Syngenta Site, Fernhurst
Site Viability Assessment

On behalf of Fernhurst Neighbourhood Plan Steering Group
Document Control Sheet

Project Name: Syngenta Site
Project Ref: 29730
Report Title: Report
Date: December 2013

<table>
<thead>
<tr>
<th></th>
<th>Name</th>
<th>Position</th>
<th>Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reviewed by:</td>
<td>Stuart Cook</td>
<td>Principal Surveyor</td>
<td></td>
<td>3.12.2013</td>
</tr>
<tr>
<td>Approved by:</td>
<td>David Codling</td>
<td>Director of Property</td>
<td></td>
<td>17.12.2013</td>
</tr>
</tbody>
</table>

For and on behalf of Peter Brett Associates LLP

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1 INTRODUCTION

1.1.1 Peter Brett Associates (PBA) has been instructed by the Fernhurst Neighbourhood Plan Steering Group (Fernhurst NPSG) to undertake a site viability assessment of the former ICI Research Centre site (the Syngenta Site) near Fernhurst in West Sussex.

1.1.2 The site viability assessment is being undertaken in order to further inform the Fernhurst Submission Draft Neighbourhood Plan. Fernhurst Parish Council (the Council) requires detailed viability evidence for the former Syngenta site in order to ensure the deliverability of the Fernhurst Submission Draft Neighbourhood Plan Policy (SA2) which addresses the redevelopment of the site. It is also to inform the South Downs National park Authority (SDNPA) Local Plan Development Strategy.

1.1.3 In addition to Policy SA2 of the Submission Draft Neighbourhood Plan which sets out a development capacity of 150 dwellings for the site, we understand that there is a live Lawful Development Certificate application seeking to confirm that B1(a) use is extant on the site (SDNP/13/03520/LDE) and that a prior notification has been received by the SDNPA proposing a permitted development change of use from office to residential for 213 dwellings.

1.2 Background

Site Details

1.2.1 The site is located to the south of the village of Fernhurst, in the Chichester District of West Sussex. The site is 3.5 miles south of Haslemere and c.18 miles south of Guildford. The site is bounded by Midhurst Road to the west and countryside on all other sides. The site is located within the South Downs National Park.

1.2.2 The site is 8.4 hectares (20.8 acres) of previously developed land, with some existing woodland. It comprises two main office buildings in the Highfield office building and the Pagoda office building, as well as some additional smaller associated workshop and office properties. The nearby Home Farm Recreation club comprises period buildings which have been converted to leisure and restaurant/bar facilities. There are extensive car parking facilities serving the two main office buildings.

Highfield Building

1.2.3 The Highfield building is laid out in the shape of a figure of eight with four landscaped courtyards sitting within it. The net floor areas are set out in the table below.

<table>
<thead>
<tr>
<th>Level</th>
<th>Sq M</th>
<th>Sq Ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 3</td>
<td>5,133</td>
<td>55,250</td>
</tr>
<tr>
<td>Level 2</td>
<td>5,141</td>
<td>55,340</td>
</tr>
<tr>
<td>Level 1</td>
<td>5,125</td>
<td>55,171</td>
</tr>
<tr>
<td>Basement (storage)</td>
<td>1,411</td>
<td>15,188</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>16,810</strong></td>
<td><strong>180,949</strong></td>
</tr>
</tbody>
</table>
Pagoda Building (Conference Centre)

1.2.4 The Pagoda building sits at the western edge of the site, towards the entrance from Midhurst Road. The building is currently occupied by Aspinal of London (Aspinals).

1.2.5 The Pagoda Building net floor areas are set out in the table below.

<table>
<thead>
<tr>
<th>Level</th>
<th>Sq M</th>
<th>Sq Ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Floor</td>
<td>320</td>
<td>3,445</td>
</tr>
<tr>
<td>Ground Floor</td>
<td>857</td>
<td>9,226</td>
</tr>
<tr>
<td>Lower Ground Floor</td>
<td>967</td>
<td>10,405</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>2,144</strong></td>
<td><strong>23,076</strong></td>
</tr>
</tbody>
</table>
Local Planning Policy

1.2.6 SDNPA is the Local Planning Authority for the area, and has a partnership Agency Agreement with Chichester District Council to undertake planning functions on its behalf for the Park area which sits within the District Council’s administrative area (this includes the Syngenta site).

1.2.7 Fernhurst Parish Council is producing a Neighbourhood Plan for the area, which will form part of the Development Plan once adopted, to sit alongside the extant Chichester Local Plan (1999). This will form the planning framework for the Syngenta site.

1.2.8 The National Park Local Plan which is anticipated to be adopted in 2016/17 will supersede the Chichester Local Plan upon adoption, and form the over-arching part of the Development Plan alongside the Neighbourhood plan.

Submission Draft Neighbourhood Plan Policy SA2: Proposed Development

1.2.9 The current Submission Draft Neighbourhood Plan Policy SA2 objectives for the site are as follows:

- Gross Site Area: 8.4 Ha (excl. Longfield building)
- Net developable area excluding the Pagoda building and existing Longfield buildings but including an appropriate buffer around the protected ancient woodland boundary;
- Dwelling yield of 150 homes;
- Variable dwelling density;
- 80% Lifetime Homes proportion;
- Residential mix of 45% 1-bed & 2-bed properties, 35% 3-bed properties and 20% 4+-bed properties;
- Code for Sustainable Homes Level 4;
- 16,810 sq m at Highfield Building and 2,144 sq m at Pagoda building existing commercial;
- 1,000 sq m of B1 floorspace as new commercial;
- Demolition of the Highfield building;
- Retention of the Pagoda building;
- 40% Affordable Housing (based upon the Chichester District Council Affordable Housing Interim Statement, 2007);
- Affordable housing mix of 60% social rent and 40% intermediate (Submission Draft Neighbourhood Plan Policy);

1.3 Approach

1.3.1 The remainder of the report is set out as follows:

Chapter 2 - Analysis of Costs and Values

1.3.2 Chapter 2 provides our analysis of the appropriate costs and values at the Syngenta Site.
Analysis of Costs

1.3.3 The cost analysis is achieved through benchmarking against recognised published industry data (Build Cost Information Services (BCIS) data re-based for West Sussex, SPONS and building.co.uk), and comparative schemes PBA has worked on.

Analysis of Revenue

1.3.4 An analysis of revenue is based upon the findings of PBA comparable market evidence research and discussions with local agents.

Chapter 3 – Assessment of the Existing / Alternative Use Value

1.3.5 Establishing an appropriate Existing or Alternative Use Value is critical in assessing the scheme’s viability.

1.3.6 Existing Use Value (EUV) is defined by the RICS Red Book as follows:

1.3.7 ‘The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after properly marketing and where the parties had each acted knowledgeably, prudently and without compulsion assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause market value to differ from that needed to replace the remaining service potential at least cost.’

1.3.8 Alternative Use Value (AUV) is where an alternative use other than the existing use can readily be identified as generating a higher value for a site. This value would therefore be the market value making an allowance for scheme specific planning applications.

1.3.9 We have, in assessing an appropriate Existing / Alternative Use Value for the Syngenta site, taken into account the AUV of the site for residential use in addition to the EUV of the Pagoda building assuming it remains in commercial use / occupation.

Chapter 4 - Development Appraisals

1.3.10 We have undertaken a residual appraisal of the proposed scheme to assess viability using costs and values based on our own research and assumptions.

1.3.11 The residual method we have used works on the basis that a landowner and/or developer would know the development costs (construction, interest and developer’s profit) and the end value of the scheme. By deducting the total costs from the end value therefore, the landowner knows what its land is worth based on what a developer would bid for the land. In simple terms the formula is expressed as:

<table>
<thead>
<tr>
<th>Gross Development Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Value = Minus</td>
</tr>
<tr>
<td>Development Costs (construction, fees, interest and developer’s profit)</td>
</tr>
</tbody>
</table>

Chapter 6 - Summary & Recommendations

1.3.12 The final chapter of this report brings together our findings with a clear recommendation on whether viability is a concern in bringing forward the scheme.
2 COST & VALUE ANALYSIS

2.1.1 The following section of the report provides an analysis of the cost and value elements of the proposed development at the Syngenta site. We have benchmarked these costs against information obtained through BCIS and SPONS and estimates for comparable schemes. The value elements of the viability report have been provided through our own market research.

2.2 Costs

Residential Build Cost

2.2.1 We have used BCIS to determine an appropriate residential build cost for any proposed residential development. We have re-based the BCIS data to reflect build costs in West Sussex.

BCIS Residential Refurbishment Costs – West Sussex

<table>
<thead>
<tr>
<th>Build Cost</th>
<th>Cost per sq m*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Median</td>
</tr>
<tr>
<td>BCIS 1-2 story flats (apartments)</td>
<td>£1,052 sq m</td>
</tr>
<tr>
<td>BCIS 2-story terraced housing</td>
<td>£926 sq m</td>
</tr>
<tr>
<td>BCIS 2-story detached housing</td>
<td>£902 sq m</td>
</tr>
</tbody>
</table>

Source: BCIS

2.2.2 We have also made an allowance for Code for Sustainable Homes (CSH) Level 4 as follows:

DCLG Code for Sustainable Homes Cost Allowance

<table>
<thead>
<tr>
<th>Unit Size (G.I.A.)</th>
<th>1-bed</th>
<th>2-bed</th>
<th>3-bed</th>
<th>4-bed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size (G.I.A.)</td>
<td>78</td>
<td>106</td>
<td>156</td>
<td>174</td>
</tr>
<tr>
<td>Additional Cost</td>
<td>£1,437</td>
<td>£1,712</td>
<td>£2,147</td>
<td>£2,432</td>
</tr>
<tr>
<td>Additional Cost per Sq M</td>
<td>£18.41</td>
<td>£16.17</td>
<td>£13.76</td>
<td>£13.98</td>
</tr>
</tbody>
</table>

Source: EC Harris 2013: Housing Standards Review

2.2.3 We have assumed that a Developer will build the units to Lifetime Homes standard in order to capture CSH Level 4, and so have not assumed an additional cost for Lifetime Homes provision.

Commercial Build Cost

2.2.4 We have assumed new build office build cost in line with BCIS (not air-conditioned office, 1-2 stories) re-based to West Sussex at £915 per sq m (£85 per sq ft).

2.3 Site Preparation, Externals & Abnormals

2.3.1 We have assumed a site preparation figure of £1,000,000. This includes an allowance for landscaping and any site servicing necessary.
2.4 Car Parking Provision

2.4.1 We have taken Chichester District Council Parking Standards into account which advises a total of c.300 spaces on the site for both the residential and commercial elements. We have assumed a cost per space of £1,000 based on comparable evidence from recent schemes.

2.5 Demolition

2.5.1 We have allowed for a demolition cost for the Highfield building of £21.50 per sq m (£2 per sq ft) based on information collated from SPONS and comparable schemes. This equates to a total demolition cost of c. £450,000 assuming a gross area of 20,200 sq m (based on a net floor area of 16,810 sq m). We have assumed that the cost of any additional abnormals included in the contingency allowance.

2.6 Contingency

2.6.1 We have assumed a contingency of 5%. We consider this to be reasonable and in line with other standard industry development appraisals.

2.7 Professional Fees

2.7.1 We have allowed for professional fees equating to 10% of build costs.

2.8 Marketing Fees

2.8.1 We have allowed for a marketing fee of 1.5% of private sales values. Through our experience on working on other residential development schemes this figure is reasonable.

2.9 Land Acquisition Fees

2.9.1 We have included a land acquisition fee of 4% of land value in line with Stamp Duty Land Tax rates for commercial property. We have assumed 1.75% for legal and agency fees relating to the acquisition.

2.10 Time-Scales & Finance

2.10.1 We have assumed that a finance rate of 7% is applicable to any debt used to fund the development. We have used the assumption that the development will be 100% debt funded. This is in line with RICS guidance which states that “It is common practice in conventional development appraisals to assume all-debt financing, i.e. all development costs are financed by borrowing”.

2.11 Planning Obligations

2.11.1 We have, based on our recent experience of undertaking development appraisals for sites such as this, run development appraisals assuming a sum of £2,500 per unit will be provided as part of a S.106 agreement.

2.12 Developer Return (Profit)

2.12.1 We have assumed a Developer’s return of 20% on Gross Development Value (GDV) in our appraisals. A Developer’s margin of 20% on GDV is consistent with other viability assessments PBA has undertaken on behalf of developers for new build developments,
2.13 Revenue

2.13.1 We have undertaken research into comparable new build schemes in and around the area in order to determine appropriate sales values for the private residential units. We have set out in the table below an overview of the comparable evidence.

Residential Comparables Sales Value Evidence

<table>
<thead>
<tr>
<th>Location</th>
<th>No. of Beds</th>
<th>Sales Value</th>
<th>Average Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midhurst</td>
<td>4</td>
<td>£695,000</td>
<td></td>
</tr>
<tr>
<td>Chichester</td>
<td>4</td>
<td>£635,000</td>
<td></td>
</tr>
<tr>
<td>Wisborough Green</td>
<td>4</td>
<td>£600,000</td>
<td></td>
</tr>
<tr>
<td>Pulborough (Taylor Wimpey, The Ridings)</td>
<td>4</td>
<td>£575,000</td>
<td>£626,250</td>
</tr>
<tr>
<td>Petworth (McCarthy &amp; Stone)</td>
<td>2</td>
<td>£332,950</td>
<td></td>
</tr>
<tr>
<td>Wispers Park</td>
<td>2</td>
<td>£330,000</td>
<td></td>
</tr>
<tr>
<td>Liphook</td>
<td>2</td>
<td>£315,950</td>
<td></td>
</tr>
<tr>
<td>Petersfield</td>
<td>2</td>
<td>£310,000</td>
<td></td>
</tr>
<tr>
<td>Petersfield</td>
<td>2</td>
<td>£300,000</td>
<td></td>
</tr>
<tr>
<td>Midhurst (bungalow)</td>
<td>2</td>
<td>£300,000</td>
<td></td>
</tr>
<tr>
<td>Haslemere (Wispers Lane)</td>
<td>2</td>
<td>£260,000</td>
<td></td>
</tr>
<tr>
<td>Petersfield</td>
<td>2</td>
<td>£250,000</td>
<td></td>
</tr>
<tr>
<td>Petersfield</td>
<td>2</td>
<td>£250,000</td>
<td></td>
</tr>
<tr>
<td>Haslemere (Wispers Lane)</td>
<td>2</td>
<td>£249,995</td>
<td>£289,890</td>
</tr>
<tr>
<td>Haslemere (Wispers Lane)</td>
<td>1</td>
<td>£235,000</td>
<td></td>
</tr>
<tr>
<td>Petworth (McCarthy &amp; Stone)</td>
<td>1</td>
<td>£221,950</td>
<td></td>
</tr>
<tr>
<td>Petworth (McCarthy &amp; Stone)</td>
<td>1</td>
<td>£199,950</td>
<td></td>
</tr>
<tr>
<td>Petworth (McCarthy &amp; Stone)</td>
<td>1</td>
<td>£199,950</td>
<td>£214,213</td>
</tr>
</tbody>
</table>

2.13.2 Taking the above evidence into account we have assumed the following sales values. These sales values and unit sizes have been corroborated in discussion with a local agent. We could not find any comparable evidence for 3-bedroom dwellings and so have assumed a £ per sq m value in line with comparable evidence for other dwellings and in discussion with a local agent.

Assumed Sales Values

<table>
<thead>
<tr>
<th>Unit Size</th>
<th>Area (N.I.A./Sq M)</th>
<th>Area (N.I.A./Sq Ft)</th>
<th>Sales Value</th>
<th>£ per sq m</th>
<th>£ Per Sq ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-bed Flat</td>
<td>65</td>
<td>700</td>
<td>£210,000</td>
<td>£3,230</td>
<td>£300</td>
</tr>
<tr>
<td>2-bed Flat</td>
<td>88</td>
<td>947</td>
<td>£285,000</td>
<td>£3,239</td>
<td>£301</td>
</tr>
<tr>
<td>3-bed Terrace</td>
<td>130</td>
<td>1,399</td>
<td>£420,000</td>
<td>£3,230</td>
<td>£300</td>
</tr>
<tr>
<td>Unit Size</td>
<td>Area (N.I.A./Sq M)</td>
<td>Area (N.I.A./Sq Ft)</td>
<td>Sales Value</td>
<td>£ per sq m</td>
<td>£ Per Sq ft</td>
</tr>
<tr>
<td>-------------------</td>
<td>-------------------</td>
<td>---------------------</td>
<td>-------------</td>
<td>------------</td>
<td>-------------</td>
</tr>
<tr>
<td>4-bed Detached</td>
<td>190</td>
<td>2,045</td>
<td>£615,000</td>
<td>£3,237</td>
<td>£301</td>
</tr>
</tbody>
</table>

2.13.3 We have assumed ground rents for the private flatted element of the scheme to be £350 per annum, capitalised at a yield of 6%. This is in line with comparable schemes PBA has worked on.

Affordable Housing

2.13.4 We have assumed affordable housing values in line with the CORE database of local Registered Provider values and local market rents/values. These values are reflective of what we believe a Registered Provider would pay a developer for the affordable units provided on site. The affordable housing values assumed in our appraisals are as follows:

Affordable Housing Values

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Social Rent</th>
<th>Intermediate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-bed</td>
<td>£66,000</td>
<td>£132,000</td>
</tr>
<tr>
<td>2-bed</td>
<td>£77,000</td>
<td>£180,000</td>
</tr>
<tr>
<td>3-bed</td>
<td>£86,000</td>
<td>£265,000</td>
</tr>
<tr>
<td>4-bed</td>
<td>£107,000</td>
<td>£385,000</td>
</tr>
</tbody>
</table>

Source: PBA / CORE database

Commercial Revenue

2.13.5 We have assumed commercial revenue based on the VOA Business Rates valuation of the Longfield building, which sits adjacent to the site, as well as comparable market evidence from the Focus database for new build office space. We have assumed a commercial rent of £110 per sq m (£10 per sq ft), and a yield of 8%. 


3 EXISTING / ALTERNATIVE USE VALUE

3.1.1 We have considered the opportunity for the site to have both an EUV and an AUV. The site has an incumbent office use, however planning proposals would indicate that residential development is most appropriate. We have therefore considered an EUV/AUV land value taking into account both office and residential use as set out in the paragraphs below.

3.2 Office Use

3.2.1 We understand from local agents that there is little / no demand for the Highfield building in its current use as office accommodation. An exception to this could potentially be if a highly specific single user were to require a site such as this – however we have discounted this option due to the length of time the building has been vacant (indicating that no such user has yet come forward) and taking into account the poor state of the building and the significant cost which would be required to refurbish it to an acceptable standard.

3.2.2 The Pagoda and Longfield buildings are still in use as office accommodation by Aspinal, although we understand that the 1,000 sq m new build commercial element designated in the Submission Draft Neighbourhood Plan is anticipated to come forward with Aspinal as occupier.

Pagoda Building EUV

3.2.3 Because the Pagoda building is anticipated to remain as it is in the Submission Draft Neighbourhood Plan we have come to a view on its EUV, which we have taken into account when looking at an overall site value.

3.2.4 We have made reference to VOA valuation data and local office rents as provided by Focus and Egi. We have subsequently assumed a freehold value of £55 per sq m (£5 per sq ft). Taking the building area as set out previously in this report of 2,144 sq m (23,076 sq ft), this equates to an existing use freehold value of £117,920 (say, £120,000).

3.3 Residential Use

3.3.1 We have spoken to local agents who agree that the site has an AUV as a residential development site. In support of this the current owners – Brookstream Properties Ltd (part of the Comer Group) has recently put forward an application for a Change of Use for the Highfield Building from B1(a) to residential (C3) under Class ‘J’ of the recently introduced Permitted Development Rights.

3.3.2 The Owner purchased the site in 2003 for £8.6m. We understand that the purchase price included the Syngenta site, the Longfield site, Bridgelands and Homelands Copse, however we do not have an exact area or site plan of the land purchased (the Title Plan has not yet been scanned by the Land Registry).

3.3.3 We have drawn together evidence from recent land sales and current land for sale values within a comparable distance of the site. All of the examples have detailed planning permission for residential development (which we would note that the Syngenta site does not have – yet), and are much smaller. We would note that for single development and infill plots comparable evidence shows that values can reach up to £4 million per Hectare (£1.6m per acre). There is little evidence of transactions for large new build residential sites, however we have set out some examples of the most comparable evidence in the table overleaf.
Comparable Residential Sold / For Sale Land Values in Sussex

<table>
<thead>
<tr>
<th>Location</th>
<th>Area (Ha)</th>
<th>Area (Acres)</th>
<th>Asking Price</th>
<th>Asking Price (£ per Ha)</th>
<th>Asking Price (£ Per Acre)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slinfold</td>
<td>0.8</td>
<td>2</td>
<td>£600,000</td>
<td>£740,000</td>
<td>£300,000</td>
</tr>
<tr>
<td>Chichester</td>
<td>1.4</td>
<td>3.5</td>
<td>£695,000</td>
<td>£1,200,000</td>
<td>£500,000</td>
</tr>
<tr>
<td>West Sussex</td>
<td>0.2</td>
<td>0.5</td>
<td>£400,000</td>
<td>£1,980,000</td>
<td>£800,000</td>
</tr>
<tr>
<td>Plaistow (includes allowance for demolition of existing building)</td>
<td>1.6</td>
<td>4</td>
<td>£1 million</td>
<td>£620,000</td>
<td>£250,000</td>
</tr>
<tr>
<td><strong>Average:</strong></td>
<td></td>
<td></td>
<td><strong>£1,135,000</strong></td>
<td><strong>£460,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

(Source: Focus/PBA/Land Directory)

3.3.4 All of the above comparable evidence collected assumes a gross site area and a cleared and serviced site with planning permission for residential development. We have used these comparables as a guide to the site’s AUV, but have taken into account that they assume that the site has detailed planning permission and that they are smaller than the Syngenta site (so they are likely to have a slightly higher value).

3.4 Conclusion

3.4.1 We are of the opinion - given that the site has little or no interest or value to the local market as an office location, and that there is an application pending for a Certificate of Lawful Development to convert the Highfield Building to residential use (thus establishing a planning presumption in favour of residential development at the site) that the AUV of the site should be taken to be based on residential use.

3.4.2 Taking into account the above and the comparable site value market research suggesting a site value of between £740,000/HA and £1,980,000/HA we feel, based on our professional judgement of the comparables available, that there is sufficient evidence to justify an AUV for the site based upon residential use equating to £1,015,000 per Hectare (£410,000 per acre).

3.4.3 We have therefore assumed an AUV of £8,645,000, which takes into account a residential AUV of £8,525,000, (assuming a gross site area of 8.4 Ha), plus an EUV for the Pagoda Building of £120,000.
4 VIABILITY ANALYSIS

4.1.1 We have undertaken a residual development appraisal of the Submission Draft Neighbourhood Plan Policy SA2, a copy of which is included in the Appendix.

4.1.2 The Appraisal is based on the assumption that the development brings forward a unit mix of 10% 1-beds, 35% 2-beds, 35% 3-beds and 20% 4-beds.

4.2 Appraisal Results

We summarise the appraisal results in the table below:

<table>
<thead>
<tr>
<th>Development Viability Appraisal Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Development Value</strong></td>
</tr>
<tr>
<td>£45,695,000</td>
</tr>
</tbody>
</table>

4.3 Conclusion

4.3.1 Taking an EUV/AUV for the site of £8,645,000 it is evident from the above table that Submission Draft Neighbourhood Plan Policy SA2 is deliverable as the calculated residual land value of £8,900,828 exceeds the combined AUV/EUV of £8,645,000.

4.3.2 The above table shows that the development could afford to deliver the 40% affordable housing requirement and 60:40 (Social Rent: Intermediate) tenure split set out in Policy SA2, as well as some level of S.106 contribution (£2,500 per unit). Should the Council wish to see a higher level of S.106 contribution we are of the opinion that the density of the scheme could be marginally increased (to, say, 160/165 units). The appraisal provides for a Developer Profit of £9,100,000, assuming a return on GDV of 20%.

4.3.3 This report and the accompanying appraisal are exclusively supporting documents to the Submission Draft Neighbourhood Plan Policy. As per Valuation Standards 1 of the RICS Valuation Standards – Global and UK Edition, the advice expressly given in the preparation for, or during the course of negotiations or possible litigation does not form part of a formal “Red Book” valuation and should not be relied upon as such.
### APPRAISAL SUMMARY
**Neighbourhood Plan Viability, Syngenta Site**

#### REVENUE

<table>
<thead>
<tr>
<th>Sales Valuation</th>
<th>Units</th>
<th>Unit Price</th>
<th>Gross Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>£44,360,000</td>
<td>44,360,000</td>
</tr>
</tbody>
</table>

#### Rental Area Summary

<table>
<thead>
<tr>
<th>Units</th>
<th>m²</th>
<th>Rate m²</th>
<th>Initial MRV/Unitat</th>
<th>Net Rent Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>850.00</td>
<td>£110.00</td>
<td>£93,500</td>
<td>93,500</td>
</tr>
</tbody>
</table>

#### Investment Valuation

- **Current Rent**: 93,500
- **Ground Rents**: 235,000

**GROSS DEVELOPMENT VALUE**: 45,460,000

#### Additional Revenue

- **Ground Rents**: 235,000

**NET REALISATION**: 45,695,000

#### OUTLAY

**ACQUISITION COSTS**

- Residualised Price: **£8,900,828**
- **Stamp Duty**: 4.00% 356,033
- **Agent Fee**: 1.75% 155,764

**CONSTRUCTION COSTS**

- **Commercial**
  - **Rate m²**: 915,000
  - **Cost**: 18,858,000
- **Residential**
  - **Rate m²**: 18,858,000
  - **Cost**: 19,773,000

**Contingency**: 5.00% 988,650

**Demolition**: 450,000

**Statutory/LA**: 375,000

**Other Construction**

- **Site Preparation**: 1,000,000
- **Car Parking**: 300,000

**PROFESSIONAL FEES**: 10.00% 1,977,300

**FINANCE**

- **Debit Rate 7.000% Credit Rate 3.000% (Nominal)**
  - **Land**: 561,033
  - **Construction**: 258,286
  - **Other**: 1,507,107
  - **Total Finance Cost**: 2,326,426

**TOTAL COSTS**: 36,603,001

**PROFIT**: 9,091,999

**Performance Measures**

- **Profit on Cost%**: 24.84%
- **Profit on GDV%**: 20.00%

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*This report and the accompanying appraisals are exclusively supporting documents to the Submission Draft Neighbourhood Plan Policy. As per Valuation Standards 1 of the RICS Valuation Standards – Global and UK Edition, the advice expressly given in the preparation for, or during the course of negotiations or possible litigation does not form part of a formal “Red Book” valuation and should not be relied upon as such.*
Fernhurst Parish Council Submission
Draft Neighbourhood Plan Policy SA2

Syngenta site, Midhurst Road

Context

The largest brownfield site in the parish that is considered to be available, suitable and achievable for delivering some residential development is the former Syngenta site. This is approximately 1.2 miles to the south of Fernhurst village centre.

The site comprises 11.3 hectares (28 acres) of previously developed land although some of this land is existing woodland. The site was developed as an army barracks at the end of World War II.

Planning permission was obtained in the 1980s by ICI for development of the site to provide offices and research laboratories in connection with their agri-chemical business. Although used for commercial purposes prior to this, it was this development which provides the majority of the buildings remaining on the site today. The premises were vacated over ten years ago and the site subsequently sold.

An industrial unit was constructed and is currently occupied by John Nicholson Auctioneers and a number of other businesses. The office building built by ICI, known as the Pagoda, is currently occupied by Aspinal of London.

The site has a certificate of lawful use for conversion of the Highfield office building to residential uses. This could provide approximately 200 dwelling units without the need for planning permission for change of use. If such a scheme is delivered, then this will provide significantly in excess of the number of dwelling units that are sought by the Neighbourhood Plan. Under such circumstances, no further residential development should be permitted.
The general principles shown below assume that the Highfield building is demolished and that 150 dwellings are delivered as part of a comprehensive redevelopment of the site.

**General principles**

In the adopted Chichester Local Plan, the site is protected for employment use. It has subsequently been agreed in principle by the South Downs National Park Authority, as the new planning authority, that a mix of uses could be appropriate for the site.

The National Planning Policy Framework (NPPF) says that the development of major sites in national parks can only be permitted in ‘exceptional circumstances and where it can be demonstrated they are in the public interest’. Paragraph 116 lists the matters which should be considered:

- The need for the development, including in terms of any national considerations, and the impact of permitting it, or refusing it, upon the local economy;
- the cost of, and scope for, developing elsewhere outside the designated area, or meeting the need for it in some other way; and
- any detrimental effect on the environment, the landscape and recreational opportunities, and the extent to which that could be moderated.

The Syngenta site is one of the few major development opportunities in the National Park and housing needs are considerable. Working with the SDNPA it is considered that this represents a significant opportunity to address housing needs in the South Downs National Park as part of a mixed use development.

The need is for a development that meets the purposes and duty of the South Downs National Park Authority and, in particular, conserves and enhances the landscape through the re-use of the site. As part of this, it is important that it makes a clear contribution towards the achievement of the eleven outcomes in the NPA's Partnership Management Plan

The task of reflecting and justifying an appropriate mix and scale of development in such a location is a challenging one. The process of developing the Neighbourhood Plan has established the following principles which it is considered will not undermine the need to ensure viability, as required by the NPPF, whilst at the same time respecting the location of the site within a National Park:

1. Development at Syngenta should be seen as being complementary to the main settlement of Fernhurst village. It should not provide uses that will compete with those that are in the village.
2. The site has existing buildings on it and therefore any development must seek to strike a balance between the re-use of these existing buildings (recognising the embodied energy and lower cost for potential users) and the benefits of replacing them with modern buildings of a high energy-efficient specification. Built development should be restricted to the area which was previously developed, retaining the existing areas of woodland on the site.
3. Any residential development should seek to provide principally for the needs of local people, both for affordable and market housing.
4. To support the new residents, it is important that the potential for people to access links to Fernhurst village by non-car modes are maximised.

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v. The most recent use and designation of the site was for commercial purposes providing employment and this should remain a fundamental part of any redevelopment.

vi. The existing businesses located on the site should be encouraged to remain, with their future floorspace needs taken into consideration.

vii. The site provides an opportunity to promote the National Park as a tourist destination by offering leisure opportunities and access to the surrounding countryside. This should also recognise the leisure needs of the new residents as well.

viii. The site is in a sensitive location in terms of the landscape and biodiversity. Any development must ensure that impacts are minimised and if they do arise, can be appropriately mitigated.

ix. Reflecting its setting in a National Park, design is an important consideration. Any development must demonstrate that it is of the highest quality and in keeping with the surrounding landscape.

x. Any development must seek to maximise its energy generation from renewable sources.

All of these principles are important but the most fundamental overarching principle is that any mix of uses on the site represents a quantum of development that is sustainable. The site is remote from Fernhurst village and the potential to provide non-car linkages will be challenging. Therefore movement by residents, workers and visitors will mostly be car-based, although given the limited amount of services within Fernhurst village, the same would broadly be true of developments located there. With the site being in a National Park and the NPPF stating that major developments in such locations should only be permitted in exceptional circumstances, a clear and robust framework for development is considered to be necessary.

Housing

It is important that a balance is struck between delivering a level of housing at the Syngenta site that is not in conflict with the purposes of a National Park (and the avoidance of delivering unrestricted market housing) whilst still ensuring that advantage is taken of a large brownfield site and its ability to address housing needs within this part of the National Park. An additional important consideration is that the mix of uses must ensure that development can come forward and is not deliberately stifled.

It is considered that, based on the evidence provided by the Strategic Housing Market Assessment, the Strategic Housing Land Availability Assessment and the emerging work on viability to inform the Community Infrastructure Levy for the South Downs National Park Authority area, the site should deliver approximately 150 dwellings in total. This seeks to strike a balance between ensuring a viable development and addressing housing needs without delivering unrestricted market housing.

The residential part of any proposal must be in accordance with the other policies in the Neighbourhood Plan, particularly policies H1 and H2.

In order to provide a mixed and inclusive development, which is important given the site’s location away from other residential areas, the affordable housing must be indistinguishable from market housing and should be scattered throughout the residential part of the site.

Employment and retail

The existing commercial buildings on the Longfield part of the site, in the west, should be retained. The Longfield buildings currently house a number of thriving businesses and these
businesses should be retained and given the opportunity to expand. One of these businesses – Aspinal of London – is a growing business and it will be important if they are to stay in Fernhurst that there is commercial space for them to expand if they need to in the future. Therefore, it is appropriate that new employment space should be included as part of any development proposal in order to accommodate the future needs of these businesses and to attract new businesses to Fernhurst.

The Neighbourhood Plan does not seek to identify specific quantum of development that should be delivered. This should be considered at the time of an application, based on the commercial market and the need for particular types of commercial floorspace. However, it is envisaged that any demand for floorspace is likely to be focused on the office or light industrial market. The design of any commercial buildings should be compatible with a residential-led mixed use development.

In addition, Aspinal of London occupies space in the existing Pagoda building, adjacent to the Highfield building. Given that the occupier has expressed a wish to stay in this building and considers it meets their requirements in its current state of repair, then this building should be retained for commercial use. The building provides just over 2,000m² of office floorspace which, whilst relatively large, is not excessive in this location. It therefore retains a reasonable prospect of continuing to provide employment and does so in what may in the local community consider to be an iconic building. Only if the building was vacant and it could clearly be demonstrated that there was no prospect of it being occupied, could the building be demolished.

As stated earlier, the Highfield building has a certificate of lawful use for conversion to residential properties. This could therefore be delivered at any time without the need for planning permission to be sought for change of use and it is outside the scope of the Neighbourhood Plan to influence this. However, in order to ensure, if this residential conversion is not undertaken, that the required number of dwellings sought by Policy SA2 are delivered as part of a comprehensive scheme, the Highfield building should be demolished as part of any redevelopment. This building has been unoccupied since ICI vacated it over ten years ago and there has been no commercial interest in it. The reason for this is most likely related to its scale – nearly 17,000m² of floorspace – and location away from any core commercial centre. It is not considered that there is a reasonable prospect of this building being let and the NPPF says that such allocations should not be retained in such circumstances. In addition, it is in poor state of repair and the SDNPA is seeking buildings of the highest aesthetic and environmental quality. Therefore, it is considered most appropriate to demolish the building.

**Leisure and tourism**

The engagement throughout the Neighbourhood Plan process identified limited need for additional community facilities by existing residents. However, with growth in the community, it is important that the needs of the changing population are met as they arise. Development must therefore recognise that there is likely to be a need for community facilities on the site. Any promoter of development on the site must engage with the community to understand what its needs are moving forward and must seek, where possible, to provide for these needs within the mix of uses. This should be done to inform the overall mix of uses proposed and it must be clearly demonstrated that the community has been fully consulted.

The provision of community uses could be linked to the improvement of the tourism offer and specifically the development of a tourist information and visitor centre. This would fit well with the SDNPA objective of expanding the tourist offer and Fernhurst’s role as a gateway to the
National Park. A facility, shared by the community and visitors alike, could ensure that any building is used to its maximum potential.

One particular use that may be considered beneficial in addressing the needs of the new community is the provision of allotments. Their inclusion in any overall masterplan will therefore be strongly supported.

Related to the expansion of the tourist offer, the development must seek to exploit opportunities for woodland and wildlife walks connecting the Syngenta site with its surroundings. This should seek to include the enhancement of links to wildlife corridors within and adjoining the site. Development of the built form must effectively integrate the development with this.

**Energy and sustainability**

Any development must ensure that the highest practicable environmental standards of both new and existing buildings are met. Where possible, the development should seek to achieve a zero carbon standard for new buildings and BREEAM Excellent or Outstanding for any new commercial floorspace.

The site should seek to maximise its energy generation from renewable sources, where possible utilising technologies such as combined heat and power (CHP), photovoltaics and heat pumps to serve new buildings as well as the existing buildings on the site.

The construction process should seek to source local materials and labour in order to reduce the carbon emissions associated with it.

**Transport and movement**

The development should seek to provide new walking and cycling routes that link the site with Fernhurst village. This must ensure that these routes are sufficiently attractive and safe to encourage their regular use by both residents and tourists and link to the wider public access network.

Where possible, there should be integration of all sustainable modes of transport (which could include a car club/pool and a community/demand responsive bus).

**Landscape**

One of the fundamental purposes and duties of the SDNPA is to ensure that development minimises its impacts on the landscape. Given its scale, this is particularly important for the Syngenta site.

A landscape and visual character assessment of the site should be undertaken in order to consider how the important views, such as from Blackdown Hill, can best be preserved.

Hard and soft landscaping should be of the highest quality, utilising local materials, respecting the natural setting and enhancing the distinctive landscape qualities of the National Park.

**Design principles**

It is vital that any development achieves the highest possible design standard compatible with the setting of the site. In order to ensure this, the applicant must work closely with the SNDPA in order to establish the design principles and how these can be achieved. This could be secured either through a design brief, to be agreed with SDNPA, or through the production of a Supplementary Planning Document (SPD) covering design matters. The chosen approach must demonstrate adherence to current best practice in urban design within sensitive landscapes and must specify what further, detailed design guidance (e.g. design codes) are to be provided.
The design strategy will include:

- The extent to which the built form responds to its position within a 'bowl' largely surrounded by hills and therefore significantly visible from several aspects. The previous development of the site by ICI provides some good examples of how the impact of the built form could be minimised.

- A landscape framework and planting strategy, which will be produced as a driver for the designed layout, that integrates the development within the landscape and shows how the new built edges will be formed and managed. It must demonstrate how existing trees and hedgerows will be retained, incorporated, and extended/enhanced as part of the proposed organisation of built form. It will be integrated with the provision of sustainable drainage systems.

- A strategy for new planting, the extent of which must not just be confined to the edges of proposed new development. The landscape strategy will demonstrate how the countryside can be drawn into the new built form (particularly the residential parts of any scheme) through the integration of multi-functional green spaces – that combine with street trees, courtyard and garden planting.

- A clear design approach to the edge of the built form to allow managed transition between development and countryside, and to allow easy and convenient access through the site to the countryside beyond.

- Vehicle parking will be an integral part of the plan for the scheme, to ensure limited impact on visual amenity and residential privacy. Any surface level parking areas will make provision for generous planting in order to aid visual containment and help to ameliorate the effects of climate change.

- A phasing strategy which prioritises the provision of non-vehicle links, landscape planting and the provision of supporting services within the early years of the scheme.

- The maintenance of public spaces, street furniture and boundaries formed by retained trees and hedges will be carefully considered in the early design stages with maintenance responsibilities agreed between all parties.

- Any potential archaeological constraints must be thoroughly researched and any impacts must either be avoided or appropriately mitigated.

**Biodiversity**

The setting of the site is within an area of considerable biodiversity value. Development must not negatively impact on this and the general principle should be that development achieves a net gain in biodiversity and natural habitats and successfully mitigates any adverse environmental impacts.

In particular, it is vital that the biodiversity assets adjacent to the site – including the Cooksbridge Meadow Local Nature Reserve – are conserved and enhanced.
**POLICY SA2: SITE ALLOCATION – FORMER SYNGENTA SITE, MIDHURST ROAD**

The former Syngenta site can be brought forward for a mixed use development incorporating residential and commercial development. Its location within an area of outstanding natural beauty in a national park means that any scheme must be of the highest quality in terms of its appearance and environmental sustainability. It must also maximise the potential to enhance biodiversity of the area and should ensure that visitors to the National Park are able to use the site as a base to explore the surrounding countryside.

Any application for development of the site must demonstrate how it intends to address the following requirements:

### Housing
- Any development shall deliver approximately 150 new build dwellings, subject to the Highfield building being demolished.
- It is expected that the provision of this scale of development would be appropriately phased to ensure that the site can address local needs over the lifetime of the Neighbourhood Plan.

### Residential care home
- If there is interest from a provider, then a residential care home for the elderly could be included as part of the development.

### Employment
- In order to protect the businesses currently occupying the existing buildings on the Longfield site (in the west of the site), these buildings should be retained.
- If new-build residential units are delivered, then the Highfield building must be demolished.
- Provision of new employment floorspace (B1/B2/B8) shall be permitted. Where possible, this should be provided as part of an expanded commercial development on the Longfield part of the site.
- The Pagoda building should be retained for commercial uses unless it is unoccupied and it can be demonstrated that there is no reasonable prospect of securing a new user.

### Leisure and tourism
- In order to promote the South Downs National Park as a tourist destination, and reflecting Fernhurst’s position as a gateway into the National Park, a building capable of being used as a tourist information and visitor centre will be welcomed. This building should seek to provide the opportunity to be shared as a facility addressing the wider needs of the community.
- The provision of a limited amount tourist accommodation (of an appropriate scale) and interpretive and educational facilities will be welcomed.
- The provision of allotments to serve the needs of the new resident population will be strongly supported.
- In order to enable access to the National Park by sustainable modes, provision will be made for bicycle hire or equivalent services.
- Provision must be made for appropriate access to the surrounding countryside. This must include the provision of access to existing footpaths and bridleways.
- An assessment of the leisure infrastructure needs of the community that can reasonably be accommodated on the site must be undertaken to inform any proposed scheme. This must involve a clear process of consultation with the Fernhurst community at that time and any scheme must demonstrate how it has sought to best address these needs.

### Energy and utilities
- Any development must seek to maximise its energy generation from renewable sources.
### Transport
- As part of any application, a Sustainable Water Strategy must be provided.
- A Travel Plan must be provided that demonstrates how journeys by car are to be minimised.
- Any development must seek, where possible, to provide improved access to Fernhurst village by non-car modes, principally walking and cycling.

### Design
- In order to ensure that any scheme demonstrates a high quality of design that respects the surrounding environment, all relevant matters will be addressed either through a design brief to be agreed with South Downs National Park Authority or through the production of a Supplementary Planning Document (SPD) covering design matters.
- Any design brief or SPD on design should ensure that certain principles are observed, namely that development must recognise the local cultural heritage, including the green villages of the Western Weald, and must be reflective generally of its natural setting in an area of high landscape value.

### Landscape
- Any development must demonstrate how it has been informed by the South Downs Integrated Landscape Character Assessment and the West Sussex County Council Land Management Guidelines, as well as any other published guidance of relevance.
- A landscape and visual character assessment of the site should be undertaken. This will need to take into consideration the impact that any development may have upon ‘covenanted’ views from Blackdown Hill.
- Built development should be restricted to the areas that were previously developed, with the existing areas of trees retained.

### Biodiversity
- Any development must provide a net gain in biodiversity and natural habitats. For individual biodiversity assets, any adverse environmental impacts must be appropriately mitigated.
- In order to ensure that ground conditions are suitable for development, any applicant must have carried out a contaminated land site investigation and risk assessment, prior to the submission of any application. Development will only be granted permission once any required mitigation measures have been agreed with the local planning authority.
- An assessment of the biodiversity of the site and its ecological importance must be integral to any development proposals. Relationships with the surrounding and adjoining natural environment will need careful consideration in order not to result in conflicts. Wildlife corridors and areas will be required within and across the site.
- An ecological approach to open green space will be required which enhances existing features and provides and creates corridors/green links between and around the development and the National Park. Development must include the creation of high quality habitats, particularly Biodiversity Action Plan (BAP) habitats, referring to the adjoining Cooksbridge Meadow Local Nature Reserve and to Snapes Copse and Verdley Wood Biodiversity Opportunity Area, with the addition of buffer areas adjacent to existing woods.