



# Marketing Report, Audit and Land Employment Viability Assessment for 'Larksfield Place'

**Confidential**

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**Prepared for:**  
Muse Developments

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Where great relationships yield the best property outcomes

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## 1 Scope of Instructions

- 1.1. Vail Williams has been instructed to provide a marketing summary of actions undertaken to date with regard to the subject property.
- 1.2. The report will also assess market conditions and viability on all potential relevant employment uses in the context of the subject site.

## 2 About Vail Williams and Relevant Expertise

- 2.1. Vail Williams are a national property consultancy with eleven offices based throughout the South of England and Midlands providing a comprehensive range of commercial and residential property services for occupiers, landlords, landowners, developers, investors and lenders.
- 2.2. Vail Williams are well placed, resourced and experienced in dealing with properties of this nature.
- 2.3. The project team from Vail Williams involved in the marketing of the property is as follows:

### **Guy Parkes**

Guy has over 30 years property experience gained embedded in the UK South-East Property market. He has a well-rounded perspective of the industry having worked for major PLC companies and Property consultancies and so has a joined-up appreciation of how to link landlords to tenants.



### **Mikael Goldsmith**

Mikael has over decade of experience in the South East Property market advising clients from single property owners to institutional funds. He is based at the Crawley office and is an expert in the local and regional market place.



### **Andrew Osborne**

Andrew is involved in a range of mixed-use and commercial developments, with experience of taking schemes from inception through to completion, involving significant pre-lettings and building sales. The Development role includes undertaking site viability assessments working closely with Planning, Agency and Investment colleagues based at the nearby Crawley office.



- 2.4. The property has also been jointly marketed by national property adviser, Savills as well as local and regional specialists Vail Williams.

### 3 Property Information

#### Description

3.1. The property currently comprises a vacant open site of approximately 12 acres. There is a sizeable former 1930's art deco office located centrally within the site, which remains.

#### Location

3.2. Horsham is a West Sussex town with an urban population of approximately 150,000 persons; this is expected to rise in future years with significant house building underway and forecast for the town and surrounding areas.

3.3. Horsham is a market town formerly trading in cattle, sheep and corn. Its former industries include: brewing, brick making, iron-smelting and printing, although now the business has shifted more towards financial services, pharmaceuticals and technology.

3.4. The town's significant employers include: RSA Insurance Group, a Swiss based multi-national pharmaceutical company, Creative Assembly and the RSPCA.

3.5. The town is located approximately 32 miles to the south of central London. Communications to the town are reasonable, with the A264 providing access to the east and west, and the A24 providing routes north to south.

3.6. Nearby centres include Crawley, approximately 9 miles to the east, and Guildford, some 22 miles to the west. Gatwick Airport is located approximately 12 miles to the north east. Junction 9 of the M25 is situated 9 miles to the north, accessed by the A24 trunk road via the town of Dorking.

3.7. The subject property is located to the north-east of the town centre and is accessed from Parsonage Road. Horsham Railway Station is an approximate twenty minute walk from the subject property. A location plan is included within Appendix 1.

## 4 Marketing Initiatives Undertaken

- 4.1. Within Appendix 3 is comprehensive marketing planner outlining proactive initiatives and the timeframe in which those were undertaken. As evidenced, marketing commenced April 2022 and it continues to be actively marketed and at the time of reporting amounts to approximately 36 months in total.
- 4.2. A marketing brief was generated to send out to designers who pitched for the campaign as follows:
  - A Brand identity – as part of the positioning of this new place we established a strong new identity: Larksfield place.
  - A marketing programme identified how the brand should be developed in the local business and real estate community and in the wider region.
  - Pre-letting information and tech pack (PDF and hard copy with architects CGI's)
  - Occupier presentation document tailored to specific occupiers being targeted.
  - Brochure/ look book
  - Website
  - Local photography
  - Social media strategy
  - Awareness campaign

Initial series of HTML campaigns to include:

- Pre commencement 'teaser'
- Launch campaign

- 4.3. 'Next Big Thing' were appointed as Muse's marketing partner and created the following:

### **Look Book/ Brochure**

- 4.4. A 17 page colour digital brochure was prepared and circulated to interested parties upon request, and via mailing to agents and developers. The digital brochure also featured on the scheme's purpose built website and on social media channels. The digital brochure includes the following:
  - Indicative master plan and location plans.
  - Narrative on the specification.
  - Lifestyle imagery.
  - CGI's of the space envisaged and the environment.
  - Details of the aspirational environmental credentials to be targeted.
  - Direct contact details for agents.
- 4.5. A copy of the digital brochure can be found in Appendix 2.

### Public Relations and Event Attendance

4.6. Muse and their principles attended a considerable number of local and regional events with the intention of showcasing and promoting the site. These are detailed below and illustrates an over and above proactive approach in attempting to increase the coverage and reach of the scheme.

Date	Conference / Event
31/03/2022	Building a Better Future - AG/Savills Roundtable
26/10/2022	Transit-Oriented Development: Setting new standards for placemaking
02/11/2022	Net Zero Neighbourhoods: A Just Transition? - Knight Frank Pre-COP27 Breakfast
03/11/2022	Gatwick Airport Economic Summit
30/11/2022	CN Transforming Construction Conference
17/01/2023	South Coast Economic Growth Conference
18/01/2023	Envision 2023   JLL Property Perspectives
02/03/2023	The UK Life Sciences Real Estate Annual Conference
10/05/2023	Savills Science Conference
11/07/2023	Breakfast Event - Lynn Jochim - Place Creation
27/09/2023	LREF
16/11/2023	London Gatwick Economic Summit

### Direct Targeted Marketing

4.7. Given Vail Williams experience of the location, we are aware of numerous leasehold occupiers as well as owner occupiers within the nearby vicinity. Throughout marketing we have sought to leverage said contacts to try and stimulate interest in the property.

4.8. Nearby occupiers and owners were targeted and presented the scheme to include Global 4, Creative Assembly, Envision Pharma, Chess Dynamics and West Sussex County Council.

4.9. Early discussions and proposals and offers were issued to Creative assembly commencing 2021 which we have elaborated further on in section 5.

4.10. In August 2021 a presentation was given to Envision for a 30,000 sq ft NIA facility. They considered and decided not to proceed. The specific feedback received is outlined within section 5.

4.11. Bespoke mailing lists were also purchased covering a wide geography and breadth of sectors to try and attract interest in the scheme. The parameters of the data for the mailing lists were for insurance, medical, healthcare, energy, renewables & tech occupiers having 50 or more employees located within a 25 mile radius of Horsham.

### **Local and Regional Agents**

4.12. Through Vail Williams and Savills extensive contact base the property has been circulated numerous times typically on a bi-monthly basis to agents both regionally and nationally that act for clients pursuing properties of this nature. This list amounts to in excess of 300 contacts.

### **HTML Marketing**

4.13. An HTML campaign refers to an email marketing campaign designed and created using Hypertext Markup Language (HTML), allowing for rich visual elements and interactive content, such as images, videos, and buttons, to be incorporated into emails.

4.14. These have been implemented at regular intervals throughout marketing and covering various themes from accessibility to environmental credentials.

### **Further Mailshots / E-Mailing**

4.15. The property has been continually mailed to our extensive existing database of contacts. This is generally undertaken on a bi-monthly basis, however it has been shorter and longer between various mailing campaigns.

### **Websites and Internet Marketing**

4.16. The property has been marketed across the following platforms:

- Vail Williams Website - <https://www.vailwilliams.com/property/larksfield-place-parsonage-road-horsham>
- Savills Website - <https://search.savills.com/property-detail/gb00101138082>
- Social Media Channels including Linkedin, Twitter etc.
- Rightmove [https://www.rightmove.co.uk/properties/130351805#/?channel=COM\\_LET](https://www.rightmove.co.uk/properties/130351805#/?channel=COM_LET)
- Specific Dedicated Website <https://larksfieldplace.co.uk/>
- Agents Society (Kato)
- Costar
- PIP

### **Targeting**

4.17. A schedule of lease events were harvested from databases including Vail Williams and Savills records and recognised property databases for which we subscribe to, such as Costar.

4.18. Those companies facing imminent lease expiries or breaks in the next 2-4 years are warm targets as they have an opportunity to plan a move, allowing a sufficient timeframe, to consider more suitable premises, whether upgrading, resizing or making a step change.

4.19. A list of those businesses with lease events in the immediate area and those sizable businesses further afield, regionally were contacted as shown in Appendix 5. These companies were all contacted by email, then periodically followed up again by email typically on a bi-monthly basis. Any companies where Vail Williams or Savills had a direct contact, relationship or existing rapport were contacted by phone.

### **Reviewing the Marketing Strategy**

4.20. Regular updates of the marketing position have been fed back to Muse.

## 5 Interest Generated and Feedback Received

- 5.1. Within Appendix 4 is a comprehensive schedule detailing the key enquiries received as well as the headline parameters of the search. This list is not exhaustive however provides context and narrative as to market sentiment.
- 5.2. The five key enquiries that warranted proposals and presentations were as follows:

Occupiers receiving a proposal			
	Size sq ft	Issue Date	Status
<b>Creative Assembly</b>	100,000 to 150,000	March 2021 onwards	No longer active - Acquired additional bolt on space vacated by Southern Housing in Spire Court, Horsham town centre. They considered Larksfield Place too far from the amenities in the town centre. They even asked their preferred coffee shop whether they would move with them and they declined. Heads of terms were prepared and presented for a 149,000 sq ft facility with bespoke areas including a motion capture studio and 580 car spaces. There were concerns about distance from town but in the end they decided to consolidate within existing space - post covid space requirement reduced greatly.
<b>Envision Pharma</b>	30,000	March 2021	No longer an active requirement - Takeover at the end of 2021 resulted in the requirement being withdrawn. A proposal was presented including plans drawn up showing how they would occupy 30,785 sq ft and a project programme for delivery of the specification in 2024. Heads of Terms were prepared however they did not engage further. Their existing rental aspirations were £16.50 psf which was not viable at Larksfield Place. Their office footprint also contracted by approximately 50% post covid.
<b>Royal Sun Alliance</b>	20,000 to 45,000	March 2021 onwards	The requirement reduced from 45,000 sq ft to 15,000 sq ft:  They are now seeking as built stock for a target occupation date Q2 2025. A presentation was given to RSA originally for a 40,000 sq ft office along with a delivery programme for mid to late 2024. Heads of Terms were prepared however this did not progress further due to the reduction in size to 15,000 sq ft.
<b>Chess Dynamics</b>	50,000	April 2023 Onwards	The requirement was for a hybrid 'mid-tech' property with the proportion of accommodation needing to be warehousing with balance of space being office use. They required at least 150 car parking spaces and needed a degree of flexibility around hours of usage. Chess are now taking a building elsewhere in Horsham District that is being speculatively built on an out of town industrial estate.

RSPCA	15,000	February 2022	No longer active – They have moved out of their building in Southwater which has been subsequently demolished. The requirement was reduced to sub 10,000 sq ft which was no longer viable at Larksfield place as a single build.
<b>Oxford Innovation</b>	15,000	March 2021 onwards	An innovation centre was explored with Oxford Innovations. Following meetings and discussions it was established that Oxford Innovations would only run the centre on a management agreement basis rather than a lease commitment. In addition, it was stipulated that they would only occupy in tandem with there being another occupier in place in the building to bring vitality and a critical mass. This interest was not viable.

5.3. Key areas of feedback which have prevented transactions include but are not limited to the following:

- Extreme uncertainty over what office space is required following the pandemic. The pandemic fundamentally shifted attitudes to work and changed the way that organisations operate. In the years that have followed, many have adopted hybrid working practices which has reduced the emphasis of the office as a workplace. Many companies are now looking to down-size but are still unsure and so are extending their current occupation until the landscape is clearer.
- Business Parks whether urban fringe or out of town are attracting fewer corporates post pandemic. We are seeing a weight of demand for town centres surrounding by amenities. Many business parks are making way for alternative residential uses. Those on major road routes, such as A roads and motorway junctions are appealing to industrial developers due to their suitability for logistics uses. This is less appropriate if the site is adjacent to a residential due to noise attenuation and hours of use restrictions that wouldn't work for a 24/7 logistics operation.
- Horsham is not considered a 'prime commercial area' and therefore there is little traction from businesses from outside the area to move in. We are seeing a trend by corporates to improve the people value proposition by moving to major town centres; amenity rich locations, augmented with cafes, retail, restaurants and leisure facilities so as to compensate employees for their commute. Brighton, Crawley and Croydon are considered the administrative and financial centres of the region. Small to medium sized businesses of up to 200 people serving a local market are still considering market towns, however they only need up to around the 3,000- 10,000 sq ft range. This size of accommodation is not viable at Larksfield Place due to the rent and build cost dynamics which we have elaborated further on, in our report.
- Historic Horsham office rents are sub £20.00 per sq ft for existing buildings and there has been little to no 'transitionary' stock to reflect what might be a market Grade A rent as at today. Subsequently an increase to a Grade A rent of say £30.00 per sq ft represents an immediate 50% increase which occupiers may feel is unjustifiable and or an expensive increase given the historic market rental tone.
- Smaller to Medium Enterprises (SME's) are less likely to be able to justify paying the higher rents that would need to be paid at a new build scheme such as Larkfield Place. They are more likely to keep their overheads to a minimum whilst they are in a growth stage of the business cycle. As noted Horsham rents are typically sub £20.00 per sq ft for town centre properties, we have included examples within Appendix 13.
- The 'pre-let' market whereby securing an occupier prior to construction is minimal in the county as whole. Very few occupiers are 'sophisticated' enough to commit to something that is not already built. Only larger corporates who cannot find a building of scale of usually 100,000 sq ft plus will consider pre-letting. This is a comprehensive and involved process which only companies of scale with in-house property teams or employing a full service property consultancy can instigate.
- As explained above, the larger size requirements tend to gravitate to the major regional towns and cities rather than market towns. This was most recently evidenced with the letting of circa 80,000 sq ft to Octopus in Brighton. Post Pandemic there has been less than a handful office transactions in the county of significant quantum (above 50,000 sq ft).
- The Horsham market is not 'sophisticated' meaning tenants will generally only look for alternative accommodation typically at a maximum of 12 months prior to any lease event. Given the lead in time for a pre-let is approximately three years, this stifles interest significantly. Speculatively building is too risky given that its unclear what occupiers now need and many pre-lets are now bespoke to specific requirements.

- Occupiers have fed back that whilst the location is walkable from the station it not town centre and therefore lacks the amenity rich environment and connections that they seek.
- Alternative uses such as education and medical are too 'land hungry' and are low density operators, meaning the amount of floor area required is commercially unviable in delivering a scheme.
- Concerns over 24/7 Usage from hybrid office/warehouse operators are a concern as to the effect on local residential residents.
- Since the launch of marketing, traffic volumes around the subject site have noticeably increased. A key factor worsening congestion is the Parsonage Road rail crossing, where journey times have significantly lengthened. Previously, half barriers triggered by trains minimized delays, but due to rising traffic levels, full barriers have been installed. While enhancing safety, these are now controlled remotely from Three Bridges, increasing barrier downtime from 40 seconds to approximately four minutes. With eight trains per hour, this has led to severe road traffic disruptions, long delays, and blockages in surrounding roads. Given that all commercial uses will be heavily vehicle-dependent, they will only intensify these existing issues far more than the proposed residential use, which would generate significantly less traffic impact.
- The transport study undertaken by PBA assesses the likely vehicular impact of the proposed development on the operation of the local road network. When compared to the previously consented scheme at the site for employment use of the site, the trip generation has significantly reduced from a consented 1,559 trips per 12 hours associated with the employment use, to a proposed 1,046 trips per 12 hours associated with residential. This reduction will ultimately result in less traffic flow as a result of the development proposal, as well as resulting in less of an impact to the overall transportation efficiency in the area.
- Since launch of marketing there has been a notable increase in traffic volumes around the subject site. Moreover, the Parsonage Road rail crossing has increased journey times. Originally this was covered by half barriers triggered by the trains themselves. Due to increases in traffic, they have been converted to full barriers. This increases their safety, but they are now controlled by signallers in Three Bridges, so the time the barriers are down has increased from 40 seconds to around four minutes. With eight trains per hour this has caused considerable interruptions to road traffic, and we have seen long delays and blockages in adjacent roads.

## 6 Funding Employment Development – Market Conditions

6.1. We have outlined key economic moments in the time we have been marketing the site as well as outlined key considerations affecting the sentiment toward the subject site from the tenant and developer/landlord perspective.

### October 2022

6.2. The October 2022 budget has been widely criticised for its detrimental effects on the commercial property market. The policies, particularly the proposed tax cuts and deregulation, were seen as potentially destabilizing for an already fragile market. This put many requirements across all asset classes on hold indefinitely.

6.3. While the intention was to stimulate growth, the budget raised concerns about increasing economic uncertainty and a lack of clear, targeted support for commercial property.

6.4. The then chancellor's un-budgeted speech was wholly damaging for the UK economic outlook, but in particular its impact on the borrowing (finance rate) for developers and for businesses. This instability in the political system (four chancellors in four months); allied to the poor economic outlook (headlines of worst recession on record) and the further 0.75% interest rates rise, caused a large number of developers to pull back altogether from the market.

### Hyper Inflation in Construction Costs

6.5. According to recent industry reports, construction costs in the UK have risen significantly over the past five years, with estimates suggesting an increase of around 15-20%, primarily driven by rising material prices like steel, timber, and cement; some data indicates a 60% increase in construction material costs between 2015 and 2022 compared to the EU average of 35% during the same period.

6.6. Global trade disruptions, particularly during the COVID-19 pandemic, caused delays and limited the availability of key construction materials, further inflating costs. Additionally, increased demand for construction services, coupled with a limited pool of skilled labour has driven up wages, contributing to the overall cost escalation.

6.7. The impact of these rising costs has been felt across both residential and commercial sectors, with many projects delayed or scaled back due to budget constraints. The lack of effective mitigation strategies has left many in the industry struggling to absorb the financial strain, which in turn has led to increased uncertainty and reduced profitability. This trend shows little sign of reversing in the short term, making construction projects more expensive and potentially less feasible for developers and investors.

6.8. Uncertainty continues in 2025 as we now see the potential prospect of a trade war between countries which could affect the price of raw materials and particularly steel used for construction.

6.9. In Horsham, there is a limit to what occupiers can afford to pay in rent and the rental levels required to make commercial development viable exceed market tolerance. The highest quoted office rents in Horsham range between £25-£30 per sq ft, whereas a viable commercial development would require rents of £40+ per sq ft. Similarly, for industrial space, prime rents currently reach up to £16.50 per sq ft, yet the minimum viable rent for new construction is £19.50+ per sq ft and with rising costs may be forced higher into the £20's.

### Cost of Finance

6.10. The increased cost of finance as a result of the Bank of England base rate changes has had a significant and detrimental impact on the commercial property market. Rising interest rates,

prompted by efforts to curb inflation, have led to higher borrowing costs for businesses, developers and investors.

- 6.11. This has made financing new projects more expensive and less attractive, reducing the availability of capital for expansion or acquisition. As a result, many commercial property ventures have been delayed, scaled back, or abandoned, leading to a slowdown in market activity.
- 6.12. Additionally, the higher cost of finance has eroded profitability, particularly for property owners with existing debt, as their servicing costs have increased substantially. This has contributed to a decline in investor confidence, with many turning to more secure and lower-risk assets in response to the uncertain financial environment.
- 6.13. The combined effect has been a contraction in demand for commercial properties further exacerbating challenges in a market already facing shifting demand patterns and economic instability.

#### **Macro Conditions - Present Day**

- 6.14. Chancellor Rachel Reeves delivered Labour's first Budget since the 4 July general election, outlining a range of key fiscal policies, including substantially increased investment in public services, partly funded by higher borrowing and by an estimated £40bn of additional taxes.
- 6.15. Decisions on taxation were broadly aligned with market expectations and included increased employers National Insurance contributions, rises in Capital Gains Tax rates and changes to Inheritance Tax. Many companies we are speaking to are planning for the increase in National Insurance contributions resulting in them rebalancing their employment allocations and this is resulting in uncertainty about the size of the workplace required. Whilst this restructuring is happening property decisions are being put on hold.
- 6.16. With levels of borrowing exceeding market predictions, inflationary pressure is expected to be in the system for longer. In response, the OBR has shifted base rate projections for their forecast horizon to 2030, now estimated at 3.50% in the final year.
- 6.17. Borrowing costs for many countries are increasing, reflecting uncertainty around the economic policy of the incoming Trump administration and suggestions of tariffs. Some commentators have said that decisions made in the budget have made the UK particularly vulnerable. January saw an increase in government borrowing costs, with 10-year gilts having risen to a 17 year high of 4.86%.
- 6.18. The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 3.5% in the 12 months to November 2024, up from 3.2% in the 12 months to October (ONS).
- 6.19. In December 2024, the Bank of England held interest rates at 4.75%. In the same month, The Federal Reserve reduced its key lending rate by 0.25% to a range of 4.25% - 4.50%.
- 6.20. GDP increased by 0.7% between January and March, and 0.5% between April and June. However, growth has slowed since then. The economy had zero growth between July and September, before picking up slightly in the final three months of 2024. The Bank of England has halved its growth forecast for the year ahead. In February it said it expects the economy to grow by 0.75% during 2025, down from its previous estimate of 1.5% (ONS).
- 6.21. The Bank of England is concerned about the impact of higher inflation in the UK as a result of higher wage and national insurance costs for employers, and increased energy and water bills for consumers. US trade tariffs could also put prices up. This means that companies in Q4 2024 and Q1 2025 have placed operating cost as the No.1 criteria over attracting talent, which was the priority in 2023/24. They are not prepared to make decisions about moving at this time unless it is a prudent move and is fiscally beneficial.

- 6.22. On 26 March, the Office for Budget Responsibility (OBR) - which monitors the government's spending plans and performance - is also expected to downgrade its forecasts for the health of the UK economy over the coming years.
- 6.23. Geopolitical uncertainty, including the incoming Trump administration, the ongoing War in Ukraine, and in the Middle East, could feed through into higher interest rates, lower growth, and persistent inflation.
- 6.24. The macro conditions outlined have led to a reduction in occupier activity, across all sectors, as they are reluctant to commit capital to expansion or relocation in the face of extreme market uncertainty.
- 6.25. The same uncertainty is shared by the development sector citing concerns over the time it will take newly built schemes to lease. An example of this is 'The Create' building in Crawley Town Centre which has been developed speculatively to a Grade A standard. It has been approximately three years since practical completion and over 50% of the building still remains empty. The investor/developer is having to cover the void costs and opportunity cost of cash over this period to date.
- 6.26. The quoted rent on the scheme which is understood to be in the region of £37.00 per sq ft is close to 25% above the market and has discouraged occupier interest. The lettings that have been achieved have been subject to generous rent incentives to secure occupiers.

## 7 Build Costs – Employment

- 7.1. We have utilised BCIS build cost averages, which are applied to GIA area. BCIS costs include contractor's preliminaries, overheads and profit but are just the base build costs, excluding estate roads, site wide services, external parking/yards and landscaping.
- 7.2. We have made an assumption that those additional development costs will be 20% of the base build costs for the industrial/warehouse scheme. For the office scheme, we have applied a lower rate of 15% for estate roads, services and landscaping as car parking is allowed for separately, with a rate of £15,000 per space for the Multi-Storey Car Park (MSCP). We have included the BCIS figures below.
- 7.3. Upper quartile costs are used to provide the quality of development to secure the rents outlined in our assumptions and to attract tenants. The upper quartile cost ranges from being 14% to 45% more than the median costs, which is an excessive range. We will consider sensitivity in the appraisal analysis based on a build cost increase at 15%.
- 7.4. We also note below that the BCIS tender analysis indicates industrial units (B2) are more expensive than warehouses (B8). We suggest this may be due to either a higher office content, higher parking needs and industrial fit out.
- 7.5. In reality for a speculative scheme, the industrial and warehouse product would be very similar, in line with the indicative plan provided (See Appendix 6).
- 7.6. The plan has one unit over 2,000 sq m (21,528 sq ft) which is Unit 5 at 50,000 sq ft. This unit has a high office content, therefore we have adopted the same base build cost for Unit 5 as the smaller units.

7.7. We have therefore adopted an average 'blended' rate for both industrial and warehouse.

Use	Median Rate £ per sq m	Upper Quartile £ per sq m	Adopted Base Build Rate £ per sq m (psf) excluding estate roads, services, landscaping and parking.
Industrial (Factories Generally) less than 2000 m <sup>2</sup> (21,528 sq ft)	£1,308	1,638 (5% higher)	£1151 (107psf)
Industrial (Factories Generally) more than 2000 m <sup>2</sup> (21,528 sq ft)	£954	1,638 (5% higher)	£1151 (107psf)
Warehousing Generally less than 2000 m <sup>2</sup> (21,528 sq ft)	£994	1,226 (23% higher)	£1151 (107psf)
Warehousing Generally more than 2000 m <sup>2</sup> (21,528 sq ft)	£793	935 (18% higher)	£1151 (107psf)
Offices Generally	£2,684	3050 (14% higher)	2684 (250psf)

## 8 B1 Office Use

8.1. The occupational market outlook for prime/best-in-class offices is relatively positive, although there is greater downside potential for secondary office stock and in secondary locations of which the latter accurately describes Horsham. Whilst vacancy rates are increasing for the latter, well-located prime assets are seeing occupational demand as the return-to-office trend cements itself in prime locations.

The key drivers for the office market are as follows:

1. Best in Class A Grade Accommodation with strong environmental credentials including EPC A or better, and BREEAM 'Very Good' or better.
2. Turnkey and available solutions. Occupiers want a space that can be moved into quickly to minimise business interruption. Also flexible lease terms with 3 & 5 years breaks being requested.
3. Prime locations such as key administrative centres such as Reading, Guildford and Brighton
4. Nearby amenity for staff with lunchtime retail conveniences less than a five minute walk from the building.
5. Central urban locations with strong transport links. Adjacent to rail stations or motorway junctions provided they are also amenity rich.

8.2. As noted in section 6.8, with the noted increase in build costs, to sustain development to accommodate the above typically rents in excess of £40.00 per sq ft need to be achieved.

- 8.3. Notwithstanding the build cost / rent dynamics, the subject location falls short in four of the five (2-5)key requirements for modern office occupiers. This is evidenced by the move from Creative Assembly to take an existing building in the town centre for example.
- 8.4. Whilst the definition of town centre can be subjective this is ultimately dictated by occupier perspective and the verbatim feedback has been that the location is not deemed as central in the context of Horsham. Robust marketing and narrative efforts have been made to reinforce the centrality of the subject location to combat the peripheral perspective, however occupier sentiment has remained the same.
- 8.5. We can therefore conclude the location is neither suitable nor capable of sustaining office development under current market conditions.

#### **Market rents, yields and marketing incentives/voids.**

- 8.6. We have outlined for clarity the assumptions used in our office appraisals below. We have considered what will be the likely financials that an occupier would be willing to bear.

Offices - B1			
Size Range (NIA)	149,975	34,000 and 30,000	15,000
ERV £ per sq ft	£28.00	£30.00	£30.00
Marketing Void (From Practical completion)	30 months	24 months	20 months
Rent free 10 years	28 months	24 months	18 months
Yield	7.75%		

#### **Appraisal Assumptions**

- 8.7. We set out below the assumptions adopted which we consider align with market expectations and our brief:
  - The site has the benefit of planning consent for the intended use with pre commencement conditions and reserved matters discharged.
  - A 4 month lead in for contractor mobilisation and tender; followed by a single-phase development taking 18 months to practical completion.
  - Build costs (set out in section 7), with 15% added for offices for site wide services/roads/landscaping etc. The offices have a stand alone MSCP so are higher cost than industrial.
  - Net to gross ratio at 85%.
  - Professional Fees at 10% applicable to base build, site costs and MSCP.
  - Finance at 2.75% over base at 7.0%.
  - MSCP at £12,500 per space (office campus only).
  - Contingency at 5%.

- Typical Joint Agent Letting Fees at 15% , Investment discounted to 0.75%, plus Legal Costs.
- Market Budget - £100,000 for office scheme.
- Profit on Cost 20% for speculative development.

### **Office Campus Conclusion**

- 8.8. The market is still cautious about acquiring space across all asset classes and companies are focusing more and more on cost control and in reducing their operational costs, including keeping rental outgoings low.
- 8.9. Build costs continue to grow and the impact of trade levy's being talked about and implemented for some countries could well cause further cost inflation in construction materials. We have used upper quartile BCIS costs for the base build, acknowledging the market would expect good quality, prime buildings in this location to achieve the rents expected.
- 8.10. For offices, we have taken site wide costs for power, estate roads, landscaping at 10% of the base build, as there is a significant standalone cost for a Multi Storey Car Park (MSCP).
- 8.11. It is clear from the appraisal (see appendix 7) that the office scheme is unviable, showing a negative land value of £61 million and sensitivity testing at a higher build cost is unnecessary. The net development value is lower than the unit base build costs before any other development costs are deducted.
- 8.12. The appraisal shows the net development value of the completed development once let is circa £67m, whereas the total construction costs before professional fees and finance and other development costs are close to £100m, which demonstrates that speculative offices will be unviable.
- 8.13. This reinforces why there is currently little to no speculative office development in West Sussex or the wider south-east region generally at the time of writing this report.

## 9 Industrial and Warehouse (EG(iii), B2 and B8)

9.1. The industrial market continues to be the favoured of the traditional sectors in the wider geographic region however the occupational market has cooled significantly in the past 24 months.

9.2. The key drivers for modern industrial and warehouse development are as follows:

- Excellent access and egress for Articulated lorries of which for Parsonage Way is limited given the residential location.
- Planning consent for 24/7 operation and no noise restrictions
- Eaves height in excess of 10m
- Significant power availability with the new build average for the region approximately 1,500KVA

9.3. The industrial occupational market draws from a wider area than offices typically. It is therefore prudent to note the following consented industrial and warehouse developments/allocations below.

9.4. All the developments outlined are, or are proposed, to be of Grade A institutional quality with strong transport links, 24/7 usage and robust environmental credentials.

Scheme	Distance from Subject site	Sq Footage of new scheme	% Still available	Build Type	PC
1. Nowhurst Business Park	5.6 Miles	120,000	100%	Not built (pre-lets only)	
2. Audio Park	6 Miles	103,000	100%	Speculative	Q4 2025
3. Axix 24	6 Miles	100,000	100%	Speculative	24 2027
4. Billingshurst Enterprise Park	7.5 Miles	120,000	80%	Speculative	Q2 2025
5. Focal Point	8.8 Miles	55,000	100%	Speculative	Q1 2026
6. Brinsbury Fields	12 Miles	140,000	100%	N/A	N/A
7. Panattoni Park, Burgess Hill	13.4 Miles	407,000	90%	Speculative	Q1 2024
8. Panattoni Park, Brighton	22 Miles	267,000	100%	Speculative	Q2 2024
	<b>Total</b>	<b>1,300,000 approx</b>			

9.5. Within Appendix 12 is a numbered location map of the properties outlined in the above table.

- 9.6. In summary there is an abundance of consented industrial warehouse accommodation within an approximate 20 mile radius of the subject property. Nearly all of the subject sites do not face the same 'urban limitations' as Larksfield place and are arguably much better suited as industrial and warehouse locations.

**Market rents, yields and marketing incentives/voids.**

9.7. We have outlined for clarity the assumptions used in our industrial appraisals below. These relate to non-bespoke buildings to normal institutional specification.

	Warehousing - B8			Industrial - B2			Eg(iii) – Light Industrial		
<b>Sizes (units or range) sq ft NIA</b>	25 - 50,000	15 – 25,000	7,500 – 15,000	25 - 50,000	15 – 25,000	7,500 – 15,000	25 - 50,000	15 – 25,000	7,500 – 15,000
<b>ERV per sq ft</b>	£16.50	£17.00	£17.50 psf	£16.50 psf	£17.00 psf	£17.50 psf	£16.50 psf	£17.00 psf	£17.50 psf
<b>Marketing Void</b>	15 months	12 months	9 months	28 months	24 months	20 months	18 months	15 months	12 months
<b>Rent free 10 years</b>	15 months	12 months	6-9 months	15 month	12 months	6-9 months	15 month	12 months	6-9 months
<b>Yield</b>	6%			6.5%			6.5%		

### Appraisal Assumptions

- 9.8. For Industrial and warehousing, we have adopted the layout provided as shown in Appendix 6 assuming an interchangeable layout for either warehouse or industrial uses totalling 175,000 sq ft, assuming a site wide cost at 20% of the base build, higher than offices due to parking, yards, and expected power needs.
- 9.9. For the smaller units we can increase the rents slightly and have applied a rent free period of 9 months for a 10 year lease commitment, as most companies are looking for assistance in moving and as explained previously in this report they are extremely sensitive to costs.
- 9.10. We set out below the assumptions adopted which we consider align with market expectations and our brief:
  - The site has the benefit of planning consent for the intended use with pre commencement conditions and reserved matters discharged.
  - A four month lead in for contractor mobilisation and tender; followed by a single-phase development taking 10 months for the industrial/warehouse units.
  - Build costs as set out in section 7, and with 20% added for industrial/warehouses for site wide services/roads/landscaping etc. The difference level due to the office campus having a standalone MSCP.
  - Professional Fees at 10% applicable to base build and site costs.
  - Finance at 2.75% over base at 7.0%
  - Contingency at 5%
  - Typical Joint Agent Letting Fees at 15%, Investment discounted to 0.75%, plus Legal Costs
  - Market Budget - £75,000 for industrial/warehouse
- 9.11. All appraisals (See Appendices 8-10) assume a 20% profit on cost, which is typical for a speculative development. The outcomes are concluded below:
  - Warehousing – This is unviable showing a negative land value. We have considered that there is a market expectation that a developer would look to acquire land for B8/ logistics use at this time and so we have considered this by undertaking sensitivity analysis in Appendix 14. This is based on total upward and downward changes in rent by £1.00psf (approximately 5%), yield by 0.25% and construction costs by 10%.
  - Industrial B2 only – unviable as a negative land value of £10m.
  - Industrial Eg(iii) only – unviable as a negative land value of £8.6m.

## Other Material Considerations

- 9.12. Notwithstanding the absence of a need for, or viability of an industrial / storage and distribution use at the site, these types of uses would not comfortably sit alongside the uses around the site.
- 9.13. We recognise that the effects of a development at this site on the flow of the traffic network is a key area of interest, particularly for people who live near the site. An industrial / storage and distribution use would generate significantly more local traffic than a residential use, including at peak times. Aside from the quantum of traffic generation, the type of that traffic is also important, with these types of commercial uses relying on large vehicles, including HGVs. We do not consider that the introduction of a large number of these types of vehicles would be appropriate in this location.
- 9.14. Industrial / storage and distribution uses typically rely on extensive hours of operation, often through the day and night. Given the close proximity of neighbours to the site, including those on the opposite of Parsonage Road, and the proposed new homes at the western part of the site, we again, do not consider that would be appropriate in this location. It could give rise to noise and disturbance issues that residents would likely find problematic.
- 9.15. Whilst there is an industrial area near to the site, that is on the other side of the railway line, where the character of the area is different, and where residents in the location are quite used to the relationship with those uses, which are long established. An industrial / storage and distribution use at this site would be 'new', and therefore, the environmental impacts unexpected, and likely unwelcome by those living near to the site.

## Small Unit Viability Challenges (Sub 3,000 sq ft)

- 9.16. We anticipate latent demand from small businesses seeking industrial units of around 2,000 sq ft or less, commonly referred to as 'starter units' or 'micro units.' However, the commercial viability of developing such units is fundamentally unfeasible for the following reasons:
- 9.17. **Weak Covenant Strength:** Tenants occupying micro units typically have weaker covenant strength, increasing the risk of tenant insolvency. This also heightens the potential for property damage, often leaving landlords without effective recourse.
- 9.18. **Weaker Exit Yields:** Due to higher tenant risk, the investment yield for starter units is less attractive. While our appraisals assume exit yields of 6% to 6.5%, yields for micro units would likely exceed 8%, reducing overall investment appeal.
- 9.19. **Higher Construction Costs:** Building smaller units incurs significantly higher costs, estimated to be 40%-50% more per square foot compared to larger units. This is due to reduced economies of scale and increased material requirements, such as additional walls, plumbing, and individual facilities.
- 9.20. **Unviable Market Pricing:** Rising construction costs further challenge viability, as the price point required to achieve profitability is beyond the affordability of most target occupiers. This is evidenced by the recent small unit development at Glenmore Business Park in Worthing, where starter units have struggled to achieve sales or lettings due to high pricing.

## 9.21. Industrial and Warehouse Conclusion

- 9.22. We would expect land values for unrestricted B8 land with no onerous costs, in the very best 'secondary' distribution locations, as opposed to Gatwick on the M23, to be circa £750,000 an acre +/- Horsham town centre is not the best secondary location for B8 logistics, and not as good as say Southwater, which we consider to be a good secondary location.
- 9.23. For there to be good developer interest, this site would need an unrestricted planning consent permitting 24/7 use to attract the e commerce and logistics sectors, (ideally without noise restrictions).

- 9.24. With this in mind, we would expect a Horsham town centre B8 use site of 11.9 acres with an unrestricted planning consent (24/7 use and no noise restrictions) to command a land value above £500,000 an acre, yet the appraisal is a long way from this.
- 9.25. The sensitivity shows that to get close to that figure, it would require three things;
  - **A yield improvement to 5.75%** - This is calculated by placing a percentage return against the income receivable from the property. This is how the market will appraise the property and is also referred to as an 'exit yield'.
  - **An improvement in rent by £1.00 per sq ft** - An increase in the overall rent payable.
  - **A saving in base build cost of 15% to £118 psf.** – The base build refers to the construction cost exclusive of matters like road and general infrastructure
- 9.26. Such a shift in all three inputs would show a residual land figure of £5.78m or £486,000 per acre, which is still low.
- 9.27. In our view, any potential rent or yield improvements are highly improbable in the current market, given the continued weakening of occupier demand and persistent uncertainty surrounding the Bank of England base rate. Demand levels that spiked in the last 4 years have now returned to pre 2019 levels across the South East as much of the demand from e-tailers/ e-commerce has been satisfied and there is no swell of burgeoning new demand, just regular churn.
- 9.28. Consequently, we consider a pure B8 use with planning restrictions on operating hours (and potentially noise) to be fundamentally unviable in this location. The combination of limited demand, restrictive planning conditions, and an unfavourable economic outlook renders such a scheme commercially unworkable, with little prospect of meaningful returns.

## 10 Leisure

- 10.1. There have been few new leisure schemes developed in the south of the UK in recent times. The principal reason for this is that restaurants have historically underpinned these developments and for the last few years, the market has been impacted by factors beyond operators control.
- 10.1. 1,409 restaurants failed in the year ending 30 September 2024, an increase of 19% on the previous year. Recent analysis shows that 1 in 10 restaurants in the UK are at imminent risk of closure. Regional and independent occupiers are part of the restaurant sector that have continued to perform well, but the weak covenant strength of this type of occupier prevents speculative development.
- 10.2. One example of recently completed commercial development incorporating a mix of retail and leisure is Brightwells Yard, Farnham. The development took 20 years to procure, but following practical completion 6 months ago approximately 70% of the 100,000 sq ft of retail and leisure space developed remains vacant.
- 10.3. Alternative large space leisure uses that have been active in the market include gyms / health clubs, competitive socialising and padel tennis. However, these types of occupier favour cheap space and there are likely to be better alternative options to accommodate them in existing commercial buildings in the area. The rentals that these occupiers pay will not sustain speculative development. In addition, these occupiers favour proximity to main arterial roads.
- 10.4. Below are our analysis of the likely rents, incentives and likely void periods for leisure use. We have assumed gym use such as David Lloyd. We have included our appraisal within Appendix 11.

Gym - E			
<b>Sizes (units or range) sq ft NIA</b>	15 - 25,000	9 – 15,000	6 - 9,000
<b>ERV per sq ft</b>	£8.00psf	£14.00	£12.00 psf
<b>Marketing Void</b>	15 months	12 months	9 months
<b>Rent free 10 years</b>	15 months	12 months	9 months
<b>Yield (Spec development / Exit yield)</b>	7%	7.5%	8%

- 10.5. In respect of the larger gym requirements (15-25,000 sq ft) approximately 150 car parking spaces would be required, directly adjacent. 80 car parking spaces for the mid-tier size range and 60 car parking spaces for the smaller size range.
- 10.6. Build costs for gym use would be £170-190 psf. Build costs for health clubs are a bit higher at £220-245 psf
- 10.7. Gym and health club operators do not generally lease space and companies such as David Lloyd like to purchase freehold. We received an offer on 4.9 acres at Copthorne Hotel site Crawley at £4m ie £816,000 per acre.
- 10.8. In summary Horsham town centre is less than 1 mile distance and has an extensive retail and leisure offer and any occupier demand for smaller spaces in the area will be focused here. This is evidenced by the recent mixed use development at Piries Place which includes a luxury cinema, Hotel and other retail amenity uses. Therefore the location is unlikely to be suitable for large space leisure occupiers.

## 11 Education Including Nursery, SEN and Mid to Higher Education

11.1. The education sector is facing an increasing crisis, in funding and staffing, and its property infrastructure. Schools, colleges, and universities are grappling with deteriorating buildings and increasing property costs, however the cost of building a new state school facility is very high due to its bespoke nature, low density and largely cellular arrangement. As a result the government has been prioritising repair and refurbishment. The list of new schools planned in the UK is shown in the table below: There is nothing of scale or in this region.

Project name/location	LA	Proposed opening date	School Type	Phase of education	Capacity (not including nursery or sixth form places)
St John's Grange, Lichfield	Staffordshire	01/09/2025	Mainstream	Primary	210
Ipswich, Henley Gate	Suffolk	01/09/2026	Mainstream	Primary	210
Chester , Wrexham Road	Cheshire West and Chester	01/09/2026	Mainstream	Primary	315
Warfield All Saints	Bracknell Forest	01/09/2025	Special	Secondary	50
Valley Park, Didcot	Oxfordshire	01/09/2026	Mainstream	Primary	630
Keynsham, Somerset	Bath and North East Somerset	01/09/2026	Special	Seconday	30
Great Haddon	Peterborough	01/09/2025	Mainstream	Primary	420
Callendar Farm	Warwickshire	01/09/2026	Mainstream	Primary	420

11.2. The private education sector is equally struggling to pay its way, with additional costs such as 20% VAT now chargeable on fee's and having to pay business rates, all coming at the same time. The majority of these schools do not have large endowments so cannot absorb these extra costs and these are being passed onto the pupils and parents. The expectation is that this may lead to school closures as parents unable to afford the extra cost burden will take pupils out and put them into State Schools, many of which are already beyond full capacity. Potentially these closed schools could be bought by the state sector rather than build new.

11.3. In the years from 2013 to 2023, 847 schools closed – an average of 77 a year, official data has shown.

11.4. Many schools across the country are now rationalising their real estate and this is particularly evident with the recent announcement of Chichester College Group's (CCG) closure of their Broadwater Campus which is only ten years old. Chichester College Group are the predominant leading providing of higher education services in the county.

11.5. Notwithstanding the above both marketing agents have sought to investigate educational use further as noted within appendix 4. Problematically, in the context of the subject site, SEN

requirements need approximately 1.5 Acres total with only a 15,000 sq ft property required. The density of development is therefore commercially unviable to entertain.

- 11.6. We have also investigated Children Nursery Use however, in isolation it does not provide enough critical mass to sustain development.
- 11.7. Overall the education system is in a period of significant uncertainty, contraction and estate rationalisation and therefore there are limited requirements that are substantial enough to warrant development in line the quantum required/expected at Larksfield Place.
- 11.8. The active sub-sectors within the education sector being SEN, SEND and childrens day nurseries cannot support a development such as Larksfield Place in isolation.

## 12 Summary

### Marketing

- 12.1. Since 2021 a proactive marketing campaign has been implemented with all endeavours undertaken to try and find a suitable occupier, owner and or user or a combination of the two. Vail Williams and Savills have deployed a bespoke team with decades of collective local and regional experience in advising of this nature.
- 12.2. A multitude of initiatives have been undertaken to consolidate individual requirements into a cohesive and commercially viable proposition, with regular feedback provided to Muse Developments to enhance marketing efforts with both traditional and non-traditional marketing methods instigated including social media posts and HTML targeting campaigns.

### Market Conditions

- 12.3. The commercial property market has faced significant challenges due to economic instability, rising costs, and shifting investor sentiment. The October 2022 budget created uncertainty, increasing finance costs and deterring development. Simultaneously, hyperinflation in construction costs has pushed projects beyond market viability, while interest rate hikes have reduced profitability and investor confidence.
- 12.4. Present-day macroeconomic conditions, including increased taxation, geopolitical uncertainty, tariff impositions and inflationary pressures, have further impacted market activity. Rising borrowing costs and economic stagnation have made occupiers cautious about expansion, leading to reduced demand across all sectors. Developers share similar concerns, with speculative developments struggling to secure tenants, exemplified by The Create building in Crawley.
- 12.5. These factors collectively indicate a prolonged period of market caution, with both tenants and developers hesitant to commit in an uncertain economic climate.

### Office Viability

- 12.6. The occupational market outlook remains positive for very prime office spaces with strong environmental credentials and turnkey availability in central, as well as integrated amenity and well-connected locations. However, secondary locations like Horsham face significant challenges and a lack of larger occupier requirements.
- 12.7. Market caution remains prevalent, with companies prioritising cost control and minimising rental expenses. Additionally, rising build costs, compounded by potential trade levies, continue to impact development feasibility.
- 12.8. Appraisal results indicate that an office scheme in this location is unviable, with a negative land value of £61 million. The net development value is lower than base build costs before additional expenses are factored in, reinforcing the broader market trend of limited speculative office development in West Sussex.

### **Industrial and Warehouse**

- 12.9. The industrial market remains the strongest traditional sector in the broader region, but occupier demand has weakened over the past two years. Key drivers for industrial and warehouse developments include excellent HGV access, 24/7 operational consent, high eaves height, and significant power availability. However, the site in question does not meet these criteria, limiting its viability for such use.
- 12.10. Additionally, industrial and logistics operations would introduce higher traffic volumes, including large vehicles, and extended operating hours, potentially causing noise and disruption to nearby residents. This makes the site less suitable for industrial development compared to established industrial areas in the district like Southwater.
- 12.11. Market analysis indicates that the site would require unrestricted 24/7 planning consent and significant improvement to market conditions—including lower yields, higher rents, and lower build costs—to achieve viable land values. Given current market conditions and occupier demand softening, these improvements are unlikely, rendering pure B8 use unviable at this location.

### **Leisure**

- 12.12. The leisure development market in the South of the UK has remained partly stagnant due to challenges facing the restaurant sector, a key driver of such schemes. Rising closures and weak covenant strength among independent operators have limited speculative development opportunities.
- 12.13. Recent mixed-use schemes, such as Brightwells Yard in Farnham, highlight the difficulty of securing tenants, with significant vacancy levels persisting months after completion. While alternative leisure uses, including gyms and competitive socialising, remain active, these occupiers typically require low-cost spaces near arterial roads and do not generate rental levels sufficient to justify new development.
- 12.14. Analysis indicates that gym and health club operators prefer freehold acquisitions over leasing, limiting their potential as anchor tenants. Given Horsham's proximity to an established retail and leisure hub, larger leisure occupiers are unlikely to be attracted to this location, making standalone leisure development unviable.

### **Education**

- 12.15. The education sector is experiencing significant financial and operational pressures, including funding shortages, staffing challenges, and deteriorating property infrastructure. The high cost of building new state schools has led the government to prioritize refurbishment over new developments, with no large-scale projects planned in the region.
- 12.16. Private schools are also under strain due to rising costs, including VAT on fees and business rates, which may lead to closures and increased pressure on already overburdened state schools. Estate rationalisation is becoming common, as seen with the closure of Chichester College Group's Broadwater Campus.
- 12.17. Market analysis indicates that while sub-sectors such as SEN, SEND, and children's nurseries remain active, their requirements are too small to support large-scale development at Larksfield Place. Given the current contraction and uncertainty in the education sector, there is limited demand to justify a viable development of this scale.

## 13 Conclusions

- 13.1. The site has been extensively marketed, but prevailing market conditions, economic uncertainty, and structural shifts across multiple sectors have hindered its viability to be brought forward for development. The office market is starting to show activity in prime locations, but secondary areas like Horsham face limited demand, making speculative office development unfeasible. Similarly, industrial and warehouse development is constrained by site limitations, planning restrictions, and softening occupier demand.
- 13.2. The leisure sector is also facing challenges, with high vacancy rates in recent schemes and a lack of tenant demand for new developments. While alternative leisure uses exist, they typically do not generate rental values sufficient to justify construction. The education sector is similarly constrained, with financial pressures limiting new development opportunities, and smaller specialist institutions unable to support large-scale projects.
- 13.3. Given these factors, it is evident that under current and prevailing market conditions there is no viability for development of the site for any of the employment / employment generating uses considered in the report.
- 13.4. Contributions to this report have been made by market experts at Vail Williams with key individuals making representations from the business space/ agency team, Development team, investment team and Retail and Leisure team.

## Appendix 1 Approximate Location



## Appendix 2 - Copy of Marketing Particulars







## Appendix 3 - Marketing Planner

2022/23 Marketing Planner

## Larksfield Place

Prepared by Vail Williams and Savills



## Appendix 4 - Schedule of Enquiries

Date of enquiry (approx)	Party	Comment
2021	Creative Assembly	Were in talks for 200,000 sq ft but ultimately decided to take cheaper existing building in the town. Have since halved office footprint in the town.
Q1 2022	National Crime Agency	Required 80,000 – 120,000 sq ft but the timescales were too tight and there was a general reluctance to commit to something that was not yet built.
Q1 2022	RSPCA	Required approximately 20,000 sq ft. Timing was immediate.  Downsized from 80,000 sq ft
Q1 2022	Fairhomes Group	Interested in a new building comprising 90,000 sq ft warehouse with 40,000 sq ft offices. Have an office in Horsham already. Requirement went no further and general concerns around suitability of location for large warehouse.
2021	Envision Pharma	Original requirement for 30,000 sq ft and were reviewing location pre-covid. Post covid downsized considerably in space.
2022	Royal Sun Alliance	Requirement size changed from 80,000 to 60,000 and then to approximate 40,000 sq ft. Proposals were offered and numerous attempts made to communicate but RSA never properly engaged. Post covid caused uncertainty over size of premises needed.
2022	Southern Housing	Decided against a move
2022/2023	Oxford Innovations	Various conversations were undertaken but they could not be convinced on location
2023/2024	SEN School	Required single plot of 1.5 Acres with a single building of 15,000 sq ft. The land take required resulted commercially unacceptable land take.
2023/2024	Chess Dynamics	Hybrid Office and Industrial User. Require 50,000 sq ft. Too much of a bespoke build to properly fund.



2023/2024	Global 4	Freehold enquiry for approximately 10,000 sq ft. They did not engage with agents further following numerous chases
2023/2024	Ceres Power	Were looking for substantial industrial space. Huge power requirement.

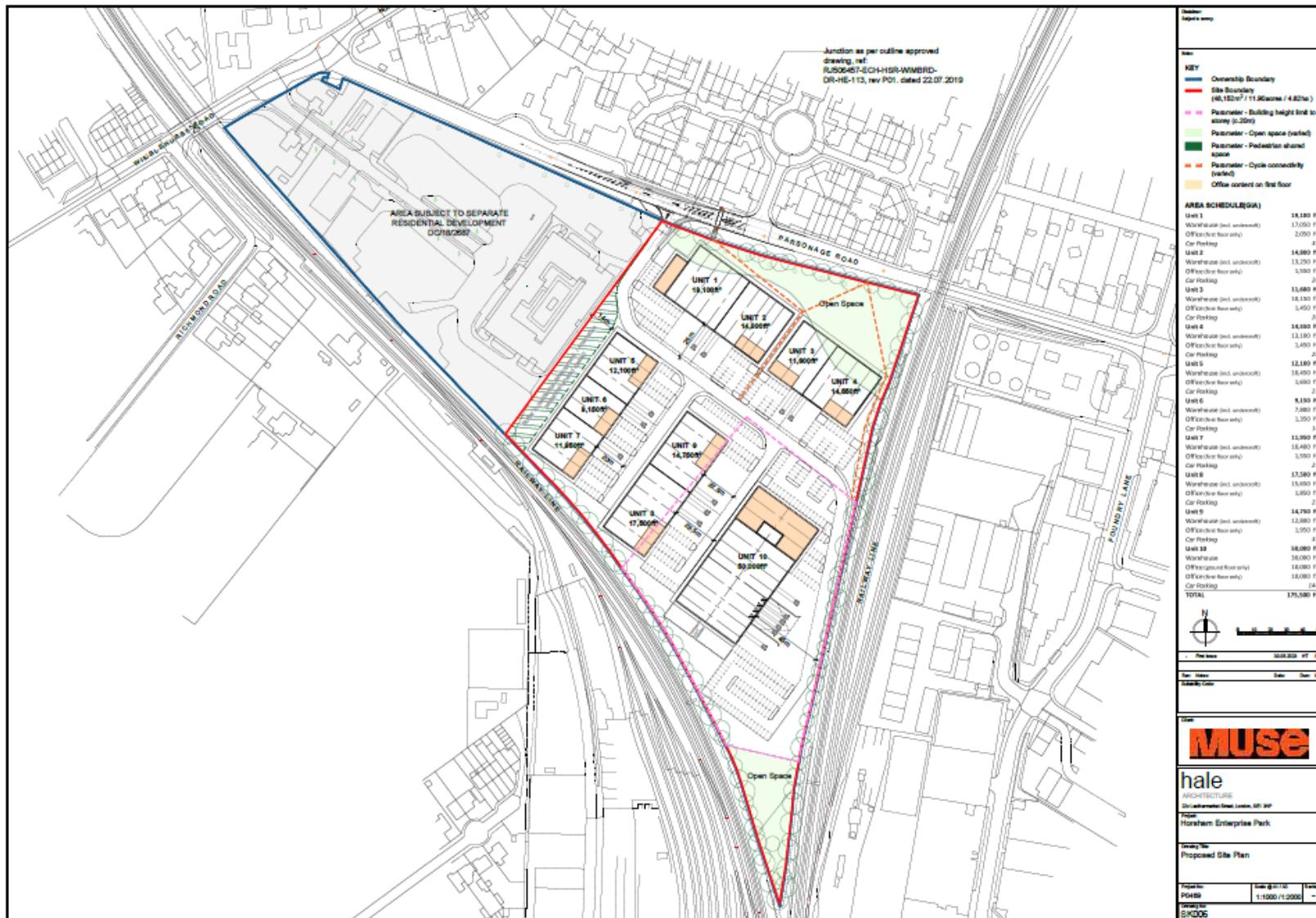
## Appendix 5 - Schedule of lease events

Occupier Lease Events Crawley						
Year	Next Lease Event	Current Address	Total Size (sq ft)	Tenant	Tenant's Agent	Lease End Date
2022	BREAK 21-01-2022 - Tenant	The Palindrome, Manor Royal, Crawley, West Sussex, RH10 9NU	37,242	Schneider Electric		06-02-2032
	BREAK 12-01-2022 - Tenant	Origin 1, 108 High Street, Crawley, West Sussex, RH10 1BD	8,034	TUI Travel Limited	Sites Harold Williams	12-01-2027
	BREAK 01-03-2022 - Tenant	St Johns House, 29/35 High Street, Crawley, West Sussex, RH10 0BQ	9,789	Grant Thornton UK LLP		28-02-2027
	BREAK 01-04-2022 - Tenant	Astral Towers, London Road, Betts Way, Crawley, West Sussex, RH10 9UY	23,457	Avios Group (AGL) Ltd	Savills	31-03-2024
	<del>BREAK 18-04-2022 - Tenant</del>	<del>The Galleria, Station Road, Crawley, West Sussex, RH10 1WW</del>	<del>12,315</del>	<del>RAPP</del>	<del>Vail Williams</del>	<del>17-04-2029</del>
	EXPIRY 02/07/2022	Pinnacle, Station Way, Crawley, West Sussex, RH10 1JH	11,120	Regus		02-07-2022
	EXPIRY 01/10/2022	Spirent House, Crawley Business Quarter, Crawley, West Sussex, RH10 9QL	25,633	First Choice Cleaning and Maintenance Limited		01-10-2022
	BREAK 07-11-2022 - Tenant	Astral Towers, London Road, Betts Way, Crawley, West Sussex, RH10 9UY	7,938	SAP Concur	JLL	06-11-2026
	EXPIRY 01/12/2022	Pegasus Place, Gatwick Road, Crawley, West Sussex, RH10 9AY	12,735	Rokgroup Limited		01-12-2022
	EXPIRY 01/12/2022	Pegasus Two, Pegasus Place, Gatwick Road, Crawley, West Sussex, RH10 9AY	12,735	Rokbuild		01-12-2022
	BREAK 24-12-2022 - Tenant	Ashdown House, 125 High Street, Crawley, West Sussex, RH1 1DQ	34,235	ACE INA Services UK Limited		23-06-2024
2023	EXPIRY 05/02/2023	Astral Towers, London Road, Betts Way, Crawley, West Sussex, RH10 9UY	8,554	Westcon (UK) Limited		05-02-2023
	EXPIRY 02/03/2023	The Exchange, High Street, Crawley, West Sussex, RH10 1BT	20,747	Gainsborough Morrison (Assignee) / Anglian Water Services Limited (Assignor)		02-03-2023
	BREAK 25-06-2023 - Tenant	1 Forest Gate, Tilgate Forest Business Park, Crawley, West Sussex, RH11 9PT	11,453	KPMG	Knight Frank	24-06-2028

## Occupier Lease Events - Regional

Year	Next Lease Event	Current Address	Total Size (sq ft)	Tenant	Lease End Date
2024	Expiry	Church Street	10,769	Pegasus Public Relations Ltd	01-Jan-24
	Expiry	195 - 205 High Street	12,851	Premier Asset Management Ltd	23-Mar-24
	Expiry	Oakfield House, 35 Perrymount Road, HAYWARDS HEATH	39,038	Intertek Inspection Services UK Limited (HAYWARDS HEATH)	31-Mar-24
	Expiry	Pacific House, Hazelwick Avenue, Crawley	13,155	Coast to Capital (CRAWLEY)	31-Mar-24
	Expiry	Pacific House, Hazelwick Avenue, Crawley	13,155	Ambipar Response (CRAWLEY)	31-Mar-24
	Expiry	Queensberry House, 104-109 Queens Road, Brighton	35,622	McLelland Music Limited (BRIGHTON)	22-Apr-24
	Expiry	Lesbourne Road	20,300	Intrum UK Ltd	17-May-24
	Break	21 - 33 Dyke Road	10,414	Natives Online Ltd	13-Jun-24
	Expiry	Guildford Business Park Road	11,000	Linden Ltd	23-Jun-24
	Expiry	Trafalgar Street	44,958	BUPA Insurance Services Ltd	23-Jun-24
	Expiry	Guildford Business Park Road	41,935	Colgate-Palmolive (UK) Ltd	04-Jul-24
	Expiry	1-11 Jubilee Street, BRIGHTON	45,255	Inshur UK Limited (BRIGHTON)	24-Jul-24
	Expiry	1-11 Jubilee Street, BRIGHTON	45,255	Inspiring Learning Limited (BRIGHTON)	24-Jul-24
	Expiry	Pegasus, 2 Gatwick Road, CRAWLEY	12,721	Aeromobile Ltd (3 Pegasus Place CRAWLEY)	08-Aug-24
	Expiry	Church Street	22,623	Runtime Collective Ltd	31-Aug-24
	Expiry	Ladymead	43,121	UOP Ltd	28-Sep-24
	Expiry	Castle House, Sea View Way, BRIGHTON	14,621	CSN Care Group Limited (BRIGHTON)	22-Oct-24
	Expiry	Oakfield House, 35 Perrymount Road, HAYWARDS HEATH	39,038	Jeremy Benn Associates Limited (HAYWARDS HEATH)	25-Nov-24
	Expiry	31 Chertsey Street	10,640	BDO Services Ltd	04-Dec-24
	Expiry	Lees House, 21 Dyke Road, Brighton	42,970	Harvey John Limited (BRIGHTON)	11-Dec-24
2025	Expiry	Guildford Business Park Road	11,604	DJO UK Ltd	03-Jan-25
	Expiry	Talisman House, Jubilee Walk, CRAWLEY	4,250	Flight Centre UK Ltd (St George's Square, New Malden)	23-Feb-25
	Expiry	31 Chertsey Street	14,973	Penningtons LLP	17-Mar-25
	Expiry	1-11 Jubilee Street, BRIGHTON	45,255	Ten Green Bottles Limited (BRIGHTON)	10-Jun-25
	Expiry	2 - 6 Manchester Street	14,579	EC English Cambridge Ltd	23-Jun-25
	Break	53 - 54 Queens Road	10,780	Vero Screening Ltd	23-Jun-25
	Expiry	Oak House, Albert Drive, BURGESS HILL	6,725	M&D Holdings Limited (BURGESS HILL)	06-Jul-25
	Expiry	Guildford Business Park Road	37,072	Phillips Electronics UK Ltd	31-Aug-25
	Expiry	44-46 Springfield Road, HORSHAM	5,800	Retepnia Limited (HORSHAM)	30-Sep-25
	Expiry	1 Walnut Tree Close	40,122	Highways England Company Ltd	02-Oct-25
	Expiry	44-46 Springfield Road, HORSHAM	5,800	Pure Bio Limited (HORSHAM)	29-Oct-25
	Expiry	1 Forest Gate, CRAWLEY	24,157	Department for Work & Pensions (LONDON Caxton House)	01-Nov-25
	Expiry	1 Forest Gate, CRAWLEY	24,157	Instant Managed Offices Limited (London)	19-Nov-25
	Expiry	Arundel, Unit 1 Amberley Court, CRAWLEY	9,475	BM Advisory (CRAWLEY)	07-Dec-25
	Expiry	Sydenham Road	14,208	Barlow Robbins LLP	12-Dec-25
2026	Expiry	Crescent House, Crescent Road, WORTHING	23,643	ACD Environmental (EASTLEIGH Suite 6 Crescent House)	13-Dec-25
	Expiry	Crescent House, Crescent Road, WORTHING	23,643	MHA Carpenter Box (Worthing)	21-Dec-25
	Expiry	Portsmouth Road	12,688	Lind Us Ltd	24-Dec-25
	Expiry	Arundel, Unit 1 Amberley Court, CRAWLEY	9,475	Bien-Air UK Limited (CRAWLEY)	17-Jan-26
	Expiry	1-11 Jubilee Street, BRIGHTON	45,255	DMH Stallard LLP (BRIGHTON 1 Jubilee Street)	25-Mar-26
	Expiry	Lesbourne Road	19,172	Updata Infrastructure (UK) Ltd	26-Mar-26
	Expiry	Trafalgar Place	25,452	Avalara Europe Ltd	30-Mar-26
	Expiry	The Galleria, Station Road, CRAWLEY	42,725	Quixant (CRAWLEY)	01-Apr-26
	Expiry	Walnut Tree Close	13,177	BDW Trading Ltd	17-Apr-26
	Expiry	103 Stroudley Road	11,919	Ideal Networks Ltd	02-Jun-26
2027	Expiry	Oakfield House, 35 Perrymount Road, HAYWARDS HEATH	39,038	Addactive Limited (WEST SUSSEX Bank House Southwater)	13-Jun-26
	Expiry	Lees House, 21 Dyke Road, Brighton	42,970	Hi-Rez Limited (BRIGHTON)	03-Jul-26
	Expiry	139 - 142 North Street	27,229	Barclays Bank UK Plc	23-Jul-26
	Expiry	The Droveway	55,835	Legal & General Group Plc	21-Sep-26
	Expiry	1-11 Jubilee Street, BRIGHTON	45,255	Wilbury Stratton Consultants Limited (BRIGHTON)	06-Oct-26
2028	Expiry	Oakfield House, 35 Perrymount Road, HAYWARDS HEATH	39,038	Bouygues UK Ltd (HAYWARDS HEATH PO Box 622)	20-Dec-26
	Expiry	Farnham Road	45,000	Stevens & Bolton LLP	02-Mar-27
	Expiry	12 - 24 Station Road	16,400	Secretary of State for Communities & Local Government	31-Mar-27
	Expiry	55 - 59 East Street	17,943	Learning Technologies Group Plc	23-Jun-27
	Expiry	106 - 118 Station Road	47,133	Axa Assistance (UK) Ltd	24-Dec-27
2028	Expiry	177 Preston Road	18,600	BSUH NHS Trust	11-Feb-28
	Break	Trafalgar Place	36,705	Brighton Mocatta House Centre Ltd	27-Apr-28
	Expiry	Trafalgar Street	41,722	Mott MacDonald Ltd	10-Jun-28
	Expiry	Onslow Street	11,500	Punter Southall Ltd	18-Jul-28

## Appendix 6 - Industrial site layout



## Appendix 7 – Office Campus Appraisal

<b>APPRAISAL SUMMARY</b>		<b>VAIL WILLIAMS LLP</b>									
Larksfield Place, Horsham - Office Campus											
Horsham											
Office Campus											
Appraisal Summary for Merged Phases 1 2 3											
Currency in £											
<b>REVENUE</b>											
<b>Rental Area Summary</b>											
	Units	ft <sup>2</sup>	Rent Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV					
Unit 1 - 149,975 NIA	1	149,975	28.00	4,199,300	4,199,300	4,199,300					
Unit 2 - 34,000 NIA	1	34,000	30.00	1,020,000	1,020,000	1,020,000					
Unit 3 - 30,000 NIA	1	30,000	30.00	900,000	900,000	900,000					
Unit 4 - 15,000 NIA	1	15,000	30.00	450,000	450,000	450,000					
<b>Totals</b>	<b>4</b>	<b>228,975</b>		<b>6,569,300</b>	<b>6,569,300</b>						
<b>Investment Valuation</b>											
Unit 1 - 149,975 NIA											
Market Rent (2yrs 4mths Rent Free)	4,199,300	YP @ PV 2yrs 4mths @	7.7500% 7.7500%	12.9032 0.8402	45,523,420						
Unit 2 - 34,000 NIA											
Market Rent (2yrs Rent Free)	1,020,000	YP @ PV 2yrs @	7.7500% 7.7500%	12.9032 0.8613	11,336,108						
Unit 3 - 30,000 NIA											
Market Rent (2yrs Rent Free)	900,000	YP @ PV 2yrs @	7.7500% 7.7500%	12.9032 0.8613	10,002,447						
Unit 4 - 15,000 NIA											
Market Rent (1yr 6mths Rent Free)	450,000	YP @ PV 1yr 6mths @	7.7500% 7.7500%	12.9032 0.8941	5,191,405						
<b>Total Investment Valuation</b>					<b>72,053,378</b>						
<b>GROSS DEVELOPMENT VALUE</b>											
Purchaser's Costs				(4,899,630)							
Effective Purchaser's Costs Rate	6.80%				(4,899,630)						
<b>NET DEVELOPMENT VALUE</b>					<b>67,153,748</b>						
<b>NET REALISATION</b>											
<b>OUTLAY</b>											
<b>ACQUISITION COSTS</b>											
Residualised Price (Negative land)				(60,773,044)							
					(60,773,044)						
<b>CONSTRUCTION COSTS</b>											
Construction		ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost							
Unit 1 - 149,975 NIA	176,441	283.00	49,932,853								
Unit 2 - 34,000 NIA	40,000	283.00	11,320,000								
Unit 3 - 30,000 NIA	35,294	283.00	9,988,235								
Unit 4 - 15,000 NIA	17,647	283.00	4,994,118								
<b>Totals</b>	<b>269,382 ft<sup>2</sup></b>		<b>76,235,206</b>	<b>76,235,206</b>							
Contingency		5.00%	4,555,436								
U1Road/Site/Services Works (10%)			4,993,285								
U2&3 Road/Site/Services Works (10%)			2,130,824								
U4 Road/Site/Services Works (10%)			499,412								
Planning Costs - Water Neu/BNG etc			1,000,000								
				13,178,957							
Other Construction Costs											
MSCP at £12,500 per space			7,250,000								
				7,250,000							
<b>PROFESSIONAL FEES</b>											
U1 Prof Fees		10.00%	6,217,614								

<b>APPRAISAL SUMMARY</b>		<b>VAIL WILLIAMS LLP</b>			
<b>Larksfield Place, Horsham - Office Campus</b>					
<b>Horsham</b>					
<b>Office Campus</b>					
U2&3 Prof Fees	10.00%	2,343,906			
U4 Prof Fees	10.00%	549,353			
			9,110,873		
<b>MARKETING &amp; LETTING</b>					
Marketing		100,000			
Letting Agent Fee	15.00%	985,395			
Letting Legal Fee	3.50%	229,926			
			1,315,321		
<b>DISPOSAL FEES</b>					
Investment Agent Fees	0.75%	540,400			
Investment Legal Fees	0.35%	252,187			
			792,587		
<b>TOTAL COSTS BEFORE FINANCE</b>		<b>47,109,899</b>			
<b>FINANCE</b>					
Debit Rate 7.000%, Credit Rate 0.000% (Nominal)					
Total Finance Cost			8,851,558		
<b>TOTAL COSTS</b>		<b>55,961,457</b>			
<b>PROFIT</b>		<b>11,192,291</b>			
<b>Performance Measures</b>					
Profit on Cost%		20.00%			
Profit on GDV%		15.53%			
Profit on NDV%		16.67%			
Development Yield% (on Rent)		11.74%			
Equivalent Yield% (Nominal)		7.75%			
Equivalent Yield% (True)		8.14%			
IRR% (without Interest)		N/A			
Rent Cover		1 yr 8 mths			
Profit Erosion (finance rate 7.000)		2 yrs 8 mths			

## Appendix 8 – Warehouse Appraisal (B8)

<b>APPRAISAL SUMMARY</b>		<b>VAIL WILLIAMS LLP</b>									
<b>Larksfield Place, Horsham - Warehousing</b>											
<b>Horsham</b>											
<b>B8 Use only</b>											
<b>Appraisal Summary for Phase 1 Single Phase - average letting void 12 mths</b>											
<b>Currency in £</b>											
<b>REVENUE</b>											
<b>Rental Area Summary</b>		<b>Units</b>	<b>ft*</b>	<b>Rent Rate ft*</b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>					
Unit 1		1	19,100	17.00	324,700	324,700					
Unit 2		1	14,800	17.50	259,000	259,000					
Unit 3		1	11,600	17.50	203,000	203,000					
Unit 4		1	14,550	17.50	254,625	254,625					
Unit 5		1	12,100	17.50	211,750	211,750					
Unit 6		1	9,150	17.50	160,125	160,125					
Unit 7		1	11,950	17.50	209,125	209,125					
Unit 8		1	17,500	17.00	297,500	297,500					
Unit 9		1	14,750	17.50	258,125	258,125					
Unit 10		1	50,000	16.50	825,000	825,000					
<b>Totals</b>		<b>10</b>	<b>175,500</b>		<b>3,002,950</b>	<b>3,002,950</b>					
<b>Investment Valuation</b>											
<b>Unit 1</b>											
Market Rent (1yr Rent Free)		324,700	YP @ PV 1yr @	6.0000% 6.0000%	16.6667 0.9434	5,105,346					
<b>Unit 2</b>											
Market Rent (9mths Rent Free)		259,000	YP @ PV 9mths @	6.0000% 6.0000%	16.6667 0.9572	4,132,084					
<b>Unit 3</b>											
Market Rent (9mths Rent Free)		203,000	YP @ PV 9mths @	6.0000% 6.0000%	16.6667 0.9572	3,238,660					
<b>Unit 4</b>											
Market Rent (9mths Rent Free)		254,625	YP @ PV 9mths @	6.0000% 6.0000%	16.6667 0.9572	4,062,285					
<b>Unit 5</b>											
Market Rent (9mths Rent Free)		211,750	YP @ PV 9mths @	6.0000% 6.0000%	16.6667 0.9572	3,378,258					
<b>Unit 6</b>											
Market Rent (9mths Rent Free)		160,125	YP @ PV 9mths @	6.0000% 6.0000%	16.6667 0.9572	2,554,633					
<b>Unit 7</b>											
Market Rent (9mths Rent Free)		209,125	YP @ PV 9mths @	6.0000% 6.0000%	16.6667 0.9572	3,336,378					
<b>Unit 8</b>											
Market Rent (1yr Rent Free)		297,500	YP @ PV 1yr @	6.0000% 6.0000%	16.6667 0.9434	4,677,673					
<b>Unit 9</b>											
Market Rent (9mths Rent Free)		258,125	YP @ PV 9mths @	6.0000% 6.0000%	16.6667 0.9572	4,118,124					
<b>Unit 10</b>											
Market Rent (1yr 3mths Rent Free)		825,000	YP @ PV 1yr 3mths @	6.0000% 6.0000%	16.6667 0.9298	12,784,106					
<b>Total Investment Valuation</b>						<b>47,387,547</b>					
<b>GROSS DEVELOPMENT VALUE</b>						<b>47,387,547</b>					
Purchaser's Costs				(3,222,353)							
Effective Purchaser's Costs Rate		6.80%			(3,222,353)						
<b>NET DEVELOPMENT VALUE</b>						<b>44,165,194</b>					

**APPRAISAL SUMMARY**
**VAIL WILLIAMS LLP**

Larksfield Place, Horsham - Warehousing  
Horsham  
B8 Use only

NET REALISATION **44,165,194**

**OUTLAY**
**ACQUISITION COSTS**

Residualised Price (Negative land) **(32,221)**  
**(32,221)**

**CONSTRUCTION COSTS**
**Construction**

	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost
Unit 1	19,100	131.00	2,502,100
Unit 2	14,800	131.00	1,938,800
Unit 3	11,600	131.00	1,519,800
Unit 4	14,550	131.00	1,906,050
Unit 5	12,100	131.00	1,585,100
Unit 6	9,150	131.00	1,198,650
Unit 7	11,950	131.00	1,565,450
Unit 8	17,500	131.00	2,292,500
Unit 9	14,750	131.00	1,932,250
Unit 10	50,000	131.00	6,550,000
<b>Totals</b>	<b>175,500 ft<sup>2</sup></b>		<b>22,990,500 22,990,500</b>
Contingency		5.00%	1,379,430
Road/Site/Services Works (20%)			4,598,100
Planning Costs - Water Neu/BNG etc			1,000,000
			<b>6,977,530</b>

**PROFESSIONAL FEES**

Prof Fees **10.00%** **2,758,860**  
**2,758,860**

**MARKETING & LETTING**

Marketing	75,000
Letting Agent Fee	450,443
Letting Legal Fee	105,103
	<b>630,546</b>

**DISPOSAL FEES**

Investment Agent Fees	0.75%	38,290
Investment Legal Fees	0.35%	17,869
		<b>56,159</b>

**TOTAL COSTS BEFORE FINANCE**
**33,381,374**
**FINANCE**

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)	
Land	(1,724)
Construction	998,519
Letting	2,426,159
Total Finance Cost	<b>3,422,954</b>

**TOTAL COSTS**
**36,804,328**
**PROFIT**
**7,360,866**
**Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	15.53%
Profit on NDV%	16.67%
Development Yield% (on Rent)	8.16%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
IRR% (without Interest)	20.62%
Rent Cover	2 yrs 5 mths
Profit Erosion (finance rate 7.000)	2 yrs 8 mths

## Appendix 9 – Industrial Appraisal (B2)

<b>APPRAISAL SUMMARY</b>		<b>VAIL WILLIAMS LLP</b>					
Larksfield Place, Horsham - Industrial B2						Horsham	
Horsham							
B2 General Industrial							
Appraisal Summary for Phase 1 Single Phase - average letting void 24mths							
Currency in £							
REVENUE							
Rental Area Summary		Units	ft*	Rent Rate ft*	Initial MRV/Unit	Net Rent at Sale	
Unit 1		1	19,100	17.00	324,700	324,700	
Unit 2		1	14,800	17.50	259,000	259,000	
Unit 3		1	11,600	17.50	203,000	203,000	
Unit 4		1	14,550	17.50	254,625	254,625	
Unit 5		1	12,100	17.50	211,750	211,750	
Unit 6		1	9,150	17.50	160,125	160,125	
Unit 7		1	11,950	17.50	209,125	209,125	
Unit 8		1	17,500	17.00	297,500	297,500	
Unit 9		1	14,750	17.50	258,125	258,125	
Unit 10		1	50,000	16.50	825,000	825,000	
Totals		10	175,500		3,002,950	3,002,950	
Investment Valuation							
Unit 1		324,700	YP @ PV 1yr @	6.5000% 6.5000%	15.3846 0.9390	4,690,502	
Market Rent (1yr Rent Free)							
Unit 2		259,000	YP @ PV 9mths @	6.5000% 6.5000%	15.3846 0.9539	3,800,793	
Market Rent (9mths Rent Free)							
Unit 3		203,000	YP @ PV 9mths @	6.5000% 6.5000%	15.3846 0.9539	2,979,000	
Market Rent (9mths Rent Free)							
Unit 4		254,625	YP @ PV 9mths @	6.5000% 6.5000%	15.3846 0.9539	3,736,590	
Market Rent (9mths Rent Free)							
Unit 5		211,750	YP @ PV 9mths @	6.5000% 6.5000%	15.3846 0.9539	3,107,405	
Market Rent (9mths Rent Free)							
Unit 6		160,125	YP @ PV 9mths @	6.5000% 6.5000%	15.3846 0.9539	2,349,815	
Market Rent (9mths Rent Free)							
Unit 7		209,125	YP @ PV 9mths @	6.5000% 6.5000%	15.3846 0.9539	3,068,883	
Market Rent (9mths Rent Free)							
Unit 8		297,500	YP @ PV 1yr @	6.5000% 6.5000%	15.3846 0.9390	4,297,580	
Market Rent (1yr Rent Free)							
Unit 9		258,125	YP @ PV 9mths @	6.5000% 6.5000%	15.3846 0.9539	3,787,952	
Market Rent (9mths Rent Free)							
Unit 10		825,000	YP @ PV 1yr 3mths @	6.5000% 6.5000%	15.3846 0.8243	11,731,501	
Market Rent (1yr 3mths Rent Free)							
Total Investment Valuation					43,550,022		
GROSS DEVELOPMENT VALUE		43,550,022					
Purchaser's Costs				(2,961,401)			
Effective Purchaser's Costs Rate		6.80%			(2,961,401)		
NET DEVELOPMENT VALUE		40,588,620					

**APPRAISAL SUMMARY**
**VAIL WILLIAMS LLP**

Larksfield Place, Horsham - Industrial B2  
 Horsham  
 B2 General Industrial

**NET REALISATION** 40,588,620

**OUTLAY**
**ACQUISITION COSTS**

Residualised Price (Negative land) (10,096,140)  
(10,096,140)

**CONSTRUCTION COSTS**
**Construction**

	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost
Unit 1	19,100	154.00	2,941,400
Unit 2	14,800	154.00	2,279,200
Unit 3	11,600	154.00	1,786,400
Unit 4	14,550	154.00	2,240,700
Unit 5	12,100	154.00	1,883,400
Unit 6	9,150	154.00	1,409,100
Unit 7	11,950	154.00	1,840,300
Unit 8	17,500	154.00	2,695,000
Unit 9	14,750	154.00	2,271,500
Unit 10	50,000	154.00	7,700,000
<b>Totals</b>	<b>175,500 ft<sup>2</sup></b>		<b>27,027,000</b>
Contingency		5.00%	1,621,620
Road/Site/Services Works (20%)			5,405,400
Planning Costs - Water Neu/BNG etc			1,000,000
			8,027,020

**PROFESSIONAL FEES**

Prof Fees 10.00% 3,243,240  
3,243,240

**MARKETING & LETTING**

Marketing	75,000
Letting Agent Fee	15.00% 450,443
Letting Legal Fee	3.50% 105,103
	630,546

**DISPOSAL FEES**

Investment Agent Fees	0.75% 35,179
Investment Legal Fees	0.35% 16,417
	51,596

**TOTAL COSTS BEFORE FINANCE**
28,883,261
**FINANCE**

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)	
Land	(528,125)
Construction	1,184,440
Letting	4,304,286
Total Finance Cost	4,940,800

**TOTAL COSTS**
33,823,862
**PROFIT**
6,764,758
**Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	15.53%
Profit on NDV%	16.67%
Development Yield% (on Rent)	8.88%
Equivalent Yield% (Nominal)	6.50%
Equivalent Yield% (True)	6.77%
IRR% (without Interest)	16.51%
Rent Cover	2 yrs 3 mths
Profit Erosion (finance rate 7.000)	2 yrs 8 mths

## Appendix 10 –Light Industrial Appraisal Eg(iii)

<b>APPRAISAL SUMMARY</b>		<b>VAIL WILLIAMS LLP</b>									
Larksfield Place, Horsham - Light Industrial Eg(iii)											
Horsham											
Eg (iii) only											
Appraisal Summary for Phase 1 Single Phase - average letting void 15mths											
Currency in £											
<b>REVENUE</b>											
<b>Rental Area Summary</b>		Units	ft <sup>2</sup>	Rent Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale					
Unit 1		1	19,100	17.00	324,700	324,700					
Unit 2		1	14,800	17.50	259,000	259,000					
Unit 3		1	11,600	17.50	203,000	203,000					
Unit 4		1	14,550	17.50	254,625	254,625					
Unit 5		1	12,100	17.50	211,750	211,750					
Unit 6		1	9,150	17.50	160,125	160,125					
Unit 7		1	11,950	17.50	209,125	209,125					
Unit 8		1	17,500	17.00	297,500	297,500					
Unit 9		1	14,750	17.50	258,125	258,125					
Unit 10		1	50,000	16.50	825,000	825,000					
<b>Totals</b>		<b>10</b>	<b>175,500</b>		<b>3,002,950</b>	<b>3,002,950</b>					
<b>Investment Valuation</b>											
Unit 1											
Market Rent (1yr Rent Free)		324,700	YP @ PV 1yr @	6.5000% 6.5000%	15.3846 0.9390	4,690,502					
Unit 2											
Market Rent (9mths Rent Free)		259,000	YP @ PV 9mths @	6.5000% 6.5000%	15.3846 0.9539	3,800,793					
Unit 3											
Market Rent (9mths Rent Free)		203,000	YP @ PV 9mths @	6.5000% 6.5000%	15.3846 0.9539	2,979,000					
Unit 4											
Market Rent (9mths Rent Free)		254,625	YP @ PV 9mths @	6.5000% 6.5000%	15.3846 0.9539	3,736,590					
Unit 5											
Market Rent (9mths Rent Free)		211,750	YP @ PV 9mths @	6.5000% 6.5000%	15.3846 0.9539	3,107,405					
Unit 6											
Market Rent (9mths Rent Free)		160,125	YP @ PV 9mths @	6.5000% 6.5000%	15.3846 0.9539	2,349,815					
Unit 7											
Market Rent (9mths Rent Free)		209,125	YP @ PV 9mths @	6.5000% 6.5000%	15.3846 0.9539	3,068,883					
Unit 8											
Market Rent (1yr Rent Free)		297,500	YP @ PV 1yr @	6.5000% 6.5000%	15.3846 0.9390	4,297,580					
Unit 9											
Market Rent (9mths Rent Free)		258,125	YP @ PV 9mths @	6.5000% 6.5000%	15.3846 0.9539	3,787,952					
Unit 10											
Market Rent (1yr 3mths Rent Free)		825,000	YP @ PV 1yr 3mths @	6.5000% 6.5000%	15.3846 0.9243	11,731,501					
<b>Total Investment Valuation</b>					<b>43,550,022</b>						
<b>GROSS DEVELOPMENT VALUE</b>											
					<b>43,550,022</b>						
Purchaser's Costs					(2,961,401)						
Effective Purchaser's Costs Rate		6.80%			(2,961,401)						
<b>NET DEVELOPMENT VALUE</b>											
					<b>40,588,620</b>						

**APPRAISAL SUMMARY**
**VAIL WILLIAMS LLP**

Larksfield Place, Horsham - Light Industrial Eg(iii)  
**Horsham**  
**Eg (iii) only**

**NET REALISATION** **40,588,620**

**OUTLAY**
**ACQUISITION COSTS**

Residualised Price (Negative land)	(8,621,418)
	(8,621,418)

**CONSTRUCTION COSTS**
**Construction**

	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost
Unit 1	19,100	154.00	2,941,400
Unit 2	14,800	154.00	2,279,200
Unit 3	11,600	154.00	1,786,400
Unit 4	14,550	154.00	2,240,700
Unit 5	12,100	154.00	1,863,400
Unit 6	9,150	154.00	1,409,100
Unit 7	11,950	154.00	1,840,300
Unit 8	17,500	154.00	2,695,000
Unit 9	14,750	154.00	2,271,500
Unit 10	50,000	154.00	7,700,000
<b>Totals</b>	<b>175,500 ft<sup>2</sup></b>		<b>27,027,000 27,027,000</b>
Contingency		5.00%	1,821,620
Road/Site/Services Works (20%)			5,405,400
Planning Costs - Water Neu/BNG etc			1,000,000
			8,027,020

**PROFESSIONAL FEES**

Prof Fees	10.00%	3,243,240
		3,243,240

**MARKETING & LETTING**

Marketing		75,000
Letting Agent Fee	15.00%	450,443
Letting Legal Fee	3.50%	105,103
		630,546

**DISPOSAL FEES**

Investment Agent Fees	0.75%	35,179
Investment Legal Fees	0.35%	16,417
		51,596

**TOTAL COSTS BEFORE FINANCE**
**30,357,983**
**FINANCE**

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)	
Land	(458,246)
Construction	1,164,440
Letting	2,759,675
Total Finance Cost	3,465,869

**TOTAL COSTS**
**33,823,852**
**PROFIT**
**6,764,768**
**Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	15.53%
Profit on NDV%	16.67%
Development Yield% (on Rent)	8.88%
Equivalent Yield% (Nominal)	6.50%
Equivalent Yield% (True)	6.77%

IRR% (without Interest)	20.83%
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Rent Cover	2 yrs 3 mths
Profit Erosion (finance rate 7.000)	2 yrs 8 mths

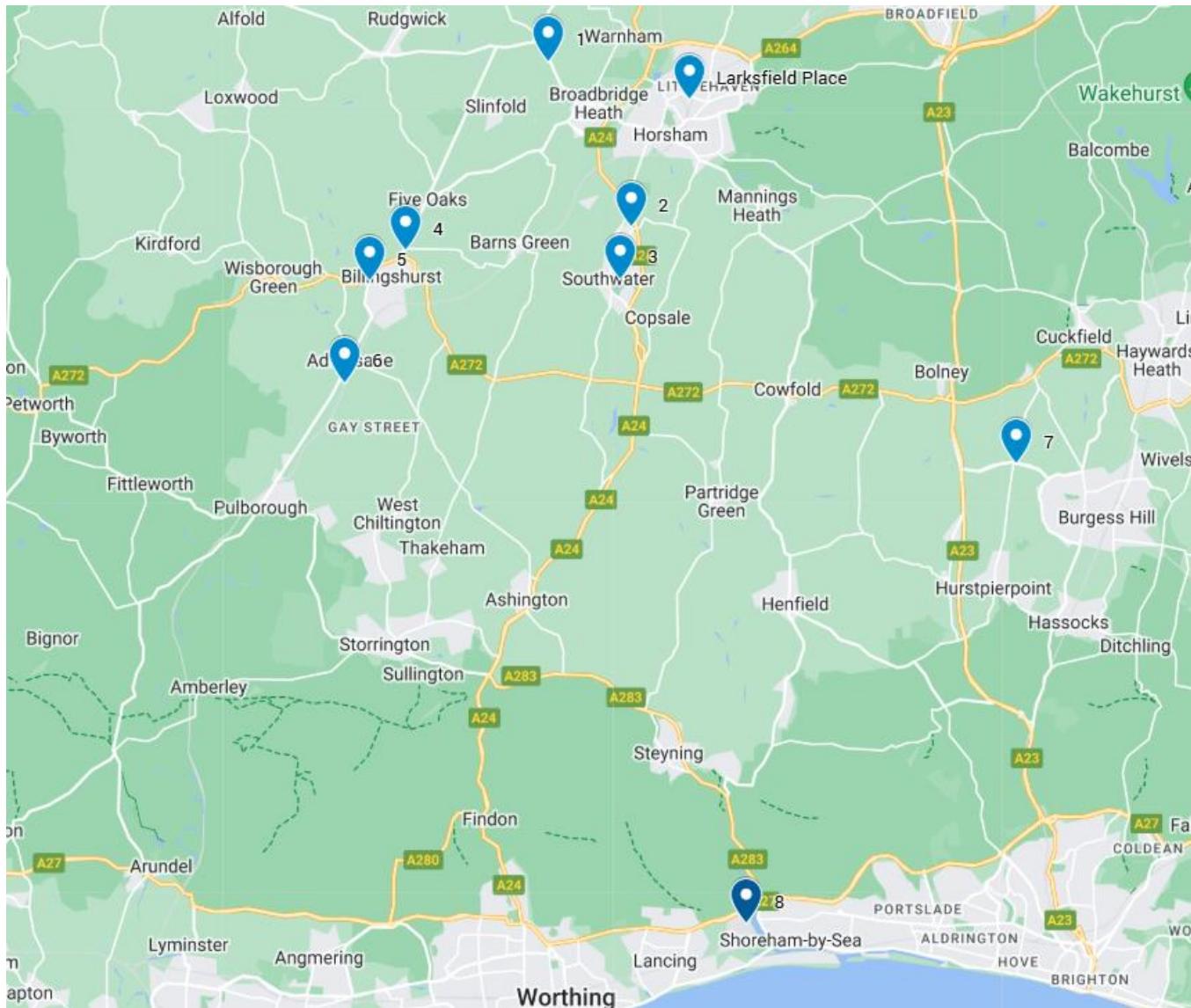
## Appendix 11 – Leisure Appraisal

<b>APPRAISAL SUMMARY</b>		<b>VAIL WILLIAMS LLP</b>									
<b>Horsham</b>											
<b>Appraisal Summary for Phase 1</b>											
<b>Currency in £</b>											
<b>REVENUE</b>											
<b>Rental Area Summary</b>		<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rent Rate ft<sup>2</sup></b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>					
GYM	1	20,000	8.00	160,000	160,000	160,000					
<b>Investment Valuation</b>											
GYM											
Current Rent	160,000		YP @	7.0000%	14,2857	2,285,714					
Re-Letting Void & Rent Free	(160,000)	YP 2yrs 6mths @		7.0000%	2,2231						
		PV 5yrs @		7.0000%	0.7130	(253,603)					
						2,032,111					
<b>GROSS DEVELOPMENT VALUE</b>					<b>2,032,111</b>						
Purchaser's Costs				(138,184)							
Effective Purchaser's Costs Rate		6.80%			(138,184)						
<b>NET DEVELOPMENT VALUE</b>					<b>1,893,928</b>						
<b>NET REALISATION</b>					<b>1,893,928</b>						
<b>OUTLAY</b>											
<b>ACQUISITION COSTS</b>											
Residualised Price (Negative land)				(2,624,545)							
					(2,624,545)						
<b>CONSTRUCTION COSTS</b>											
Construction											
GYM	20,000		Build Rate ft <sup>2</sup>		Cost						
			180.00		3,600,000	3,600,000					
Contingency			5.00%	180,000		180,000					
<b>PROFESSIONAL FEES</b>											
Other Professional Fees			10.00%	360,000							
					360,000						
<b>MARKETING &amp; LETTING</b>											
Letting Agent Fee			15.00%	24,000							
Letting Legal Fee			7.50%	12,000							
					36,000						
<b>TOTAL COSTS BEFORE FINANCE</b>					<b>1,551,455</b>						
<b>FINANCE</b>											
Debit Rate 7.500%, Credit Rate 0.000% (Nominal)											
Land				(147,756)							
Construction				174,574							
Total Finance Cost					26,819						
<b>TOTAL COSTS</b>					<b>1,578,273</b>						
<b>PROFIT</b>					<b>315,655</b>						
<b>Performance Measures</b>											
Profit on Cost%				20.00%							
Profit on GDV%				15.53%							

**APPRAISAL SUMMARY****VAIL WILLIAMS LLP****Horsham**

Profit on NDV%	16.67%
Development Yield% (on Rent)	10.14%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.30%
IRR% (without Interest)	N/A
Rent Cover	1 yr 12 mths
Profit Erosion (finance rate 7.500)	2 yrs 5 mths

## Appendix 12 – Map Shot of Competing Industrial Locations



## Appendix 13 – Horsham Office Rents



**HORSHAM**  
**8 Piries Place**  
5,213 sq ft  
To Let  
Rent: £18 per sq ft per annum exclusive.

 Shortlist  View Property



**HORSHAM**  
**9 Piries Place**  
1,583 sq ft  
To Let  
Rent: £18 per sq ft per annum exclusive.

 Shortlist  View Property



**HORSHAM**  
**Office A, 24 Piries Place**  
573 sq ft  
To Let  
Rent: £18 per sq ft per annum exclusive

 Shortlist  View Property



**HORSHAM**  
**3rd Floor, 14 Carfax**  
1,737 sq ft  
To Let  
Rent: £15 per sq ft per annum exclusive

 Shortlist  View Property



**HORSHAM**  
**Gough House**  
556 to 1,385 sq ft  
To Let

 Shortlist  View Property



**HORSHAM**  
**Sanford House**  
389 sq ft  
To Let  
Rent: £5,500 per annum exclusive

 Shortlist  View Property



**HORSHAM**  
**25 Swan Walk**  
1,505 to 3,010 sq ft  
To Let  
Rent: £13 per sq ft per annum exclusive.

 Shortlist  View Property



**HORSHAM**  
**Unit 3 Springfield Court, Swan Walk**  
12,518 to 28,992 sq ft  
To Let  
Rent: Rent on application

 Shortlist  View Property



**HORSHAM**  
**2nd Floor Parkside**  
8,907 to 20,456 sq ft  
To Let  
Rent: £22.50 per sq ft per annum exclusive

 Shortlist  View Property

## Appendix 14 - Sensitivity Analysis Report

Sensitivity Analysis Report					
<b>Table of Land Cost and Profit on Cost%</b>					
<b>Rent: Yield 5.7500%</b>		<b>Construction: Rate /ft<sup>2</sup></b>			
<b>Rent: Rate /ft<sup>2</sup></b>	<b>-10.000%</b>	<b>-5.000%</b>	<b>0.000%</b>	<b>5.000%</b>	<b>10.000%</b>
	<b>117.90 /ft<sup>2</sup></b>	<b>124.45 /ft<sup>2</sup></b>	<b>131.00 /ft<sup>2</sup></b>	<b>137.55 /ft<sup>2</sup></b>	<b>144.10 /ft<sup>2</sup></b>
<b>-1.00 /ft<sup>2</sup></b>	-	<b>-756,363</b>	<b>501,740</b>	<b>1,788,014</b>	<b>3,074,279</b>
	<b>1,996,469</b>				
	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>
<b>-0.50 /ft<sup>2</sup></b>	-	<b>-</b>	<b>-460,929</b>	<b>808,192</b>	<b>2,094,456</b>
	<b>2,941,136</b>	<b>1,701,026</b>			
	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>
<b>0.00 /ft<sup>2</sup></b>	-	<b>-</b>	<b>-</b>	<b>-165,473</b>	<b>1,114,633</b>
	<b>3,885,799</b>	<b>2,645,679</b>	<b>1,405,581</b>		
	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>
<b>0.50 /ft<sup>2</sup></b>	-	<b>-</b>	<b>-</b>	<b>-</b>	<b>134,812</b>
	<b>4,830,460</b>	<b>3,590,353</b>	<b>2,350,239</b>	<b>1,110,146</b>	
	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>
<b>1.00 /ft<sup>2</sup></b>	-	<b>-</b>	<b>-</b>	<b>-</b>	<b>-814,689</b>
	<b>5,775,119</b>	<b>4,535,016</b>	<b>3,294,908</b>	<b>2,054,797</b>	
	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>
<b>Rent: Yield 5.8750%</b>		<b>Construction: Rate /ft<sup>2</sup></b>			
<b>Rent: Rate /ft<sup>2</sup></b>	<b>-10.000%</b>	<b>-5.000%</b>	<b>0.000%</b>	<b>5.000%</b>	<b>10.000%</b>

	117.90 /ft <sup>2</sup>	124.45 /ft <sup>2</sup>	131.00 /ft <sup>2</sup>	137.55 /ft <sup>2</sup>	144.10 /ft <sup>2</sup>
<b>-1.00 /ft<sup>2</sup></b>	- <b>1,305,699</b>	-65,590	<b>1,218,232</b>	<b>2,504,498</b>	<b>3,790,751</b>
	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>
<b>-0.50 /ft<sup>2</sup></b>	- <b>2,228,920</b>	-988,829	<b>260,644</b>	<b>1,546,909</b>	<b>2,833,175</b>
	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>
<b>0.00 /ft<sup>2</sup></b>	- <b>3,152,152</b>	- <b>1,912,040</b>	-671,933	<b>589,322</b>	<b>1,875,586</b>
	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>
<b>0.50 /ft<sup>2</sup></b>	- <b>4,075,377</b>	- <b>2,835,269</b>	- <b>1,595,159</b>	<b>-355,057</b>	<b>917,999</b>
	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>
<b>1.00 /ft<sup>2</sup></b>	- <b>4,998,601</b>	- <b>3,758,494</b>	- <b>2,518,378</b>	- <b>1,278,267</b>	<b>-38,167</b>
	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>
<b>Rent: Yield 6.0000%</b>	<b>Construction: Rate /ft<sup>2</sup></b>				
<b>Rent: Rate /ft<sup>2</sup></b>	<b>-10.000%</b>	<b>-5.000%</b>	<b>0.000%</b>	<b>5.000%</b>	<b>10.000%</b>
	<b>117.90 /ft<sup>2</sup></b>	<b>124.45 /ft<sup>2</sup></b>	<b>131.00 /ft<sup>2</sup></b>	<b>137.55 /ft<sup>2</sup></b>	<b>144.10 /ft<sup>2</sup></b>
<b>-1.00 /ft<sup>2</sup></b>	<b>-643,785</b>	<b>618,518</b>	<b>1,904,782</b>	<b>3,191,045</b>	<b>4,477,306</b>
	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>
<b>-0.50 /ft<sup>2</sup></b>	- <b>1,546,469</b>	- <b>306,366</b>	<b>968,501</b>	<b>2,254,766</b>	<b>3,541,025</b>
	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>
<b>0.00 /ft<sup>2</sup></b>	- <b>2,449,145</b>	- <b>1,209,045</b>	<b>32,221</b>	<b>1,318,484</b>	<b>2,604,750</b>

	20.000%	20.000%	20.000%	20.000%	20.000%
<b>0.50 /ft<sup>2</sup></b>	- <b>3,351,838</b>	- <b>2,111,726</b>	<b>-871,620</b>	<b>382,199</b>	<b>1,668,467</b>
	20.000%	20.000%	20.000%	20.000%	20.000%
<b>1.00 /ft<sup>2</sup></b>	- <b>4,254,522</b>	- <b>3,014,414</b>	- <b>1,774,303</b>	<b>-534,195</b>	<b>732,187</b>
	20.000%	20.000%	20.000%	20.000%	20.000%
<b>Rent: Yield 6.1250%</b>	<b>Construction: Rate /ft<sup>2</sup></b>				
<b>Rent: Rate /ft<sup>2</sup></b>	<b>-10.000%</b>	<b>-5.000%</b>	<b>0.000%</b>	<b>5.000%</b>	<b>10.000%</b>
	<b>117.90 /ft<sup>2</sup></b>	<b>124.45 /ft<sup>2</sup></b>	<b>131.00 /ft<sup>2</sup></b>	<b>137.55 /ft<sup>2</sup></b>	<b>144.10 /ft<sup>2</sup></b>
<b>-1.00 /ft<sup>2</sup></b>	<b>-8,963</b>	<b>1,276,967</b>	<b>2,563,233</b>	<b>3,849,479</b>	<b>5,135,756</b>
	20.000%	20.000%	20.000%	20.000%	20.000%
<b>-0.50 /ft<sup>2</sup></b>	<b>-891,946</b>	<b>361,116</b>	<b>1,647,385</b>	<b>2,933,650</b>	<b>4,219,909</b>
	20.000%	20.000%	20.000%	20.000%	20.000%
<b>0.00 /ft<sup>2</sup></b>	- <b>1,774,928</b>	- <b>534,820</b>	<b>731,538</b>	<b>2,017,803</b>	<b>3,304,065</b>
	20.000%	20.000%	20.000%	20.000%	20.000%
<b>0.50 /ft<sup>2</sup></b>	- <b>2,657,913</b>	- <b>1,417,804</b>	<b>-177,697</b>	<b>1,101,955</b>	<b>2,388,221</b>
	20.000%	20.000%	20.000%	20.000%	20.000%
<b>1.00 /ft<sup>2</sup></b>	- <b>3,540,896</b>	- <b>2,300,782</b>	- <b>1,060,689</b>	<b>186,109</b>	<b>1,472,373</b>
	20.000%	20.000%	20.000%	20.000%	20.000%
<b>Rent: Yield 6.2500%</b>	<b>Construction: Rate /ft<sup>2</sup></b>				
<b>Rent: Rate</b>	<b>-10.000%</b>	<b>-5.000%</b>	<b>0.000%</b>	<b>5.000%</b>	<b>10.000%</b>

/ft <sup>2</sup>					
	<b>117.90 /ft<sup>2</sup></b>	<b>124.45 /ft<sup>2</sup></b>	<b>131.00 /ft<sup>2</sup></b>	<b>137.55 /ft<sup>2</sup></b>	<b>144.10 /ft<sup>2</sup></b>
<b>-1.00 /ft<sup>2</sup></b>	<b>622,739</b>	<b>1,909,003</b>	<b>3,195,265</b>	<b>4,481,527</b>	<b>5,767,795</b>
	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>
<b>-0.50 /ft<sup>2</sup></b>	<b>-263,684</b>	<b>1,012,771</b>	<b>2,299,036</b>	<b>3,585,292</b>	<b>4,871,559</b>
	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>
<b>0.00 /ft<sup>2</sup></b>	<b>- 1,127,744</b>	<b>116,539</b>	<b>1,402,803</b>	<b>2,689,068</b>	<b>3,975,315</b>
	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>
<b>0.50 /ft<sup>2</sup></b>	<b>- 1,991,822</b>	<b>-751,715</b>	<b>506,560</b>	<b>1,792,835</b>	<b>3,079,100</b>
	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>
<b>1.00 /ft<sup>2</sup></b>	<b>- 2,855,897</b>	<b>- 1,615,787</b>	<b>-375,687</b>	<b>896,602</b>	<b>2,182,867</b>
	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>	<b>20.000%</b>

#### Sensitivity Analysis : Assumptions for Calculation

	<b>Construction: Rate /ft<sup>2</sup></b>			
	<b>Original Values are varied by Steps of 5.000%.</b>			
Heading	Phase	Rate	No. of Steps	
<b>Unit 1</b>	<b>1</b>	<b>131.00</b>	<b>2.00 Up &amp; Down</b>	
<b>Unit 2</b>	<b>1</b>	<b>131.00</b>	<b>2.00 Up &amp; Down</b>	
<b>Unit 3</b>	<b>1</b>	<b>131.00</b>	<b>2.00 Up</b>	

			<b>&amp; Down</b>	
<b>Unit 4</b>	1	<b>131.00</b>	<b>2.00 Up &amp; Down</b>	
<b>Unit 5</b>	1	<b>131.00</b>	<b>2.00 Up &amp; Down</b>	
<b>Unit 6</b>	1	<b>131.00</b>	<b>2.00 Up &amp; Down</b>	
<b>Unit 7</b>	1	<b>131.00</b>	<b>2.00 Up &amp; Down</b>	
<b>Unit 8</b>	1	<b>131.00</b>	<b>2.00 Up &amp; Down</b>	
<b>Unit 9</b>	1	<b>131.00</b>	<b>2.00 Up &amp; Down</b>	
<b>Unit 10</b>	1	<b>131.00</b>	<b>2.00 Up &amp; Down</b>	
<hr/>				
<b>Rent: Rate /ft<sup>2</sup></b>				
<hr/>				
<b>Original Values are varied in Fixed Steps of £0.50</b>				
<hr/>				

<b>Heading</b>	<b>Phase</b>	<b>Rate</b>	<b>No. of Steps</b>	
<b>Unit 1</b>	1	<b>17.00</b>	<b>2.00 Up &amp; Down</b>	
<b>Unit 2</b>	1	<b>17.50</b>	<b>2.00 Up &amp; Down</b>	
<b>Unit 3</b>	1	<b>17.50</b>	<b>2.00 Up &amp; Down</b>	
<b>Unit 4</b>	1	<b>17.50</b>	<b>2.00 Up &amp; Down</b>	
<b>Unit 5</b>	1	<b>17.50</b>	<b>2.00 Up &amp; Down</b>	

<b>Unit 6</b>	<b>1</b>	<b>17.50</b>	<b>2.00 Up &amp; Down</b>		
<b>Unit 7</b>	<b>1</b>	<b>17.50</b>	<b>2.00 Up &amp; Down</b>		
<b>Unit 8</b>	<b>1</b>	<b>17.00</b>	<b>2.00 Up &amp; Down</b>		
<b>Unit 9</b>	<b>1</b>	<b>17.50</b>	<b>2.00 Up &amp; Down</b>		
<b>Unit 10</b>	<b>1</b>	<b>16.50</b>	<b>2.00 Up &amp; Down</b>		
<hr/>					
<b>Rent: Yield</b>					
<hr/>					
<b>Original Values are varied in Fixed Steps of 0.13%</b>					
<hr/>					
<b>Heading</b>	<b>Phase</b>	<b>Cap. Rate</b>	<b>No. of Steps</b>		
<b>Unit 1</b>	<b>1</b>	<b>6.0000%</b>	<b>2.00 Up &amp; Down</b>		
<b>Unit 2</b>	<b>1</b>	<b>6.0000%</b>	<b>2.00 Up &amp; Down</b>		
<b>Unit 3</b>	<b>1</b>	<b>6.0000%</b>	<b>2.00 Up &amp; Down</b>		
<b>Unit 4</b>	<b>1</b>	<b>6.0000%</b>	<b>2.00 Up &amp; Down</b>		
<b>Unit 5</b>	<b>1</b>	<b>6.0000%</b>	<b>2.00 Up &amp; Down</b>		
<b>Unit 6</b>	<b>1</b>	<b>6.0000%</b>	<b>2.00 Up &amp; Down</b>		
<b>Unit 7</b>	<b>1</b>	<b>6.0000%</b>	<b>2.00 Up &amp; Down</b>		
<b>Unit 8</b>	<b>1</b>	<b>6.0000%</b>	<b>2.00 Up &amp; Down</b>		

<b>Unit 9</b>	<b>1</b>	<b>6.0000%</b>	<b>2.00 Up &amp; Down</b>		
<b>Unit 10</b>	<b>1</b>	<b>6.0000%</b>	<b>2.00 Up &amp; Down</b>		

**Sensitivity Analysis Report**
**Table of Land Cost and Profit on Cost%**

Rent: Yield 5.7500%	Construction: Rate /ft <sup>2</sup>				
Rent: Rate /ft <sup>2</sup>	-10.000%	-5.000%	0.000%	5.000%	10.000%
	117.90 /ft <sup>2</sup>	124.45 /ft <sup>2</sup>	131.00 /ft <sup>2</sup>	137.55 /ft <sup>2</sup>	144.10 /ft <sup>2</sup>
-1.00 /ft <sup>2</sup>	1,996,469	-756,363	501,740	1,788,014	3,074,279
20.000%	20.000%	20.000%	20.000%	20.000%	20.000%
-0.50 /ft <sup>2</sup>	2,941,136	1,701,026	-460,929	808,192	2,094,456
20.000%	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 /ft <sup>2</sup>	3,885,799	2,645,679	-1,405,581	-165,473	1,114,633
20.000%	20.000%	20.000%	20.000%	20.000%	20.000%
0.50 /ft <sup>2</sup>	4,830,460	3,590,353	-2,350,239	1,110,146	134,812
20.000%	20.000%	20.000%	20.000%	20.000%	20.000%
1.00 /ft <sup>2</sup>	5,775,119	4,535,016	-3,294,908	2,054,797	-814,689
20.000%	20.000%	20.000%	20.000%	20.000%	20.000%
Rent: Yield 5.8750%	Construction: Rate /ft <sup>2</sup>				
Rent: Rate /ft <sup>2</sup>	-10.000%	-5.000%	0.000%	5.000%	10.000%
	117.90 /ft <sup>2</sup>	124.45 /ft <sup>2</sup>	131.00 /ft <sup>2</sup>	137.55 /ft <sup>2</sup>	144.10 /ft <sup>2</sup>
-1.00 /ft <sup>2</sup>	1,305,699	-65,590	1,218,232	2,504,498	3,790,751
20.000%	20.000%	20.000%	20.000%	20.000%	20.000%
-0.50 /ft <sup>2</sup>	2,228,920	-988,829	260,644	1,546,909	2,833,175
20.000%	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 /ft <sup>2</sup>	3,152,152	1,912,040	-671,933	589,322	1,875,586
20.000%	20.000%	20.000%	20.000%	20.000%	20.000%
0.50 /ft <sup>2</sup>	4,075,377	2,835,269	-1,595,159	-355,057	917,999
20.000%	20.000%	20.000%	20.000%	20.000%	20.000%
1.00 /ft <sup>2</sup>	4,998,601	3,758,494	-2,518,378	1,278,267	-38,167
20.000%	20.000%	20.000%	20.000%	20.000%	20.000%
Rent: Yield 6.0000%	Construction: Rate /ft <sup>2</sup>				
Rent: Rate /ft <sup>2</sup>	-10.000%	-5.000%	0.000%	5.000%	10.000%
	117.90 /ft <sup>2</sup>	124.45 /ft <sup>2</sup>	131.00 /ft <sup>2</sup>	137.55 /ft <sup>2</sup>	144.10 /ft <sup>2</sup>
-1.00 /ft <sup>2</sup>	-643,785	618,518	1,904,782	3,191,045	4,477,306
20.000%	20.000%	20.000%	20.000%	20.000%	20.000%
-0.50 /ft <sup>2</sup>	1,546,469	-306,366	968,501	2,254,766	3,541,025

	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 /ft <sup>2</sup>	- 2,449,145 20.000%	1,209,045 20.000%	32,221 20.000%	1,318,484 20.000%	2,604,750 20.000%
0.50 /ft <sup>2</sup>	- 3,351,838 20.000%	2,111,726 20.000%	-871,620 20.000%	382,199 20.000%	1,668,467 20.000%
1.00 /ft <sup>2</sup>	- 4,254,522 20.000%	3,014,414 20.000%	-1,774,303 20.000%	-534,195 20.000%	732,187 20.000%
Rent: Yield 6.1250%	Construction: Rate /ft <sup>2</sup>				
Rent: Rate /ft <sup>2</sup>	-10.000% 117.90 /ft <sup>2</sup>	-5.000% 124.45 /ft <sup>2</sup>	0.000% 131.00 /ft <sup>2</sup>	5.000% 137.55 /ft <sup>2</sup>	10.000% 144.10 /ft <sup>2</sup>
-1.00 /ft <sup>2</sup>	-8,963 20.000%	1,276,967 20.000%	2,563,233 20.000%	3,849,479 20.000%	5,135,756 20.000%
-0.50 /ft <sup>2</sup>	-891,946 20.000%	361,116 20.000%	1,647,385 20.000%	2,933,650 20.000%	4,219,909 20.000%
0.00 /ft <sup>2</sup>	- 1,774,928 20.000%	-534,820 20.000%	731,538 20.000%	2,017,803 20.000%	3,304,065 20.000%
0.50 /ft <sup>2</sup>	- 2,657,913 20.000%	1,417,804 20.000%	-177,697 20.000%	1,101,955 20.000%	2,388,221 20.000%
1.00 /ft <sup>2</sup>	- 3,540,896 20.000%	2,300,782 20.000%	-1,060,689 20.000%	186,109 20.000%	1,472,373 20.000%
Rent: Yield 6.2500%	Construction: Rate /ft <sup>2</sup>				
Rent: Rate /ft <sup>2</sup>	-10.000% 117.90 /ft <sup>2</sup>	-5.000% 124.45 /ft <sup>2</sup>	0.000% 131.00 /ft <sup>2</sup>	5.000% 137.55 /ft <sup>2</sup>	10.000% 144.10 /ft <sup>2</sup>
-1.00 /ft <sup>2</sup>	622,739 20.000%	1,909,003 20.000%	3,195,265 20.000%	4,481,527 20.000%	5,767,795 20.000%
-0.50 /ft <sup>2</sup>	-263,684 20.000%	1,012,771 20.000%	2,299,036 20.000%	3,585,292 20.000%	4,871,559 20.000%
0.00 /ft <sup>2</sup>	- 1,127,744 20.000%	116,539 20.000%	1,402,803 20.000%	2,689,068 20.000%	3,975,315 20.000%
0.50 /ft <sup>2</sup>	- 1,991,822 20.000%	-751,715 20.000%	506,560 20.000%	1,792,835 20.000%	3,079,100 20.000%
1.00 /ft <sup>2</sup>	- 2,855,897 20.000%	1,615,787 20.000%	-375,687 20.000%	896,602 20.000%	2,182,867 20.000%

### Sensitivity Analysis : Assumptions for Calculation

#### Construction: Rate /ft<sup>2</sup>

Original Values are varied by Steps of  
5.000%.

Heading	Phase	Rate	No. of Steps
Unit 1	1	131.00	2.00 Up & Down

Unit 2	1	131.00	2.00 Up & Down
Unit 3	1	131.00	2.00 Up & Down
Unit 4	1	131.00	2.00 Up & Down
Unit 5	1	131.00	2.00 Up & Down
Unit 6	1	131.00	2.00 Up & Down
Unit 7	1	131.00	2.00 Up & Down
Unit 8	1	131.00	2.00 Up & Down
Unit 9	1	131.00	2.00 Up & Down
Unit 10	1	131.00	2.00 Up & Down

**Rent: Rate /ft<sup>2</sup>**

Original Values are varied in Fixed Steps of £0.50

Heading	Phase	Rate	No. of Steps
Unit 1	1	17.00	2.00 Up & Down
Unit 2	1	17.50	2.00 Up & Down
Unit 3	1	17.50	2.00 Up & Down
Unit 4	1	17.50	2.00 Up & Down
Unit 5	1	17.50	2.00 Up & Down
Unit 6	1	17.50	2.00 Up & Down
Unit 7	1	17.50	2.00 Up & Down
Unit 8	1	17.00	2.00 Up & Down
Unit 9	1	17.50	2.00 Up & Down
Unit 10	1	16.50	2.00 Up & Down

**Rent: Yield**

Original Values are varied in Fixed Steps of 0.13%

Heading	Phase	Cap. Rate	No. of Steps
Unit 1	1	6.0000%	2.00 Up & Down
Unit 2	1	6.0000%	2.00 Up & Down
Unit 3	1	6.0000%	2.00 Up & Down
Unit 4	1	6.0000%	2.00 Up & Down
Unit 5	1	6.0000%	2.00 Up & Down
Unit 6	1	6.0000%	2.00 Up & Down
Unit 7	1	6.0000%	2.00 Up & Down
Unit 8	1	6.0000%	2.00 Up & Down
Unit 9	1	6.0000%	2.00 Up & Down



Unit 10	1	6.0000%	2.00 Up & Down
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# Expertise

## Related Services

### Agency – Renting & Letting

Comprehensive commercial property search and acquisition / letting service, designed to help you to achieve the best possible property outcome - whether occupier or landlord.

### Buying & Selling

Support throughout the process of acquiring or selling freehold commercial premises or development land.

### Business Rates

Expert support to navigate the increasingly complex world of business rates, exploring opportunities to save you money at every turn.

### Building and Project Consultancy

Technical property services designed to support you throughout the lifecycle of your property needs, whether occupier, landlord, investor, developer, or lender.

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Professional technical building surveying services, to provide insight for evidence-based property decision-making.

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Advice for landowners and property developers and their professional teams, to realise best development value in line with your objectives, for commercial, residential, and mixed-use schemes.

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### Marine & Leisure

Full-service property advice to help occupiers, landlords and investors throughout the lifecycle of their marine and leisure asset needs - from buying and selling, to fundamentals like income, profitability and cashflow.

### Occupier Advisory

Full-service advice for occupiers of commercial property, to ensure property strategy is aligned with business needs, either managing properties for you, or supporting in-house teams to ensure your portfolio becomes a true asset.

### Planning

Advising landowners, developers, and their teams, on the most appropriate planning strategy to achieve planning consent, ensuring the successful delivery of your project in line with your objectives.

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Working with institutional investors, property companies and private investors, as well as over 45 local authorities across the UK, to acquire property investments, maximise their value and ongoing return, or achieve the best possible returns upon their sale.

### Residential Property

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## Our Services

- Building Consultancy
- Business Rates Consultancy
- Commercial Property
- Investment
- Lease Advisory
- LPA Receivership
- Marine and Leisure
- Occupier Advisory
- Property Acquisition and Disposal
- Property Asset Management
- Property Development
- Consultancy
- Property Planning Consultancy
- Property Valuation



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