



VIABILITY ASSESSMENT SUPPORTING DOCUMENT

On

**FORMER WARNINGLID PRIMARY SCHOOL SITE
SLAUGHAM LANE
WARNINGLID
WEST SUSSEX
RH17 5TJ**



Instructing Client

Waafer Homes Limited

**Prepared by
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**File Reference
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Table of Contents

1.00	INSTRUCTIONS.....	1
2.00	LOCATION.....	1
3.00	DESCRIPTION	2
4.00	SITE HISTORY	2
5.00	COMMUNITYY USE	2
6.00	MARKETING OF THE SITE.....	4
7.00	FINANCIAL VIABILITY	6
8.00	VIABILITY OF PROSPECTIVE DEVELOPMENT	6
9.00	SUMMARY	8

1.00 INSTRUCTIONS

- 1.01 I have been instructed, by the Applicant, Waafer Homes Ltd, to provide comment on the loss of the community/education use of the Former Warninglid Primary School site and financial viability advice in relation to the proposed development.
- 1.02 The applicant is proposing a development of four units comprising 4 x 4bed dwellings on the site.
- 1.03 This gives rise to the minimum on-site affordable housing requirement for 30% in accordance with District Plan Policy DP31 as the combined Gross Internal Area of the development has added 1,000sqm.
- 1.04 This will equate to two affordable housing units in accordance with the Affordable Housing Supplementary Planning Document the resulting number of affordable housing units is rounding up if not a whole number.
- 1.05 Mid-Sussex District Council have indicated that whilst on-site provision is always preferred, in this instance due to the nature, design and proposed mix of the development the Local Authority would be prepared to accept a commuted sum of £265,000 towards the provision of off-site affordable housing units rather than the on-site affordable housing.
- 1.06 The sum has been calculated in accordance with West Sussex Commuted Sum Review letter dated 11th March 2011 for a scheme in Band D as follows:
- 2 x 4 bedroom houses at £132,500 per unit
- 1.07 I am asked to address the viability of the proposed development, which would result in a loss of a community facility on the site.
- 1.08 Policy DP25 relates to community facilities and local services and states:
'Where proposals involve the loss of a community facility, (including those facilities where the loss would reduce the community's ability to meet its day-to-day needs locally) evidence will need to be provided that demonstrates:
- *that the use is no longer viable; or*
 - *that there is an existing duplicate facility in the locality which can accommodate the impact of the loss of the facility; or*
 - *that a replacement facility will be provided in the locality.'*
- 1.09 In terms of the conversion of the existing school building, this in itself could be considered acceptable under DP15 as the conversion of the existing rural building, however the principle of the loss of the school would need to be justified and I would suggest that information on this could be provided by WSCC as the current owners of the building and are selling the property. It would also need to demonstrate that there is no other community use that the building could be used for.

2.00 LOCATION

- 2.01 The former school is situated in a predominantly rural location in Slaugham Lane, Warninglid, one mile west of the A23.

- 2.02 The site is situated on the eastern side of Slaugham Road, which is located outside of the defined built-up area boundary, within designated countryside and the High Weald National Landscape (formerly referred to as the High Weald Area of Outstanding Natural Beauty).
- 2.03 The school occupies the northern part of the site with the school playing fields lying to the south. The road and a line of mature trees and hedging flank the western boundary providing good screening of the site, with grazing fields and a boundary hedge flanking the eastern boundary.

3.00 DESCRIPTION

- 3.01 The existing building comprises a Victorian school building was originally constructed circa 1878.
- 3.02 I understand the building has a floor area of approx. 5,513 sqft over two storeys.
- 3.03 The total site extends to approx. 1.34 acres (0.54 hectares).
- 3.04 The site benefits from mains electrical and water services. The former school buildings were provided with oil fired heating.
- 3.05 The EPC rating of the school was assessed as D-86.
- 3.06 The building is considered a Non Designated Heritage Asset by the Local Planning Authority.
- 3.07 The site has been vacant since 2021 and suffers from decay internally and externally as a result of prolonged lack of maintenance. A viable alternative use is required to ensure investment and ensure the buildings preservation.

4.00 SITE HISTORY

- 4.01 The use of the site as a school was established in 1878 until its closure in 2021.
- 4.02 A consultation on the future of the school was announced in October 2019, identified as one of five local schools as being "vulnerable".
- 4.03 In June 2020 West Sussex County Council confirmed that Warninglid Primary School would be moved to a new site in Pease Pottage (Woodgate Primary School) by September 2021.
- 4.04 In March 2021 the site was declared surplus to County Council operational requirements.
- 4.05 Consent for a disposal fo the site was given by the Department of Education in March 2024.
- 4.06 We note Bruton Knowles was appointed to market the site and online data indicates marketing commenced in October 2023.

5.00 COMMUNITY USE

- 5.01 The Education use for purposes of Policy DP25 is considered a community use.
- 5.02 We note that within the village the following Community assets exists:

Seaforth Hall – A village hall located in the centre of the village, close to the Half Moon pub. The hall consists of the main room, a stage (temporarily out of action), dressing rooms, a well-equipped kitchen with 2 serving hatches, a small meeting room and m/f toilets (no disabled toilets at this time).

Available for hire: Seats up to 44 at tables, close-seating (theatre productions) or dancing 100.

Half Moon Inn - A traditional country pub, family run, dating back to the 18th century serving food.

5.03 There is also a recreation ground within the village.

5.04 In a WSCC report to the cabinet member for Finance and Property in June 2024, the following statement was made:

*"Following the Primary School's move to the new School in Pease Pottage, the site was no longer required for educational use. An options appraisal of the asset was undertaken and the site was considered against a range of options including for possible social, community or environmental use, particularly where this could complement the Council's ambitions relating to climate change. **No viable alternative uses were identified.**"*

*The property was previously **declared surplus to all operational service requirements** after no alternative County Council service use was identified for the property."*

5.05 During the initial consultation on the future of the school, the following points were recorded:

"Warninglid Primary School governors were open in their view that to continue as they are is not an option, and that they had been working closely with the local authority over two years to secure a federation to strengthen the longer-term future of the school. The school made a strong case that the current location of the school is unhelpful due to the lack of visibility and low numbers of children from within the current catchment area. A new school is being built by developers at Pease Pottage and will open in September 2021 (subject to the developer completing the build by June 2021).

Consultation responses indicated that relocation to a new site would be a positive move."

5.06 Based on the above the demonstration is that the loss of the community use will not adversely impact the local area.

5.07 WSCC have undertaken exercises to demonstrate viability of alternative community uses. The outcome of this has demonstrated there are no viable alternatives.

5.08 It is noteworthy that the building has a low Energy Efficiency Rating, which will increase operating costs for the site. Any proposed community use would have to carry out adaptation works and factor in the ongoing running costs or carry out significant investment to improve energy efficiency of the building which will impact viability.

5.09 An alternative education facility has been provided as part of lengthy consultations and decision making on the future of the site, which has been well documented.

- 5.10 The newly built Woodgate Primary Academy at Pease Pottage is located in the boundaries of Mid Sussex District Council and was constructed for the purpose of replacing Warninglid Primary School.
- 5.11 Warninglid as a village benefits from existing community uses at the Village Hall and Public House, which are located in the village centre.
- 5.12 The website for Warninglid village states:
- "At the centre of the village is a crossroads where the Half Moon public house, a Grade II listed brick and stone pub dating back to the 19th Century, is located. There is also a Village Hall, provided by the late Lady Seaforth, an excellent public meeting place."*
- 5.13 Whilst the proposal will result in a loss of the community facility, it is considered that it has been evidenced that the use of the building as a community facility (use class F2) is no longer viable and that there are duplicate facilities in the locality built for the purpose to accommodate the impact of the loss of the facility.
- 5.14 The Council report of June 2024 sets out
- 5.15 *"An options appraisal of the asset was undertaken and the site was considered against a range of options including for possible social, community or environmental use, particularly where this could complement the Council's ambitions relating to climate change. No viable alternative uses were identified"*.
- 5.16 *The property was previously declared surplus to all operational service requirements after no alternative County Council service use was identified for the property"*
- 5.17 Following an active marketing period of the site (see section 6.00) there were no offers forthcoming for an alternative community (F2) use for the site.
- 5.18 Clearly there has been extensive reviews by West Sussex County Council in closing the site and exploring alternative community uses, none of which have proved viable for alternative Council Community uses.
- 5.19 An extensive market period for the site failed to yield any bidders for an alternative F2 community use.
- 5.20 The village retains an existing Village Hall and Public House providing local community assets.

6.00 MARKETING OF THE SITE

- 6.01 The site was marketed by Bruton Knowles, the key points of the marketing campaign put emphasis on the following:
- Former Warninglid Primary school
 - Conversion/ Re-development opportunity
- 6.02 We note that in the sales information the following was stated by the selling agents:

"The present use falls under Use Class F1. Pre-application advice received from the Local Planning Authority is supportive of conversion of the main building to residential and the demolition and replacement of the more recent extensions subject to satisfying Policy DP25. Prospective bidders should be aware that the Seller has relocated the service provided from Warninglid Primary School to a new school constructed in 2020 at Pease Pottage. Policy DP25 is therefore considered to have been satisfied."

6.03 The WSCC report on the freehold disposal set out the following:

"The property was offered for sale on the open market. Marketing commenced in Autumn 2023. In total 18 parties inspected the property. Eight bids were received by the initial deadline in November 2023. A further round of bidding was undertaken, and revised offers received. Following discussion with our agents, further conversations took place with the highest bidders and the marketing was brought to a close in January 2024."

6.04 The selling agent provided the following summary on the marketing of the site:

- The marketing exercise commenced on 13th October 2023 with the activation of a dedicated web site for the property; a targeted e-mail to all known potential purchasers on our internal database; advertising on Rightmove, Zoopla and other online media platforms.
- Initial viewing days were arranged for 19th October, 26th October, 30th October and 6th November 2023. Further viewings were undertaken on 14th November and 6th December.
- An initial deadline for offers of 5pm on 24th November 2023 was provided to the market.
- Eight bids were received for the property by this initial bid deadline with a further three parties confirming that they would like to be able to submit a bid for the property in the event that there was a further bidding round.
- A second bidding round was concluded on 19th January 2024. All interested parties were advised on 8th December 2023 that offers were to be submitted by 5pm on 19th January 2024.
- Prior to the receipt of these further offers further viewing days were conducted on 10th January 2024 and 17th January 2024.
- The offers were reported on 19th January 2024.
- On 22nd January a revised and unsolicited offer was received, and this was reported to the County Council on 23rd January 2024.
- The marketing exercise was concluded at 5pm on 1st February 2024. This was the deadline given to the two top bidders to submit their 'best and final' offer.

6.05 The schedule of offers for the site is not a matter of public record, but we understand that there were no competitive bids for site to continue with an F1 (educational or F2 alternative community use).

7.00 FINANCIAL VIABILITY

- 7.01 Compliance with Policy DP25 does not require assessment against financial viability in relation to the loss of a community use but it is reasonable to comment on the financial viability of the site with the proposed development against the price paid for the site and an anticipated target rate for return.

Benchmark Land Value/Existing Use Value

- 7.02 There is a dearth of directly comparable evidence in the locality for Freehold sales for educational/community uses without the prospect of development or conversion.
- 7.03 We are aware of similar opportunities in Sussex rural locations:
- 7.04 June 2023 – Former Etchingham Primary School, East Sussex. 3498 sqft – Two storey building on 0.64 acre plot. Suitable for development. Sold at auction £662,000 (£189 per sqft)
- 7.05 Current – Former Lewes new School – 4711 sqft. Acres £850,000 Site 0.5 acres approx. (£180 per sqft).
- 7.06 The above sites are all with the benefit of potential alternative uses, subject to planning.
- 7.07 The vacant site with an existing F1 use disregarding any alternative uses (hope value) will be significantly lower than the levels referred to above.
- 7.08 I am of the opinion the existing use value of the site disregarding any alternative uses (the benchmark land value) is likely to be in the region of £500,000.
- 7.09 The Benchmark Land Value (BLV) should be determined by the EUV plus a premium for the landowner realising the prospect of development.
- 7.10 The base price paid for the site was £945,000, plus an overage based on a price per sqft for additional development floor area.
- 7.11 I have therefore adopted £945,00 as the Benchmark Value.
- 7.12 It is noteworthy the Land Registry reported the value of the site in 2021 to be in the range of £500,000-£1,000,000.

8.00 VIABILITY OF PROSPECTIVE DEVELOPMENT

- 8.01 The site with the benefit of the prospect of development is likely to achieve a site value in excess of the Benchmark Value.
- 8.02 The price paid for the site by the applicant as part of a competitive marketing campaign and tender prices was £945,000 for the school building with an additional overage provision for the playing fields of £60 per sqft of new development on the grant of planning permission.
- 8.03 The method to assess the site value with the prospect of development is the Residual Land Value (RLV), in this case to establish the anticipated developers profit after deducting development costs and site acquisition costs from the Gross Development Value.

Residual Land Value

- 8.04 We have carried out a residual valuation of the proposed development on the following basis:
- i. Compliant residual valuation including a £265,000 off-site contribution to affordable housing in accordance with Policy DP31.
 - ii. Market housing residual valuation with no off-site affordable housing contribution.

Gross Development Value

- 8.05 The following tables summaries the floor areas of the new dwellings that are subject to this assessment.

		4 unit scheme (conversion and new build)	
		Sqm	Sqft
Unit 1	Conversion	287.68	3097
Unit 2	Conversion	268.89	2894
Unit 3	New build	246	2648
Unit 4	New build	268.89	2894

- 8.06 From my knowledge of new build development in the locality, sale prices of approx £450 per sqft are being achieved. This is evidenced by the following nearby transactions.

The Old Playhouse, Warninglid- A 3 bed characterful home of circa 1583sqft. Modernised. Previously formed part of a larger country house. Under offer £650,000 (£411 per sqft).

Barneys, Orchard Way, Warninglid – An extended 1960's home, modernised. 2076 sqft. Sold Nov 2024 £880,000 (£423 per sqft).

The Old School House, Warninglid – Former headteachers house for the school. Upgraded and extend to provide detached dwelling of 2507sqft. Sold Feb 2025 £1,200,000 (£479per sqft).

- 8.07 In the circumstances I have adopted a sales rate of £465 per sqft for each unit resulting in a Gross Development Value of £5,360,000.

Development Costs

- 8.08 In line with BICS data I would adopt base build costs as follows:

New Build £260 psf

Conversion £190 psf.

- 8.09 I have taken professional fees at 7% of the base build costs.

Finance Costs

- 8.10 Finance costs have been expressed at 8% of total development costs over an assumed realisation period of 18 months.

Purchasers Costs

- 8.11 I have made allowances for site purchaser costs including SDLT and legal fees.
- 8.12 In Appendix A of this report is a valuation of assessment for the policy compliant approach.
- 8.13 In Appendix B of this report is a residual valuation assessment of the market housing scheme.
- 8.14 I have added further disposal costs charged at 1.5% of the Gross Development Value for agents' fees and 0.25% of the Gross Development Value for sale legal fees.

Land acquisition

- 8.15 This is taken based on the price paid by the applicant for the site.

Developers Profit

- 8.16 THE NPPF and RICS indicate that a reasonable profit target for developers is in the range of 15-20% of the Gross Development Value. An alternative target to adopt is 15%-25% of the development costs.
- 8.17 This would be a suitable target rate of return to be generated from local developers and housebuilders
- 8.18 For this purpose the target developers profit is taken at 15% of Gross Development Value.
- 8.19** The following tables set out the residual valuations showing the profit achieved on the different schemes.

Alternative approach

- 8.20 As an alternative approach I have re-run the assessments to reflect a fixed target rate to return at 15% of GDV. If the residual land value is higher than the Benchmark Land Value then the development would be considered viable.
- 8.21 For the Compliant approach the assessment shown in Appendix C, shows a residual land value of £739,848 (before deduction of purchaser costs) which is below the BLV.
- 8.22 The market assessment shown in Appendix 4, shows a residual land value of £1,004,848 in excess of the BLV.
- 8.23 After taking account of SDLT and legal fees of £66,151 the RLV after purchaser costs puts the RLV within less than 1% difference of the BLV.

9.00 SUMMARY

- 9.01 The site has been adequately marketed, the outcome of which demonstrates there is no demand for a continued F2 community or F1 educational use.

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- 9.02 Prior to marketing West Sussex County Council undertook their own viability exercise as to whether the site was suitable for an alternative community use, none of which provided viable.
- 9.03 The village retains an existing village hall and public house providing alternative F2 community uses in the village.
- 9.04 The education facility has been relocated to a new build school facility within the locality.
- 9.05 Whilst the proposal will result in a loss of the community facility, it is considered that it has been evidenced that the use of the building as a community facility is no longer viable and that there are duplicate facilities in the locality built for the purpose to accommodate the impact of the loss of the facility.
- 9.06 In regards to financial viability the policy compliant valuation approach demonstrates that the scheme is not viable with an off-site affordable housing payment of £265,000.
- 9.07 The return profit of £532,697 equates to a profit on Gross Development Value of 10% and a profit on cost of 11% which are both below the RICS and NPPF targets.
- 9.08 For an alternative land value approach the Benchmark Land Value is higher than the Residual Land Value for the Compliant scheme.
- 9.09 The Market Housing assessment returns a profit of £797,697 which equates to a profit on Gross Development Value of 15% and a profit on cost of 17% which makes the scheme viable.
- 9.10 As a check approach the Residual Land Value for the market scheme is in line with the assessment of BLV.
- 9.11 On this basis a developer would not pursue a development where affordable housing payment is required.
- 9.12 Based on the outcome of the RLV's the Market Housing Scheme the scheme demonstrates viability on the basis of adopted market returns and the price paid for the site.
- 9.13 We therefore consider the development proposed with the compliance of Policy DP31 is not viable.

I trust this provides you with the information required, but if you do have any questions, please do not hesitate to contact me.



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RICS REGISTERED VALUER

JULY 2026

JH/AT