

**PHILIP J PRATT BSc MRICS
RICS REGISTERED VALUER**

**UPDATE STATEMENT
ON
DELIVERABILITY**

For Hearing in respect of re-determined Appeal:

APPEAL SITE:	Land at North Road West and Grovefield Way (Corinthian Park), Cheltenham
APPELLANT:	Hinton Properties (Grovefield Way) Limited
APPEAL REF:	APP/B1605/W/18/3200395
PLANNING REF:	16/02208/FUL

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1.0 INSTRUCTIONS

- 1.1. My name is Philip John Pratt and I am a Partner at Alder King. I am instructed to present evidence at the Hearing by Hinton Properties (Grovefield Way) Limited (hereafter referred to as the 'Appellant'). This evidence relates to the refusal of Appeal A and the removal of Condition 24 (phasing provisions) as imposed on Appeal B.

Application 16/02208/FUL 'APPEAL A'

2016 scheme: Hybrid application seeking detailed planning permission for a 5,034 m² of commercial office space (Use Class B1), 502 m² day nursery (Use Class D1), 1,742 m² supermarket food retail unit (Class A1), a 204 m² coffee shop retail unit and drive-thru (Use Classes A1 and A3), with associated parking, landscaping and infrastructure works. Outline planning permission sought for the erection of 8,034 m² of commercial office space (Use Class B1), together with associated car parking, landscaping and infrastructure works, with all matters reserved (except access).

Application 18/01004/FUL 'APPEAL B'

2018 scheme: Hybrid application seeking detailed planning permission for 5,914 m² of commercial office space (Use Class B1), 502 m² day nursery (Use Class D1) and 1,742 m² food retail unit (Use Class A1), with associated parking, landscaping and infrastructure works. Outline planning permission sought for the erection of 8,034 m² of commercial office space (Use Class B1), together with associated car parking, landscaping and infrastructure works, with all matters reserved - except access (resubmission).

A number of conditions relate to the allowed Appeal B. This includes Condition 24, which states:

"The A1 retail unit shall not be occupied until B1 office units labelled 'office 1', 'office 2' and 'office 5' have been constructed and are capable of occupation".

In effect Condition 24 of the allowed Appeal B requires the developer/Appellant to have all three office buildings contracted to a minimum of 3 no. office occupiers (freehold or leasehold), who could utilise the permitted office buildings as designed. Alternatively, the developer/Appellant would have to raise substantial debt funding for the speculative construction of all three buildings prior to the A1 use becoming operational. Both scenarios are unreasonable and unrealistic in terms of market expectations having regard to current market conditions. They both place too high a financial burden on the Appellant.

- 1.2. My evidence addresses today's office occupiers' requirements for new generation business parks to deliver high quality and flexible office space within a landscaped environment and to provide the full range of on-site ancillary uses including a Costa Coffee type facility for employees and clients. It is my firm opinion that the provision of a full range of upfront on-site facilities at Corinthian Park will create the destination and assist greatly with the delivery of Grade A office space within Cheltenham (the target market is small to medium sized local and regional companies - initial phase designs allow for 372.6 m² – 2,311.5 m² - potential to adapt designs on a pre-let/pre-sale basis).
- 1.3. This evidence is true and correct and has been prepared in accordance with the relevant guidance. I confirm that the opinions expressed are my genuinely held professional view, irrespective of by whom I am instructed.

2.0 QUALIFICATIONS AND EXPERIENCE

As referred to in my original Proof of Evidence dated 7th December 2018. I do not repeat it here. A copy of my Proof of Evidence is attached at Appendix 1.

3.0 PLANNING

The description of the Site, the development proposals and the relevant planning history is addressed in the Statement of Common Ground and Hearing Statement of James Griffin. I do not repeat it here.

4.0 CHELTENHAM BUSINESS SPACE

- 4.1. My original Proof of Evidence confirms that Cheltenham does not have the benefit of an accessible or purpose designed prime/high quality gateway business/office park. The situation has not changed since the original Planning Inquiry held in January 2019. Accordingly, local and regional companies seeking a dedicated office/business centre with appropriate on-site complimentary uses will not be found within the Cheltenham Borough administrative boundary. In addition, there have been no new significant B1 office consents subsequent to the Appeals. The opportunities within Cheltenham are therefore extremely limited in the short term (reducing supply of available existing offices – particularly modern open plan space).
- 4.2. In my experience, modern business parks with a full package of on-site facilities, such as the prime business park at Gloucester Business Park, are much more attractive to the commercial office market. As noted by the Inspector in allowing Appeal B, such facilities, whilst also employment generating, greatly improve the environment for office users and provide important on-site ancillary facilities. I believe that existing motorway located business parks will continue to secure the main local and regional office occupiers, which could have been located in Cheltenham, due to the ancillary facilities offered. It is therefore my firm opinion that Cheltenham will continue to have difficulty retaining existing office occupiers and attracting local and regional office occupiers unless Corinthian Park fills the current gap.
- 4.3. It is also apparent (see Section 5 - Business Park - Amenities) that occupiers expect new generation business parks to not only have accessible/prominent locations with high quality accommodation, but also to have attractive on-site facilities from the date of occupation to cater for staff and visitors (food and beverage together with informal break-out/meetings). The provision of such facilities has undoubtedly improved the market attractiveness of Gloucester Business Park, which is now the best performing business park location in the county.

- 4.4. As detailed in my original Proof of Evidence, the Local Enterprise Partnership (LEP) have also provided support for the provision of complimentary and ancillary uses. It highlights the need for the Council to take a *“more practical and flexible approach to the development of new business parks to provide complimentary and ancillary uses on site..”*. This is because the facilities *“maintains the attractiveness of the park for end users and improves the viability and delivery of the B class employment”*.
- 4.5. The importance of ancillary facilities was also highlighted by the recent Appeal decision relating to Plot G Stonehouse Business Park, Sperry Way, Stonehouse for a Costa Coffee shop/drive thru (APP/C1625/W/18/3214940). The facility was considered important for employees on the Park for breakout and meetings. It was also envisaged that the vast majority of trade for this facility should originate from people associated with the employment area.
- 4.6. In my experience, business parks that are most popular with occupiers and perform at a higher level are those with the best range of on-site complimentary uses. It is now difficult to envisage a new larger scale business park being developed without a full range of complimentary ancillary facilities.
- 4.7. In order to deliver a modern and successful business park environment for Cheltenham it is important that a full range of on-site complimentary uses, as desired by the market, is provided at Corinthian Park for the immediate use of occupiers and to ensure the delivery of high quality business space, within the shortest period.

5.0 BUSINESS PARKS – AMENITIES

- 5.1. A schedule of South West Business Park amenities is detailed within the original Proof of Evidence.
- 5.2. In addition attached at Appendix 2 is a more comprehensive schedule confirming business parks amenities across a wider geographical area.
- 5.3. It is clear from the schedules that ancillary on-site facilities, including coffee shop/drive thru for break out and internal/client meetings, are a key component of a successful business park/creating an office destination location. The importance of these facilities can also be seen on older Business Parks where developers try to add facilities to avoid losing market advantage to new generation business parks.
- 5.4. It is also important to note that in most of the examples, coffee facilities are provided and these are located close to the main entrance of the business parks.

6.0 DELIVERY & MARKETING

6.1. Corinthian Park has been subject to the following marketing:-

Between 2015-2018

- Direct discussions with local, regional and national agents who represented active requirements. Hinton Group instructed Colliers International to advise from the outset and appointed John Ryde Commercial (Cheltenham) to report interest and to provide regular updates on any requirements.
- Direct approaches to local companies including UCAS and Crowe Clark Whitehill. Additional direct discussions took place with known active requirements. All interested parties were provided with site plans, supporting information/drawings and where appropriate bespoke in-house presentation/brochures.
- Detailed negotiations also took place with Bloor Homes and Ridge with provisional Heads of Terms agreed prior to the Appeals. Although these companies were prepared to wait for the outcome of the Appeals, the phasing restriction (Condition 24) has added too much delay in respect of the delivery of a fundable pre-let/pre-sale scheme. A further consideration was the provision of the on-site ancillary facilities which, based on Condition 24, cannot be occupied (constructed) until Office 1, Office 2 and Office 5 are built and capable of occupation. There is also no guarantee that the ancillary users would be prepared to wait for the pre-letting/pre-sales of the office buildings.

Post Appeal/Planning Approval – February 2019

Subsequent to permission being granted pursuant Appeal B, a full marketing campaign has been conducted and is live, with the following taking place:-

- Hinton Group have engaged two national agencies, Colliers International and CBRE to market the space on a joint sole agency basis.
- Branding agency created corporate image, which has been adopted for the marketing of the development.

- There is now a website (www.corinthianpark.co.uk), a suite of marketing brochures and large agency boards prominently erected at the entrance to the site.

A copy of the marketing brochure and photographs of the entrance marketing boards is attached at Appendix 3.

The new marketing campaign, following the Appeal B decision, has generated interest from active requirements. However, it has not been possible to secure tenants or owner-occupiers (pre-let/pre-sale) with these parties seeking clarity on the delivery of the scheme including the ancillary uses and the built environment. The ancillary facilities are an important consideration for staff recruitment and retention with employees having easy access without having to leave the park/travel by car, most likely into central Cheltenham. The current market requires that ancillary facilities are available and operational prior to occupation of any office occupiers. Any delay delivering the on-site ancillary facilities will cause concern for high quality office occupiers and the absence will delay any commitment, especially with the likely disruption/poor image during the construction phase of the ancillary/complimentary facilities.

Office occupier/the market's requirement for ancillary on-site facilities are confirmed in letters from BNP Paribas, Savills, Avison Young, Cushman Wakefield, CBRE and Colliers International. The letters are enclosed at Appendix 4. It is clear that if Corinthian Park does not have immediately operational on-site facilities, it weakens its position against other areas and its attractiveness to the market/existing requirements.

- 6.2. The 'Gateway' Business Park will only be developed if it is commercially/financially viable providing an adequate return based on capital values/rents and yields, incentives, construction costs, etc.
- 6.3. It is clear from a market where there is no speculative larger scale office development across the region (outside the largest commercial centres such as Bristol) it is not possible to fund significant speculative development without a high level of in-house funds. As noted in the Franck-Steier Price (FSP) report there is adverse risk of debt levels before any form of income stream is provided and this is simply unacceptable to institutional investors. Based on my experience of the local market the appraisal prepared by FSP is based on realistic assumptions in terms of rent, yield, construction

costs etc. This report gives context to the real world situation relating to speculative offices i.e. the appraisal confirms a loss of circa £607,385 and opposed a more acceptable level of profit of a pre-let/pre-sale basis. Also from a funders perspective the risks are greater having to make assumptions on the type/quality of tenant and length of lease, both of which could adversely affect the investment value. In order to fund a Grade A office scheme in Cheltenham, it will require contracted 10/15 year terms (most likely 15 years) without break provisions. This is extremely difficult to achieve presently.

- 6.4. As noted above, the delivery of the permitted development providing Grade A office space will continue to be delayed by Condition 24 by having to secure 3 no. office occupiers (approximately 4,930 m²) in advance of delivering the important on-site ancillary facilities which is essential for occupiers and assists timely delivery of the development. There is no immediate prospect of securing 3 significant pre-lets/pre-sales for this amount of office space in the short term and therefore the delivery of Corinthian Park will be delayed until the scheme is fundable. However, the ancillary uses, which would be subject to pre-lets based on long-term leases, is fundable/attractive to the market place (no risk). This initial phase of complimentary ancillary uses can only provide impetus to the development of the offices by creating the destination. The removal of the requirement for the speculative offices in advance of the ancillary also allows the developer the flexibility to react to office market requirements (adapt designs/build to meet specific requirements rather than standard layouts/floor plates). This is evidenced at the County's prime business park, Gloucester Business Park, which secured the largest office deals to Horizon Nuclear Power (4,885.36 m²) and Ecclesiastical Insurance Group (6,038.65 m²). These buildings would not have been built on a speculative basis and any speculative built space would have been too prescriptive for these occupiers.
- 6.5. The issues affecting speculative development has also delayed Robert Hitchins' Hatherley Place development (3,041 m²). At the time of writing this requires a significant part of the space to be pre-let before construction.

- 6.6. As stated at 6.1 above, the funding difficulties/delays have led to Bloor Homes and Ridge 'walking away' from the development and leads me to conclude that offices at Corinthian Park will not be developed in the short term on a speculative basis and without the ancillary facilities. The office element has to be de-risked to achieve a funding solution.
- 6.7. The funding issues are confirmed in the Report prepared by FSP at Appendix 5.

7.0 SUMMARY

- 7.1. It is my firm opinion that based on current market conditions, Corinthian Park, Grovefield Way, will only deliver the required Grade A office space if a funding solution can be found and the development of facilities is allowed to proceed immediately.
- 7.2. At present, there is no realistic prospect of funding 3 no. Grade A office buildings on a speculative basis at the same time due to the risks highlighted earlier in the Report (the development can only progress with minimum of 3 significant office pre-lets/pre-sales). However the advanced delivery of the on-site ancillary facilities will create the necessary environment for today's office occupiers and encourage pre-let/pre-sale interest.
- 7.3. The outline permission granted in 2014 for 100% B1 floor space was not deliverable and the allowed Appeal in 2019 (Appeal B) will not progress in the short term because of Condition 24 which prevents early delivery of the ancillary facilities and requires the construction (and occupation) of 3 no. office units. This is because the risks and level of upfront costs associated with 3 no. speculative office buildings (No's 1, 2 & 5) are too great for funders due to the very high level of debt finance required (the fundable ancillary uses would assist with the timely delivery of the development). The issue of deliverability is set against the uncertainty with speculative development over the likely quality of tenant/tenants and lease terms (potential holding costs including interest charges, empty business rates and security while tenants or sales are secured). These risks are removed with pre-let/pre-sales with the rent/price reflecting the actual cost of delivery and provide an appropriate level of return for the developer. This route also offers occupiers the flexibility to adapt the designs/layouts to meet their specific requirements. The requirement for developers/funders to pre-let, even on prime sites, is highlighted by the County's largest office deals at Gloucester Business Park (no speculative offices are planned).
- 7.4. It is clear that the current phasing condition will lead to further delays on the long awaited 'Gateway' site and Cheltenham will continue to fail to attract high quality regional office requirements and potentially the loss of long established Cheltenham companies to other business parks. The removal of Condition 24 takes away a significant barrier to the quicker delivery of Grade A office space.

- 7.5. The overall scheme would further benefit from a full range complimentary ancillary uses, including a Costa Coffee style facility, which is now expected as standard on main business park locations to provide on-site food, beverage, informal break out and meeting space. The upfront provision of these facilities will help to create the destination/environment. However, the delayed provision/retro-development of these facilities, after office occupation, not only discourages potential commitment from office occupiers but would also create an unattractive construction environment weighing against early delivery. Importantly in the longer term, the provision of these facilities should sustain the Corinthian Park as a prime business location of the County.
- 7.6. Accordingly, for these reasons I am of the view that the Costa Coffee and removal of Condition 24 will significantly assist with the delivery of a B1 office development at the site.

8.0 DECLARATION

- 8.1. I confirm that my Update Statement has drawn attention to all material facts, which are relevant and have affected my professional opinion.
- 8.2. I confirm that I understand and have complied with my duty as an Expert Witness, which overrides any duty to those instructing or paying me, that I have given my evidence impartially and objectively, and that I will continue to comply with that duty as required.
- 8.3. I confirm I am not instructed under any conditional or other success based fee agreement.

Philip J Pratt BSc MRICS
Land at North Road West and Grovefield Way, Cheltenham – Corinthian Park

8.4. I confirm that my Update Statement complies with the requirements of the RICS – Royal Institution of Chartered Surveyors, as set down in the RICS Practice Statement *Surveyors acting as Expert Witnesses*.

Signature:

A handwritten signature in black ink, appearing to read 'Philip J Pratt'.

Date: 3 October 2019

Appendix 1 – Original Proof of Evidence

**PHILIP J PRATT BSc MRICS
RICS REGISTERED VALUER**

**PROOF OF EVIDENCE
ON VIABILITY**

For Public Inquiry:

APPEAL SITE:	Land at North Road West and Grovefield Way (Corinthian Park), Cheltenham
APPELLANT:	Hinton Properties (Grovefield Way) Limited
PINS REF:	APP/B1605/W/18/3200395
LPA REF:	16/02208/FUL & 18/01004/FUL

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APPENDICES:

Appendix 1 – Letter from Hawkins Watton

Appendix 2 – Letters from Colliers International & John Ryde Commercial

Appendix 3 – Appraisals

Appendix 4 – Statutory Declaration

1.0 INSTRUCTIONS

- 1.1. My name is Philip John Pratt and I am a Partner at Alder King. I am instructed to present evidence at the Inquiry by Hinton Properties (Grovefield Way) Limited (hereafter referred to as the 'Appellant'). This evidence at this Inquiry relates to two Appeals namely:-

Application 16/02208/FUL 'APPEAL A'

2016 scheme: Hybrid application seeking detailed planning permission for a 5,034 m² of commercial office space (Use Class B1), 502 m² day nursery (Use Class D1), 1,742 m² supermarket food retail unit (Class A1), a 204 m² coffee shop retail unit and drive-thru (Use Classes A1 and A3), with associated parking, landscaping and infrastructure works. Outline planning permission sought for the erection of 8,034 m² of commercial office space (Use Class B1), together with associated car parking, landscaping and infrastructure works, with all matters reserved (except access).

Application 18/01004/FUL 'APPEAL B'

2018 scheme: Hybrid application seeking detailed planning permission for 5,914 m² of commercial office space (Use Class B1), 502 m² day nursery (Use Class D1), 1,742 m² food retail unit (Use Class A1), with associate parking, landscaping and infrastructure works. Outline planning permission sought for the erection of 8,034 m² of commercial office space (Use Class B1), together with associated car parking, landscaping and infrastructure works, with all matters reserved - except access (resubmission).

- 1.2. My evidence addresses the requirement for business parks to provide a variety of on-site ancillary facilities together with the necessary amenities required by office users. My evidence considers the necessary cross sub-subsidy (enabling development/financial viability) to deliver much needed Grade A office space suitable for small to medium sized local and regional companies (465 – 4,645 m²/5,000 – 50,000 ft²).

- 1.3. The evidence which I have prepared and provided for the Inquiry (PINS Reference No. APP/B1605/W/18/3200395) is true and has been prepared in accordance with the relevant guidance. I confirm that the opinions expressed are my genuinely held professional view, irrespective of by whom I am instructed. In accordance with my profession's requirements as an Expert Witness a full statement of truth and declaration is provided in Section 9 of this Proof of Evidence.

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2.0 QUALIFICATIONS AND EXPERIENCE

- 2.1. I am a Member of the Royal Institute of Chartered Surveyors (MRICS) and the joint Lead Partner in the Gloucester office where I have been based since 1987. I have over 30 years' experience in private practice and am engaged in the commercial development land market and have had involvement in schemes such as Gloucester Docks, Waterwells Business Park, Gloucester Business Park, Tewkesbury Business Park and Stonehouse Park.
- 2.2. In addition Alder King is a leading independent property consultancy providing multi-disciplinary advice to private and public clients through our network of offices in Bristol, Cardiff, Exeter, Gloucester, Swindon, Taunton and Truro.
- 2.3. I regularly undertake viability appraisals and valuations for various purposes and on a variety of different property types.
- 2.4. I have been instructed by the Appellant to give evidence at this Inquiry to assess the commercial deliverability of providing a class B1 employment use at Grovefield Way in light of the wording of the emerging policy EN3 as set out in the pre-submission version of the Cheltenham Plan. This states:-

“Proposals for traditional B class employment uses for Sui Generis uses that exhibit the characteristics of traditional B class employment will be supported at these locations to being in accord with other relevant policies embodied in this Plan”.

3.0 PLANNING

The description of the Site, the development proposals and the relevant planning history is addressed in the Statement of Common Ground and planning proof of James Griffin. I do not repeat it here.

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4.0 CHELTENHAM BUSINESS SPACE

- 4.1. In order to deliver a modern business park environment it is important that employment policy is flexible and supports complimentary uses to ensure delivery of high quality business parks that are desired by the market.
- 4.2. It is clear from the “Review of Business Parks” prepared by Nathaniel Lichfield and Partners dated August 2011 (in support of the now adopted JCS), Cheltenham does not have the benefit of a purpose designed high quality gateway business/office park. The majority of the business park/commercial sites within the Cheltenham Borough Boundary are older style mixed B1 uses rather than providing a dedicated office centre (with complimentary uses). The report confirms prime sites “such as Gloucester Business Park and Waterwells Business Park achieve higher ‘market attractiveness’ scores due to better quality appearance and higher profiles than the more traditional sites. These sites and their respective units have good potential to meet future growth sectors identified in the GIES”. In addition based on the summary of the existing stock a high quality scheme at Grovefield Way would provide Cheltenham with its own high quality gateway site. It is apparent that at the current time Cheltenham cannot compete with the regional purpose designed motorway located business park facilities and could miss out on attracting medium sized office occupiers.
- 4.3. It is also apparent from my experience that office occupiers expect the new generation of business parks to not only be situated in an accessible location with high quality accommodation, but also to provide an attractive on-site environment with complimentary ancillary uses. In particular, this is highlighted with the level of activity at Arlington’s Gloucester Business Park (the County’s prime business park location situated adjacent to Junction 11A of the M5). There are also examples of older Business Parks having to be re-planned/rationalised to provide such facilities in order to maintain occupancy levels. In addition at Stonehouse Park (Junction 13 of the M5) there is a current planning appeal for a Costa coffee shop/drive thru to provide on-site facilities and to avoid the necessity for employees having to leave the site during office hours.

- 4.4. In my experience the business parks which are most popular with occupiers are those with the best range of complimentary uses. For example the absence of complimentary uses/amenity at Tewkesbury Business Park has held back/reduced the popularity of the office developments at Miller Court and The Courtyard. This is confirmed by the letter from Hawkins Watton regarding office developments at Tewkesbury Business Park. A copy is enclosed in Appendix 1. I am also aware from previous discussions with occupiers on these schemes that unless staff drive off-site lunchtime resources are limited to mobile providers.
- 4.5. It is now difficult to envisage any new larger scale business park being developed without such complimentary ancillary facilities.
- 4.6. In addition my experience confirms that the provision of on-site complimentary ancillary facilities will enhance rather than reduce the attractiveness of the primary office use (approx. 84.22% of the total developable spaces – 2017 refusal). These facilities together with a high standard landscaping will provide amenity for staff during 'break out' periods and reduce the need for employees to leave the Park during office hours. In my opinion the absence of on-site complimentary amenities would lead to a much longer development period and even if it became financially possible to undertake developments on the site (currently the scheme is not viable/deliverable) this would be on a piecemeal basis rather than providing a cohesive high quality environment.
- 4.7. The scheme proposals will therefore bring forward, in the context of the local market, a long awaited provision of Grade A office space which should assist in maintaining companies within Cheltenham Borough and compete with the main motorway located business parks for relocations. The reduced level of office space is still very substantial in the context of the local and regional markets.
- 4.8. In our opinion the extant permission for a 100% B1 scheme will be less attractive to the occupier market in terms of the environment/staff amenity. These occupiers are therefore likely to be drawn to the competing schemes across the region which offer the complimentary facilities which now form an integral part of the on-site business park offering.

- 4.9. The provision of these facilities should have a positive impact on discussions with prospective tenants as it is a consideration in terms of staff recruitment and retention. Staff generally expect easy access, without having to leave the business park/travel by car, to these facilities for break out, child care and lunchtime, top up and potentially weekly shopping.
- 4.10. In addition to the employment opportunities provided by the offices the complimentary ancillary uses will create long term local full and part time jobs. The identified users have confirmed minimum lease terms, without tenant options to break, of 15-25 years. It is likely the B1 office transactions, although offering high quality jobs, will incorporate a tenant option to break at the expiry of Year 10.
- 4.11. The importance of such facilities is further highlighted by first LEP support in their Pre-submission consultation requesting, “the Council take a more practical and flexible approach to the development of new business parks recognising it is common place for new business parks to provide complimentary and ancillary uses on site ... The addition of these ancillary facilities and uses maintains the attractiveness of the park for end users and improves the viability and delivery of the B class employment. Such uses are also recognised as providing a significantly higher number of jobs than the equivalent floor space or site area of B class uses as well as providing much needed amenity”.
- “It is considered that the Plan should make reference to ancillary uses being acceptable on employment parks provided they do not exceed 20% of the intended employment content”.
- 4.12. I have attached at Appendix 2 letters from Colliers International and John Ryde Commercial, which support my opinion regarding the necessity for complimentary users to create an office destination location.

5.0 SOUTH WEST BUSINESS PARKS – AMENITIES

- 5.1. In general on site amenities are now expected as standard on the main business parks of the South West and further afield. This is highlighted by the following schemes across the South West region:

Business Park Address	Ancillary Facilities
Gloucester Business Park, Gloucester (Junction 11A, M5)	Tesco Superstore Pub/restaurant with Premier Inn Hotel David Lloyd Club (Leisure) Whittle Retail Centre including Costa, Greggs and Domino Pizza.
Barnwood Fields, Barnwood, Gloucester	Sainsburys foodstore (full facility) Holiday Inn with Starbucks
Waterwells Business Park, Quedgeley, Gloucester (road link for additional facilities at Kingsway)	Holiday Inn Express Public house/restaurant Café
Kembrey Park, Swindon	Crèche Brewer's Fayre Public House Premier Inn Hotel Sandwich/Coffee Shop
Delta Office Park Swindon	Campanile Hotel KFC Drive-thru Children's Day Nursery Londis Convenience Store Tennis/Health Club.
Shrivenham Hundred Swindon	On-site Café 3 Retail Units Public House McDonalds Drive-thru Co-op Convenience Store within 300 metres.
Lydiard Fields Swindon (Junction 16, M4) (a new footpath links with the adjacent business park facility at Windmill Hill – share amenity facilities)	Costa drive-thru Londis Convenience Store Greggs Subway
Hawk Ridge Business Park Westbury	Drive-thru Convenience Store Three Retail Units To be built and located at the front of the site providing 35 acre mixed use business park – also adjacent to the 160 acre West Wilts Trading Estate.

Business Park Address	Ancillary Facilities
Aztec Centre (Junction 16, M5) Bradley Stoke/Almondsbury Bristol	2 Hotels Convenience Store Restaurant Starbucks
Weston Business Quarter (Junction 21 M5) Weston-Super-Mare	Public House/Hotel Convenience Store – Co-op. 4 Retail units.
Express Park (Junction 23 M5) Bridgwater	Brewers Fayre Public House/Restaurant Premier Inn Shell PFS with Budgens Convenience Store Nursery Gym
Bridgwater Gateway (Junction 24, M5)	Premier Inn Hotel (under construction) Public House opposite the Park Costa (under construction) 3 Retail units proposed.
Blackbrook Business Park (Junction 25, M5) Taunton (adjacent to DeanGate Services and Holiday Inn with gym/leisure)	Holiday Inn Express Pub/Restaurant Nursery/Crèche
West Park 26 (Junction 26, M5) Wellington	PFS with Convenience Store Costa drive-thru Public House Gym/Leisure Subway

- 5.2. In addition the provision of these facilities on new business parks is leading to some older generation business parks, which would now be master-planned with on-site amenities, looking to add these facilities or provide linkage to adjoining facilities.

6.0 DELIVERABILITY

- 6.1. The Royal Institution of Chartered Surveyors (RICS) published their Guidance Note titled “Financial Viability in Planning” 1st Edition (RICS Viability GN) in August 2012. The document has the status of a Guidance Note to set out best practice for practitioners involved in undertaking viability appraisal work.
- 6.2. The RICS Viability GN similarly highlights the importance of providing acceptable returns to both developer and landowner.
- 6.3. The ‘Gateway’ Business Park will only be developed if it is commercially/financially viable based on current capital values/rents and yields, market incentives, construction costs (currently rising at a faster rate than values), specific historic/abnormal costs and associated professional and agency fees.
- 6.4. It is clear from the initial financial viability testing that any speculative office element is not fundable based on standard market returns. However the proposed scheme with non-B1 complimentary ancillary uses will deliver a higher level of profit/return on cost (more acceptable level). In effect the provision of the non-B1 complimentary uses provides a cross subsidy to the offices (enabling development), which is the main part of the scheme. The surplus generated from the non-B1 complimentary activities will cover the upfront/historic infrastructure costs and contribute to the abnormal/additional development costs including high quality landscaping. It will also give traditional funders confidence to provide development finance for the offices. Indeed it reduces the perceived higher level of risk associated with 100% B1 use, especially as the absence of complimentary ancillary uses will in all probability weaken the position of the scheme in the market and put downward pressure on rents/tenants requiring above market level incentives. The original scheme for 100% B1 use has not been deliverable since the original 2014 planning approval and based on current market conditions will not be developed in the short term.

- 6.5. The inclusion of the complimentary ancillary uses will make the business park offering to potential office occupiers more attractive and create early momentum for the provision of a substantial amount of Grade A space. In the longer term these facilities should help to maintain the position of the business park in the market place. It is therefore imperative that employment policy is flexible enough to ensure that new employment sites coming forward are able to include other job creating complimentary uses to secure delivery of B class led developments.
- 6.6. The issue of delivering significant amounts of office space on a speculative basis is an issue across the region. Effectively there is only one major speculative development which is located in Bristol and where Royal London are delivering a scheme to be known as The Distillery at Glassfields (8,361 m²/90,000 ft²). All other major schemes appear reliant on significant pre-let and pre-sale agreements in order to reduce the risk of the upfront infrastructure costs relating to larger sites.

COPY

7.0 FINANCIAL DELIVERABILITY

- 7.1. I have had input into and reviewed the standard residual appraisals provided by the Appellant. The appraisals, which have regard to market evidence/industry standards, are based on the contracted land value, current capital values/rents and yields, appropriate market incentives, construction costs, upfront/historic infrastructure costs and appropriate professional and agency fees. The results of the appraisals are summarised below:-

Appraisal A – Extant scheme based on 100% B1 offices

GDV	Profit (on cost %)
£48,896,692	-£251,256 (-0.51%)

In addition I have also tested schemes pursuant to Permitted Development Rights ('permissible' schemes). These alternatives make the situation worse and are clearly unviable.

Appraisal B – Single office building – pre-sale to Bloor Homes only

GDV	Profit (on cost %)
£6,649,964	£215,421 (3.35%)

The above demonstrates that a single office building is not deliverable/fundable due to an unrealistically low level of return when compared to the market standard. There is no possibility of funding such a scheme even with a pre-commitment from a national company such as Bloor Homes.

Appraisal C – Appeal A Scheme with single office building and full ancillary uses (further B1 space to be provided)

GDV	Profit (on cost %)
£15,512,479	£2,065,751 (15.36%)

This scheme produces a more appropriate level of profit which will be used to bring forward the remainder of the B1 space.

Appraisal D – Appeal B Scheme with reduced ancillary uses - excluding Costa

GDV	Profit (on cost %)
£16,790,148	£1,898,439 (12.75%)

The reduced level of profit, due to the exclusion of Costa, reduces the amount of cross subsidy available for the remaining B1 development.

- 7.2. In the real world deliverability/viability of a 100% B1 scheme is clearly illustrated by the Appraisals A and B. The return is not at a commercially acceptable level and is therefore not fundable. In addition the likely level of take-up rate for B1 space will increase holding costs and have a further negative effect on the deliverability (insufficient return/reduce the level of return).

- 7.3. The costings adopted in the Appellant's appraisals have been verified by RPS. In addition it is generally accepted that in at least the short term values will not increase at the same rate as costs putting further pressure on the deliverability of scheme.
- 7.4. Copies of the Appraisals are attached at Appendix 3.

COPY

8.0 SUMMARY

- 8.1. In conclusion, I believe based on current market conditions, Corinthian Park will only provide the Grade A office space if the overall scheme includes the complimentary ancillary uses (enabling development - extant 100% B1 scheme not deliverable since the outline planning approval granted 2014). This is not only because the complimentary ancillary uses would provide the necessary cross-subsidy for the offices (enabling development – reduce the risks associated with a speculative office scheme), but such facilities are expected by local and regional occupiers as part of any new business park offering/amenity. The more complete business park package should ensure the developed offices are able to compete on a local and regional level for small to medium sized office occupiers. In addition, in the longer term, the provision of these facilities should sustain the Grovefield Way development as a prime business location and the initial phase, including Grade A offices, on-site ancillary facilities and a high standard of landscaping, provide the impetus/catalyst for pre-lets/pre-sales of the remainder of the office scheme (flexibility of approach in terms of pre-lets/pre-sales to achieve early activity whereas other schemes only offer leasehold packages).
- 8.2. In my opinion the hybrid proposals are most suited to current market conditions and are deliverable unlike the 2014 extant permission which effectively requires the pre-letting/pre-sale of 16,800 m² (180,835 ft²) of 100% B1 space. However, in my opinion such B1 space, due to the 'Gateway' location, should provide high quality design and specification offices rather than lower value B1, B2 or B8 uses covered under Permitted Development Rights. The latter uses would most likely detract from the prestige of the location and also provide a lower number of less skilled employment opportunities.
- 8.3. Moreover, it is clear that any iteration of the appeal site that does not include ancillary uses outside of B1, B2 and B8 uses would not be viable (indeed on a best case scenario a developer would still be developing the site without a market standard return/at a loss).

9.0 DECLARATION

- 9.1. I confirm that my Proof of Evidence has drawn attention to all material facts which are relevant and have affected my professional opinion.
- 9.2. I confirm that I understand and have complied with my duty as an Expert Witness which overrides any duty to those instructing or paying me, that I have given my evidence impartially and objectively, and that I will continue to comply with that duty as required.
- 9.3. I confirm I am not instructed under any conditional or other success based fee agreement.
- 9.4. I confirm that my Proof of Evidence complies with the requirements of the RICS – Royal Institution of Chartered Surveyors, as set down in the RICS Practice Statement *Surveyors acting as Expert Witnesses*.

Signature:



Date: 7 December 2018

Appendix 1 – Letter from Hawkins Watton

COPY

Our ref: JW/gd

Mr P Pratt
Alder King
Brunswick House
Gloucester Business Park
Gloucester GL3 4AA

27 November 2018

Dear Phil

GROVEFIELD WAY PLANNING APPLICATION

Further to our recent discussions I understand that you require some additional support for the planning application at Grovefield Way.

Accordingly I can confirm that as the most active office agent over the past 10 years in relation to the disposal of office space on the business parks situated on the M5 between Junctions 13 and 9, I can confirm that the lack of amenity has often been raised as a cause of concern from office occupiers.

The lack of easy access to amenities such as coffee shops, restaurants and convenience shops is a negative issue for companies in relation to staff retention and will affect their decision making when considering relocating, particularly from a city or town centre location to an out of town office park.

As an example Tewkesbury Business Park has suffered from the lack of such onsite amenities that has deterred companies from relocating, and conversely the business parks that can offer these amenities such as Gloucester Business Park at Junction 11A have attracted the most prestigious occupiers and continue to command the highest level of demand.

A developer who is able to provide amenity uses to compliment the business uses on a business park can expect to improve the occupier demand, and is likely to experience shorter vacant marketing periods.

I trust this provides sufficient supporting information for you at this stage and please let me know if I can be of any further assistance.



With kind regards,

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Hawkins'.

John Hawkins

COPY

Appendix 2 – Letters from Colliers International & John Ryde Commercial

COPY

12th Floor, Eleven Brindleyplace
2 Brunswick Square, Brindleyplace
Birmingham B1 2LP

www.colliers.com/uk

DDI +44 121 265 7616
MOBILE +44 7920 077100
MAIN +44 121 265 7500
EMAIL douglas.bonham@colliers.com



28 March 2017

Jon Hinton
Reims House,
8 The Croft,
Buntsford Drive,
Bromsgrove
B60 4JE

Dear Jon,

CORINTHIAN PARK, GROVEFIELD WAY, CHELTENHAM

Further to our discussion in respect of the proposed office accommodation at the above site, I confirm that the process typically undertaken to secure office occupiers off plan encompasses the following sequential stages: -

- Obtain an office use planning consent (ideally at least partially detailed rather than just outline)
- Secure 'named' complimentary users within the estate to provide companies with ancillary facilities and create a destination rather than a sterile business park.
- Demonstrate to potential occupiers the developer's credibility through track record, detailed development program, appointed contractor and secured funding.
- Undertake a comprehensive suite of marketing to target occupiers through boards, brochures, occupier mailing, website, PR, site launch etc.

The gestation period for office enquiries between opening discussions to delivering a completed property is typically far longer than other sectors including retail, industrial and roadside uses. This is due to office requirements often being based upon more subjective factors and/or of a bespoke element, whether they be fit-out or mechanical and electrical related. Accordingly, it is extremely rare that we have secured one 'named' occupier for the above park, given where we are in the aforementioned process.

Please let me know if the above requires any further elaboration.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Douglas Bonham", written over a light blue circular stamp.

Douglas Bonham MRICS
DIRECTOR





TS0461b17

28th March 2017

J Hinton Esq - Development Director
Hinton Group
Reims House
8 The Croft
Buntsford Drive
Bromsgrove B6 4JE

JOHN RYDE
COMMERCIAL



COMMERCIAL PROPERTY CONSULTANTS
Agency, Valuation & Management

14 ROYAL CRESCENT
CHELTENHAM
GL50 3DA

PHONE: (01242) 576276

e-mail: enquiries@johnryde.co.uk
www.johnryde.co.uk

Dear Mr Hinton

Proposed Development at Grovefield Way, Cheltenham

I refer to our previous discussions regarding the above site which adjoins the new Cotswold BMW/Mini development and for which you have submitted a planning application for a mixed commercial scheme to include an Aldi Supermarket, a day nursery and a drive-thru Costa Coffee outlet.

In addition, the planning application includes two office buildings, one of which we are discussing regarding a potential occupier.

The remainder of your planning application proposes an outline consent for office development without being specific on the design, layout and size of the buildings.

In my opinion, this is a sensible way of dealing with the overall planning for the site at the current time as in my experience, potential office occupiers either for small or larger amounts of space prefer to understand the nature of the development and nature of other occupiers before they are likely to commence discussions in earnest.

It makes sense for this element of the scheme to allocate the land for office development but for full detailed applications to be developed once the main scheme has been established in accordance with the detailed planning application.

It is very difficult to get office occupiers to engage in discussions before receipt of a planning permission as in our experience, most office occupiers, when they decide to move, will want to ensure a scheme is deliverable before committing resource to negotiations. Unlike retailers, most office occupiers do not have a dedicated property team searching for suitable sites – it tends to be directors or employees who are challenged with this task, which takes them away from their day to day role.

Furthermore, one of the considerations that office occupiers considering space on a business park have to make is the trade-off between more open plan space, with their own front door and a better parking provision against the retail and leisure convenience that a town centre offers. Providing some form of on-site retail provision, such as that proposed, significantly minimises the impact of this. If there were to be no such complimentary uses on the site, it would likely be too big a shift in environment for many businesses (including the occupier who I am representing in discussions for a unit on the site) and their workforce.



I therefore feel the approach taken in securing a consent and delivering complimentary uses before commencing formal marketing of the office space is the best way in which to bring this scheme forward.

I trust the above comments are of assistance to you,

Kindest regards,

Yours sincerely,

T C Smith

timsmith@johnryde.co.uk

COPY

VIABILITY EVIDENCE WITHDRAWN AT APPEAL

Appendix 4 – Statutory Declaration

COPY

STATUTORY DECLARATION

I, Mr James Hinton, of Hinton Group, Reims House, 8 The Croft, Buntsford Drive, Bromsgrove B60 4JE

HEREBY SOLEMNLY AND SINCERELEY DECLARE as follows:

1. I am the Managing Director of Hinton Group and have held this position for 10 years. Hinton Group is a privately owned company specialising in land acquisition, development, architectural design and construction.
2. Hinton Group have been involved in the appeal site for the last 4 years. We have been working with the landowner to try and bring the existing outline planning permission forward. By way of background, we have worked with the same landowner on other sites they own and our interest in the subject site was because of the existing outline office consent. Our initial, and indeed, continued intention has been to deliver a B1a Office led business park on the site.
3. At the outset we engaged with a local commercial agent, John Ryde Commercial and subsequently with international agent, Colliers International, to determine what B1a requirements were in the market place. Over a 2-year period we held meetings with prospective office tenants, however we struggled to attract firm interest due to the requirements of the said occupiers that could not be fulfilled, the viability of the scheme and market conditions.
4. In the intervening period, we have received interest for a host of other non-B1 uses, from fast food, pub / restaurant, car dealership and hotel occupiers. In every instance, we decided not to pursue these uses because it reduced the quantum of offices that could subsequently be delivered on the remainder of the site, or would jeopardise the quality of the environment we wanted to deliver. Our vision for the site has always been, and remains to be the case, that of achieving Cheltenham's premier out of town business park.
5. Over the 4 years we have promoted the appeal site for an exclusive B1a use it has become clear that the site is not deliverable in its current form owing to it not being attractive to many users due to the lack of ancillary uses and also not being viable.

Consequently, we introduced a small quantum of complimentary uses into the master plan to create a business park environment more befitting of that required by a modern day office occupier. Consequently, we were approached by Bloor Homes and Ridge. Heads of Terms have now been agreed with both occupiers.

6. It is clear to us that modern day office occupiers want to be located adjacent to complimentary uses, which also from a development perspective make the whole scheme viable. Due to market conditions, if these non B1 uses were not provided then the development would not be viable.
7. It remains Hinton Group's firm commitment to deliver the Site as a B1a office led business park. Indeed, we are continuing to promote the Site through the emerging plan along this basis. We are pursuing these appeals solely to achieve this outcome. However, we are of the view that the only means by which employment land can be delivered on this Site is through providing the ancillary uses we have included within the appeal proposals. The only reason we are providing such uses is to ensure the delivery of the B1a offices. In the absence of such uses, we see no way of delivering the Site for employment land.

AND I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1835.

Declared by Mr James Hinton

Date 07/12/18

Signed 

Appendix 2 – Schedule of Business Parks with Ancillary Facilities



- | | |
|---|---|
| 1. Suttons Business Park, Reading | 9. Plymouth International Business Park, Plymouth |
| 2. Beacon Business Park, Stafford | 10. West Gourdie Industrial Estate, Dundee |
| 3. Andover Business Park, Andover | 11. Gloucester Business Park, Gloucester |
| 4. Thorpe Park, Leeds | 12. Tewkesbury Business Park, Tewkesbury |
| 5. Broadland Business Park, Norwich | 13. Highbridge Business Park, Highbridge |
| 6. Westpark Business Park, Aberdeen | 14. Hawke Ridge Business Park, Westbury |
| 7. Castlewood Business Park, Sutton-in-Ashfield | 15. Billingshurst Business Park, Billingshurst |
| 8. Westpark 26, Wellington | 16. Ashdown Business Park, Maresfield |

01 Suttons Business Park, Reading

- Aldi (A1)
- Costa Coffee (A3)
- B class uses include Pretty Green (B1), Moog Components Group (B2) and Brakes Logistic (B8)



02 Beacon Business Park, Stafford

- Costa Coffee, The Knott and Plough (Marston's pub) (A3)
- B class uses include B1, as well as Wacker Neuson (B8)



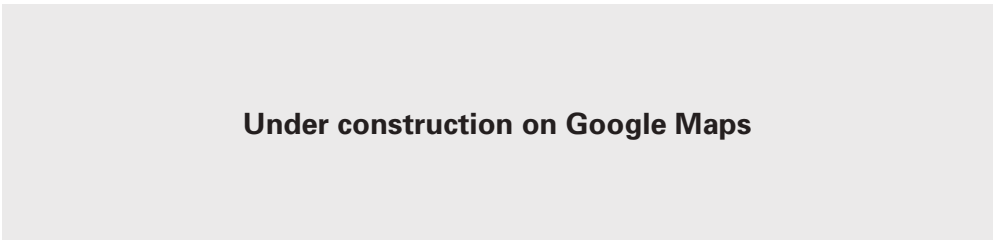
03 Andover Business Park, Andover

- Costa Coffee Drive-Thru, Marston's Inn (A3)
- Travelodge (C3)
- B class uses include Stannah (B1) and Co-operative (B8)



04 Thorpe Park, Leeds

- Large scale retail and leisure park including
 - TK Maxx, Marks & Spencer, Fatface (A1)
 - Thorpe Park Hotel and Spa (C3)
 - Costa Coffee, Gino D'Acampo, Greggs (A3)
 - B use classes include Concept recruitment Group (B1)



05 Broadland Business Park, Norwich

- Sainsbury's (A1)
- Waterside Café, Brewers Fayre bar and restaurant, Greene King pub and restaurant, Costa Coffee Drive-Thru (A3)
- Bannatyne's Health Club, Busy Bees children's nursery (Sui Generis)
- B class uses include Royal Bank of Scotland (B1) and Bertrams (B8)



06 Westpark Business Park, Aberdeen

- Starbucks (A3)
- B class uses include ALS Oil & Gas (B1) with future B uses planned.



07 Castlewood Business Park, Sutton-in-Ashfield

- Costa Coffee Drive-Thru, Greggs (A3)
- B class uses include B1, as well as Parker Knoll (B8) and Bombardier (B2)



08 Westpark 26, Wellington

- Budgens, Shell (A1)
- Subway (A3)
- Travelodge (C3)
- B class uses include B1, as well as Paramount Embroidery (B2) and WJ South West (B8)



09 Plymouth International Business Park, Plymouth

- McDonalds, Fishbone restaurant (A3)
- Future Inn (C3)
- B class uses including HSBC (B1) and Optimus Performance Marketing (B2)



10 West Gourdie Industrial Estate, Dundee

- BP (A1)
- Subway (A3)
- Travelodge (C3)
- B class uses include Dundee Cold Stores (B8) and Digimax Precision Engineering (B2)



11 Gloucester Business Park, Gloucester

- Tesco Extra (A1)
- Brewers Fayre (A3)
- Premier Inn (C1)
- Costa Coffee (C3)
- David Lloyd gym (Sui Generis)
- B class uses include B1, as well as G-TEK Europew Manufacturing (B2) and Direct Wines (B8)



12 Tewkesbury Business Park, Tewkesbury

- Brewers Fayre, Greggs (A3)
- Travelodge (C3)
- B class uses include B1, as well as S Elastometers (B8) and G4S Technology UK (B2)



13 Highbridge Business Park, Highbridge

- ALDI (A1)
- Travelodge (C3)
- B class uses include David Salisbury (B1) and Portakabin (B8)



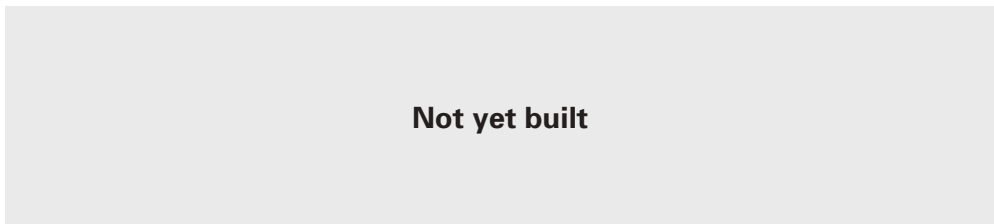
14 Hawke-Ridge Business Park, Westbury

- Not yet built. Planning permission granted on 26th September, 2014 for 1 convenience unit and 3 retail units at the front of the park. Permission is also secured for a range of B-class uses.



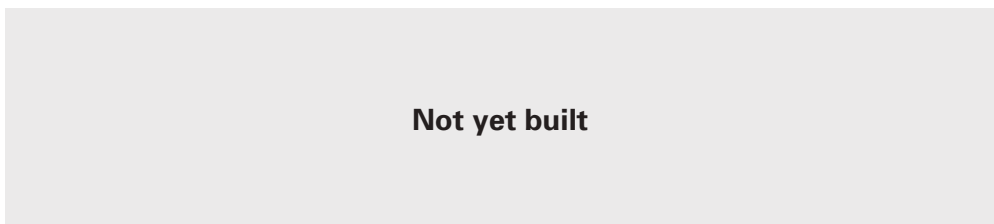
15 Billingshurst Business Park, Billingshurst

- Not yet built. Planning permission granted on 16th April 2019 for a petrol filling station, retail units and a drive through coffee unit. Permission is also secured for a range of B-class uses.

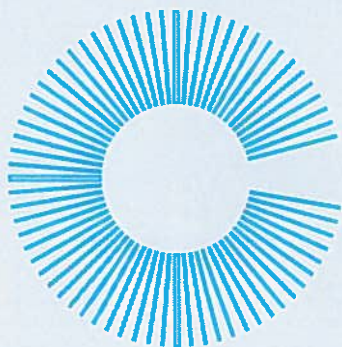


16 Ashdown Business Park, Maresfield

- Not yet built. Planning permission granted on 20th November 2014 for a Costa Coffee, Premier Inn and John Lewis. Permission is also secured for a range of B-class uses.



Appendix 3 – Brochure & Board Visuals



CORINTHIAN PARK
corinthianpark.co.uk

A new high quality office park, built to
ACHIEVE MORE



THE OPPORTUNITY

Under the ownership of Hinson Group, the development of Corinthian Park is now under way. This has already started with the planning consent for up to 174,291 sq ft of office and amenity space on this 10.2 acre site. An integral part of this is the detailed planning consent for three prestigious office buildings totalling 53,081 sq ft – the first steps in the park's transformation – in addition to a further 75,000 sq ft of office space consented in outline. Central to the attraction of Corinthian Park as a location for forward thinking business is its design and build opportunities. Corinthian Park can offer new occupiers the opportunity to realise their business space needs providing with optimum space and flexibility, all within the highest specification.

Building 1	8,110 SQ FT
Building 2	20,090 SQ FT
Building 3	24,881 SQ FT

TRAVEL TIMES

BY CAR

PUBLIC TRANSPORT

Cheltenham Town Centre	5 MILES	9 MINS	15 MINS
Gloucester City Centre	9.5 MILES	17 MINS	31 MINS
Bristol	45 MILES	43 MINS	1 HR 29 MINS
Birmingham	50 MILES	58 MINS	1 HR 10 MINS
Gloucestershire Airport	1.4 MILES	3 MINS	25 MINS
Birmingham Airport	57 MILES	57 MINS	1 HR 45 MINS
Bristol Airport	50 MILES	50 MINS	1 HR 45 MINS



SCHEME OVERVIEW

Corinthian Park provides an opportunity to be part of a prestigious working environment, offering contemporary space of the highest specification and design within a unique and stimulating setting. Occupiers will benefit from on-site amenities including a supermarket and day nursery. The nearby Park and Ride facility provides regular services into the town centre.



THE PROPOSED OFFICE SPECIFICATION IS AS FOLLOWS:

- Designed for occupancy of 8 sq m per person
- Air conditioning (to provide occupational density of 1 person per 8 sq m)
- Raised access floor - 150mm void
- 1.5m planning grid
- 2.7m clear floor to ceiling height (or higher up to 3.0m)
- Two 8 or 12 person hydraulic lifts
- Suspended ceiling with perforated metal tiles (either 600 mm x 600 mm or plank)
- L07 compliant LED lighting with PIR sensors
- BREEM target 'Very Good' (or better)
- EPC target rating B (or better)



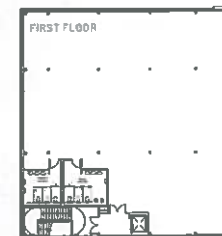
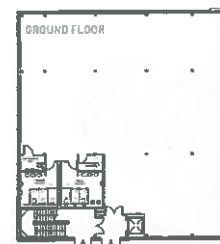
A detailed planning consent has been granted by Cheltenham Borough Council for this two storey detached building, which will be prominently located at the entrance of Corinthian Park, fronting directly onto Grovefield Way.

AREA SCHEDULE

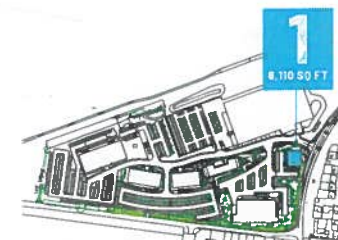
32 Parking Spaces = 1,253 sq ft
Occupation density = 1.8 sq m
Persons per building = 94 People

AVAILABILITY

	SQ FT	SQ M
Ground Floor	4,011	372.6
First Floor	4,099	380.8
TOTAL	8,110	753.4

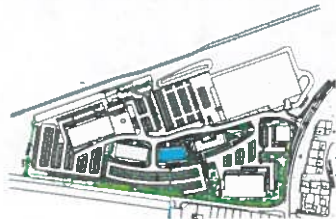


There is potential for splits of floors, please contact us to discuss further.





Building 2 forms part of Phase One of Corinthian Park's masterplan, which has a detailed planning consent and is creating an imaginative and sustainable business hub.



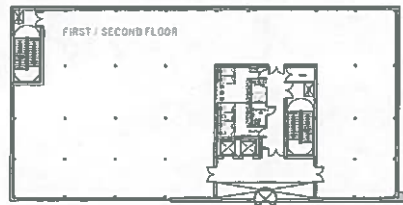
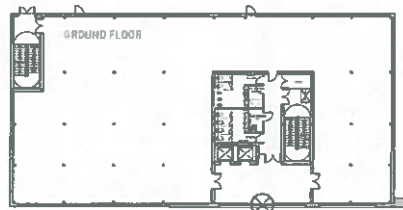
2
20,090 SQ FT

AREA SCHEDULE

102 Parking Spaces = 1,187 sq ft
Occupation density = 1.8 sq m
Persons per building = 233 People

AVAILABILITY

	50 FT	50 M
Reception	422	39.2
Ground Floor	6,556	609
First Floor	6,556	609
Second Floor	6,556	609
TOTAL	20,090	1896.4



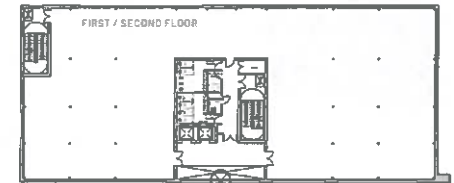
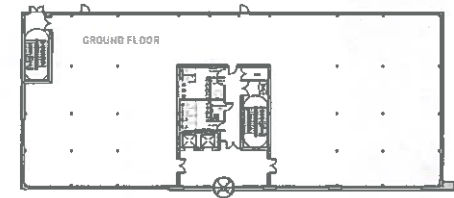
There is potential for splits of floors, please contact us to discuss further.



3
24,821 SQ FT



Detailed Planning Permission has been granted by Cheltenham Borough Council for this three storey detached building.



There is potential for splits of floors, please contact us to discuss further.

AREA SCHEDULE

120 Parking Spaces = 1,207 sq ft
Occupation density = 1.8 sq m
Persons per building = 288 People

AVAILABILITY

	50 FT	50 M
Reception	422	39.2
Ground Floor	8,153	757.4
First Floor	8,153	757.4
Second Floor	8,153	757.4
TOTAL	24,861	2311.6

PHASE 2

Development land is available with an existing outline planning consent for offices at Corinthian Park, with opportunities from 15,000 sq ft up to approx. 75,000 sq ft NIA

DELIVERING YOUR BUILDING

Hinton Group has a team of experienced consultants ready to deliver a workspace that matches your vision. With fully serviced plots available we can move quickly through detailed design planning. Your office will be built to the highest specification with flexibility at the heart of our design and build process.

1 — 2 — 3 — 4 — 5

DESIGN

We work with the best professionals in the industry and will provide the perfect building for your company.

COMMITMENT

We provide the land, the capital and the expertise to deliver from beginning to end.

PLANNING & PROCUREMENT

We submit a detailed planning application, tender the works and appoint a contractor.

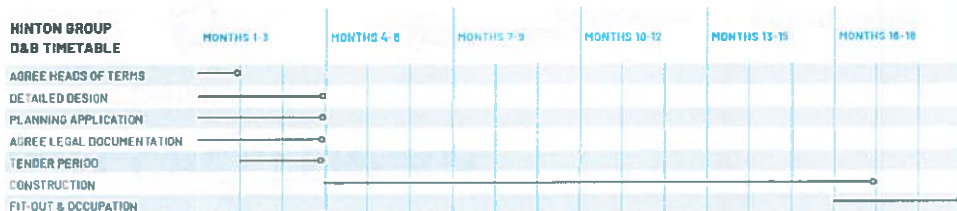
CONSTRUCTION

We build your accommodation to the agreed specification ready for you to move in.

OCCUPATION

We can manage your office fit-out to ensure the project is delivered to meet your requirements.

HINTON GROUP D&B TIMETABLE



THE DEVELOPER

Hinton Group have been delivering innovative development solutions for over two decades and to date have developed over 1.5 million sq ft of commercial, retail, leisure and office space.



WHY CHELTENHAM

IN GOOD COMPANY



LIVING WELL

Cheltenham was rated the most desirable property location in Britain, and most healthy. The Daily Telegraph newspaper named Cheltenham's **THE BEST PLACE IN THE UNITED KINGDOM TO RAISE A FAMILY**.

THE 4TH BEST PLACE TO LIVE IN THE UK
2012 The Sunday Times



**OVER 90
HOTELS
and B&B's**

**45
FESTIVALS**

The town hosts over 45 festivals, including literature, jazz, science music, cricket and food & drink. The Gold Cup is the main event of the Cheltenham Festival, held every March.



**OVER 346
RESTAURANTS**

A destination for food fans everywhere, Cheltenham has a broad blend of High Street and independent outlets. The premier of them all is Michelin Star restaurant Le Champsignon. Sausage Thursday in the Suffolk.



**OVER 60
PUBLIC HOUSES**



**OVER 9,220
EXCITING MINDS**

Cheltenham boasts an impressive educational ecosystem. From the revered Cheltenham Ladies College, Pate's Grammar School, Dean Close and Cheltenham College to the thriving University of Gloucestershire.



**RETAIL
THERAPY**

Cheltenham is a regional shopping centre, home to department stores, independent boutiques and retail parks. Constantly evolving, a £30million, 115,000 square foot John Lewis store is the latest large scale development.



**25,000
BEDDING PLANTS USED
EACH YEAR IN THE
IMPERIAL GARDENS**

WORKFORCE

2,056,390

Workforce within a 1-hour drive of Cheltenham

1,482,638

people within employment within a 1-hour drive of Cheltenham

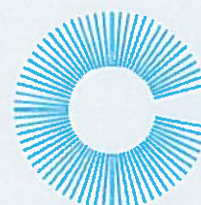
22.5%

of employed people in Cheltenham are in professional occupations.

14%

In Cheltenham are in Director level positions



[illegible]

MARKETING BOARDS



Appendix 4 – Letters from Business Park Agents



BNP PARIBAS REAL ESTATE

J Hinton Esq
Hinton Group
Reims House
8 The Croft
Buntsford Gate
Bromsgrove
B60 4JE

Mark Robinson
Senior Director
BNP Paribas Real Estate
9 Colmore Row
Birmingham
B3 2BJ

Tel: 0121 728 6004
Mobile: 07342 069 808
Email: mark.d.robinson@realestate.bnpparibas

Our ref: MR/jp

29 July 2019

Dear James,

You have asked me to consider the effect of providing amenity uses on an office park, given your current dialogue with the planning department at Cheltenham Borough Council.

My experience as a practising office agent over 26 years, has been focused on acting for both landlords and tenants, primarily on the disposal and acquisition of office accommodation on business park accommodation across the broader Midlands. During my career it has been illustrated to me on numerous occasions the benefits of providing tenants with certainty about the level of amenities that are to be provided at the commencement of a development. Failure to provide occupiers with certainty will lead to indecision and providing a scheme without any amenities would fail to meet the HR criteria of most larger organisations, who place a strong emphasis of providing a quality working environment, as part of their decision making process. Ideally any new office park would include a broad range of different elements, but the most important aspect in my opinion is to make sure you include an F&B offering.

I have acted as a letting agent on a large number of the regions business parks in the wider area and have direct insight that those providing the broadest amenity usually secure the better occupiers, secure the market leading headline rents.

By way of an example of have acted for Columbia Threadneedle at Parklands Business Park, Rubery where the scheme was built alongside a new a mixed use development that included a gym, nursery, supermarket, petrol filling station, cinema and two restaurants. Whilst not located in an established office environment the scheme has always attracted the top rents along the Birmingham's M5 corridor, with the range of amenities acting as a unique selling point for the scheme.

Tenants will virtually always prefer office parks which include a range of amenities. The importance of amenities to tenants has been demonstrated to me clearly at Birmingham Business Park, where I have acted for the landlord on Birmingham's largest business park. At the park one of the original plots was developed to provide a mix of ground floor amenities, which has proved to be a key differentiator for companies locating to the park over alternative schemes, that can't complete with the level of amenity provision.



**BNP PARIBAS
REAL ESTATE**

In short delivering the right amenity uses at the infancy of a scheme will greatly enhance the success of an office park.

Yours sincerely

Mark Robinson
Senior Director

25 July 2019
J Hinton - Corinthian Park, Cheltenham 250719.docx



J Hinton Esq
Hinton Group
Reims House
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Jonathan Ottewell
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55 Colmore Row
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Dear James

Corinthian Park, Cheltenham

You have asked me to consider the importance of providing complimentary amenity uses within an office park in light of your ongoing discussions with the Cheltenham Borough Council planning department.

To ensure certainty of the environment within a new office park, occupiers will expect site infrastructure to be constructed as part of the initial phase of development and ahead of any office space being delivered. This infrastructure will include the wider landscaping scheme and amenity uses such as those proposed at Corinthian Park. Coffee operators are the perfect partner (bordering on essential) for an office scheme and therefore the plans, incorporating the Costa Coffee Drive Thru, are therefore the better scheme of the two.

If these are not delivered from the outset, occupiers will have no guarantee of their future delivery and risk taking a long term commitment at an otherwise sterile environment.

Savills act as letting agent on a number of high profile business parks in the Midlands and have seen first-hand that those that provide the best amenity secure the best occupiers, achieve the highest rents and shortest voids.

We have acted for St Modwen at Longbridge Technology Park since its inception in 2006. Phase One comprised two office buildings, without any additional on-site amenities and we experienced limited levels of demand. Phase Two was completed in 2011 included two further office buildings plus a number of Food and Beverage offerings including a Costa Coffee, Subway and Sainsbury's alongside other amenities including a hotel and larger retail scheme. The additional amenities significantly helped secure lettings for the new office accommodation at a time when the market wasn't particularly strong occupationally and has subsequently helped retain and find new occupiers when required for accommodation released from Phase One.

We also act for IM Properties at Blythe Valley Park, Solihull which comprises circa 650,000 sq ft of Grade A offices and is generally considered the Midlands' premier business park. Historically, the amenity provision was limited to a crèche and a gym. In 2017, we secured the letting of a new purpose built coffee shop to Java Lounge park which has had a positive effect on enquires, with the park currently 100% let at record rents.

I hope this provides a useful overview of our experiences but would be happy to help further if required.

Yours sincerely

A handwritten signature in black ink, appearing to read "JOttewell", written over a light grey grid background.

Jonathan Ottewell
Associate Director

22 July 2019

J Hinton Esq
Hinton Group
Reims House
8 The Croft
Buntsford Gate
Bromsgrove
B60 4JE

Dear James,

Corinthian Park, Cheltenham

I have been practising as an office agent for more than 15 years, focusing specifically on Birmingham's out of town accommodation on the surrounding business parks and regional towns across the wider West Midlands, acting on behalf of both landlords and tenants.

From my experience of acting on behalf of the main landlord of Birmingham Business Park (BBP) the West Midlands premier Business Park, providing a mix of amenities is really important to both the landlord and the tenants. BBP comprises circa 1.9m sq ft of Grade A office accommodation, where one of the original office blocks developed in the late 1980's was intended to provide a ground floor amenity offering, which has proved to be a key driver for occupiers in choosing the park over a number of competing schemes that lack a broader offering. I believe that it is important that occupiers have certainty around the amenity offering at the outset of delivering a new business park. Ideally this would include elements such as convenience store, gym or children's nursery, but in my opinion the most important aspect for an occupier is to provide staff with access to Food and Beverage offering. Without these elements being provided at the initial conception of the development, the chances of securing office occupiers will diminish, affecting the long term performance of the park.

As a further example we also act for the landlord, Topland Estates, of Friarsgate, Shirley extending to circa 90,000 sq ft, a multi occupied building, which sits on its own independent site. For years the scheme had struggled to reach full occupancy despite heavy investment to modernise the building. The landlord then secured a Costa Coffee drive thru on the front of the site and subsequently the scheme has seen significantly increased levels of demand, which has resulted in the building recently being 100% occupied for the first time during my time as the landlord's agent. In a market where there is an increasing focus on employers to provide employees with local amenity close to their work, we believe it is essential that amenity is considered at the earliest stage possible in the development of a new scheme, which will ultimately assist in improving the chances of the schemes success.

Yours sincerely



Adrian Griffith
Director
0121 609 8347
adrian.griffith@avisonyoung.com
For and on behalf of
GVA Grimley Limited t/a Avison Young

Enc: Avison Young Standard Terms of Appointment for Disposals

Signed for and on behalf of the Client:

Signature:

Name:

Position:

J Hinton Esq
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Your Ref
Our Ref AJB

30 July 2019

Dear James

Corinthian Park, Cheltenham

I can confirm I am a Director with 18 years' experience as an office agent based in Birmingham but acting across the East and West Midlands for both landlords and tenants.

In the current climate of high employment across all parts of the UK, occupiers are looking for ways to differentiate themselves from their competition in a bid to attract, recruit and retain staff. In many instances the office that they occupy and the environment in which that office is situated is being used as this differentiator. It has therefore become increasingly important since the end of the recession to offer not only high quality office accommodation but also on-site amenity. This is both in terms of accessibility i.e. showers, cycle racks etc as well as welfare facilities offered by food and beverage (F&B) outlets. Providing a site which fails to meet this requirement will render the scheme significantly less desirable to occupiers than other schemes that do offer that level of amenity. It is also essential to provide that amenity or at least the potential for that amenity at the outset of the development as there are ample examples of developers promising that the amenity would be provided once fully let and then failing to deliver that amenity. This has engendered a significant level of cynicism amongst current business park occupiers that can only be addressed by providing the physical offering from the outset. In my experience the amenity that would create the largest benefit to increase the attractiveness of an office park would be an F&B offering however by extension occupiers are constantly mindful of the changing demands of the staff and are also requesting that additional amenity is provided to cater for bikes storage and charging, showers and changing facilities. All of this amenity can be provided by a gym operator that provides café facilities as well as changing and shower facilities.

I have acted on schemes for landlords which represent examples of where amenities have provided at the outset and they have been more successful than those where it has had a detrimental impact upon a schemes desirability where they haven't. Examples of this are, acting for Urban Splash at Fort Dunlop a 350,000 sq ft former warehouse which was converted to offices in 2006. At the outset Urban Splash secured a number of different on-site amenities including a convenience store, restaurant and bar alongside additional complimentary retail. The mix of on-site facilities has evolved over time but has always helped maintain a very high occupation and retention of tenants on-site.

Blythe Valley Park has since the first building tried to offer amenity however could not ensure the commercial success of the amenity scheme until it was purchased by IM. Since it has been in IM's ownership they have installed a coffee shop concept on the site and while not solely responsible the success of the scheme has accelerated to the point where only prelet conversation are available as all standing stock has been acquired. Equally I have acted for the landlord at Eagle Court, Solihull, which comprises three buildings totalling circa 170,000 sq ft since its construction in the early 2000's. Despite the scheme being strategically located close to Birmingham Airport and Birmingham International Railway Station it has never been fully occupied and always attracts rents at a discount to surrounding offices located close by. I believe the lack of any dedicated onsite amenities has been a large factor in the schemes historic performance.

I trust the above illustrates that by offering tenants the right amenity uses at the outset of a scheme, you increase a schemes chances of success.

Yours sincerely



Andrew J Berry BSc (Hons) MRICS
Partner

Jon Hinton
Hinton Group Limited
Reims House
8 The Croft
Buntsford Drive
Bromsgrove
B60 4JE

27 July 2019

Dear Jon

CORINTHIAN PARK, GROVEFIELD WAY, CHELTENHAM

Further to our recent conversation I write to confirm our views on the situation regarding the on-site amenity offer for the office element of the above development.

I have personally been aware of this development for approximately 3 years and have recently been instructed by Hinton Group to act as joint letting agent alongside Colliers. I am also acting for a local occupier who has been considering the site as a possible location for their own office so have an excellent knowledge of the site, its position in the local market and the feedback from potential occupiers of space.

Having dealt with the sale and letting of office space on business parks across the south west for over 20 years it is clear that, in general, businesses considering locating on out of town office parks strongly prefer to have complimentary on-site amenity in terms of food and beverage provision and therefore we believe that the Costa use proposed on Corinthian Park would be a highly beneficial addition to the park.

There are many examples on mixed use development across the region such as Aztec West in Bristol and Lydiard Fields in Swindon where coffee shops sit adjacent to employment uses and are clearly an enhancement that helps business attract staff, promote social interaction and do not cause any issues in terms of congestion.

It is also important that any amenity offering is provided prior to the delivery of any office space to guarantee the environment to potential occupiers, avoid any disruption post completion of the office space and generally assist with the promotion and success of the park.

Hopefully the above provides you with sufficient information but if you need anything further please let me know.

Yours sincerely

Richard Kidd
Senior Director Office Agency

9th July 2019

Jon Hinton
Reims House,
8 The Croft,
Buntsford Drive,
Bromsgrove
B60 4JE

Dear Jon,

CORINTHIAN PARK, GROVEFIELD WAY, CHELTENHAM

Further to our recent discussion in respect of the above site, I confirm that when we initially became involved in the site back in May 2015, we provided initial advice, which included our opinion that the best business parks provide an amenity offer and we recommended that you take advice on a possible range/mix of uses to compliment offices.

In this instance I believe the tenant line up is appropriate to the scheme, providing a range of on-site facilities, to create a destination for occupiers. However, in my experience, the proposed Costa unit would be the greatest attraction to occupiers, providing for an element of both on-site food and beverage (F&B) and an area for informal break out / meetings for tenants. Having these uses on site prior to the offices would be hugely beneficial, to help secure office occupiers to the park within a shorter timeframe, given the added level of comfort/certainty this will provide prospective tenants.

Whilst the substantial benefits of on-site amenities are generically accepted by commercial office agents, we have found this view has also been specifically referenced by a number of enquiries during discussions. These have included:

- Cheltenham Borough Homes (Circa 15,000 sq ft)
- Bloor Homes (Circa 20,000 sq ft)
- A confidential Government department (35,000 sq ft)

Since our formal involvement from July 2017, we have sought to make agents throughout the region aware of the site's existence and we have been able to respond to market requirements with a mixture of bespoke plans and brochures all produced in-house. Until recently, it was not appropriate to prepare formal marketing collateral as we had not obtained a specific detailed consent with which to base marketing the accommodation. All office enquiries/requirements for Corinthian Park of the target size we are seeking will appoint professional representation to act on their behalf during negotiations, so we are confident that we have not missed any suitable requirements to date.

In the period since a detailed planning consent was obtained in March 2019 we have identified a joint agent, created a brand for the office park and commenced a formal marketing campaign which includes a formal marketing brochure, which has been sent to all office agents active in this region.

I believe this scheme has all the ingredients to be a success, but the lack of clarity around delivery and certainty regarding the proposed Costa that we are currently able to provide to the office market has caused us to lose out on some requirements, and these employers (and the corresponding jobs) may therefore be lost to other competing towns.

The probability that we will simultaneously find three occupiers for the three separate buildings currently consented is virtually zero, as required under the current phasing condition and in order to make the scheme financially viable. This then impacts upon when the on-site amenities can be delivered. As per my aforementioned comments, occupiers will want to see the amenities delivered ahead of acquiring occupation at Corinthian Park, which clearly then creates a vicious cycle. Being able to deliver the retail ahead of the offices, would therefore significantly enhance the prospects for the scheme, both in terms of its attractiveness to the occupier market and the schemes viability as office buildings could then be developed out individually.

Please let me know if the above requires any further elaboration.

Yours sincerely,



Douglas Bonham
DIRECTOR
NATIONAL OFFICES
0121 265 7616 | 07920 077 100
Douglas.bonham@colliers.com

Appendix 5 – Frank-Steier Price Report

REPORT ON DEVELOPMENT FUNDING

AT

**LAND AT NORTH ROAD WEST & GROVEFIELD
WAY (CORINTHIAN PARK)
CHELTENHAM**

Prepared by

Franck-Steier Price



INTRODUCTION

This report is prepared by Franck-Steier Price Ltd (FSP). FSP is a leading commercial investment and development funding real estate consultancy practice based in Birmingham.

To date FSP has advised on over £3 billion of transactions across all sectors in 500 deals (the company has completed 64 transactions to date in 2018 totalling £391m). FSP's clients include mainstream institutions, nationwide developers, property companies along with UK and overseas private investors.

FSP has over 40 years of combined experience in the property investment market and prides itself on its personal and hands on approach.

In 2019 FSP was awarded top investment agent by volume for the Midlands region in the Co-Star Property Awards.

In terms of development funding experience over the last 24 months FSP has advised on the following transactions:

- Speculative industrial funding of 29 acres of industrial land at Leighton Buzzard - £17.7 million land value with a gross development value of £60 million
- Speculative industrial funding of a 260,000 sq.ft distribution unit in Normanton, Wakefield - £4 million land value with a gross development value of £31 million
- Speculative industrial funding of 38 acres of industrial land in Witney – £22.8 million land value with a gross development value of £56 million
- Speculative industrial funding of a 400,000 sq.ft distribution unit at Fradley Park, Burton on Trent - £9.9 million land value with a gross development value of £40 million
- Development funding of a Jaguar Land Rover Dealership, Huddersfield - £13 million
- Development funding of a Land Rover Dealership, Stoke - £8.6 million
- Development funding of a 78 bed Travelodge hotel and drive thru Costa coffee unit in Workington, Cumbria - £6.7 million
- Development funding of a 65,000 sq.ft office pre-let to Tata Technologies in Leamington Spa - £19.25 million

APPEAL DECISION NOTICE

This report and evidence is prepared as a response to the appeal decision of 27 February 2019 and the ongoing appeal (Appeal A) in relation to the development at Corinthian Park, Grovefield Way, Cheltenham. The appeal decision notice provided a number of conditions in respect of the planning consent. More specifically our evidence relates to the condition detailing the phasing of the site, which stated:

- Page 17, Condition 24; ***The A1 food retail unit shall not be occupied until B1 office units labelled 'office 1' and 'office 2' and 'office 5' have been constructed and are capable of occupation.***

The consented floor areas for Office 1,2 & 5 are as follows:

- Office 1 – 2,279 sq.m (24,531 sq.ft) gross internal area / 1,866 sq.m (20,090 sq.ft) net lettable
- Office 2 – 2,755 sq.m (29,655 sq.ft) gross internal area / 2,311 sq.m (24,881 sq.ft) net lettable
- Office 5 – 880 sq.m (9,472 sq.ft) gross internal area / 753 sq.m (8,110 sq.ft) net lettable

Our opinion as experienced commercial property advisors is that this condition is too onerous on the Appellant and ultimately has a significant negative impact on the deliverability of the overall scheme. The two elements of retail and office accommodation are fundamentally different in terms of market dynamics and to link these elements together would jeopardise the viability of the scheme and its longer-term success for all stakeholders.

We have broken down the constituent parts of the development and the funding structure required in order to deliver the scheme and have provided the requisite evidence as to why the condition, in its current state, is frustrating the development from being delivered.

RETAIL ELEMENT

We have in the past received strong interest in the development funding of the pre-let retail element of the scheme from institutional investors, particularly where Costa Coffee formed part of the scheme. Yet the appeal decision has raised significant concerns to those interested parties as the completion of the retail element and the occupation of the scheme is intrinsically linked to the completion of Offices 1, 2 and 5.

The institutional investors that have expressed an interest in the development funding of the pre-let retail element have confirmed they would be not be able to consider a funding of the wider scheme. Their investment requirements are focused on long let investments, often with a minimum lease term and speculative offices therefore fall outside their requirements and they are prohibited from pursuing on this criteria alone.

The very nature of these long let institutional investors is risk averse investing and the deliverability of the retail element being contingent on the delivery of the office element exposes them to a risk profile and number of scenarios they cannot quantify, and that ultimately makes this unviable for them as an investment opportunity.

Whilst there is strong appetite for the development funding of the retail element on a pre-let basis (again, this would be further strengthened with the inclusion of Costa Coffee) there are a number of fundamental differences between the elements as to why the delivery cannot be linked:

- Investment Structure

A pre-let retail element provides security of committed income to investors. Many investors are naturally risk averse and thus the opportunity to secure a long-term income stream is very attractive. The opposite applies to the office element. A speculative development provides no guarantee as to when the income stream may be secured whilst the investor would be liable for not only the development costs but any void holding costs.

- Office Element Dynamics

We consider that a development funding of the two elements in isolation is also not viable. Whilst having separate funding partners removes the mixed nature of the investment that may prohibit a number of investors from funding the scheme, the appetite for funding a speculative office development within the market is not there. We have discussed further the reasons for this lack of appetite below.

OFFICE ELEMENT

There are a number of specific reasons as to why a speculative development funding of the office element is unviable. We believe these to be:

- Bespoke nature of occupier requirements
- General level of activity in the M5 corridor

The bespoke nature of office requirements is such that each and every occupier will be different, their internal drivers, size of requirement and staffing density will all be unique to that occupier. As such, speculatively developing a HQ style office building as per the requirements for office 1,2 and 5 would significantly reduce the marketability of the buildings to occupiers.

Without the opportunity to deliver a tailored solution for an occupier one is solely reliant on an occupier requirement that fits the delivered buildings. These requirements are more sporadic in occurrence and therefore it is very difficult for an investor to quantify timescales for when they would begin to receive an income stream and indeed the covenant strength of that income stream. This unquantifiable nature is why speculative development is too prohibitive to the UK institutional investment market.

In the industrial market speculative development has been taking place but this should not be compared as occupier requirements are far more flexible and demand is much higher. Therefore, the risk of delivering a building that is compromised against tenant needs is very low.

Across the wider South Midlands and M5 Corridor markets, down to Bristol there have been very few examples of speculative funding of offices in the previous 36 months. The examples of speculative funding of smaller scale or business park offices that have occurred have been funded by the landowner themselves and are private limited companies as opposed to institutional investors. Examples include:

- IM Properties at Blythe Valley Park – Speculatively developing 15,500 sq ft. For context Blythe Valley is over 2million sq ft of space. The size of the speculative element against their wider holding puts into context the risks surrounding it, particularly when their portfolio is valued at over £900m.
- Honeybourne Place, Cheltenham – Formal Investments as landowner are developing 65,000 sq ft in the centre of Cheltenham. This building will be multi-let with floor plates of c.11,000 sq ft

Beyond these two examples there are only two other speculative office developments currently in the same region. Both are being conducted by institutional investors in central Bristol.

- Royal London are funding The Distillery totalling 90,000 sq ft
- AXA Investment Management are funding The Assembly totalling 200,000 sq ft

Whilst these two examples do provide evidence that institutional investors will speculatively develop office schemes, we should not compare the central Bristol office market with that of Cheltenham nor compare the type of product being delivered.

Bristol is an office market of significant size in comparison. 931,000 sq ft of space was let during 2018 in comparison to only 220,000 sq ft across the Gloucestershire sub-market which includes both Cheltenham and Gloucester. Tenant demand and number of occupier requirements in Bristol far out way those targeting Cheltenham and so confidence is far stronger from an investor point of view.

When that confidence is combined with delivering larger multi-let buildings where occupiers are often blue chip covenants taking smaller satellite office suites rather than HQ style buildings, thus providing

diversification of income and spreading the risk to the investor it can be considered this is a much more attractive opportunity to the UK institutional investment market.

Further evidence in terms of viability and the risk in speculatively developing smaller offices can be seen in the wider market with the number of schemes available on a build to suit basis only.

- 42,336 sq ft of space has consent to be delivered at Worcester 6 by Stoford. This can be delivered between one to three buildings on a build to suit basis only. This provides flexibility for a range of occupier requirements.
- Arlington have 19 acres of consented land remaining for office or industrial development at Gloucester Business Park. They have delivered over 110,000 sq ft of offices since 2016 all on a build to suit basis to occupiers such as Ecclesiastical Insurance, TBS Engineering and Horizon Nuclear. They have no current plans to speculatively develop and offices on the park
- 84,841 sq ft of space has consent to be delivered at Harlequin Office Park, Emersons Green, Bristol by Shepherd Developments on a build to suit basis. They have no current plans to speculative develop those units.
- Abstract securities delivered 85,000 sq ft on a pre-let basis for Babcock Engineering at Aztec West, Bristol. A further 70,000 sq ft phase to has consent on build to suit options.

The above shows that whilst speculatively developing offices is a possibility, the market consensus is that occupier requirements are often too bespoke and the risk in delivering smaller business park type buildings is too great to be accepted with many developers / investors reluctant to jeopardise the marketability and potentially miss out on tenants by delivering a building that isn't quite suited to their needs.

As a result, linking the deliverability of the retail element to the office element jeopardises the deliverability of both elements.

DEVELOPMENT FINANCE

The Appellant has considered other routes to delivering the office and retail element without an institutional funding partner.

A potential route would be to seek development finance to fund the build out. This would allow the retail element to be sold be way of a forward commitment and ensure the speculative delivery of the office element simultaneous with the completion of the retail.

The debt finance required was based on the total costs for developing the whole scheme (Aldi, Happy Days Nursery, Office 1, Office 2 and Office 5) which were in the region of £25.8 million which included the following:

- Land cost
- Construction costs
- Planning costs
- Legal and Agents Fees
- Design Fees
- Tenant Incentives

We have explored the potential of this with finance broker, Brotherton Real Estate, who identified a number of debt funds that would be willing to consider development financing the scheme.

The conditions of this funding however would need to see at least either office 1 and office 2 pre-sold/pre-let prior to the development finance agreement completing. The terms provided are particularly onerous to any developer, also requiring personal guarantees, but reference the risk averse nature of debt funds post the financial crisis of the late 2000's. This outlook is not likely to change in the short to medium term and so this type of funding mechanism does not provide a realistic option in delivering a combined scheme.

SPECULATIVE DEVELOPMENT OF THE OFFICE ELEMENT – SCHEME VIABILITY

As set out above institutional funding or the ability to raise debt finance for the speculative development of the office element of the scheme is not present in the current market. Even if funding was available due to potential void holdings costs the scheme would not be viable in any event.

As evidenced in the attached Corinthian Park Appraisal Appeal B – Speculative Development if the scheme was to be speculatively developed and let in accordance with current rental values for the region and taking into account current market void periods and incentives the gross development value for the scheme is in the region of £17,578,318. This analysis is based on the following assumptions:

- Estimated rental value £25 per sq.ft
- Letting terms of 10 years
- Exit capitalisation rate of 6.00% net of standard market purchaser's costs of 6.80% (this is based on the comparable evidence as set out below).
- Void periods of 18 months
- Void rates holding costs
- Rent free incentives of 9 months per 5 years
- Sales fees of 1.50% based on agent's fees of 0.75% plus VAT and legal fees of 0.5% plus VAT.

The total costs for the scheme, as evidenced in the attached appraisal, are £18,185,703. This includes:

- Site price plus associated costs
- Construction costs
- S106 costs
- Historic costs for planning, surveys, architect's fees etc
- Professional fees
- Development Management fee
- Contingency
- Letting and legal fees
- Interest on the sums expended to develop the scheme at the net capitalisation rate of 6.00% up until the scheme is sold.

Taking the gross development value and total development costs the speculative development of the scheme would lead to a loss of £607,385 on the development and a profit on cost of -3%.

Conversely as you will see from the attached Corinthian Park Appraisal Appeal B – Pre-Let which is based on the same assumptions (except the scheme is not subject to any holding costs as it is developed when the scheme has been pre-let) the profit is £1,668,699 for the development which is a profit on cost of 10%.

Should Appeal A be permitted but with a similar condition to Condition 24, the same result will occur. This is the case even with the loss of Office 5, which will be replaced by Costa Coffee.

You will note from Corinthian Park Appraisal Appeal A – Speculative Development attached that the anticipated void and holding costs would create a loss of £490,723 and a profit on cost of -3%. This compares to the attached Corinthian Park Appraisal Appeal A - Pre-Let which, using the same set of assumptions provide for a profit of £1,432,395 which is a profit on cost of 10%.

We set out below a comparable schedule of modern out town business park office investments that have been sold recently which we have considered in respect of the capitalisation yield to adopt in our appraisal.

Property	Tenant	Area sq ft	Unexpired Lease Term yrs	Date	Price £ (NIY%)	Comments
Plot 4C, Grove Park, Leicester	My Home Move	20,829	9.4	Under Offer	£5.68m (6.00%)	RPI reviews 4 yearly collar and cap of 1-2.5%.
Rayns Way, Watermead Business Park, Leicester	Flogas Office	19,728	10	Under Offer	£4.72m (6.25%)	OMV reviews.
430, Bristol Business Park, Bristol	Leonardo	22,523	6.75	Dec18	£6.42m (5.96%)	Purchased by Mendip District Council.
2500 The Crescent, Birmingham Business Park	SSP	27,172	8.0	Jul18	£8.15m (6.03%)	Modern building. RPI review c/c 1.5-5% 2021. Purchased by CRT.
Tournament Fields, Warwick	Leadec	12,475	9.0	Jun18	£3.20m (6.44%)	Modern office building. Purchased by Wesleyan Assurance.
Remus 1, Solihull Business Park	IBG & Ridge & Partners	8,603	7.4	Jun18	£1.90m (6.57%)	Semi detached modern office. Purchased by a private investor.
Wolverhampton Business Park	Charter Court Financial Services	22,819	10.0	Feb18	£4.565m (6.45%)	2005 built office. Purchased by Landmark Investments.
1 Frances Way, Grove Park	My Home Move	21,393	11.5	Mar17	£5.00m (5.90%)	Under-rented at £14.87 psf. OMV reviews. Purchased by a South African investor.

CONCLUSIONS

As highlighted above whilst there is investor demand for development funding the pre-let retail element of the scheme the requirement of the appeal decision to speculatively fund the office element in conjunction with the retail development has resulted in those interested parties withdrawing their interest. There is no investor demand for speculatively funding the office element alongside the retail and the fact that these two elements are intrinsically linked with the retail tenants unable to occupy their premises until the offices are completed means the investors have no control over when the retail element would be income producing.

Looking at the funding of the offices in isolation, as set out above, there is no appetite from the investment market for speculatively funding this element. The general risk and costs of void periods post practical completion and building a product that does not suit the requirements of the

occupational market together with the sporadic nature of occupier requirements has meant that regionally, and particularly along the M5 corridor, the speculative funding of out of town office investments has been non-existent over the last five years.

We have also explored the development finance route and whilst there are a number of debt funds that would consider lending on the scheme a prerequisite of the finance terms was that either office 1 and office 2 pre-sold/pre-let prior to the development finance agreement completing.

Finally, we analysed the viability of speculatively financing the office element if finance could be obtained and assuming current market void periods that would be expected the holding costs attributable to these would result in the development producing a loss. Conversely a pre-let / pre-sale approach to the development of the office element, taking into account the same current market rental values and incentives as the speculative scheme, would result in a viable scheme being developed.

Therefore, to ensure a successful development of Corinthian Park the retail and office element of the scheme should not be linked in our opinion. The retail element should be separately funded and developed with the office element being built out and funded on a pre-let / pre-sale basis when occupier requirements can be identified and secured.

Should Appeal A be successful with no phasing condition applied, the inclusion of the Costa Coffee will be viewed positively by institutional investors and occupiers alike, providing a key amenity provision on the park. This can only have a positive impact upon a timely delivery of the proposed high quality office space at Corinthian Park.

GLOSSARY OF TERMS

Institutional Investor	An institutional investor is an organisation that pools money to purchase / fund commercial real estate investments. Examples of institutional investors are Legal & General, M&G, Aviva, Aberdeen Standard and Royal London.
Funding Partners	These are investors that would consider providing development funding to finance the construction of the property/properties with a view to owning them when completed.
Debt Funds	These are funds or banks that provide money to pay for the construction of the property/properties but this money will be required to be paid back on completion of the property/properties.
Development Finance	This is money provided by debt funds/banks to provide finance to development out the property/properties.
Debt Finance	This is the same as Development Finance.
Speculative Funding	This is the funding of a development without the building/buildings being leased but with the funder owning them on completion.

Forward Funding	This is a funding method in which the funder acquires the site from the Developer and provides full funding for all the Developer's costs of construction of the properties.
Forward Commitment	This is a purchase method in which the investor commits to purchasing the property prior to or during the construction of the property. In this method the investor will either acquire the site and pay a balancing payment on completion of the development or pay a deposit which commits the purchaser to buying the property on completion of the development.

Gross Development Value	This is the value of the property/properties once constructed and let.
Pre-let	This is when the property or properties are leased to a tenant/tenants prior to commencement of construction of the property/properties.
Pre-sale	This is when the property or properties are sold to an occupier/occupiers prior to commencement of construction of the property/properties.
Investment Comparables	This is market evidence of investment properties that have transacted in the market that are similar to the subject property/properties.
Capitalisation Rate	This is the rate of return an investor will want to achieve on an asset of this type. Comparable evidence is used to determine what capitalisation rate to assume as it is drawn from transactional evidence in the market.
Purchaser's Costs	<p>These are the typical costs of purchase the an investor will take into account when buying an investment. These include agent fees, legal fees and stamp duty land tax. The assumed purchaser's costs in the appraisal at 6.80% are based on the following market standard assumptions:</p> <ul style="list-style-type: none"> • Agent fees – 1% of the purchase price plus VAT • Legal fees – 0.5% of the purchase price plus VAT • Stamp duty land tax – 5% of the purchase price

Project Name Corinthian Park Appraisal Appeal A - Speculative Development
 Start Month 03/10/2019

Project Timeline					
	Start	End	Start Mo	End Mo	Duration
Land Takedown	Oct-19	Nov-19	0	1	1
Construction Phase 1	Jan-20	Jan-21	3	15	12
Leasing/Stabilisation Phase 1	Jan-21	Jan-23	15	39	24

PC

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Budget						
			Total Amt	Start Mo	Duration	End Mo
Acquisition Costs	Site Value		£1,228,250	0	1	1
	SDLT	5.0%	£73,695	0	1	1
	Agent	1.0%	£12,283	0	1	1
	Legal	0.5%	£6,141	0	1	1
Construction	Construction		£10,024,410	3	12	15
	Historic Costs		£175,000	15	1	16
	s106 & Infrastructure Costs		£400,000	3	1	4
Other Costs	Professional Fees	8.5%	£900,950	3	30	33
	DM Fee	3.0%	£317,982	1	32	33
	Contingency	3.0%	£317,982	3	30	33
Marketing & Letting	Marketing		£50,000	6	27	33
	Letting Agent	15.0%	£168,641			
	Letting Legal	5.0%	£56,214			
Interest	Notional Interest	6.0%	£1,651,783	0	33	33
				Profit	PoC	YoC
Total Development Cost		£342	£15,383,331	-£490,723	-3%	7.31%

Units	NIA	Void (mths)	RFP (mths)	Term (mths)	Cost PSF	Rent PSF	Total Net Rent	Exit Yield	Exit Value	Exit CV	Rent Start	Occ Start IF Left at Exit	RF Top-up	Void Rates Costs
Office 1	20,090	18	18	120	£0.00	£25.00	£502,250	6.00%	£7,837,859	£390.14	51	33	18	£753,375
Office 2	24,881	18	18	120	£0.00	£25.00	£622,025	6.00%	£9,707,007	£390.14	51	33	18	£933,038
Total	44,971	18	18	10.0	£0.00	£25.00	£1,124,275	6.00%	£17,544,866	£390				£388,765.6
Less Sales Costs									£263,173					
Less Rent Free Top Up									£1,686,413					
Void Rates Costs									£702,672					
Net Exit Value									£14,892,608	£331				

General		
Purchaser's Costs	6.80%	
Phase 1 Exit Mo	33	Jan-23
Sales Cost	1.50%	

[illegible]

Project Name
Start Month

Corinthian Park Appraisal Appeal A - Pre- Let
03/10/2019

4

Project Timeline					
	Start	End	Start Mo	End Mo	Duration
Land Takedown	Oct-19	Nov-19	0	1	1
Construction Phase 1	Jan-20	Jan-21	3	15	12
Leasing/Stabilisation Phase 1	Jan-21	Jan-21	15	15	0

PC

15

Budget					
		Total Amt	Start Mo	Duration	End Mo
Acquisition Costs	Site Value	£1,228,250	0	1	1
	SDLT	£0	0	1	1
	Agent	£12,283	0	1	1
	Legal	£6,141	0	1	1
Construction	Construction	£10,024,410	3	12	15
	Historic Costs	£175,000	15	1	16
	s106 & Infrastructure Costs	£400,000	3	1	4
	Professional Fees	£900,950	3	12	15
Other Costs	DM Fee	£317,982	1	14	15
	Contingency	£317,982	3	12	15
Marketing & Letting	Marketing	£50,000	6	9	15
	Letting Agent	£168,641			
Interest	Letting Legal	£56,214			
	Notional Interest	£505,032	0	15	15
			Profit	PoC	YoC
Total Development Cost		£315	£14,162,885	£1,432,395	10%
					7.94%

Units	NIA	Void (mths)	RFP (mths)	Term (mths)	Cost PSF	Rent PSF	Total Net Rent	Exit Yield	Exit Value	Exit CV	Rent Start	Occ Start	F Left at Exit	RF Top-up
Office 1	20,090	0	18	120	£0.00	£25.00	£502,250	6.00%	£7,837,859	£390.14	33	15	18	£753,375
Office 2	24,881	0	18	120	£0.00	£25.00	£622,025	6.00%	£9,707,007	£390.14	33	15	18	£933,038
Total	44,971	0	18	10.0	£0.00	£25.00	£1,124,275	6.00%	£17,544,866	£390				
Less Sales Costs									£263,173					
Less Rent Free Top Up									£1,686,413					
Net Exit Value									£15,595,280	£347				

General	
Purchaser's Costs	6.80%
Phase 1 Exit Mo	15
Sales Cost	1.50%

Jan-21

Hold Year	1	1	1	1	1	1	1	1	1	1	1	1	1	1	2	2	2	2
Month No	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Month No	Sum	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Development Draws																		
Site Value	1,228,250	1,228,250	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SDLT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Agent	12,283	12,283	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Legal	6,141	6,141	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction	10,024,410	0	0	0	835,368	835,368	835,368	835,368	835,368	835,368	835,368	835,368	835,368	835,368	835,368	835,368	0	0
Section 106	175,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	175,000	0
Historic Costs	400,000	0	0	0	400,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional Fees	900,950	0	0	0	75,079	75,079	75,079	75,079	75,079	75,079	75,079	75,079	75,079	75,079	75,079	75,079	0	0
DM Fee	317,982	0	22,713	22,713	22,713	22,713	22,713	22,713	22,713	22,713	22,713	22,713	22,713	22,713	22,713	22,713	0	0
Contingency	317,982	0	0	0	26,499	26,499	26,499	26,499	26,499	26,499	26,499	26,499	26,499	26,499	26,499	26,499	0	0
Marketing	50,000	0	0	0	0	0	0	5,556	5,556	5,556	5,556	5,556	5,556	5,556	5,556	5,556	0	0
Total Costs excl Interest	13,657,853	1,246,674	22,713	22,713	1,359,658	959,658	959,658	965,214	965,214	965,214	965,214	965,214	965,214	965,214	965,214	965,214	399,855	0
Notional Interest	505,032	0	11,886	6,469	6,584	12,641	18,403	22,542	28,212	32,062	38,050	42,968	46,342	52,805	55,862	62,643	67,561	0
Total Development Costs	14,162,885	1,246,674	34,599	29,182	1,366,243	972,299	978,062	987,756	993,426	997,276	1,003,263	1,008,182	1,011,556	1,018,019	1,021,076	1,027,856	467,416	0
Notional Interest Calculation																		
Development Period		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0
Qualifying Expenditure	13,432,998	1,246,674	22,713	22,713	1,359,658	959,658	959,658	965,214	965,214	965,214	965,214	965,214	965,214	965,214	965,214	965,214	175,000	0
Cumulative CF		1,246,674	1,269,387	1,292,100	2,651,758	3,611,416	4,571,074	5,536,288	6,501,502	7,466,716	8,431,929	9,397,143	10,362,357	11,327,571	12,292,784	13,257,998	13,432,998	0
Interest Due 6.00%	505,032	0	11,886	6,469	6,584	12,641	18,403	22,542	28,212	32,062	38,050	42,968	46,342	52,805	55,862	62,643	67,561	0
Accrued Interest		0	11,886	18,355	24,939	37,580	55,984	78,526	106,738	138,801	176,850	219,818	266,160	318,966	374,828	437,471	505,032	0
Cumulative CF inc interest	13,938,030	1,246,674	1,281,273	1,310,455	2,676,697	3,648,997	4,627,058	5,614,814	6,608,240	7,605,516	8,608,780	9,616,962	10,628,517	11,646,537	12,667,612	13,695,469	13,938,030	0

Project Name
Start Month

Corinthian Park Appraisal Appeal B - Speculative Development
03/10/2019

Project Timeline	Start	End	Start Mo	End Mo	Duration
Land Takedown	Oct-19	Nov-19	0	1	1
Construction Phase 1	Jan-20	Jan-21	3	15	12
Leasing/Stabilisation Phase 1	Jan-21	Jan-23	15	39	24

PC 15

Budget		Total Amt	Start Mo	Duration	End Mo
Acquisition Costs	Site Value	£1,506,250	0	1	1
	SOLT	£90,375	0	1	1
	Agent	£15,063	0	1	1
	Legal	£7,531	0	1	1
Construction	Construction	£11,776,730	3	12	15
	Historic Costs	£207,609	15	1	16
	S105 & Infrastructure Costs	£500,000	3	1	4
	Professional Fees	£1,061,169	3	30	33
Other Costs	DM Fee	£374,530	1	32	33
	Contingency	£374,530	3	30	33
	Marketing	£50,000	6	27	33
Marketing & Letting	Letting Agent	£199,054			
	Letting Legal	£66,351			
Interest	Notional Interest	£1,956,511	0	33	33
Total Development Cost		£18,185,703	Profit	PoC	YoC
		£343	£607,385	-3%	7.30%

Units	N/A	Void (mths)	R/P (mths)	Term (mths)	Cost PSF	Rent PSF	Total Net Rent	Exit Yield	Exit Value	Exit CY	Rent Start	Occ Start	F Left at Exit	RF Top-Up	Void Rates Costs
Office 1	20,090	18	18	120	£0.00	£25.00	£502,250	6.00%	£7,837,859	£390.14	51	33	18	£753,375	£313,906.3
Office 2	24,881	18	18	120	£0.00	£25.00	£622,025	6.00%	£9,707,007	£390.14	51	33	18	£933,038	£388,765.6
Office 5	8,110	18	18	120	£0.00	£25.00	£202,750	6.00%	£3,164,014	£390.14	51	33	18	£304,125	£126,718.8
Total	53,081	18	18	120.0	£0.00	£25.00	£1,327,025	6.00%	£20,708,880	£390					
Less Sales Costs										£310,633					
Less Rent Free Top Up										£1,990,538					
Void Rates Costs										£829,391					
Net Exit Value										£17,578,318					

General	
Purchaser's Costs	6.80%
Phase 1 Exit Mo	33
Sales Cost	1.50%

Jan-23

[illegible]

Project Name Corinthian Park Appraisal Appeal B - Pre Let
Start Month 03/10/2019

Project Timeline					
	Start	End	Start Mo	End Mo	Duration
Land Takedown	Oct-19	Nov-19	0	1	1
Construction Phase 1	Jan-20	Jan-21	3	15	12
Leasing/Stabilisation Phase 1	Jan-21	Jan-21	15	15	0

PC

15

Budget					
			Total Amt	Start Mo	End Mo
Acquisition Costs	Site Value		£1,506,250	0	1
	SDLT	0.0%	60	0	1
	Agent	1.0%	£15,063	0	1
	Legal	0.5%	£7,531	0	1
Construction	Construction		£11,776,730	3	12
	Historic Costs		£207,609	15	1
	s106 & Infrastructure costs		£500,000	3	1
	Professional Fees	8.5%	£1,061,169	3	12
Other Costs	DM Fee	3.0%	£374,530	1	14
	Contingency	3.0%	£374,530	3	12
	Marketing		£50,000	6	9
Marketing & Letting	Marketing Agent	15.0%	£199,054		
	Letting Legal	5.0%	£66,351		
	Notional Interest	6.0%	£600,193	0	15
Interest					
Total Development Cost			£315	£16,739,910	£1,668,699
				Profit	PoC
					YoC

Units	N/A	Void (mths)	RFP (mths)	Term (mths)	Cost PSF	Rent PSF	Total Net Rent	Exit Yield	Exit Value	Exit CV	Rent Start	Occ Start	F Left at Exit	Rf Top Up
Office 1	20,090	0	18	120	£0.00	£25.00	£502,250	6.00%	£7,837,859	£390.14	33	15	18	£753,375
Office 2	24,881	0	18	120	£0.00	£25.00	£622,025	6.00%	£9,707,007	£390.14	33	15	18	£933,038
Office 5	8,110	0	18	380	£0.00	£25.00	£202,750	6.00%	£3,164,014	£390.14	33	15	18	£304,125
Total	53,081	0	18	10.8	£0.00	£25.00	£1,327,025	6.00%	£20,708,880	£390				
Less Sales Costs									1.50%	£310,633				
Less Rent Free Top Up										£1,990,538				
Net Exit Value										£18,407,709				£347

General	
Purchaser's Costs	6.80%
Phase 1 Exit Mo	15
Sales Cost	1.50%

Jan-21

Hold Year	1	1	1	1	1	1	1	1	1	1	1	1	1	2	2	2	2	
Month No	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Month No	Sum	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Development Draws																		
Site Value	1,506,250	1,506,250	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SDLT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Agent	15,063	15,063	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Legal	7,531	7,531	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction	11,776,730	0	0	0	981,394	981,394	981,394	981,394	981,394	981,394	981,394	981,394	981,394	981,394	981,394	981,394	0	0
Section 106	207,609	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	207,609	0
Historic Costs	500,000	0	0	0	500,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional Fees	1,061,169	0	0	0	88,431	88,431	88,431	88,431	88,431	88,431	88,431	88,431	88,431	88,431	88,431	88,431	0	0
DM Fee	374,530	0	26,752	26,752	26,752	26,752	26,752	26,752	26,752	26,752	26,752	26,752	26,752	26,752	26,752	26,752	0	0
Contingency	374,530	0	0	0	31,211	31,211	31,211	31,211	31,211	31,211	31,211	31,211	31,211	31,211	31,211	31,211	0	0
Marketing	50,000	0	0	0	0	0	0	5,556	5,556	5,556	5,556	5,556	5,556	5,556	5,556	5,556	0	0
Total Costs excl Interest	16,098,267	1,528,844	26,752	26,752	1,627,788	1,127,788	1,127,788	1,133,343	1,133,343	1,133,343	1,133,343	1,133,343	1,133,343	1,133,343	1,133,343	1,133,343	432,464	0
Notional Interest	600,193	0	14,576	7,927	8,063	15,303	22,106	26,954	33,628	38,132	45,179	50,954	54,900	62,505	66,078	74,056	79,831	0
Total Development Costs	16,698,460	1,528,844	41,329	34,679	1,635,851	1,143,091	1,149,893	1,160,298	1,166,972	1,171,476	1,178,522	1,184,298	1,188,243	1,195,848	1,199,421	1,207,399	512,295	0
Notional Interest Calculation																		
Development Period		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0
Qualifying Expenditure	15,873,412	1,528,844	26,752	26,752	1,627,788	1,127,788	1,127,788	1,133,343	1,133,343	1,133,343	1,133,343	1,133,343	1,133,343	1,133,343	1,133,343	1,133,343	207,609	0
Cumulative CF		1,528,844	1,555,596	1,582,348	3,210,136	4,337,924	5,465,712	6,599,055	7,732,399	8,865,742	9,999,086	11,132,429	12,265,773	13,399,116	14,532,459	15,665,803	15,873,412	0
Interest Due 6.00%	600,193	0	14,576	7,927	8,063	15,303	22,106	26,954	33,628	38,132	45,179	50,954	54,900	62,505	66,078	74,056	79,831	0
Accrued Interest		0	14,576	22,504	30,567	45,870	67,976	94,930	128,558	166,690	211,869	262,823	317,723	380,228	446,306	520,362	600,193	0
Cumulative CF inc interest	16,473,605	1,528,844	1,570,172	1,604,852	3,240,703	4,383,794	5,533,687	6,693,985	7,860,957	9,032,432	10,210,955	11,395,252	12,583,496	13,779,344	14,978,765	16,186,165	16,473,605	0