

For: Mid Sussex District Council

Review of Applicant Submitted Viability Position

**Central Sussex College
Queensmere House
49 Queens Road
East Grinstead
RH19 1BG**

**July 2025
(DSP25521AJ)**

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1. Practice and Limitations

- 1.1.1. This review and its findings are intended purely for the purpose of providing Mid Sussex District Council (MSDC) with an independent check of, and opinion on, the planning applicant's viability information and stated position in this case.
- 1.1.2. In the preparation of this review Dixon Searle Partnership has acted with objectivity, impartiality, without interference and with reference to appropriate available sources of information.
- 1.1.3. This report and any associated work does not provide or amount to formal valuation advice.
- 1.1.4. So far as we have been able to see, the information supplied to DSP to inform and support this review process has not been provided on a confidential basis. However, potentially some of the information included may be regarded as commercially sensitive. Therefore, we suggest that the Council and prospective / current or subsequent planning applicant may wish to consider this aspect together. DSP confirms that we are content for our review information, as contained within this report, to be used as may be considered appropriate by the Council (we assume with the applicant's agreement if necessary). In looking at 'Accountability', since July 2018 (para. 021 revised in May 2019), the published national Planning Practice Guidance (PPG) on viability says on this; 'Any viability assessment should be prepared on the basis that it will be made publicly available other than in exceptional circumstances.'
- 1.1.5. Dixon Searle Partnership conducts its work only for Local Authorities and selected other public organisations. We do not act on behalf of any development interests. We have been and are involved in the review of other planning stage proposals within the MSDC area and have previously been involved in strategic level (development plan/planning policy) projects.
- 1.1.6. In any event we can confirm that no conflict of interests exists, nor is likely to arise given our approach and client base. This is kept under review. Our fees are all quoted in advance and agreed with clients on a fixed or capped basis, with no element whatsoever of contingent/incentive/performance related payment.

- 1.1.7. We have undertaken this as a desk-top exercise as is appropriate for this stage and level of review. For general familiarisation we have considered the site context from the information supplied by the Council and using available web-based material.
- 1.1.8. This document has been prepared for this specific reason and should not be used for any other purpose without the prior written authority of Dixon Searle Partnership (DSP); we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned. To the extent that the document is based on information supplied by others, Dixon Searle Partnership accepts no liability for any loss or damage suffered by the client.

2. Introduction

- 2.1.1. Dixon Searle Partnership (DSP) has been commissioned by Mid Sussex District Council (MSDC) to carry out an independent review of the 'Financial Viability Assessment' (FVA) dated February 2025 and supplied to the Council on behalf of the applicant, by Savills. This is in relation to the proposed development at Central Sussex College, Queensmere House, 49 Queens Road, East Grinstead RH19 1BG.
- 2.1.2. The FVA has been submitted in support of a full planning application (reference DM/25/0388) which seeks permission for the *“Conversion of a D1 Educational Building to 24no. Residential Apartments (32 Bedrooms) with infilling of existing undercroft areas, associated car parking, landscaping, cycle spaces, amenity areas, 1.1m high metal fence and new ramp.”*
- 2.1.3. The new District Plan 2021 – 2039 was submitted for examination on 8th July 2024. However, the Development Plan for the area currently comprises the Mid Sussex District Plan 2014-2031. Policy DP31: Affordable Housing states:

“The Council will seek:

- 1. the provision of a minimum of 30% on-site affordable housing for all residential developments providing 11 dwellings or more, or a maximum combined gross floorspace of more than 1,000m²;*
- 2. for residential developments in the High Weald Area of Outstanding Natural Beauty providing 6 – 10 dwellings, a commuted payment towards off-site provision, equivalent to providing 30% on-site affordable housing;*
- 3. on sites where the most recent use has been affordable housing, as a minimum, the same number of affordable homes should be re-provided, in accordance with current mix and tenure requirements;*
- 4. a mix of tenure of affordable housing, normally approximately 75% social or affordable rented homes, with the remaining 25% for intermediate homes, unless the best available evidence supports a different mix; and*
- 5. free serviced land for the affordable housing”.*

- 2.1.4. The Council has informed us that in this case although a policy compliant approach would lead to the provision of 8 affordable dwellings, in this instance the council would accept a commuted sum of £488,000 towards the provision of off-site affordable housing.
- 2.1.5. In presenting their viability position, the applicant has supplied to the Council the aforementioned 'Financial Viability Assessment' (FVA) together with Appendices including floorplans, a schedule of accommodation, residential sales statement, and a cost plan prepared by Calford Seaden. We have also been provided with an electronic version of the submitted development appraisal, carried out using Argus Developer.
- 2.1.6. For context, DSP has also had sight of the documents contained within the Council's online planning application file.
- 2.1.7. We have considered the assumptions individually listed within the FVA and provided our commentary based on those whilst also carrying out sensitivity testing using the same appraisal where opinion differs from that of the applicant's agent.
- 2.1.8. This report does not consider planning policy or the wider aspects in the background to or associated with the Council's consideration of this scenario. DSP's focus is on the submitted viability assumptions and therefore the outcomes (scope to generate land value and profit while also supporting the development costs and planning policies) associated with that aspect of the overall proposals.
- 2.1.9. For general background, a viable development could be regarded as the ability of a development project to meet its costs including the cost of planning obligations, while ensuring an appropriate site value (i.e. existing use value plus a reasonable premium) for the landowner and a market risk adjusted return to the developer in delivering that project. The Government's Planning Practice Guidance (PPG) on Viability sets out the main principles for carrying out a viability assessment. It 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...Any viability assessment should follow the government's recommended approach to assessing viability as set out in this National

Planning Guidance and be proportionate, simple, transparent and publicly available. Improving transparency of data associated with viability assessment will, over time, improve the data available for future assessment as well as provide more accountability regarding how viability informs decision making...In plan making and decision making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission'.¹

- 2.1.10. The submitted development appraisals have been run in a way which take account of the benchmark land value (BLV) of the site (assumed at £nil) and assess the level of additional residual potentially available in excess of that after allowing for a fixed developer's profit (17.5% on GDV for market housing). Therefore, an approach has been taken that sets out to consider, in the applicant's view, the maximum supportable level of contributions towards affordable housing.
- 2.1.11. The result of the submitted 100% 'Private sale' appraisal indicates a negative residual land value of -£400,892. Set against the £nil BLV, therefore, the scheme produces a deficit at the same level.

Results Table (Source: FVA)

Target Profit on GDV	Site Value Benchmark	Residual Value
17.50%	£0	-£400,982

- 2.1.12. The FVA concludes that: 'Given that the Residual Value of -£400,892 shows a negative position for a project delivering 100% private housing including an anticipated level of Section 106 contributions, technically the application scheme falls short of being viable under the standard measurement of viability including a 17.5% on GDV [profit], so would be unable to deliver any on site affordable housing or payment in lieu (PiL).'

¹ Paragraph: 010 Reference ID: 10-010-20180724

- 2.1.13. This review does not seek to pre-determine any Council positions and merely sets out our opinion on the submitted viability assumptions and outcomes in order to inform the Council's discussions with the applicant and its decision making; it deals only with viability matters, in accordance with our instructions.
- 2.1.14. DSP's remit is to review the submitted information to assess whether the stated viability scope available to support planning obligations (for affordable housing and/or other matters) is the most that can reasonably be expected at the time of the assessment. Our brief does not go as far as confirming what should be the outcome where schemes are stated or verified as being non-viable per se, based on a viability submission or any subsequent review. It is for the applicant to decide whether there is sufficient justification to pursue a scheme, financially. While an absence of (or insufficient level of) planning obligations will be a material consideration, we are not aware that proof of positive viability is in itself a criterion for acceptable development under current national policy. The Council may wish to consider these matters further, however.
- 2.1.15. In this context, MSDC requires our opinion as to whether the viability figures and position put forward by the applicant are reasonable. We have therefore considered the information submitted. Following our review of the key assumptions areas, this report provides our views – information all provided below.
- 2.1.16. We have based our review on the submitted FVA on the premise that the viability of the scheme should be considered based on the assumption of current costs and values. We then discuss any variation in terms of any deficit (or surplus) created from that base position by altering appraisal assumptions (where there is disagreement if any) utilising in this case the supplied appraisal basis as a starting point.
- 2.1.17. This assessment has been carried out by Dixon Searle Partnership, a consultancy which has many years combined experience in the development industry working for Local Authorities, developers, Housing Associations and in consultancy. As consultants, we have a considerable track record of assessing the viability of schemes and the scope for Local Authority planning obligation requirements. This expertise includes viability-related work carried out for many Local Authorities nationwide over more than 20 years.

- 2.1.18. The purpose of this report is to provide our overview comments with regard to this individual scheme, on behalf of MSDC - taking into account the details as presented. It will then be for the Councils to consider this information in the context of the wider planning objectives in accordance with its policy positions and strategies.
- 2.1.19. In carrying out this type of review a key theme for us is to identify whether, in our opinion, any key revenue assumptions have been under-assessed (e.g., sales value estimates) or any key cost estimates (e.g., build costs, fees, etc.) over-assessed – since both of these effects can reduce the stated viability outcome.

3. Review of Submitted Viability Assumptions

3.1 Overview of Approach

- 3.1.1 The following commentary reviews the applicant's submitted viability assumptions as explained within the FVA and the accompanying development appraisal.
- 3.1.2 Primarily the review process takes into account the fact that the collective impact of the various elements of the cost and value assumptions is of greatest importance, rather than necessarily the individual detailed inputs in isolation. We have considered those figures provided, as below, and reviewed the impact of trial changes to particular submitted assumptions.
- 3.1.3 This type of audit / check is carried out so that we can give the Council a feel for whether or not the result is approximately as expected – i.e., informed by a reasonable set of assumptions and appraisal approach.
- 3.1.4 Should there be changes to the scheme proposals relative to the details now under review, this would obviously impact on the appraisal outputs.

3.2 Benchmark Land Value

- 3.2.1 In all appraisals of this type, the base value (value of the site or premises – e.g., in existing use) is one of the key ingredients of scheme viability. A view needs to be taken on land value so that it is sufficient to secure the release of the site for the scheme (sale by the landowner) but is not assumed at such a level that restricts the financial capacity of the scheme to deliver suitable profits (for risk reward), cover all development costs (including any abnormals) and provide for planning obligations as a part of creating sustainable development. This can be a difficult balance to reach, both in terms of developers' dealings with landowners, and Councils' assessments of what a scheme has the capacity to bear.
- 3.2.2 The RICS (Royal Institution of Chartered Surveyors) Professional Standard: 'Assessing viability in planning under the national Planning Policy Framework 2019 for England' (reissued April 2023) took effect from 1st July 2021 when it was previously published as a guidance note. Its emphasis reflects the Planning Practice Guidance (PPG) on Viability as noted below, and the PPG will remain the primary source of guidance in this field – viability in planning.

- 3.2.3 The RICS Professional Standard states that: *'The BLV should not be expected to equate to market value. [...] The BLV is not a price to be paid in the marketplace; it is a mechanism by which the viability of the site to provide developers' contributions can be assessed. It should be set at a level that provides the minimum return at which a reasonable landowner would be willing to sell.'*
- 3.2.4 It goes on to state: *'The BLV is a benchmark value against which the developer contributions can be assessed. Once those contributions have been set, land markets should take the level of policy requirements into account, just as all markets should take all relevant factors that affect value into account. PPG paragraph 013 states that 'Landowners and site purchasers should consider policy requirements when agreeing land transactions. This means that the actual price paid for a site cannot be used to reduce developer contributions.'*
- 3.2.5 The latest PPG on viability and the NPPF (most recently updated in December 2024) very clearly advise that land value should be based on the value of the existing use plus an appropriate level of premium or uplift to incentivise release of the land for development from its existing use. With regard to how land value should be defined for the purpose of viability assessment it states: *'To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner.'*
- 3.2.6 The guidance defines existing use value as: *'the first component of calculating benchmark land value. EUV is 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. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield. Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency data; public sector estate/property teams' locally held evidence.'*

3.2.7 It states that a Benchmark Land Value should:

- *'be based upon existing use value*
- *allow for a premium to landowners (including equity resulting from those building their own homes)*
- *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees and*
- *be informed by market evidence including current uses, costs and values wherever possible. Where recent market evidence is used to inform assessment of benchmark land value this evidence should be based on developments which are compliant with policies, including for affordable housing. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.'*

3.2.8 The guidance further states that: *'Where viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.'* It goes on to state: *'Policy compliance means that the development complies fully with up to date plan policies including any policy requirements for contributions towards affordable housing requirements at the relevant levels set out in the plan. A decision maker can give appropriate weight to emerging policies. Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement).'*

3.2.9 With regard to assuming an alternative use value to determine BLV the guidance states: *'For the purpose of viability assessment alternative use value (AUV) refers to the value of land for uses other than its current permitted use, and other than other potential development that requires planning consent, technical consent or unrealistic permitted development with different associated values. AUV of the land may be informative in establishing benchmark land value. If applying alternative uses when establishing benchmark land value these should be limited to those uses which have an existing implementable permission for that use. Where there is no existing implementable permission, plan makers can set out in which circumstances alternative uses can be used. This might include if there is evidence that the alternative use would fully comply with development plan policies, if it can be demonstrated that the alternative use could be implemented on the site in question, if it can be demonstrated there is market demand for*

that use, and if there is an explanation as to why the alternative use has not been pursued. Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. Valuation based on AUV includes the premium to the landowner. If evidence of AUV is being considered the premium to the landowner must not be double counted.'

3.2.10 It is therefore clear that the only acceptable approach to defining a benchmark land value for the purposes of a viability assessment, is the EUV+; or, exceptionally, AUV.

3.2.11 The application site was formerly in use as college premises, and prior to this the building was used as offices.

3.2.12 In this case, Savills have not sought to include a BLV due to the submitted appraisal showing a negative residual output but reserve the right to do so.

3.2.13 For the purposes of this review, we have also adopted a £nil BLV.

3.3 Land acquisition costs

3.3.1 Acquisition costs have been included at £20,000. We would usually expect to see an allowance of no more than 1.75% plus SDLT at the prevailing rate typically applied to the RLV. Where that is negative, such as in this case, typically these allowances are not included. We haven't adjusted the assumption, which does not affect the appraisal outcome in any event; however, we note that it is potentially high.

3.4 Gross Development Value – Market housing

3.4.1 The subject scheme comprises 17no. 1-bedroom apartments, 6no. 2-bedroom apartments and 1no. 3-bedroom apartment. In total, the proposed development will provide 24no. apartments with a total GIA of 14,139 sq. feet (1,325.4 sq. metres).

3.4.2 The FVA assumes a total GDV of £5,707,500, equivalent to £404 per sq. ft. (£4,349 per sq. metre) based research prepared by Savills (Appendix 7) and advice received from Hamptons (not provided).

3.4.3 In order to assess whether the assumed values are reasonable, we have reviewed the submitted evidence and we have carried out our own desktop research including data from the Land Registry and advertised prices on property websites.

- 3.4.4 The Land Registry indicates an average sold value (updated in line with the House Price Index for Mid Sussex) of £414 per sq. ft. for newbuild flats sold within a mile of the application site for the period February 2023 – February 2025.
- 3.4.5 We note that the Savills residential research includes an individual pricing schedule, which indicates a total GDV of £5,955,000 based on a 25-unit scheme. Reviewing the individual pricing schedule, we consider the assumed values to be generally appropriate with the exception of the larger plots 3 – 5, particularly as they will benefit from private gardens.

Lower ground floor plan



- 3.4.6 We note larger (868 sq. feet) 2-bedroom apartments being marketed on Queens Road (built in 2020) with guide prices in excess of £325,000. We also note a larger (731 sq. feet) 2-bedroom apartment being marketed in Sussex House with a guide price of £260,000.
- 3.4.7 We have therefore tested higher than the submitted values for plots 3 – 5 as follows:

Plot	Floor area	Assumed Value	DSP Value
3	761	£250,000	£280,000
4	868	£270,000	£335,000
5	786	£240,000	£290,000

3.4.8 Our revised assumptions result in a total GDV of £5,852,500 – an increase of £145,000 from the submitted.

3.4.9 It is also worth noting that any improvement in the sales value assumptions (compared with a level set at the point of the appraisal) would most likely be reflected in an improvement in scheme viability. Whilst the opposite could also occur (the sales values could fall relative to the assumptions made), that is the developer's (applicant's) risk, and such factors need to be kept in mind in making an overall assessment of the applicant's position.

3.5 Cost Assumptions – Build Costs & Fees

3.5.1 The submitted build costs for the proposed scheme are based on a cost plan (Appendix 4). The total costs included in the submitted appraisal are as follows:

Building Cost	Total £
Substructure	£248,197
Superstructure	£1,389,046
Internal Finishes	£474,699
Fittings Furnishings and Equipment	£122,000
Mechanical and Electrical Services	£689,137
External Works and Drainage	£327,273
Main Contractors Preliminaries @ 10%	£325,035
Main Contractors OHP	£250,277
D&B Design Development Risk @ 2%	£76,513
D&B Construction Risk @ 2%	£78,044
Client Contingency @ 5%	£199,011
Total	£4,179,232

3.5.2 DSP commissioned Martin Warren Associates (MWA) to review the submitted costs on behalf of the Council. MWA's report is attached as Appendix I to this report and provides a lower estimate of £3,978,619 as follows:

Building Cost	Total £
Substructure	£224,082
Superstructure	£1,177,335

Internal Finishes	£435,584
Fittings Furnishings and Equipment	£182,000
Mechanical and Electrical Services	£679,556
External Works and Drainage	£323,718
Main Contractors Preliminaries @ 10%	£392,896
Main Contractors OHP	£239,062
Sub-total	£3,654,233
D&B Design Development Risk @ 2%	£67,464
D&B Construction Risk @ 2%	£67,464
Client Contingency @ 5%	£189,458
Total	£3,978,619

- 3.5.3 Construction cost contingencies are included at a total of 9%. For viability in planning purposes, a contingency of 5% is more appropriate and is typically agreed. We have therefore included contingency at a total of 5%.

3.6 Professional fees

- 3.6.1 In addition to the above build costs, an allowance of 10% has been included for professional fees. For the purposes of our sensitivity testing, consistent with MSDC's typical approach on this assumption, we have applied a lower assumption of 8%, which has been possible to agree on the majority of reviews where viability has been considered at MSDC.

3.7 CIL / Planning Obligations

- 3.7.1 MSDC does not currently charge CIL. The FVA includes an allowance of £125,000 for S106 contributions. The Council has, however, provided DSP with details of the contributions required, as follows:

Education (Primary)	£26,758
Education (Secondary)	£28,798
Education (Sixth Form)	£6,746
Libraries	£8,231
TAD	£12,970
Play equipment	£16,530
Kickabout	£13,885
Formal Sport	£23,174
Community Buildings	£13,291
Local Community Infrastructure	£15,086

SAMM	£28,080
SANG	£126,072
Total	£319,621

3.7.2 Therefore, we have applied this alternative significantly higher allowance in our trial appraisals.

3.7.3 It should be noted that any change in the chargeable sum would have an impact on the overall viability of the scheme as viewed through the appraisal - a reduction in the S106 cost assumption would improve the viability outcome and an increase would pull it downwards (looking at the effect of this assumption only). In all such reviews, we assume that all requirements that are necessary to make a scheme acceptable in planning terms will have to be included.

3.8 Development Timings

3.8.1 The development timings set out in the FVA assume a 9-month pre-commencement period for the proposed scheme with construction taking place over a further 12 months. The pre-commencement period is considered a little long and we have reduced it to 6 months in our trial appraisal.

3.8.2 The sales period is stated as 8 months commencing at construction completion. At 3 sales per month overall, we consider this to be a suitable assumption.

3.9 Development Finance

3.9.1 Typically, in the recent period we have seen finance rates of 6.5% - 8.0% being submitted for viability appraisal purposes, with those assumptions representative of the costs inclusive of all fees.

3.9.2 Finance costs have been included using an 8.0% debit interest rate (on the same basis i.e. with no further fees allowances made). The assumed debit rate is at the upper end of the range of submitted assumptions that we see. Accordingly, we have tested, for the purposes of this review, a finance rate of 7.5% (including all ancillary fees).

3.10 Agent's, Marketing & Legal costs

3.10.1 The submitted appraisal includes marketing fees of £1,000 per unit and sales fees at 1.5%. We consider these assumptions to be not excessive, and we accordingly have not made any adjustments in our trial appraisal.

- 3.10.2 Legal fees (on sale) are also included at £1,500 per unit within the development appraisal. This is high in our experience, and we have reduced this assumption to £1,000 per unit in our trial appraisal.

3.11 Developer's Risk Reward – Profit

- 3.11.1 The Planning Practice Guidance (PPG) on Viability states: *'Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of fully complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan'*. It goes on to state: *'For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types'*.
- 3.11.2 The PPG, as above, although silent in terms of decision making, does set out a range of between 15% and 20% on GDV for market housing; lower for affordable housing in relation to plan making. Given that the NPPF and PPG expect planning applications to be consistent with the plan making stage, it is therefore also appropriate to assume that the range 15% - 20% on GDV (lower for affordable housing) may be considered at the decision taking stage.
- 3.11.3 In this case, the level of profit has been included as a fixed input at 17.5% of GDV. We consider the assumption to be suitable, and we have not made any adjustment in our trial appraisal.

4. Findings Summary

4.1.1. The overall approach to assessing the viability of the proposed development appears to be appropriate in our opinion.

4.1.2. We consider several of the submitted assumptions to be fair, however there are areas we have queried or where a difference of opinion exists. In brief summary, these are as follows:

- Gross Development Value (paragraph 3.4) – we have increased the total GDV assumption from £5,707,500 to £5,852,500 (considering the values for the larger flats with gardens to be underplaced), an overall increase of £145,000.
- Build costs (paragraph 3.5) – we have applied the lower second opinion estimate with the exception of the contingency allowance, which we have limited to 5%.
- Professional fees (paragraph 3.6) – we have made a downward adjustment within our trialling, from 10% to 8%.
- S106 contributions (paragraph 3.7) - we have updated the assumed cost figure, using the Council's more significant s106 schedule to incorporate the latest requirements. Our trial appraisal includes a total sum of £319,621.
- Development timings (paragraph 3.8) – we have reduced the assumed pre-commencement period from 9 months to 6 months.
- Development finance (paragraph 3.9) – we have tested a reduced assumption of a 7.5% interest rate (a downward adjustment from the submitted 8.0%).
- Legal costs (paragraph 3.10) on sale – again for the purposes of further exploring what has been presented as an unviable scenario per se, we have tested a lower assumption of £1,000 per unit (reduced from the submitted £1,500 per unit).

- 4.1.3. The scheme as presented indicates a negative residual land value of -£400,982. Set against the suggested £nil BLV this indicates an overall deficit at the same level. DSP calculates that when that presented deficit is deducted from the target profit the scheme as presented produces an actual profit of c. 10% on GDV.
- 4.1.4. Applying our adjustments above to the scheme as proposed and appraised produces a higher residual land value, although still negative at -£17,862. This is when including the acquisition costs of £20,000, which although we noted to be potentially high, represent that there be some costs involved in transfer of ownership etc. even if the relevant land cost were nil or nominal.
- 4.1.5. Overall, therefore, the proposed scheme appears to be relatively marginal; this is before the consideration of any site value, and it is acknowledged that any landowner is unlikely to dispose of the building without any recompense. To conclude, our view is that the scheme is unlikely to be sufficiently viable to support a contribution towards affordable housing in addition to supporting the necessary s106 contributions for other matters. This assumes that s106 totalling around £300,000 or more is required. Should that level reduce, then it might be appropriate to consider reallocation of some funds towards affordable housing enabling.
- 4.1.6. We need to be clear our review is based on current day costs and values assumptions as described within our review based on the current scheme(s) as submitted. A different scheme may of course be more or less viable – we are only able to review the information provided.
- 4.1.7. Of course, no viability report or assessment can accurately reflect costs and values until a scheme is built and sold – this is the nature of the viability process and the reason for local authorities needing to also consider later stage review mechanisms when developments fall short of policy provision. In this sense, the applicant and their agents are in a similar position to us in estimating positions at this stage – it is not an exact science by any means, and we find that opinions can vary.
- 4.1.8. As regards the wider context including the current economic situation, in accordance with the relevant viability guidance our review is based on current day costs and values – a current view is appropriate for this purpose. The most recent (national) reporting suggests that the housing market generally is improving, with average house prices reported as

having increased slightly and prospects for 2025 - 2026 seen as positive despite forthcoming stamp duty changes. Construction costs are still increasing, but at a much lower rate than has been experienced in previous years and these are seen to be stabilising currently.

- 4.1.9. The RICS Professional Standard notes that 'Development risk' reflects: *'The risk associated with carrying out, implementing and completing a development, including site assembly, planning, construction, post-construction letting and sales'* and that *'The return for the risk is included in the developer return and the PPG makes it clear that it is the developer's job to mitigate this risk, not plan makers and decision takers.'* This is all part of the usual development process. Furthermore, in reflecting the PPG the RICS Professional Standard notes: *'PPG paragraphs 007 and 009 reflect on the impact of market cyclicity during the life of the plan. Paragraph 007 gives market downturns as one example of the justification for a site-specific FVA, but it is restricted to "a recession or similar significant economic change". This implies the exclusion of normal market cyclicity, which is embedded in the level of developer return.'*

- 4.1.10. DSP will be happy to advise further if required by MSDC.

Review report ends
July 2025

Appendix I – MWA Report

Appendix II - DSP version of the applicant's submitted appraisal



1 Introduction

- 1.01 The purpose of this Comparison Cost Plan is to provide Dixon Searle with a construction and project cost for the proposed conversion of the existing Queensmere House office block into 24 resident flats in East Grinstead.
- 1.02 This report is based on an objective and impartial review of the applicants Cost Plan, we have given full consideration to the most effective and efficient way to deliver a reasonable development performance proportionate to the scheme as represented by the applicant. We have referenced rates which have been returned by Contractors in recent Tenders. We have not considered the Plot Costs.
- 1.03 Where we disagree with any cost stated by the applicant we have included in the comments column a statement of the basis of such disagreement.

2.00 Basis of Comparison

- 2.01 When carrying our review of the applicants Cost Plan we have adopted a reasonable, transparent, fair and objective assessment. We have considered in our opinion the most cost effective and efficient way to deliver the project which fully reflects the way the development will actually be carried out.

3.00 Observations

- 3.01 We have undertaken this as a desk-top exercise as is appropriate for this stage and level of review. For general familiarisation we have considered the site context from the information supplied by the Council
- 3.02 The prices within our comparison of this Cost Plan are based on a small developer subcontracting out the construction on a trade by trade basis having been engaged on a competitive single stage tender based on Contract Drawings, Specification all fully developed to RIBA Stage 4. Procurement envisages appointment under a Bespoke Housebuilder Subcontract.
- 3.03 The Cost Plan does make a general allowance of 4% for Design Risk Contingency and Construction Risk which we consider to be unreasonable, accordingly we have revised this combined allowance to 5%.
- 3.04 In this narrative summarising our observations we have not commented on variances of less than £1,000 as these are explained in detail in our comments on "Table 1" calculations.

4.00 Conclusion

- 4.01 Generally we are of the opinion that the Applicants Cost Plan for the Construction Costs for the Scheme is over stated by £200,613.00 (Rounded) this equates to a 4.8% over statement which we consider to be unreasonable. The differences are as detailed below:

		MWA Total		Variance to Applicants Total
Substructure	£	224,082	£	24,115
Superstructure	£	1,177,335	£	211,711
Internal Finishes	£	435,584	£	39,115.00
Fittings, Furnishings and Equipment	£	182,000	-£	60,000.00
Mechanical & Electrical Services	£	679,556	£	9,580.90
External Works and Drainage	£	323,718	£	3,555.00
Main Contractors preliminaries	£	392,896	-£	67,860.76
Main Contractors OHP	£	239,062	£	11,215.04
Design development Risk	£	67,464	£	9,049.07
Construction Risk	2% £	67,464	£	10,580.07
Client Contingency	£	189,458	£	9,553

Total Scheme Build Cost

£	3,978,619	£	200,613
Costs over stated by		4.80%	

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Dimensions		Description	Quantity	Unit	Rate		Value					
		3.00	INTERNAL FINISHES									
		3.1	Wall Finishes	5.43	%	£	128.15	£	226,828.00	£	192,172.00	
		3.2	Floor Finishes	3.40	%	£	80.19	£	141,936.00	£	142,522.00	
		3.3	Ceiling Finishes	2.53	%	£	59.85	£	105,935.00	£	100,890.00	
			TOTAL Internal Finishes	11.36	%	£	268.19	£	474,699.00	£	435,584.00	
		4.00	FITTINGS,FURNISHINGS AND EQUIPMENT									
			4.1	Fittings,furnishings & Equipment	2.92	%	£	68.93	£	122,000.00	£	-
			TOTAL Fittings,Furnishings & Equipment	2.92	%	£	68.93	£	122,000.00	£	-	
										£	182,000.00	
		5.00	SERVICES									
			5.1	Sanitary Fittings	1.35	%	£	31.86	£	56,400.00	£	56,400.00
			5.2	Services Equipment	0.00	%	£	-	£	-	£	-
			5.3	Disposal Installations	0.32	%	£	7.46	£	13,200.00	£	13,200.00
			5.4	Water Installations	2.38	%		56.27	£	99,600.00	£	99,600.00
			5.5	Heat Source	3.56	%	£	84.00	£	148,680.00	£	148,680.00
				TOTAL - Services (carried forward)	7.61	%	£	179.59	£	317,880.00	£	317,880.00
			5.6	Space heating and air conditioning systems	0.00	%	£	-	£	-	£	-
			5.7	Ventilation System	0.13	%	£	2.97	£	5,250.00	£	15,000.00
			5.8	Electrical Installations	3.83	%	£	90.45	£	160,094.00	£	160,095.00
			5.9	Fuel Installations	0.00	%	£	-	£	-	£	-
			5.10	Lift Installations	2.39	%	£	56.50	£	100,000.00	£	90,000.00
			5.11	Fire & Lightning Protection	0.76	%	£	17.85	£	31,595.00	£	31,595.00
			5.12	Communication,Security and Control Systems	0.84	%	£	19.95	£	35,312.00	£	35,312.00
			5.12	Specialist Installations	0.00	%	£	-	£	-	£	-
			5.11	BWIC with Services	22.04	%	£	22.04	£	39,008.00	£	29,674.10
				TOTAL -Services	16.49	%	£	389.34	£	689,137.00	£	679,556.10
				TOTAL - BUILDING WORKS	69.94	%	£	1,651.46	£	2,923,079.00		
		6.00	EXTERNAL WORKS									
			6.1	Site Works	0.38	%	£	8.94	£	15,830.00	£	15,830.00
			6.2	Roads,paths and surfaces	3.53	%	£	83.36	£	147,546.00	£	149,589.00
			6.3	Soft landscaping and planting	0.88	%	£	20.70	£	36,645.00	£	35,240.00
			6.4	Fencing railings and walls	0.14	%	£	3.36	£	5,950.00	£	5,950.00
			6.5	Street Furniture and equipment	0.24	%	£	5.65	£	10,000.00	£	10,000.00
	6.6	Underground drainage	2.39	%	£	56.44	£	99,904.00	£	95,710.00		
	6.7	External Services	0.27	%	£	6.44	£	11,399.00	£	11,399.00		
		Total - Site Works	7.83	%	£	184.90	£	327,273.00	£	323,718.00		
		TOTAL - Building & Site Works					£	3,250,352.00	£	-		
7.00	MAIN CONTRACTORS PRELIMINARIES								£	-		
	7.1	Preliminaries 10%	7.78	%	£	183.64	£	325,035.00	£	-		
8.00	MAIN CONTRACTORS OHP								£	-		
	8.1	Overheads & Profit 7%	5.99	%	£	141.40	£	250,277.00	£	-		
									£	-		
9.00	RISK								£	-		

£ -
£ -
£ -

£	-
£	-
£	-
£	-
£	-
£	-

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			disposal of excavated material off site	102	m3	£	60.00	£	6,120.00		£	60.00	£	6,120.00	Not unreasonable
			level & consolidate bottoms of excavations	68	m2	£	5.00	£	340.00		£	2.50	£	170.00	Rate Very High; suggest £2.50/m2
			lean mix concrete blinding bed	3	M3	£	120.00	£	408.00	Calc error	£	120.00	£	360.00	Not unreasonable
			earthwork support to sides of excavations	255	m2	£	15.00	£	3,825.00		£	15.00	£	3,825.00	Not unreasonable
			reinforced concrete	152	m3	£	200.00	£	30,400.00		£	185.00	£	28,120.00	Rate High; suggest £185.00/m3
			A393 mesh reinforcement to foundations	135	m2	£	15.00	£	2,025.00		£	15.00	£	2,025.00	Not unreasonable
			formwork to foundations	255	m2	£	35.00	£	8,925.00		£	55.00	£	14,025.00	Rate Low; suggest £55/m2
			Ground Slab										£	-	
			reinforced screed	455	m2	£	70.00	£	31,850.00		£	70.00	£	31,850.00	Not unreasonable
			reinforced concrete; 200 thick	111	m3	£	175.00	£	19,425.00		£	175.00	£	19,425.00	Not unreasonable
			A252 mesh; two layers	890	m2	£	15.00	£	13,350.00		£	15.00	£	13,350.00	Not unreasonable
			surface treatment to top of slab	445	m2	£	10.00	£	4,450.00		£	5.00	£	2,225.00	Rate High; suggest £5.00/m2
			separation layer	445	m2	£	4.00	£	1,780.00		£	4.00	£	1,780.00	Not unreasonable
			damp proof membrane	445	m2	£	20.00	£	8,900.00		£	4.50	£	2,002.50	Rate High; suggest £4.50/m2
			Insulation to slab	445	m2	£	40.00	£	17,800.00		£	27.00	£	12,015.00	Rate High; Suggest £27.00/m2 for 140mm Celotex
			screed	240	m2	£	60.00	£	14,400.00		£	32.00	£	7,680.00	Rate High; suggest £35.00/m2 for 75mm thick screed
			drainage membrane	240	m2	£	25.00	£	6,000.00		£	25.00	£	6,000.00	Not unreasonable
			lean mix concrete blinding bed	22	m2	£	120.00	£	2,640.00		£	120.00	£	2,640.00	Not unreasonable
			type 1 sub-base to make up levels	67	m3	£	50.00	£	3,350.00		£	65.00	£	4,355.00	Rate Low; suggest £65.00/m3
			compacting surfaces of fill in layers	445	m2	£	3.00	£	1,335.00		£	3.00	£	1,335.00	Not unreasonable
		2%	sundries; expansion joints and the like	2	%			£	1,870.00				£	1,870.00	Not unreasonable

Dimensions			Description	Quantity	Unit	Rate		Value						
			Substructure Masonry											
			class B engineering brick external skin	111	m2	£	60.00	£	6,630.00	£	120.00	£	13,320.00	Rate Low; suggest £120.00/m2
			formwork to foundations	55	m2	£	30.00	£	1,658.00	£	-	£	-	Measured and costed above
			blockwork inner skin; 140 thick	111	m2	£	55.00	£	6,078.00	£	55.00	£	6,105.00	Not unreasonable
			cavity tray with weepholes	47	m2	£	35.00	£	1,636.00	£	35.00	£	1,645.00	Not unreasonable
			RIW self adhesive membrane	64	m2	£	40.00	£	2,550.00	£	40.00	£	2,560.00	Not unreasonable
			perimeter insulation; 20 thick	85	m	£	20.00	£	1,700.00	£	20.00	£	1,700.00	Not unreasonable
			Sundries (obstructions etc) 2%	2	%			£	4,867.00			£	-	Included above
								£	248,197.00			£	224,082.00	
		(1)	TOTAL SUBSTRUCTURE					£	248,197.00			£	224,082.00	
		2.1	Frame	None						£	-			
		2.2	UPPER FLOORS											
			Upper Floors;existing areas											
			timber battens	1327	m2	£	20.00	£	26,540.00	£	20.00	£	26,540.00	Not unreasonable
			25mm thick plywood	1327	m2	£	30.00	£	39,810.00	£	30.00	£	39,810.00	Not unreasonable
			floor insulation	1327	m2	£	35.00	£	46,445.00	£	20.00	£	26,540.00	Rate High; suggest £20.00/m2
			screedboard	1327	m2	£	70.00	£	92,890.00	£	60.00	£	79,620.00	Rate High; suggest £60.00/m2
			Upper Floors ; new area											
			precast concrete slab	443	m2	£	75.00	£	33,225.00	£	90.00	£	39,870.00	Rate Low; suggest £90.00/m2
			timber battens	1327	m2	£	20.00	£	26,540.00	£	20.00	£	26,540.00	Not unreasonable
			25mm thick plywood	1327	m2	£	30.00	£	39,810.00	£	30.00	£	39,810.00	Not unreasonable
			floor insulation	1327	m2	£	35.00	£	46,445.00	£	20.00	£	26,540.00	Rate High; suggest £20.00/m2
			screedboard	1327	m2	£	70.00	£	92,890.00	£	60.00	£	79,620.00	Rate Hih; suggest £60.00/m2
							£	444,595.00			£	384,890.00		
2.3	ROOF													

Dimensions			Description	Quantity	Unit	Rate		Value					
		(2.6)	WINDOWS & EXTERNAL DOORS										
		Windows											
		remove all existing windows	120	m2	£	20.00	£	2,400.00	£	20.00	£	2,400.00	Not unreasonable
		install new aluminium framed double glazed	120	m2	£	1,200.00	£	144,000.00	£	850.00	£	102,000.00	Rate High; suggest £850.00/m2
		Window boards; painted	5%	5	%		£	7,320.00			£	5,100.00	Percentage not unreasonable
		Curtain battens ; painted	5%	5	%		£	7,320.00			£	5,100.00	Percentage not unreasonable
		External Doors											
		emergency exit doors ; one & half leaf	1	No	£	1,750.00	£	1,750.00	£	150.00	£	150.00	Not unreasonable
		ground floor entrance door ; sliding	1	No	£	2,000.00	£	2,000.00	£	2,000.00	£	2,000.00	Not unreasonable
		lower ground floor entrance door : single	1	No	£	1,500.00	£	1,500.00	£	1,500.00	£	1,500.00	Not unreasonable
		Lightwell doors	4	No	£	1,500.00	£	6,000.00	£	1,500.00	£	6,000.00	Not unreasonable
		patio doors ; single with screen	4	No	£	2,500.00	£	10,000.00	£	2,500.00	£	10,000.00	Not unreasonable
		external entrance doors ; single	2	No	£	2,000.00	£	4,000.00	£	2,000.00	£	4,000.00	Not unreasonable
		refuse doors ; double	1	No	£	3,000.00	£	3,000.00	£	3,000.00	£	3,000.00	Not unreasonable
								£	189,290.00			£	141,250.00
		(2.7)	INTERNAL WALLS										
		Masonry block walls											
		100mm thick	1233	m2	£	55.00	£	67,815.00	£	55.00	£	67,815.00	Not unreasonable
		cavity ; insulation	1233	m2	£	15.00	£	18,495.00	£	15.00	£	18,495.00	Not unreasonable
		100mm thick	1233	m2	£	55.00	£	67,815.00	£	55.00	£	67,815.00	Not unreasonable
Metal stud partitions ; plasterboard both sides	1367	m2	£	65.00	£	88,855.00	£	65.00	£	88,855.00	Not unreasonable		
e.o. for fire barriers above all partitions	425	m2	£	20.00	£	8,500.00	£	20.00	£	8,500.00	Not unreasonable		
Thermaline Superboard	160	m2	£	80.00	£	12,800.00	£	80.00	£	12,800.00	Not unreasonable		

(2.8)	INTERNAL DOORS					£	264,280.00
	single doors, frames & ironmongery flats	81	No	£	1,200.00	£	97,200.00
	single doors, frames & ironmongery stores	30	No	£	1,000.00	£	30,000.00
	single doors, frames & ironmongery risers	6	No	£	1,000.00	£	6,000.00
	single doors, frames & ironmongery flat entrance	24	No	£	1,200.00	£	28,800.00
	single doors, frames & ironmongery communal	10	No	£	1,250.00	£	12,500.00
	double doors, frames and ironmongery , communal	1	No	£	2,000.00	£	2,000.00
	door and half, frames & ironmongery, communal	3	No	£	1,750.00	£	5,250.00
						£	181,750.00
	(2)	TOTAL SUPERSTRUCTURE					£
(3.1)	WALL FINISHES						
	Finishes to external walls						
	skim to plasterboard	350	m2	£	12.00	£	4,200.00
	decoration; painting to walls	350	m2	£	10.00	£	3,500.00
	Internal Walls						
	plasterboard on dabs	2466	m2	£	50.00	£	123,300.00
	skim coat plaster to internal partitions	2894	m2	£	12.00	£	34,728.00
	decoration, painting to walls	5360	m2	£	10.00	£	53,600.00
	tiled splashback with worktop upstand	25	No	£	300.00	£	7,500.00
						£	226,828.00
(3.2)	FLOOR FINISHES						
	Finishes to floors						
	Carpet to,						
	bedrooms, living & hallways	954	m2	£	70.00	£	66,780.00
	skirtings; painted	1202	m2	£	15.00	£	18,030.00
	Vinyl sheeting to floor. Including coved skirting to						
	bathrooms,kitchens,store	298	m2	£	70.00	£	20,860.00
	all comunal areas	287	m2	£	70.00	£	20,090.00
	entrance mat to foyer	1	item	£	2,000.00	£	2,000.00
	communal staircase areas, treads & risers	15%	15	%		£	6,443.00
Total							

£	264,280.00		
£	650.00	£	52,650.00
£	650.00	£	19,500.00
£	650.00	£	3,900.00
£	1,200.00	£	28,800.00
£	1,250.00	£	12,500.00
£	2,000.00	£	2,000.00
£	1,750.00	£	5,250.00
		£	124,600.00
		£	1,177,335.00

£	15.00	£	5,250.00	Rate Low; suggest £15.00/m2
£	10.00	£	3,500.00	Not unreasonable
		£	-	
£	32.00	£	78,912.00	Rate high; suggest £32.00/m2
£	15.00	£	43,410.00	Rate Low; suggest £15.00/m2
£	10.00	£	53,600.00	Not unreasonable
£	300.00	£	7,500.00	Not unreasonable
		£	192,172.00	

£	70.00	£	66,780.00	Not unreasonable
£	15.00	£	18,030.00	Not unreasonable
		£	-	
£	70.00	£	20,860.00	Not unreasonable
£	70.00	£	20,090.00	Not unreasonable
£	2,000.00	£	2,000.00	Not unreasonable
		£	6,443.00	Not unreasonable

Dimensions					
Description			Quantity	Unit	Rate
(3.3)	CEILING FINISHES	Floor paint to			
		epoxy resin, plantrooms, refuse & lift motor room	39	m2	£
		Sundries; trims,transition strips	5	%	
					£
					141,936.00
		MF suspended ceiling			
		single layer 15mm plasterboard; skim coat	1770	m2	£
		decorations to ceilings	1770	m2	£
		Sundries; trims	5	%	
					£
(3)	TOTAL INTERNAL FINISHES				£
					474,699.00
(4)	FITTINGS	Domestic kitchen fittings			
		to all flats	24	unit	£
		White goods			
		to flats	0		£

£	40.00	£	1,560.00	Rate Low; suggest £40.00/m2
		£	6,759.00	Not unreasonable
		£	142,522.00	
£	45.00	£	79,650.00	Not Unreasonable
£	12.00	£	21,240.00	Not Unreasonable
		£	-	Included above
		£	100,890.00	
		£	435,584.00	
£	5,000.00	£	120,000.00	
		£	60,000.00	Why exclude this item? Allow £2,500/flat

	Window Blinds To Windows	Excluded	0			£ -		£ -	
	Post boxes: free standing to communal area	per unit	1	unit	£ 2,000.00	£ 2,000.00	£ 2,000.00	£ 2,000.00	Not unreasonable
(4)	TOTAL FITTINGS					£ 122,000.00		£ 182,000.00	
(5)	MECHANICAL & ELECTRICAL SERVICES								
(5.1)	SANITARY FITTINGS (Note:waste,trp & water connections included elsewhere)								
	wc		24	No	£ 450.00	£ 10,800.00	£ 450.00	£ 10,800.00	Not unreasonable
	wash hand basin		24	No	£ 350.00	£ 8,400.00	£ 350.00	£ 8,400.00	Not unreasonable
	bath with shower over, screen		24	No	£ 1,250.00	£ 30,000.00	£ 1,250.00	£ 30,000.00	Not unreasonable
	sundry fittings per flat		24	No	£ 300.00	£ 7,200.00	£ 300.00	£ 7,200.00	Not unreasonable
(5.2)	SERVICES EQUIPMENT					£ 56,400.00		£ 56,400.00	
	None					£ -		£ -	
(5.3)	DISPOSAL INSTALLATIONS					£ -		£ -	
	Soil and waste fitting , to WC;s WHB;s and bath		72	No	£ 150.00	£ 10,800.00	£ 150.00	£ 10,800.00	Not unreasonable
	Kitchens, dishwasher & washing machine		24	No	£ 100.00	£ 2,400.00	£ 100.00	£ 2,400.00	Not unreasonable
(5.4)	WATER INSTALLATIONS					£ 13,200.00		£ 13,200.00	
	Mains water supply: Included elsewhere								
	Cold water distribution:								
	Cold water distribution		1770	m2	£ 20.00	£ 35,400.00	£ 20.00	£ 35,400.00	Not unreasonable
	Connections to all sanitary appliances etc		96	No	£ 150.00	£ 14,400.00	£ 150.00	£ 14,400.00	Not unreasonable
	Hot water distribution							£ -	
	Hot water distribution		1770	m2	£ 20.00	£ 35,400.00	£ 20.00	£ 35,400.00	Not unreasonable
	Connections to all whbs sinks etc		96	No	£ 150.00	£ 14,400.00	£ 150.00	£ 14,400.00	Not unreasonable
(5.5)	HEAT SOURCE					£ 99,600.00		£ 99,600.00	
	Underfloor heating to all areas		1770	m2	£ 80.00	£ 141,600.00	£ 80.00	£ 141,600.00	Not unreasonable
	Testing & commissioning/O&M Manuals 5%		5	%		£ 7,080.00		£ 7,080.00	Not unreasonable
(5.6)	SPACE HEATING AND AIR CONDITIONING SYSTEMS					£ 148,680.00		£ 148,680.00	
	None					£ -		£ -	
						£ -		£ -	
	Total								

Dimensions			Description	Quantity	Unit	Rate		Value						
		(5.7)	VENTILATION SYSTEMS											
			Ventilation to kitchens & bathrooms	100	No	£	50.00	£	5,000.00	£	150.00	£	15,000.00	Rate Low; suggest £150.00/Nr.
			Testing & commisioning/O&M manuals	5	%			£	250.00	£	-	Included		
							£	5,250.00	£	15,000.00				
		(5.8)	ELECTRICAL INSTALLATIONS											
			Electrical											
			General LV / Small power installations; Offices											

		To flats	1250	m2	£	45.00	£	56,250.00	£	45.00	£	56,250.00	Not unreasonable
		To communal areas	330	m2	£	50.00	£	16,500.00	£	50.00	£	16,500.00	Not unreasonable
		Lighting installations											
		To flats	1250	m2	£	35.00	£	43,750.00	£	35.00	£	43,750.00	Not unreasonable
		To communal areas	330	m2	£	45.00	£	14,850.00	£	45.00	£	14,850.00	Not unreasonable
		e.o for emergency lighting	330	m2	£	5.00	£	1,650.00	£	5.00	£	1,650.00	Not unreasonable
		Supplies to mechanical plant	1770	m2	£	3.00	£	5,310.00	£	3.00	£	5,310.00	Not unreasonable
		External Lighting	1770	m2	£	6.00	£	10,620.00	£	6.00	£	10,620.00	Not unreasonable
		Earthing & bonding	1770	m2	£	2.00	£	3,540.00	£	2.00	£	3,540.00	Not unreasonable
		Testing & commisioning/O&M Manuals 5%	5	%			£	7,624.00			£	7,625.00	Not unreasonable
							£	160,094.00			£	160,095.00	
(5.9)		Fuel Installations											
		None					£	-			£	-	
(5.10)		LIFT INSTALLATIONS											
		Remove & replace passenger lift (LGF to Second)	1	No	£	100,000.00	£	100,000.00	£	90,000.00	£	90,000.00	Rate High; suggest £90,000
							£	100,000.00			£	90,000.00	
(5.11)		FIRE AND LIGHTNING PROTECTION											
		Fire & smoke alarm system	1770	m2	£	12.00	£	21,240.00	£	12.00	£	21,240.00	
		Lightning protection	1770	m2	£	5.00	£	8,850.00	£	5.00	£	8,850.00	
		Testing & commisioning/O&M Manuals 5%	5	%			£	1,505.00			£	1,505.00	
							£	31,595.00			£	31,595.00	
(5.12)		COMMUNICATION , SECURITY AND CONTROL SYSTEMS											
		Access control to entrances	1770	m2	£	4.00	£	7,080.00	£	4.00	£	7,080.00	Not unreasonable
		Security alarm	1770	m2	£	6.00	£	10,620.00	£	6.00	£	10,620.00	Not unreasonable
		CCTV Installation	1770	m2	£	6.00	£	10,620.00	£	6.00	£	10,620.00	Not unreasonable
		TV/Satellite to all flats	1770	m2	£	3.00	£	5,310.00	£	3.00	£	5,310.00	Not unreasonable
		Testing & commisioning/O&M Manuals 5%	5	%			£	1,682.00			£	1,682.00	Not unreasonable
							£	35,312.00			£	35,312.00	
(5.13)		SPECIALIST INSTALLATIONS											
		None					£	-			£	-	
							£	-			£	-	
5.14		BWIC WITH SERVICES											
		BWIC with M&E Installation 6%	6	%			£	39,008.00			£	29,674.10	
							£	39,008.00	5%		£	29,674.10	Percentage High; suggest 5%
(5)		TOTAL - MECHANICAL & ELECTRICAL SERVICES					£	689,137.00			£	649,882.00	
		SUB TOTAL-FACILITATING & BUILDING WORKS					£	2,923,079.00			£	-	
(6.1)		SITE WORKS											
		Clear, remove existing vegetation	1583	m2	£	10.00	£	15,830.00	£	10.00	£	15,830.00	Not unreasonable
							£	15,830.00			£	15,830.00	
							Total						

Dimensions	Description	Quantity	Unit	Rate	Value
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[illegible]

Dimensions		Description	Quantity	Unit	Rate	Value
	(6.7)	EXTERNAL SERVICES				
		Utility connections; assumed all existing				
		New water main Excluded				£ -
		New electrical supply Excluded				£ -
		New gas connection Excluded				£ -
		New BT connection Excluded				£ -
		External Lighting				
		to roads, parking	579	m2	£ 15.00	£ 8,685.00
		BWIC				
		Trenches etc 25%	25	%		£ 2,171.00
		Testing and commissioning of external services				
		Allowance for testing and commissioning 5%	5	%		£ 543.00
						£ 11,399.00
			(6)	TOTAL - SITE WORKS		
SUB TOTAL - FACILITATING, BUILDING & SITE WORKS						£ 3,250,352.00
7.10 PRELIMINARIES 10%						£ 325,035.00
8.10 PROFIT & OVERHEADS 7%						£ 250,277.00
SUB TOTAL						£ 3,825,664.00
9.10 Design development Risk 2%						£ 76,513.00
9.20 Construction Risk 2%						£ 78,044.00
SUB TOTAL						£ 3,980,221.00
10.10 Contractors Fees Excluded						£ -
10.20 Client Contingency 5%						£ 199,011.00
TOTAL (before inflation)						£ 4,179,232.00
11.10 ALLOWANCE FOR TENDER INFLATION excluded						£ -
11.20 ALLOWANCE FOR CONSTRUCTION INFLATION TO MID POINT excluded						£ -
TOTALS						£ 4,179,232.00
					Total	

£ 15.00	£ 8,685.00	Not unreasonable
£	2,171.00	Not unreasonable
£	543.00	Not unreasonable
£	11,399.00	
£	323,718.00	
£	-	
£	-	
£	-	
£	-	
£	-	
£	-	
£	-	
£	-	
£	-	
£	-	
£	-	
£	-	

Central Sussex College
Queensmere House

Appendix II

APPRAISAL SUMMARY**LICENSED COPY****Central Sussex College
Queensmere House****Appraisal Summary for Phase 1**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Unit 1 Lower Ground 1b 2p	1	547	411.33	225,000	225,000
Unit 2 Lower Ground 1b 2p	1	567	396.83	225,000	225,000
Units 3 Lower Ground 2b 4p	1	761	367.94	280,000	280,000
Unit 4 Lower Ground 3b 5p	1	868	385.94	335,000	335,000
Unit 5 Lower Ground 2b 4p	1	786	368.96	290,000	290,000
Unit 6 Ground 1b 2p	1	547	429.62	235,000	235,000
Unit 7 Ground 1b 1p	1	452	486.73	220,000	220,000
Unit 8 Ground 1b 1p	1	403	545.91	220,000	220,000
Unit 9 Ground 2b 3p	1	658	368.54	242,500	242,500
Unit 10 Ground 1b 2p	1	540	435.19	235,000	235,000
Unit 11 Ground 1b 2p	1	543	432.78	235,000	235,000
Unit 12 Ground 1b 2p	1	552	425.72	235,000	235,000
Unit 13 First 2b 4p	1	753	338.65	255,000	255,000
Unit 14 First 1b 2p	1	574	413.76	237,500	237,500
Unit 15 First 1b 1p	1	474	474.68	225,000	225,000
Unit 16 First 2b 3p	1	658	372.34	245,000	245,000
Unit 17 First 1b 2p	1	552	430.25	237,500	237,500
Unit 18 First 1b 2p	1	543	437.38	237,500	237,500
Unit 19 First 1b 2p	1	552	430.25	237,500	237,500
Unit 20 Second 2b 3p	1	657	380.52	250,000	250,000
Units 21 to 24 Second 1b 2p	4	2,152	441.45	237,500	950,000
Totals	24	14,139			5,852,500

NET REALISATION**5,852,500****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)	(17,862)	
		(17,862)
Legal Fee on Purchase	20,000	
		20,000

CONSTRUCTION COSTS

Substructure	224,082	
Superstructure	1,177,335	
Internal Finishes	435,584	
Fittings Furnishings and Equipment	182,000	
Mechanical and Electrical Services	679,556	
External Works and Drainage	323,718	
Main Contractors Pre-Lims @ 10%	392,896	
Main Contractors OHP	239,062	
Client Contingency @ 5%	182,712	
		3,836,945

Section 106 Costs

Section 106 Costs	319,621	
		319,621

PROFESSIONAL FEES

Other Professionals	8.00%	306,956	
			306,956

MARKETING & LETTING

Marketing	24 un	1,000.00 /un	24,000	
				24,000

DISPOSAL FEES

Sales Agent Fee		1.50%	87,788	
Sales Legal Fee	24 un	1,000.00 /un	24,000	
				111,788

FINANCE

Timescale	Duration	Commences
Pre-Construction	6	Feb 2025
Construction	12	Aug 2025
Sale	8	Aug 2026
Total Duration	26	

**Central Sussex College
Queensmere House**

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)		
Land	237	
Construction	146,959	
Other	79,669	
Total Finance Cost		226,865
TOTAL COSTS		4,828,312
PROFIT		1,024,188

Performance Measures

Profit on Cost%	21.21%
Profit on GDV%	17.50%
IRR% (without Interest)	N/A
Profit Erosion (finance rate 7.500)	2 yrs 7 mths