

29 September 2026

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The Savills logo consists of the word "savills" in a red, lowercase, sans-serif font, positioned on a yellow rectangular background.

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Dear Sam

Re: DC/26/0266 - Thakeham Mushrooms, Storrington Road, Thakeham, Pulborough, West Sussex RH20 3DY

Viability Update

Further to our discussion on 24 September 2026, please find enclosed the following documents providing an update on the viability position of the proposed development:

- Letter from Turner Morum; and
- Financial Viability Report and Appendices prepared by Turner Morum dated 27th March 2026

The Financial Viability Report prepared by Turner Morum includes a proposed bus service contribution of £869,000. Given the concerns raised by WSCC highways in relation to the long term effectiveness of the previously proposed bus service improvements, Bellway no longer propose to offer this contribution.

Following this, you have subsequently raised the question as to whether this contribution could instead be redirected towards alternative benefits associated with the development.

An updated Financial Viability Report (FVR) was prepared by Turner Morum, dated 27 March 2026. This assessment concluded that the current scheme, comprising 150 dwellings, of which 35% would be provided as affordable housing, results in a significant viability deficit of approximately £3.666 million.

The assessment also identifies that the viability position would worsen should lower sales revenues be achieved and/or higher infrastructure or abnormal development costs be incurred. In these circumstances, the achievable developer return would reduce further, potentially to a level at which Turner Morum considers the development could become commercially undeliverable. Should this occur, the level of affordable housing and/or Section 106 obligations would need to be reconsidered to enable the development to proceed.

The Council's own assessment undertaken by Dixon Searle Partnership (DSP) concluded that the scheme was approximately £815,000 in deficit. Whilst Bellway do not agree with some of the conclusions reached by DSP, both assessments demonstrate that the scheme is in deficit with the inclusion of the bus contribution.

Notwithstanding this viability position, the application scheme has been amended to include the inclusion of the land to the west of the public right of way running through the centre of the site. The additional area of land extends to circa 11.6 hectares and it is proposed that the land will be transferred to Thakeham Parish Council (TPC) at no cost to them. This will enable the creation of new community park including play and recreational space which will be delivered and managed by TPC. This is a substantial additional benefit offered as part of the current application, which was not included within the previous scheme.



As outlined in the enclosed letter from Turner Morum, no cost was attributed to the land to the west of public right of way in the FVR. Based on DSP's Benchmark Land Value of £100,000 per gross acre, this represents a value of approximately £3 million. This is a significant additional benefit of the amended application proposals which has not presently been reflected within the viability assessment.

It is also important to note that build costs and wider market conditions have not materially improved over the past six months. Indeed, the Tuner Morum letter highlights the fact that there has been an increase in construction and other associated costs since the FVR was prepared which would further worsen the identified viability deficit of the scheme.

In summary, the removal of the bus service contribution will improve the viability of the scheme but will not remove the deficit. On this basis, Bellway consider that the transfer 11.6 hectares of land to TPC is significant benefit which should be reflected in the overall viability position of the scheme. It is therefore concluded that the scheme cannot viably support any further substantial financial contributions.

Yours sincerely

John Ainsworth

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