	to walk way soffits	337	m ²	84	28,308	
2.3.3.2	extra; allowance for working to posts or other details	1	item	2,600	2,600	
2.3.4	Fascia detail; timber framing with uPVC board fixed					
2.3.4.1	eaves fascia	157	m	45	7,065	
2.3.4.2	eaves soffit	157	m	45	7,065	
2.3.4.3	verge fascia	277	m	50	13,850	
2.3.4.4	verge soffit	277	m	50	13,850	
2.3.5	Rainwater goods; uPVC; to brackets					
2.3.5.1	gutters to eaves	157	m	35	5,495	



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COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	BUILDING WORKS	Quantity	Unit	Rate	Total	Notes
2.3.5.2	ends and outlets	32	nr	40	1,280	
2.3.5.3	hoppers to flat gutters	12	nr	220	2,640	
2.3.5.4	downpipes; to walls	110	m	40	4,400	
2.3.5.5	extra; swan necks	32	nr	80	2,560	
2.3.5.6	extra; outlet shoe/drain connections	32	nr	40	1,280	
2.3.6	Allowance for sundry detailing					
2.3.6.1	generally	1	item	25,800	25,800	Allowed at 5%
2.4	Stairs and Balustrades					
2.4.1	Main stairs; timber staircase; flights and landings; complete with balustrades					
2.4.1.1	ground to first floor	4	nr	7,000	28,000	
2.4.1.2	first floor to second floor	4	nr	7,000	28,000	
2.4.2.3	second floor to third floor	4	nr	3,000	12,000	
2.4.3	Allowance for sundry detailing					
2.4.3.1	generally	1	item	3,400	3,400	Allowed at 5%
2.5	External walls					
2.5.1	Cavity external wall; 2 skins blockwork; cavity with insulation; ties					

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COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	BUILDING WORKS	Quantity	Unit	Rate	Total	Notes
2.5.1.1	350 thick; ground floor walls	565	m ²	152	85,880	
2.5.1.2	extra; forming opening to cavity wall; lintel; labours/closers for windows/doors	12	nr	230	2,760	
2.5.1.3	extra; forming openings for cavity wall; steel beam or casing over commercial glazing openings	4	nr	440	1,760	
2.5.2	Allow for cavity fire barriers within cavity wall					
2.5.2.1	allowance; generally	1	item	5,500	5,500	
2.5.3	External cladding; battens and counter battens; vapour membrane; to SIP panel walls (included in Upper Floors); complete with fixings					
2.5.3.1	over 300 wide	1375	m ²	160	220,000	To external walls above first floor; measured gross
2.5.3.2	extra; raking cutting	294	m	18	5,292	
2.5.3.3	extra; corner details	28	m	36	1,008	
2.5.3.4	extra; returns to openings	523	m	24	12,552	
2.5.3.5	extra; work at base rail	229	m	15	3,435	
2.5.4	Render system; to blockwork; two coat system on 150 thick insulation; beads and mesh reinforcement					
2.5.4.1	over 300 wide	565	m ²	124	70,060	
2.5.4.2	extra; narrow widths at opening	85	m	65	5,525	

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COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	BUILDING WORKS	Quantity	Unit	Rate	Total	Notes
2.5.5	Feature details; applied to face and finished to match					
2.5.5.1	head; cill and side features to openings	14	nr	500	7,000	allowance to Ground Floor (rear openings)
2.5.6	Glass balustrades; stainless steel and glass; fixings					
2.5.6.1	1100 high; Juliet balcony features; 1500 wide; 1200 projection; fixed balcony unit	24	nr	3,500	84,000	
2.5.6.2	1100 high; balustrade to walkway	93	m	900	83,700	
2.5.7	Allowance for sundry detailing					
2.5.7.1	generally	1	item	29,400	29,400	Allowed at 5%
2.6	Windows and external door:					
2.6.1	Aluminium, Polyester powder coated glazing system; complete with double glazed units, framing and fixings					
2.6.1.1	commercial unit glazing	141	m ²	800	112,800	
2.6.1.2	extra; unit entrance doors and frames	4	nr	1,500	6,000	manual doors
2.6.1.3	entrance doors and frames; pairs doors in masonry	12	nr	3,000	36,000	
2.6.1.4	entrance doors with side lights; access to flats; in masonry	4	nr	3,500	14,000	
2.6.2	Windows; uPVC; double glazed units; building in					
2.6.2.1	800 x 1200	80	nr	480	38,400	£500/m ²



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COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	BUILDING WORKS	Quantity	Unit	Rate	Total	Notes
2.6.2.2	1800 x 1200	4	nr	1,080	4,320	
2.6.3	External doors; uPVC; double glazed units; building in					
2.6.3.1	1500 x 2100; pair patio doors and frame	44	nr	1,500	66,000	
2.6.3.2	2600 x 2100; pair patio doors and frame with two glazed side lights	8	nr	2,500	20,000	
2.6.4	Window boards; MDF; primed					
2.6.4.1	to cills	167	m	25	4,175	
2.6.5	Decoration; prepare and decorate MDF					
2.6.5.1	cills	167	m	12	2,004	
2.6.6	Allowance for sundry detailing					
2.6.6.1	generally	1	item	15,200	15,200	Allowed at 5%
2.7	Internal walls and partition					
2.7.1	Internal walls; blockwork; in mortar					
2.7.1.1	140 mm thick; block wall to commercial units	209	m ²	76	15,884	
	Framed wall system; forming internal walls					
2.7.1.2	to form party walls to each floor; jumbo stud or similar	1591	m ²	165	262,515	
2.7.1.3	extra; forming openings in wall; lintel	32	nr	200	6,400	
2.7.2	Gyproc stud partition; metal framed systems with acoustic wool in cavity; 1 layer plasterboard each face					

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COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	BUILDING WORKS	Quantity	Unit	Rate	Total	Notes
2.7.2.1	100 thick	3040	m²	65	197,600	Assumed quantities in flats as no layouts
2.7.2.2	extra; forming openings	176	nr	40	7,040	Assumed as no layouts - 5 doors 2 bed flat; 6 doors 3 bed flat
2.7.3	Allow for fire stopping generally					
2.7.3.1	to walls	1	item	10,000	10,000	Assumed allowance
2.7.4	Allowance for sundry detailing					
2.7.4.1	generally	1	item	25,000	25,000	Allowed at 5%
2.8	Internal doors					
2.8.1	Single door; FD30 fire door; frame, ironmongery; within apartment					Door types / specification assumed, as are the PC values for doors, frames and ironmongery
2.8.1.1	complete	32	nr	500	16,000	
2.8.2	Single apartment front door; FD60; PAS24 door set					
2.8.2.1	complete	144	nr	600	86,400	
2.8.3	Single apartment front door; FD60 PAS24 door set					
2.8.3.1	complete	32	nr	750	24,000	
2.8.4	Single doors to communal/corridors; FD60; frame; ironmongery					
2.8.4.1	complete	8	nr	750	6,000	

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COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	BUILDING WORKS	Quantity	Unit	Rate	Total	Notes
2.8.5	Decoration; prepare and decorate floors and frames					
2.8.5.1	generally	1378	m ²	15	20,670	
2.8.6	Allowance for sundry detailing					
2.8.6.1	generally	1	item	7,700	7,700	Allowed at 5%
	SUB TOTAL: SUPERSTRUCTURE 2.0				5,079,958	
3.0	Internal finishes					
3.1	Wall Finishes					
3.1.1	Plasterboard lining to walls; to blockwork; dabs					
3.1.1.1	over 300 wide	775	m ²	23	17,825	
3.1.1.2	extra; linings to reveals and the like		item		0	Included in rate
3.1.2	Plasterboard on battens with VCL; to face of SIP panels					
3.1.2.1	over 300 wide	4558	m ²	34	154,972	
3.1.2.2	extra; linings to reveals and the like		item		0	Included in rate
3.1.3	Skim coat plaster; to board lining					
3.1.3.1	over 300	11413	m ²	13	148,369	
3.1.4	Accessories to plaster					
3.1.4.1	beads and the like	1	item	2,000	2,000	

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COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	BUILDING WORKS	Quantity	Unit	Rate	Total	Notes
3.1.5	Wall tiling, or similar; £30/m ² supply					
3.1.5.1	generally	480	m ²	103	49,440	Allowed 15m ² per flat
3.1.6	Decoration; prepare and decorate emulsion paint to plaster					
3.1.6.1	generally	10933	m ²	10	109,330	
3.1.7	Silicone work, smooth bead					
3.1.7.1	generally	32	flats	700	22,400	
3.1.8	Allowance for sundry detailing					
3.1.8.1	generally	1	item	25,200	25,200	Allowed at 5%
3.2	Floor Finishes					
3.2.1	Insulation; DPM; screed					
3.2.1.1	to ground floor	1378	m ²	49	67,522	
3.2.2	Chipboard over insulation battens/acoustic sheet					
3.2.1	to upper floors	2810	m ²	65	182,650	
3.2.3	Allowance for floor finish					
3.2.3.1	to commercial units; ground floor; PC 50/m ² supply and lay	1315	m ²	50	65,750	
3.2.2.2	to upper floors; PC 30/m ² supply and lay	2873	m ²	30	86,190	
3.2.3	Allowance for floor finish to stairs					



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COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	BUILDING WORKS	Quantity	Unit	Rate	Total	Notes
3.2.3.1	complete; per stair per floor	12	nr	1,500	18,000	
3.2.4	Allowance for accessories					
3.2.4.1	threshold strip; junctions and the like	1	item	3,000	3,000	
3.2.5	Skirtings; MDF; primed					
3.2.5.1	to wall/floor junctions	4219	m	12	50,628	
3.2.6	Decoration; prepare and decorate					
3.2.6.1	skirtings	4219	m	8	33,752	
3.2.7	Allowance for sundry detailing					
3.2.7.1	generally	1	item	25,400	25,400	Allowed at 5%
3.3	Ceiling Finishes					
3.3.1	Acoustic insulation filled above ceilings to SIP structure to lower floors					
3.3.1.1	above ceiling to first floor only	1280	m ²	25	32,000	Possible requirement
3.3.2	Plasterboard acoustic ceilings; MF system; hangers; taped					
3.3.2.1	to SIP panels; horizontal	2440	m ²	38	92,720	
3.3.3	Plasterboard ceilings; MF system; hangers; taped					
3.3.3.1	to SIP panels; raking	703	m ²	35	24,605	

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COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	BUILDING WORKS	Quantity	Unit	Rate	Total	Notes
3.3.3.2	to concrete floors; horizontal	1316	m²	26	34,216	
3.3.4	Allow for bulkheads or similar features					
3.3.4.1	generally	1	item	5,000	5,000	
3.3.5	Skim coat plaster; to board ceilings					
3.3.5.1	over 300; horizontal or raking	4459	m²	14	62,426	
3.3.6	Decoration; prepare and decorate plaster ceilings					
3.3.6.1	over 300	4459	m²	10	44,590	
3.3.7	Allowance for sundry detailing					
3.3.7.1	generally	1	item	14,800	14,800	Allowed at 5%
SUB TOTAL: INTERNAL FINISHES 3.0					1,372,785	
4.0	Fittings, furnishings and equipme					
4.1	Fittings, furnishings and equipme					
4.1.1	Kitchen installation; Howdens range or similar; units and worktops					
4.1.1.1	generally	32	nr	6,000	192,000	
4.1.1.2	extra; white goods	32	nr	1,000	32,000	
4.1.2	Wardrobe; hanging rail with battens					
4.1.2.1	per apartment	32	nr	1,000	32,000	



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COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	BUILDING WORKS	Quantity	Unit	Rate	Total	Notes
4.1.3	Airing cupboard shelving; 3 layers					
4.1.3.1	to apartments	32	nr	700	22,400	
4.1.4	Sundry fittings per apartment; coat hooks; mirrors; cabinets or the like					
4.1.4.1	general allowance	32	nr	500	16,000	
4.1.5	Allow for sundry fitting to commercial areas					
4.1.5.1	signage zone or similar	4	nr	1,000	4,000	
4.1.6	Allowance for sundry detailing					
4.1.6.1	generally	1	item	14,900	14,900	Allowed at 5%
	SUB TOTAL: FITTINGS, FURNISHINGS AND EQUIPMENT 4.0				313,300	
5.0	Services					
5.1	Sanitary appliances					
5.1.1	Sanitaryware; fixing and sealing with silicone					Assumed 2nr bath/en-suite for 3B; 1nr to 2B
5.1.1.1	wash hand basin; taps and waste	48	nr	400	19,200	
5.1.1.2	WC; cistern; seat	48	nr	350	16,800	
5.1.1.3	DOC NI Disabled Access WC Suite	4	nr	1,500	6,000	Commercial units; assumed 1 per unit
5.1.1.4	shower; tray, rail, head; screen	48	nr	1,200	57,600	



BEACHLANDS, HAYLING ISLAND
Mr Savage

COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	BUILDING WORKS	Quantity	Unit	Rate	Total	Notes
5.1.1.5	bath; taps; waste; side panel	32	nr	500	16,000	
5.1.2	Sundry items; allowance					
5.1.2.1	WC roll holder and the like	48	nr	300	14,400	
5.1.3	Allowance for sundry detailing					
5.1.3.1	generally	1	item	6,500	6,500	Allowed at 5%
5.2	Mechanical Installations					
5.2.1	Plumbing, Mechanical; water; drainage and ventilation; heating					
5.2.1.1	complete installations to apartments	32	nr	24,000	768,000	average £24k per flat
5.2.1.2	complete installations to communal areas	385	m²	150	57,750	allowance limited requirement
5.2.1.3	installations to commercial units (only basic supplies to units)	4	nr	10,000	40,000	allow £10k for new mains feeds
5.3	Electrical Installations					
5.3.1	Power; lighting; data; controls; aerials; alarms; lightning protection					
5.3.1.1	complete installations; to apartments	32	nr	28,000	896,000	average £28k per flat
5.2.1.2	complete installations to communal areas	385	m²	250	96,250	allowance limited requirement
5.3.1.3	installations to commercial units (basic supplies to head units)	4	nr	10,000	40,000	allow £10k for new mains feeds



BEACHLANDS, HAYLING ISLAND
Mr Savage

COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	BUILDING WORKS	Quantity	Unit	Rate	Total	Notes
5.4	Lift					
5.4.1	New lift installation; 4 floors					
5.1.1.1	complete		nr		0	Assume none - not shown (but expect required)
5.5	Builders work in connection with services					
5.5.1	General builders work in connection					
5.5.1.1	for M&E installations	1	item	38,000	38,000	As 2% of M&E sums
5.5.2	Allowance for boxings/casings/plywood pattresses or the like					
5.5.2.1	generally	1	item	16,000	16,000	
	SUB TOTAL: SERVICES 5.0				2,088,500	
6.0	Work to existing building					
6.1	Minor demolitions					
6.1.1	Allowance for limited demolition work					
6.1.1.1	complete (Limited work - site generally clear)	1	item		0	assumed none
6.1.2	Alterations					
6.1.3	No work in this section					
	SUB TOTAL: WORK TO EXISTING BUILDINGS 6.0				0	



BEACHLANDS, HAYLING ISLAND
Mr Savage

COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	BUILDING WORKS	Quantity	Unit	Rate	Total	Notes
7.0	External works					
7.1	Site preparation works					
7.1.1	allowed in substructures					
7.2	Reduced level excavation to external areas; disposal off site					
7.2.1	not exceeding 1.0m	1243	m³	74	91,982	Allowed 400mm; no details
7.2.2	extra; risk sum against beach gravel/depth	1	item	30,000	30,000	Impossible to quantify therefore only allowance at this stage
7.2.3	extra; excavating in ground water	1	item	20,000	20,000	Impossible to evaluate at this stage as tidal, therefore only an allowance at this stage
7.3	Road ways/car parking/areas; permeable block paving on 300 type 3 sub base; terrain geotextile					
7.3.1	generally	545	m²	120	65,400	Specification assumed
7.4	Paved areas; permeable paving on 200 type 3 sub base; terrain geotextile					
7.4.1	generally	1003	m²	115	115,345	Specification assumed
7.5	Promenade decking; on granular sub base; provisional allowance					
7.5.1	generally	1532	m²	230	352,360	
7.6	Kerbs/edging; bedding on concrete foundation; levelled					
7.6.1	straight or curved	120	m	45	5,400	

BEACHLANDS, HAYLING ISLAND
Mr Savage

COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	BUILDING WORKS	Quantity	Unit	Rate	Total	Notes
7.7	Planting areas; 300 top soil; preparing					
7.7.1	generally	20	m ²	55	1,100	
7.8	Planters; raised; complete					
7.8.1	5.0 x 1.0m	4	nr	2,000	8,000	
7.9	Planting; allowance for trees; tree pits; planting etc					
7.9.1	generally	1	item	20,000	20,000	
7.9.2	extra; maintenance 12 months	1	item	3,000	3,000	
7.10	Fencing; railings and walls					
7.10.1	allowance; no details	200	m	120	24,000	Assume require some perimeter delineation
7.11	Site/street furniture and equipment; installing					
7.11.1	allowance for site/street furniture	1	item	10,000	10,000	Fixed seating and the like
7.12.1	Allowance for sundry detailing					
7.12.1.1	generally	1	item	37,300	37,300	Allowed at 5%
	SUB TOTAL: EXTERNAL WORKS 7.0				783,887	
8.0	Drainage					
8.1	Surface Water					



BEACHLANDS, HAYLING ISLAND
Mr Savage

COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	BUILDING WORKS	Quantity	Unit	Rate	Total	Notes
8.1.1	Surface water drainage; allowance only; assumed free draining to sub grade					Allowance; no details
8.1.1.1	general allowance	1	item	200,000	200,000	
8.1.1.2	allowance for interceptor for parking; along with gully collection	1	item	30,000	30,000	
8.2	Foul Water					
8.2.1	Foul water drainage; drain runs					
8.2.1.1	not exceeding 2m deep	280	m	90	25,200	Allowance; no details; allow lateral; 2 runs to roundabout
8.3	Foul manhole; complete; precast rings					
8.3.1	1-2m deep	20	nr	1,500	30,000	8 each building plus collector
8.3.2	2-3m deep	2	nr	5,000	10,000	One per building into the road
8.4	Connection to existing manhole; complete					
8.4.1	adjacent to site	1	item	15,000	15,000	Allowance final connection
8.4.2	extra; reinstate road; traffic management	1	item	10,000	10,000	
8.5	Allowance for pump chamber; complete					
8.5.1	generally	1	item	30,000	30,000	Allowance
8.5.2	Allowance for sundry detailing					
8.5.2.1	generally	1	item	17,500	17,500	Allowed at 5%



BEACHLANDS, HAYLING ISLAND
Mr Savage

COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	BUILDING WORKS	Quantity	Unit	Rate	Total	Notes
	SUB TOTAL: DRAINAGE 8.0				367,700	
9.0	External Services					
9.1	Services; trench; duct or pipe; as required; allowance for					No detail; allowance only
9.1.1	electrical supply duct	200	m	60	12,000	
9.1.2	BT/data duct	200	m	60	12,000	
9.1.3	water supply ducts/pipes	200	m	40	8,000	
9.1.4	lighting ducts	300	m	60	18,000	Supply and around the site
9.2	Mains connections; allowances					
9.2.1	electricity substation	1	item	130,000	130,000	Mains allowance - assume new required
	electricity supplies per unit	36	nr	3,000	108,000	32 flats plus 4 commercial
9.2.2	water mains/supplies	36	nr	500	18,000	32 flats plus 4 commercial
9.2.3	data supplies/BT	36	nr	200	7,200	32 flats plus 4 commercial
9.3	External lighting; allowance for provision of external lighting poles/bollards					
9.3.1	generally	1	item	20,000	20,000	
9.4.1	Allowance for sundry detailing					
9.4.1.1	generally	1	item	16,700	16,700	Allowed at 5%



BEACHLANDS, HAYLING ISLAND
Mr Savage

COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	BUILDING WORKS	Quantity	Unit	Rate	Total	Notes
	SUB TOTAL: EXTERNAL SERVICES 9.0				349,900	
10.0	Minor Building Worl					
10.1	No work in this section					
	SUB TOTAL: MINOR BUILDING WORK 10.0				0	
12.0	Main contractors preliminarie					
12.1	Employers requirements					
12.1.1	included	0	%		0	
12.2	Main contractor's cost items					
12.2.1	allowed at 10%	10	%	1,141,618	1,141,618	allowed at 10% Contract sum
	SUB TOTAL: MAIN CONTRACTORS PRELIMINARIES 12.0				1,141,618	
13.0	Main contractor's overheads and prof					
13.1	Main contractor's overheads					
13.1.1	main contractor's overheads	3	%	342,485	342,485	allowed at 4% Contract sum
13.2	Main contractor's profit					
13.2.1	main contractor's profit	4	%	456,647	456,647	allowed at 4% Contract sum



BEACHLANDS, HAYLING ISLAND
Mr Savage

COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	BUILDING WORKS	Quantity	Unit	Rate	Total	Notes
	SUB TOTAL: MAIN CONTRACTORS OVERHEADS AND PROFIT 13.0				799,132	

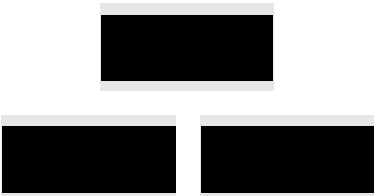
COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	PROJECT/DESIGN TEAM FEES AND OTHER DEVELOPMENT/PROJECT					
12.0	Project/design team fees					
12.1	Consultant's fees					
12.1.1	excluded		item		0	
12.2	Main contractor's pre-construction fees					
12.2.2	excluded		item		0	
12.3	Main contractor's design fees					
12.3.1	excluded		item		0	
	SUB TOTAL: PROJECT/DESIGN TEAM FEES 12.0				0	
13.0	Other development cost					
13.1	Other development costs					
13.1.1	Contribution costs to date	1	item	636,127	636,127	As noted S Bone
	SUB TOTAL: OTHER DEVELOPMENT COSTS 13.0				636,127	

COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST) £	
	RISK					
14.0	Risks					
14.1	Design development risks					
14.1.1	allowed at 1.25%	1.25%	item	167,000	167,000	allowance (total 5%)
14.2	Construction risks					
14.2.1	allowed at 1.25%	1.25%	item	167,000	167,000	allowance (total 5%)
14.3	Employer change risks					
14.3.1	allowed at 1.25%	1.25%	item	167,000	167,000	allowance (total 5%)
14.4	Employer other risks					
14.4.1	allowed at 1.25%	1.25%	item	167,000	167,000	allowance (total 5%)
SUB TOTAL: RISK ALLOWANCE 14.0					668,000	



COST CENTRE	GROUP ELEMENT/ ELEMENT				TOTAL COST OF ELEMENT (TARGET COST)	
					£	
	INFLATION					
15.0	Inflation					
15.1	Tender inflation					
15.1.1	1.50%	1.50%	%	219,900	219,900	allowance only
15.2	Construction inflation					
15.2.1	1.50%	1.50%	%	219,900	219,900	allowance only
	SUB TOTAL: INFLATION ALLOWANCE 15.0				439,800	

BCIS Cost Construction Rates



£/M2 STUDY

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

Last updated: 08-Feb-2025 08:00

Rebased to 1Q 2025 (403; forecast) and Havant (108; 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								
345. Shops								
Generally (30)	2,025	768	1,102	1,654	2,506	5,323	14	
1-2 storey (30)	2,050	768	1,098	1,607	2,608	5,323	13	
3-5 storey (30)	1,701	-	-	-	-	-	1	
810. Housing, mixed developments (15)	1,711	911	1,482	1,651	1,874	4,268	1249	
810.1 Estate housing								
Generally (15)	1,692	870	1,435	1,622	1,851	5,817	1333	
Single storey (15)	1,937	1,126	1,619	1,855	2,112	5,817	212	
2-storey (15)	1,630	870	1,406	1,578	1,790	3,528	1045	
3-storey (15)	1,750	1,048	1,465	1,687	1,983	3,451	71	
4-storey or above (15)	3,518	1,720	2,816	3,144	4,680	5,232	5	
810.11 Estate housing detached (15)	2,272	1,237	1,667	1,898	2,566	5,817	18	
810.12 Estate housing semi detached								
Generally (15)	1,715	996	1,454	1,660	1,878	3,723	345	

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
Single storey (15)	1,910	1,227	1,663	1,855	2,052	3,723	79	
2-storey (15)	1,656	996	1,438	1,600	1,821	2,857	255	
3-storey (15)	1,692	1,234	1,369	1,625	1,983	2,408	11	
810.13 Estate housing terraced								
Generally (15)	1,702	991	1,406	1,598	1,840	5,232	215	
Single storey (15)	1,901	1,239	1,615	1,841	2,275	2,681	16	
2-storey (15)	1,636	991	1,392	1,572	1,768	3,528	166	
3-storey (15)	1,746	1,048	1,465	1,652	1,912	3,451	31	
4-storey or above (15)	4,956	4,680	-	-	-	5,232	2	
816. Flats (apartments)								
Generally (15)	2,002	978	1,651	1,878	2,268	6,801	765	
1-2 storey (15)	1,910	1,150	1,604	1,799	2,191	3,761	162	
3-5 storey (15)	1,973	978	1,643	1,868	2,231	4,092	511	
6 storey or above (15)	2,328	1,435	1,873	2,198	2,519	6,801	90	

Financial Appraisals



Beachlands
100% Private Appraisal with BCIS

Hayling Island
PO11 0JG

Development Appraisal
Licensed Copy
14 February 2025

Beachlands 100% Private Appraisal with BCIS

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Residential - Private	32	27,099	467.17	395,620	12,659,840

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Commerical	4	13,511	10.00	33,778	135,110	135,110

Investment Valuation

Commerical					
Market Rent	135,110	YP @	10.0000%	10.0000	
(1yr Rent Free)		PV 1yr @	10.0000%	0.9091	1,228,273

GROSS DEVELOPMENT VALUE **13,888,113**

NET REALISATION **13,888,113**

OUTLAY

ACQUISITION COSTS

Residualised Price			178,229	
				178,229
Agency Fee		1.00%	1,782	
Legal Fee		0.50%	891	
				2,673

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost	
Commerical	13,511	164.22	2,218,776	
Residential - Private	31,745	190.90	6,060,120	
Totals	45,256 ft²		8,278,897	
Contingency		5.00%	413,945	
CIL			518,000	
S106	32 un	5,000.00 /un	160,000	
				9,370,842

PROFESSIONAL FEES

Professional Fees		10.00%	827,890	
				827,890

MARKETING & LETTING

Letting Agent Fee		10.00%	13,511	
Letting Legal Fee		3.00%	4,053	
				17,564

DISPOSAL FEES

Sales Agent Fee - Private		2.50%	316,496	
Sales Legal Fee - Private	32 un	750.00 /un	24,000	
				340,496

FINANCE

Debit Rate 7.500%, Credit Rate 4.250% (Nominal)				
Land			25,137	
Construction			535,592	
Other			163,435	
Total Finance Cost				724,165

TOTAL COSTS **11,461,859**

PROFIT

2,426,253

Performance Measures

Profit on Cost%	21.17%
Profit on GDV%	17.47%
Profit on NDV%	17.47%
Development Yield% (on Rent)	1.18%
Equivalent Yield% (Nominal)	10.00%

Beachlands**100% Private Appraisal with BCIS**

Equivalent Yield% (True)	10.66%
IRR% (without Interest)	28.16%
Rent Cover	17 yrs 11 mths
Profit Erosion (finance rate 7.500)	2 yrs 7 mths

Beachlands
100% Private Appraisal

Hayling Island
PO11 0JG

Development Appraisal
Licensed Copy
14 February 2025

Beachlands

100% Private Appraisal

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Residential - Private	32	27,099	467.17	395,620	12,659,840

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Commerical	4	13,511	10.00	33,778	135,110	135,110

Investment Valuation

Commerical					
Market Rent	135,110	YP @	10.0000%	10.0000	
(1yr Rent Free)		PV 1yr @	10.0000%	0.9091	1,228,273

GROSS DEVELOPMENT VALUE **13,888,113**

NET REALISATION **13,888,113**

OUTLAY

ACQUISITION COSTS

Residualised Price (Negative land)	(5,379,859)
	(5,379,859)

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost	
Commerical	13,511	296.30	4,003,309	
Residential - Private	<u>31,745</u>	296.30	<u>9,406,043</u>	
Totals	45,256 ft²		13,409,353	13,409,353
Contingency		5.00%	670,468	
CIL			518,000	
S106	32 un	5,000.00 /un	160,000	
				1,348,468

PROFESSIONAL FEES

Professional Fees	10.00%	1,340,935	
			1,340,935

MARKETING & LETTING

Letting Agent Fee	10.00%	13,511	
Letting Legal Fee	3.00%	4,053	
			17,564

DISPOSAL FEES

Sales Agent Fee - Private		2.50%	316,496	
Sales Legal Fee - Private	32 un	750.00 /un	24,000	
				340,496

FINANCE

Debit Rate 7.500%, Credit Rate 4.250% (Nominal)				
Land			(618,304)	
Construction			839,758	
Other			163,447	
Total Finance Cost				384,902

TOTAL COSTS **11,461,859**

PROFIT

2,426,253

Performance Measures

Profit on Cost%	21.17%
Profit on GDV%	17.47%
Profit on NDV%	17.47%
Development Yield% (on Rent)	1.18%
Equivalent Yield% (Nominal)	10.00%
Equivalent Yield% (True)	10.66%

Beachlands**100% Private Appraisal**

IRR% (without Interest)

N/A

Rent Cover

17 yrs 11 mths

Profit Erosion (finance rate 7.500)

2 yrs 7 mths

Beachlands
Policy Compliant Appraisal

Hayling Island
PO11 0JG

Development Appraisal
Licensed Copy
14 February 2025

Beachlands Policy Compliant Appraisal

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Residential - Private	22	19,439	467.17	412,787	9,081,318
Residential - Affordable	10	7,660	291.12	223,000	2,230,000
Totals	32	27,099			11,311,318

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Commerical	4	13,511	10.00	33,778	135,110	135,110

Investment Valuation

Commerical						
Market Rent	135,110	YP @	10.0000%	10.0000		
(1yr Rent Free)		PV 1yr @	10.0000%	0.9091	1,228,273	

GROSS DEVELOPMENT VALUE **12,539,590**

NET REALISATION **12,539,590**

OUTLAY

ACQUISITION COSTS

Residualised Price (Negative land)	(6,132,106)	(6,132,106)
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CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Commerical	13,511	296.30	4,003,309
Residential - Private	22,771	296.30	6,747,047
Residential - Affordable	8,972	296.30	2,658,404
Totals	45,254 ft²		13,408,760

Contingency		5.00%	670,438
CIL			430,000
S106	22 un	5,000.00 /un	110,000
			1,210,438

PROFESSIONAL FEES

Professional Fees	10.00%	1,340,876	1,340,876
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MARKETING & LETTING

Letting Agent Fee	10.00%	13,511	
Letting Legal Fee	3.00%	4,053	
			17,564

DISPOSAL FEES

Sales Agent Fee - Private		2.50%	227,033
Sales Agent Fee - Affordable		1.00%	22,300
Sales Legal Fee - Private	22 un	750.00 /un	16,500
Sales Legal Fee - Affordable		0.50%	11,150
			276,983

FINANCE

Debit Rate 7.500%, Credit Rate 4.250% (Nominal)			
Land		(696,478)	
Construction		815,917	
Other		106,970	
Total Finance Cost			226,409

TOTAL COSTS **10,348,924**

PROFIT

2,190,666

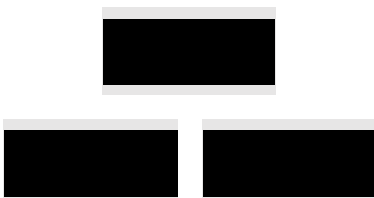
Performance Measures

Profit on Cost%	21.17%
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Beachlands**Policy Compliant Appraisal**

Profit on GDV%	17.47%
Profit on NDV%	17.47%
Development Yield% (on Rent)	1.31%
Equivalent Yield% (Nominal)	10.00%
Equivalent Yield% (True)	10.66%
IRR% (without Interest)	N/A
Rent Cover	16 yrs 3 mths
Profit Erosion (finance rate 7.500)	2 yrs 7 mths

Existing Site Photos



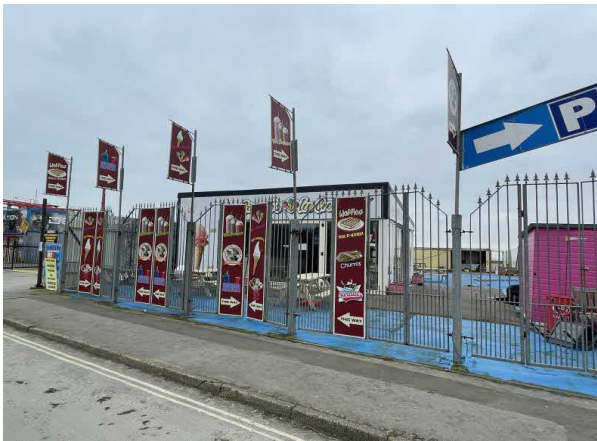
BEACHLANDS, HAYLING ISLAND, HAMPSHIRE, PO11 0JG - INSPECTION PHOTOGRAPHS



View of the outside cafe



View of side entrance



View of external amusement arcade



View of flat living area

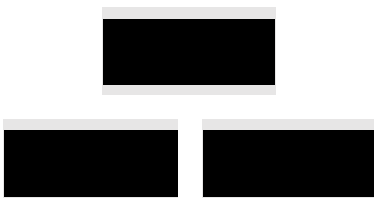


View of flat kitchen



View of flat living area

Existing Use Value Appraisal



Beachlands
BLV Appraisal

Hayling Island
P011 OJG

Beachlands BLV Appraisal

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Residential	1	3,391	103.21	350,000	350,000

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Commerical	1	9,741	19.16	186,600	176,430	186,600	176,430

Investment Valuation

Commerical					
Market Rent	176,430	YP @	10.0000%	10.0000	
(6mths Rent Free)		PV 6mths @	10.0000%	0.9535	1,682,197

GROSS DEVELOPMENT VALUE **2,032,197**

NET REALISATION **2,032,197**

OUTLAY

ACQUISITION COSTS

Residualised Price			535,588	
				535,588

CONSTRUCTION COSTS

Refurbishment Cost - Commerical	9,741 ft²	111.48	1,085,927	
Refurbishment - Residential	1 un	70,000.00 /un	70,000	
				1,155,927

PROFESSIONAL FEES

Professional Fees	10.00%	53,559	
			53,559

FINANCE

Debit Rate 7.500%, Credit Rate 4.250% (Nominal)			
Construction		7,197	
Letting		(7,197)	
Other		(17,706)	
Total Finance Cost			(17,706)

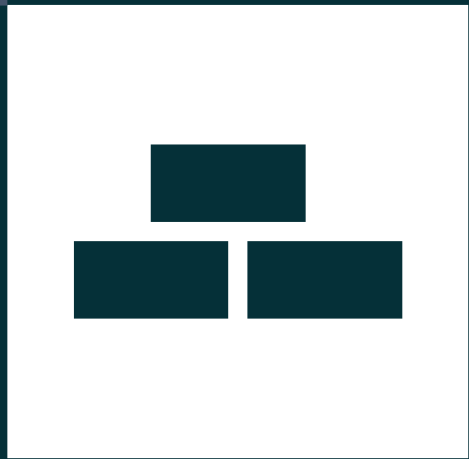
TOTAL COSTS **1,727,367**

PROFIT

304,830

Performance Measures

Profit on Cost%	17.65%
Profit on GDV%	15.00%
Profit on NDV%	15.00%
Development Yield% (on Rent)	10.21%
Equivalent Yield% (Nominal)	10.00%
Equivalent Yield% (True)	10.66%
IRR% (without Interest)	Infinite
Rent Cover	1 yr 9 mths
Profit Erosion (finance rate 7.500)	2 yrs 2 mths



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