TONBRIGE & MALLING BOROUGH COUNCIL

ADVICE IN RESPECT OF THE PROPOSED ENABLING DEVELOPMENT AT YALDHAM MANOR, KEMSING ROAD, KEMSING

1.0 Introduction

1. 1 BPS Chartered Surveyors has been instructed to advise the Council on the need for and financial justification of the proposed enabling development to support the refurbishment of the Grade II listed Yaldham Manor and surrounding existing buildings. The site is located within the Green Belt. This assessment updates and supersedes our earlier assessments, and reflects the changes to the proposed form of the development.

1. 2 The existing site consists of the following buildings:

1. The Lodge – small detached residential property
2. Chicken Sheds (semi derelict)
3. Barns and Stables (semi derelict)
4. A woodmans Cottage
5. Yaldham Manor
6. The Posset – a small residential building adjacent to the Manor and St.Martyn's Cottage
7. St. Martyn's Cottage (The Granary)
8. A former Oast House (derelict)
9. Rosemary cottage, which has an extension to it already approved
10. The long barn (semi derelict)
11. A separate residential property within the grounds of the Manor, but not directly related to the rest of the estate known as Trift

1. 3 All the buildings other than Trift have to be considered as grade II listed as they are within the curtiledge of the primary listed building which is the Manor.

1. 4 The applicant is now proposing a scheme which consists of the following development:

1. Conversion of the existing Manor House, Posset and St.Martyn's Cottage into a detached Manor with a separate entrance and its own grounds, including a separate garage converted from the former woodman's cottage and a detached three bedroom house in the location of St.Martyn's Cottage known as The Granary.
2. Conversion of the derelict Oast House into a 4 bedroom detached house.

3. Conversion of the existing Lodge to provide an extended 4 bedroom, 3 bathroom detached house.
4. Conversion and extension of the Long Barn to provide a large 3 bedroom single storey dwelling
5. Replacement and expansion of the Chicken sheds to provide a new 4 bedroom dwelling known as Woodmans Cottage
6. Demolition of the existing Rosemary Cottage and provision of a larger new dwelling 5 bedroom (Penstock) in place of it and its approved extension
7. Demolition of Trift and replacement with a larger 5 bedroom residential dwelling
8. Demolition of the existing north barns and stabling and replacement with three new 4 bedroom dwellings.

1. 5 In summary, the proposed development consists of the refurbishment and retention of the core Manor Building, separation and refurbishment of the adjacent Granary, refurbishment of the Oast House, expansion and refurbishment of two other existing properties – Long Barn and The Lodge and the provision of some 8 new or replacement dwellings.

1. 6 This report assesses the financial viability of undertaking the works to protect the listed building, and explores whether it is possible for the proposed amount of development to be reduced whilst still retaining the benefits to the future protection of the Manor and associated retained historic structures.

1. 7 The report is based on the information provided, our own research into the local market and an inspection of the site. The information provided includes the following:

- Detailed Development Appraisal and cash flow for Enabling Development Analysis dated 20/9/09, provided by Savills
- Detailed Development Appraisal and cash flow for Conservation Deficit Analysis dated 20/9/09 provided by Savills
- Land price sensitivity analysis dated 20/09/09 provided by Savills
- Enabling Development Analysis final report dated September 2009 provided by Savills
- Revised layout plan and revised drawings for the proposed development
- Yaldham Manor Enabling Development Statement dated 21/09/09
- Detailed cost plan provided by Artesian Developments dated 21/09/09

2.0 Location

2. 1 The site is located on the south side of Kemsing Road, west of the village of Wrotham and is bounded to the south by the landscaping adjacent to the M26 motorway, which lies approximately a kilometre away. The site extends to some 4.2 hectares (approximately 10.3 acres) and is partially set out as formal gardens and a landscaped tree lined drive leading to the main Manor House.

3.0 Policy background

3. 1 The site includes the Grade II listed Manor House, outbuildings and gardens, which are on the Historic Parks and Gardens Register. The site is located in the Green Belt and would not normally therefore be considered appropriate for new development.

3. 2 Of particular relevance to this assessment is the National Planning Policy Guidance Note 15 which deals with planning and the historic environment and in particular the English Heritage Policy Statement and Practical Guide to the Assessment of enabling development and the conservation of Heritage assets. This states a clear presumption against “enabling development” unless clear benefits outweigh any disbenefits. The document goes on further to suggest, inter alia, that the presumption against such development should stand unless:

- The enabling development will secure the long term future of the heritage asset and its continued use for a sympathetic purpose
- The problem arises from the inherent needs of the Heritage asset, rather than the circumstances of the present owner or the purchase price paid
- Sufficient financial assistance is not available from any other source
- It demonstrates that the amount of enabling development is the minimum necessary to secure the future of the Heritage asset, and that its form minimises disbenefits

3. 3 The detailed guidance considers in particular the circumstances where the proposal for works to a listed building and for associated enabling works are made by a commercial developer, rather than an individual owner occupier. It is these requirements in particular, as well as the general principles, which are considered in this analysis of the financial viability of these proposals.

4.0 Financial assessment

Assumed values

4.1 The Financial assessment at this stage is based on the information provided, which first needs to be considered for completeness and accuracy:

4.2 The financial information provided to enable an independent assessment of the need for the proposed enabling development consists of the following:

1. An outline financial appraisal indicating the profitability of the overall development.

4.3 This includes assumptions as to the sale value of the completed development, which are not supported by any evidence. The only comparable figures available are the assumed sale prices per square foot, which range from 266 per sq ft to 353 per sq ft, reflecting the range of unit sizes and types across the proposed development, and the estimated gross sales prices that are anticipated to be achieved for each unit. These are set out in the table below:

Unit	Type	ID	Areas sq ft	Receps	Beds	Baths	Cloaks	Garage	Other	Asking price	£/sq ft
1	Extended	New Lodge	1970	2	4	3	1	No	Detached	£ 575,000	292
2	New Build Dwelling	F	2949	3+	4	3	1	Double	Detached	£ 995,000	337
3	New Build Dwelling	E	2669	4	4	3	1	Double	Detached	£ 900,000	337
4	Replacement and Extn	Woodmans	3197	3+	4	4	1	Double	Detached	£ 1,050,000	328
5	New Build Dwelling	C	3068	3+	4	4	1	Double	Linked	£ 835,000	272
6	New Build Dwelling	B	2164	3	4	3	1	Double	Linked	£ 665,000	307
7	New Build Dwelling	A	2239	4	4	3	1	Double	Detached	£ 640,000	286
8	Conversion of existing	The Granary	1523	2+	3	1	1	no	Detached	£ 475,000	312
9	Conversion	Oast	2324	2	4	3	1	No	Detached	£ 800,000	344
10	New Build Dwelling	Penstock	4100	4+	5	5	1	Double	Detached with Basement	£ 1,200,000	293
11	Conversion	Long Barn	2809	3	3	2	1	Double	Detached	£ 895,000	319
12	New Build Dwelling	Trift	3399	4+	5	5	1	Double	Detached with basement	£ 1,200,000	353
13	refurbishment	The Manor	11075	9+	6	6	1	separate	Detached with separate access and grounds	£ 2,950,000	266
									Average		303

4.4 In assessing the assumed values for market consistency, it should be noted that the current property market continues to be severely affected by the impact of the credit squeeze on market activity and values. Values have fallen, and asking prices are increasingly subject to negotiation. There is also slightly less property on the market with which to compare than there has been in pre recession years, and it is likely that for the scheme to proceed there would need to be some return in market confidence, and an increase in transaction numbers. Current evidence of comparable properties on the market may well reflect forced sale circumstances, as most potential sellers would be unwilling to market in an environment of low prevailing values unless they have a specific need to do so.

	Comparables										
No	location	description	sq ft	receps	beds	baths	cloaks	garage	other	Asking	£/sq ft
1	Ightham	older property	2270	4	5	2	1	car port	Listed	£ 450,000	198
2	Sevenoaks	Modern	1963	3	4	2	1	double	Detached	£ 455,000	232
3	Kemsing	Detached	1790	3	4	2	1	double	Detached	£ 475,000	265
4	Kemsing	Requires modernising	1811	3	3	1	1	double	Detached	£ 490,000	271
5	Kemsing	Modern	1490	3	3	1	1	No	Detached	£ 520,000	349
6	Crouch	Oast	1350	2	3	2	1	No	Detached	£ 550,000	407
7	Crouch	Converted Stable	2664	5	3	3	1	double	Detached	£ 560,000	210
8	Kemsing	older property	1711	3	3	1	1	double	Detached	£ 580,000	339
9	Kemsing	Modern	1954	3	4	2	1	double	Detached	£ 600,000	307
10	Wrotham	older property	3779	4	5	4	1	Triple	Detached	£ 650,000	172
11	Wrotham	Part of listed manor	2996	3	5	2	1	No	Attached	£ 695,000	232
12	Igtham	Modern	2191	4+	5	2	1	double	Detached	£ 725,000	331
13	Wrotham	Oast	2140	3+	6	3	1	double	Detached	£ 795,000	371
14	Kemsing	Modern	3094	4+	6	4	1	double	Detached	£ 820,000	265
15	Kemsing	Modern	2482	4+	5	3	1	double	Detached	£ 850,000	342
16	Otford	Modern	3854	5++	5	3	1	car port	detached, with cinema and pool	£ 1,300,000	337
									Average		280

4.5 This demonstrates an average asking price per square foot of some £280, which is somewhat lower than most of the values assumed for the proposed Yaldham Manor development. In respect of the Manor itself, we have looked for properties of a more comparable size, as follows:

	Manor Comparables										
No	location	description	sq ft	receps	beds	baths	cloaks	garage	other	Asking	£/sq ft
1	Kemsing	Large house and 36 acres of grounds	5120	5	6	4	1	double with gym	Pool, Cinema	£ 3,000,000	586
2	Sevenoaks	Large house	6133	6	6	6	1	double	Cinema	£ 2,850,000	465
3	Downe	18 C house	7097	5+	8	3	2	double	Stables & Wine store	£ 2,500,000	352
4	Cranbrook	Grade II Queen Anne House	7844	6+	8+	4	1	double	Additonal storage	£ 2,500,000	319
5	Sevenoaks	House	7322	4	5	5	1	double	Recreation suite and indoor pool	£ 2,500,000	341
6	Bearstead	Period house	10343	5	11	n/k	n/k	n/k	3 bed lodge house	£ 2,250,000	218
									Average		356

4.6 This shows generally higher values per square foot, but many of the properties found in a size bracket approaching the Manor have a range of additional facilities such as swimming pools and cinemas which will increase their attraction to the market. The most comparable in size is the period property in Bearstead, which shows a lower value per square foot than that assumed for Yaldham Manor. Taking into account the size of the manor, its relatively inefficient accommodation layout and its proximity to the motorway, we do not feel that the outturn value assumed is unambitious.

4.7 Overall, this indicates that the anticipated sales proceeds from the proposed development do not appear to be out of line with comparables in the surrounding area, but may if anything be a little on the ambitious side for the majority of the units, given the proximity to the motorway, and the fact that some of the higher value units do not include significant land holdings. Values may also be impacted upon by the relative proximity of the proposed dwellings within the overall scheme.

Purchase Price for Land

4.8 We are aware that the actual acquisition cost for the development opportunity was £4,500,000 including an option to acquire Trift for £500,000. The latest appraisals indicate a land acquisition cost of only £2,000,000, including the Trift option. This reflects the understanding between the parties that the developer may have overpaid for the site as a reaction to the then more competitive nature of the market and the better prevailing market conditions at the time of purchase. In considering whether the assumed land price is now reasonable, we have looked at evidence of other similar types of property on the market. It is difficult to come up with direct comparables, as properties of this type are necessarily unique, and the price paid will to some extent depend on the view of the purchaser as to the opportunity they represent at a single point in time. The comparables we have found are:

	Manor purchase price comparables		
No	**location**	**description & accommodation**	**Asking**
1	Edenbridge	Grade II listed 8 bed house with extensive outbuildings including Oast, swimming pool and 12 acres, appears slightly run down internally.	£ 1,850,000
2	Fawkham Longfield	Grade II listed 5 bed farm house with 3 bed Oast, tennis court, pool, stables, menage, 11 acres	£ 1,950,000
3	Bearsted, Maidstone	Grade II listed 8 bed country house, cottage and substantial outbuildings, pool, summer house paddocks extending to 6.16 acres.	£ 2,000,000
4	Otterden, Faversham	5 bedroom period country house with indoor pool, staff accommodation, and 5 holiday cottages set in 8 acres	£ 2,000,000
5	East Malling	Early victorian 7 bed house set in landscaped gardens with garden cottage, outbuildings, indoor pool, tennis courts orchard and paddock totallying 10 acres	£ 2,250,000
6	Wilsley Green	Grade II listed country house with extensive outbuildings including Oast House with garage, stables, store & billiard room, barn incorporating squash court, garaging stables, tennis court and paddocks and woodland totalling some 20 acres	£ 2,450,000

4.9 These indicate that the assumed £2,000,000 for the purchase of the Estate, including £500,000 known price for the Trift option, would not be an unreasonable assumption of market value, taking into account the proximity of the location to the motorway, and the condition of the estate as a whole at the time of purchase. If anything, the value assumed is slightly on the low side and therefore provides a marginally better picture of viability than could be argued by the applicant, thus minimising the need for enabling development.

Assumed Costs

4.10 The original cost information provided was independently assessed by Neil Powling, an appropriately qualified cost consultant. In summary, this concluded that a great deal of investigation and work had been undertaken by the developer in preparing the estimated costs provided, and that there is no evidence of over-estimating for the purposes of the financial appraisal. The cost information has been updated since our last report of 23rd March 2009, but remains largely the same for the units that have not had design changes, and is again based on a full breakdown of detailed unit costings for each of the new units, in line with the cost information previously provided. We have not therefore felt the need for further independent cost assessment as the basis on which the costs have been established has not been significantly altered. Apart from changes relating to redesigned elements of the scheme, additional costs have been identified for General and Enabling works, which has been queried [redacted], and the costs of ongoing maintenance works which have increased as a result of effluxion of time.

4.11 Generally the prices remain very keen, partly because of the method of procurement adopted – i.e. direct build with no provision for profit or overheads, and no allowance for contingencies on individual cost items. This suggests that the management structures that would usually be part of contractors preliminaries are intended to be provided direct by the Developer. The prices appear to reflect the QS/ Developers current knowledge of the market. In general we consider the risk to be on the developer's side, ie during the works additional costs may be incurred through unforeseen issues that arise. In our view it is unlikely that savings could realistically be made.

4.12 In applying the costs to the development appraisals, Savills have allowed for an overall contingency of some 2% of total costs. In our view this is very much on the side of caution, as we would expect at this stage to see a total allowance of 5% - 10% price and design contingency (which is dropped after production of detailed design and tender documentation); and 5% contingency which is retained to cover unexpected expenditure during implementation of the works.

4.13 We therefore have no reason to challenge the cost information provided, other than to raise a caution that, in reality, costs may prove to be higher than anticipated. In this financial area, current market conditions favour the developer, as the downturn in activity will provide a stronger negotiating position from which to contain costs, and may help minimise the impact of any additional unforeseen items of cost that arise during implementation.

5.0 Financial viability

5.1 We have analysed the financial information provided from a developer's point of view to establish the overall viability of the scheme as a development appraisal and to consider the Conservation Deficit that needs to be addressed by enabling development.

5.2 We have looked at a cascade approach, starting with the main heritage and existing buildings on site to be retained and improved, to identify the deficit that these generate, and the change in deficit for each area of the proposed development. This enables an assessment of the amount of enabling development required to address the deficit, and sensitivity analysis relating to the impact on profitability through the removal of one of the new units.

5.3 The cascade appraisal summary is provided at Appendix 1. Given that we are satisfied that the financial information provided appears reasonable, the key issue here is the profitability of each development scenario. The table below sets out the actual amount of profit allowed for in the appraisal, and the real outturn profit represented as a % age of total cost (i.e. the return on capital invested) for each stage of the cascade appraisal:

Appraisals	Cumulative elements of scheme	15% profit allowed	Outturn Value	Net profit	% profit on cost
1	Manor, oast, Granary, Lodge	£ 938,890	-£ 2,398,159	-£ 1,459,269	Nil
1+2	Trift, Penstock	£ 1,216,369	-£ 2,125,498	-£ 909,129	Nil
1+2+3	Long Barn, Woodmans	£ 1,377,199	-£ 1,413,529	-£ 36,330	Nil
1+2+3+4	New build A,B,C,E,F	£ 1,716,598	£ 19,413	£ 1,736,011	15.17%

5.4 This indicates that to generate a relatively conservative level of 15% profit on cost, all the enabling development is required. From a market perspective, the development would be considered marginal, as a developer would normally expect a profit of around 20% for a development of this nature in this current market, and would be looking for an initial appraisal to show at least the 20% - 25% mark as a hedge against the risks and uncertainties of addressing listed buildings, and continuing market uncertainty. A starting point of only 15% would represent a considerable risk and for a trader developer would be likely to be unfundable in current market conditions. The achievement of the profit will in any event rely to some extent on a change in market conditions having taken place by the time the finished units come to the market, to be sure of achieving the outturn values assumed.

5.5 It is therefore arguable from a developer's point of view that the scheme requires all the enabling development to proceed at all. We have tested this position by undertaking sensitivity analysis to assess the impact on profitability if one of the proposed new units of enabling development is excluded from the scheme, as follows:

Excluded unit	Profit allowed	outturn profit	True profit	% of total cost
F	£ 1,716,598	-£ 401,417	£1,315,181	12.0%
E	£ 1,641,707	-£ 373,438	£1,268,269	11.5%
C	£ 1,639,865	-£ 227,295	£1,412,570	12.9%
B	£ 1,662,189	-£ 228,452	£1,433,737	12.9%
A	£ 1,660,484	-£ 190,376	£1,470,108	13.3%

5. 6 This demonstrates that the scheme cannot currently demonstrate a reasonable level of developer's profit if any one of the new units proposed is excluded. The only other area of potential consideration is that of Trift. The Trift unit is outside the curtiledge of the listed building and is the sbject of a separate option agreement for purchase at a figure of £500,000. Arguably, this is therefore a separate development and should not be considered as part of the enabling scheme. When assessed in isolation, Trift appears to contribute only 6% profit on cost. Whilst making money, albeit at an insufficient level of return in isolation, if a profit level of 15% is required from the entire scheme, then an under-performing part of the development such as this is detracting from the overall ability for the scheme to generate the required return. The remainder of the development is therefore subsidising the achievement of an appropriate profit level on Trift.

5. 7 To reflect the impact of Trift, we have excluded it from the appraisal to assess the overall impact on scheme profitability and the sensitivity analysis. Without Trift, the picture is as follows:

Sensitivity analysis excluding Trift				
Excluded unit	Profit allowed	outturn profit	True profit	% of total cost
None	£ 1,551,430	£ 85,704	£1,637,134	15.8%
F	£ 1,478,338	-£ 348,927	£1,129,411	11.5%
E	£ 1,485,280	-£ 307,147	£1,178,133	11.9%
C	£ 1,474,696	-£ 161,004	£1,313,692	13.4%
B	£ 1,497,021	-£ 162,161	£1,334,860	13.4%
A	£ 1,495,315	-£ 124,085	£1,371,230	13.8%

5. 8 The overall percentage profitability from the scheme excluding the Trift option is marginally higher at 15.8%, but remains below the level the market would be comfortable with. The sensitivity analysis also reveals that profitability falls below even the low level of acceptability for the developer of 15% if any one of the new enabling units is excluded from the scheme. This reinforces the contention that the scheme includes the minimum level of enabling development required to proceed.

5. 9 It should also be noted that, whilst the profit in percentage of cost terms increases with the exclusion of Trift, the overall amount of profit in money terms has gone down. It can therefore be argued that the inclusion of Trift, a new build and therefore lower risk part of the development than the heritage element actually contributes financially to the overall deliverability of the scheme.

6.0 Consideration against English Heritage Criteria

6.1 In considering the proposal against the relevant criteria set out in the guidance document the following assessment can be made:

§ ***The enabling development will secure the long term future of the heritage asset and its continued use for a sympathetic purpose***

6. 2 Without a profitable scheme the development may not proceed at all. The future of the listed building would rely on a sale to a third party who would be prepared to take on the liability. In current market conditions, such a disposal would be likely to take place only at a considerable loss to the current owner, and in any event could take a considerable time to achieve at all. During this time, the existing heritage asset could continue to deteriorate. If the proposed development is implemented, the Manor and associated buildings will be retained in use and occupation, with the Manor itself continuing its historic purpose as a dwelling house of substance.

- ***The problem arises from the inherent needs of the Heritage asset, rather than the circumstances of the present owner or the purchase price paid***

6.3 The English Heritage guidance on enabling development specifically considers the circumstances of acquisition by a developer such as the applicant, at section 5.12. This states that :

"*It is naturally right and proper that a developer be allowed a fair and reasonable return on his investment, to reflect the risk involved in the development project*"

The Guidance goes on to indicate that a developer will usually look for an overall return of around 15%-20%, whilst a builder may only look for 10% as the builder's profit would be included in the construction costs. Here no allowance has been made for construction profit, and the developer is likely at best only to receive a profit of around the minimum guide of 15%. In the current market, with a high risk of slow disposals and increased carrying costs, it is our view that a prudent developer would seek an initial indicative return of 20-25%, and would also include a higher cost contingency than has been allowed in the appraisals provided. It is therefore arguable that it is reasonable for the developer owner to require all the proposed enabling development to protect what is, at best, a poor return on risk and investment.

6.4 The indicative schedule of works provides a more detailed assessment of the inherent needs of the heritage asset, and the viability assessment indicates that even if only the core assets were to be protected there remains a significant deficit to be addressed. A development of the core buildings in isolation would therefore be unlikely to proceed.

6.5 In terms of the price paid for the opportunity, we are aware that the actual price was £4,500,000 including the option for Trift and that, for the purposes of demonstrating the need for enabling development, the appraisals provided by the applicants agent have reduced this by £2,500,000 to reflect a more reasonable assessment of market value. The limited evidence of similar properties in the market suggests that this is more realistic and if anything a slight underestimate, particularly as the figure of £2,000,000 includes £500,000 in respect of the option for Trift.

- ***Sufficient financial assistance is not available from any other source***

6.6 There is no suggestion that any external funding would be available for the works required to the listed building, however this does not mean that the developer/owner does not have the funds to cover the costs involved. According to the company's web site, it is an investment and development company with a significant portfolio of property. This developer owner is therefore in a stronger position to implement the scheme at the reduced levels of return indicated for the proposed developer than an alternative trader developer, who would be more likely to have to rely on sourcing external funding. Securing such funding would be very difficult in the current market and based on the marginality of the development proposals.

- ***It demonstrates that the amount of enabling development is the minimum necessary to secure the future of the Heritage asset, and that its form minimises disbenefits***

6.7 From a financial point of view it is clear that when assessed against a range of scenarios the amount of development proposed is the minimum necessary to enable the scheme to proceed as, even with all the indicated enabling development, the scheme does not reach a level of profit that a developer would normally expect or require to secure external funding. Any lesser amount of development reduces the estimated profitability of the development to a level below that which it would be reasonable for a developer to be expected to proceed with the project.

6.8 We are not qualified to comment on the suitability of the form of the development, which is being considered separately elsewhere.

7.0 Conclusions

7.1 **The financial information provided in support of the proposal is adequate to enable a full validation to be carried out, and the full financial picture to be assessed.**

7.2 **The figures provided appear in our opinion to demonstrate a reasonable reflection of the financial viability of the project. If anything, there is a concern that given the nature of the buildings, costs could rise, and that estimated outturn values may take longer to be delivered, which would further impact on viability and increase the risk of the scheme not proceeding.**

7.3 **In development terms the proposal therefore requires all the enabling development suggested to be considered financially deliverable from a development point of view. There is a risk that without consent, or with a different type of developer/investor in**

ownership, no works will take place at all in the current market and the core buildings would be at risk of further deterioration

Valerie Conway **20/10/09**
Partner BPS Chartered Surveyors

Appendix 1 – cascade appraisal of deficit and impact of enabling development on profitability:

Heritage Assets	Building	Costs	
Construction	Manor	£	1,800,000
	Oast	£	455,000
	Granary	£	285,000
	Lodge	£	280,000
External costs		£	630,000
Contingency2%		£	56,400
Total construction		**£**	**3,506,400**
Fees 12%		£	420,768
Marketing		£	30,000
Sale fees agent 2%		£	96,000
Sale fee legal 0.5%		£	24,000
Holding costs to date		£	350,000
Finance (estimate)		£	224,601
Land		**£**	**1,500,000**
Stamp 4%		£	60,000
Legal 0.5%		£	22,500
Planning		£	20,000
Survey		£	5,000
Total costs net of profit		**£**	**6,259,269**
Developers profit		**£**	**938,890**
Total costs		**£**	**7,198,159**
Sales Values	Manor	£	2,950,000
	Oast	£	800,000
	Granary	£	475,000
	Lodge	£	575,000
Total sales		**£**	**4,800,000**
Deficit/Profit on Heritage Assets		**-£**	**2,398,159**

LOSS OF £2,398,159

Policy compliant?	Trift	£	475,860
Construction	Penstock	£	574,000
Contingency 2%		£	20,997
Total construction		**£**	**1,070,857**
Fees 12%		£	128,503
Marketing		£	33,000
Sale fees agent 2%		£	48,000
Sale fee legal 0.5%		£	12,000
Finance (estimate)		£	30,000
Land		**£**	**500,000**
Stamp 4%		£	20,000
Agent 1%		£	5,000
Legal 0.5%		£	2,500
Total Costs		**£**	**8,109,129**
Developers profit		**£**	**1,216,369**
Total costs		**£**	**9,325,498**
Sales Values	Trift	£	1,200,000
	Penstock	£	1,200,000
Total sales		**£**	**2,400,000**
Plus heritage sales		**£**	**4,800,000**
Total sales H + C		**£**	**7,200,000**
Deficit /Profit on heritage & Policy compliant		**-£**	**2,125,498**

LOSS REDUCED TO £2,125,498 (LITTLE IMPACT ON LOSS DUE TO INCLUSION OF COST OF TRIFT OPTION LAND COSTS)

Conversion	Long Barn	£	393,260
Construction	Woodmans	£	447,580
Contingency 2%		£	16,817
Total construction		**£**	**857,657**
Fees 12%		£	102,919
Marketing		£	33,000
Sale fees agent 2%		£	38,900
Sale fee legal 0.5%		£	9,725
Finance (estimate)		£	30,000
Total Costs		**£**	**9,181,330**
Developers profit		**£**	**1,377,199**
Total costs		**£**	**10,558,529**
Sales Values	Long Barn	£	895,000
	Woodmans	£	1,050,000
Total sales		**£**	**1,945,000**
Plus H + C		**£**	**7,200,000**
Total overall sales		**£**	**9,145,000**
Deficit/Profit on Heritage Compliant & Conversion		**-£**	**1,413,529**

LOSS REDUCED TO £1,413,529

Non compliant/	New A	£	313,460
New enabling	New B	£	302,960
Construction	New C	£	429,520
	New E	£	373,660
	New F	£	412,860
Contingency 2%		£	20,919
Total construction		**£**	**1,853,379**
Fees 12%		£	222,405
Marketing		£	54,000
Sale fees agent 2%		£	80,700
Sale fee legal 0.5%		£	20,175
Finance (estimate)		£	32,000
Total Costs		**£**	**11,443,989**
Developers profit		**£**	**1,716,598**
Total costs		**£**	**13,160,587**
Sales Values	New A	£	640,000
	New B	£	665,000
	New C	£	835,000
	New E	£	900,000
	New F	£	995,000
Total sales		**£**	**4,035,000**
Plus H & C & Conv		**£**	**9,145,000**
Total Plus H & C & Conv		**£**	**13,180,000**
Dev profit		**£**	**19,413**
Total developers profit		**£**	**1,736,011**

SCHEME BREAKS EVEN AND PROVIDES DEVELOPER'S PROFIT OF 15.17% OF TOTAL COSTS – MARGINAL.