

[REDACTED]

From: [REDACTED]
Sent: 27 July 2026 12:12
To: [REDACTED]
Subject: Haglands, Smock Alley, West Chiltonington

Dear Michael,

I understand that Searls Land have now contacted you to confirm that Ashgrove Homes will not be proceeding with the purchase of Haglands.

This has been a difficult decision, particularly given the considerable time and effort invested by everyone involved. I therefore wanted to explain why, at this late stage, we have reluctantly decided to withdraw.

The housing market remains extremely challenging. Sales rates have slowed significantly, reflecting continued economic and geopolitical uncertainty, fragile consumer confidence and ongoing concerns over interest rates. These factors have materially affected the viability of new residential developments.

Whilst Haglands is an attractive site, the consistent feedback we received from local agents was that the level of affordable housing would have a detrimental impact on both the value and saleability of the private homes. This inevitably affected our appraisal of the scheme.

The affordable housing requirement also presents significant viability and cash flow challenges. We received interest from only one Housing Association, whose offer was substantially below the cost of delivering the affordable units, meaning Ashgrove Homes would incur a significant loss on that element of the development with the private sale homes cross subsidising this element, before financing costs are taken into account.

In addition, the Housing Association's terms would require us to fund both the land acquisition and the construction of the affordable homes until Practical Completion before receiving payment. Coupled with the Section 106 restrictions linking the occupation of the private homes to the delivery of the affordable housing, this creates an unacceptable level of funding exposure in the current market.

One point you may wish to explore with Horsham District Council is whether a financial contribution in lieu of on-site affordable housing could be considered. Given the scale of the development and the viability issues posed by the affordable housing requirement, this could materially improve the scheme's deliverability and make it more attractive. I appreciate this will be disappointing news, particularly at such a late stage, and I am genuinely sorry that we have been unable to take the purchase forward. I hope the above provides some context to the commercial reasons behind our decision.

Yours sincerely,

Andrew Webb
Managing Director

Office [REDACTED]
Direct [REDACTED]



Company Information

Ashgrove Homes Limited is a company registered in England and Wales with registered number 08453216 and VAT registration number 217 8053 13. Our registered office is at The Bothy, Albury Park, Albury, Guildford, Surrey, GU5 9BH.

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