



Mr M Keckes
Mile Property Group
Office 3.3
27 Castle Street
Canterbury CT1 2PX

Dear Michael,

17th May 2022

Viability Update letter Customs House, Gravesend

Further to our discussions on this matter you have requested an update to our submitted report on the basis of small alterations to the accommodation schedule in order to reflect comments made by the Local Planning Authority.

Please note that our report has been updated but only in respect of the following items:

- a) A change to the submitted residential sales values to reflect the small minor changes to the accommodation schedule as attached to this letter as Appendix B.
- b) Adjustments to remove ground rents from our appraisal now that the legislation is shortly (30th June 2022) being introduced by the Government banning charges being made on new leases.

For confirmation the scheme proposed changes result in:

- c) An increase in 11m² net sales area
- d) A change to the unit type of plots 25,26 and 27 replacing the submitted 3 bed units with 2 bed units and a study. An upward adjustment of £10,000 revenue for each of these plots has been included in our appraisal.

We have updated the appraisal accordingly with these changes and the residual land value is calculated to be £574,475 which is below our benchmark land value of £1,300,168 by £725,693.

We therefore conclude that the scheme outcome has got worse since the original submission of our viability report and this is primarily down to not including ground rents within our appraisal.

Yours sincerely

Peter Griffiths CMCIH

Bespoke Property Consultants

Appendix A – Updated appraisal, Appendix B – accommodation changes

Arundene Orchard Loxwood Road Rudgwick West Sussex RH12 3BT

e andy.leahy@bpplimited.co.uk t 01403 823425 f 01403 824075 w www.bpplimited.co.uk

Bespoke Properties Ltd Registered Office Barttelot Court Barttelot Road Horsham West Sussex RH12 1DQ Registered in England 321 8755 VAT Registered 679 8683 46

£0

SUMMARY

DETAIL

Site Address	Customs House, Gravesend update accommodation	Date of appraisal	01/04/2021
Site Reference		Net Residential Site Area	
File Source		Author & Organisation	
Scheme Description		Registered Provider (where applicable)	

Total Number of Units	27	units
Total Number of Open Market Units	27	units
Total Number of Affordable Units	0	units
Total Net Internal Area (sq m)	2,399	sq m
% Affordable by Unit	0.0%	
% Affordable by Area	0.0%	
Density	No Area input	units/ hectare
Total Number of A/H Persons	0	Persons
Total Number of Open Market Persons	0	Persons
Total Number of Persons	0	Persons
Gross site Area	0.00	hectares
Net Site Area	0.00	hectares
Net Internal Housing Area / Hectare	-	sq m / hectare

Average value (£ per unit)	Open Market Phase 1:	Open Market Phase 2:	Open Market Phase 3:	Open Market Phase 4:	Open Market Phase 5:	Total
1 Bed Flat Low rise	£245,000	£0	£0	£0	£0	
2 Bed Flat Low rise	£309,583	£0	£0	£0	£0	
3 Bed Flat Low rise	£424,167	£0	£0	£0	£0	
4 Bed + Flat Low rise	£0	£0	£0	£0	£0	
1 Bed Flat High rise	£0	£0	£0	£0	£0	
2 Bed Flat High rise	£0	£0	£0	£0	£0	
3 Bed Flat High rise	£0	£0	£0	£0	£0	
4 Bed + Flat High rise	£0	£0	£0	£0	£0	
2 Bed House	£0	£433,333	£0	£0	£0	
3 Bed House	£0	£0	£0	£0	£0	
4 Bed + House	£0	£0	£0	£0	£0	
Total Revenue £	£7,730,000	£1,300,000	£0	£0	£0	£9,030,000
Net Area (sq m)	2,083	316	-	-	-	2,399
Revenue (£ / sq m)	£3,712	£4,114	-	-	-	

£9,030,000

Phase 1	£0
Phase 2	£0
Phase 3	£0
Phase 4	£0
Phase 5	£0
Total PR	£0

£9.030.000 £ 3.445 psqm

£5,384,336 £ 2,054 psqm

£3,645,664

AH & RENTAL VALUES BASED ON NET RENTS

Type of Unit	Social Rented	Shared Ownership (all phases)	Affordable Rent (all phases)	Total
1 Bed Flat Low rise				
2 Bed Flat Low rise				
3 Bed Flat Low rise				
4 Bed + Flat Low rise				
1 Bed Flat High rise				
2 Bed Flat High rise				
3 Bed Flat High rise				
4 Bed + Flat High rise				
2 Bed House				
3 Bed House				
4 Bed + House				
	£0	£0	£0	£0

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)

equity	£0
LA s106 commuted in lieu	£0
RP Re-cycled SHG	£0
Use of AR rent conversion income	£0
Other source of AH funding	£0

£0

£0

£0 #DIV/0!

£0

No. of Spaces	Price per Space (£)	Value
-	-	£0

Value of Residential Car Parking		£0
Car Parking Build Costs	£0	

Ground rent

[illegible]

Developer's return for risk and profit**Residential**

Market Housing Return (inc OH) on Valu	20.0%	£1,806,000	66,889 per OM unit
Affordable Housing Return on Cost	6.0%	£0	per affordable unit
Return on sale of Private Rent	0.0%	£0	#DIV/0! per PR unit

Non-residential

Office	£0
Retail	£0
Industrial	£0
Leisure	£0
Community-use	£0

Total Operating Profit**£1,806,000**

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

TOTAL COST	£9,030,000
-------------------	-------------------

Surplus/(Deficit) at completion 1/12/2023**(£)****Present Value of Surplus (Deficit) at 1/4/2021****(£)****Scheme Investment MIRR****18.3%** (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value

6.4%

Peak Cash Requirement

-£5,629,746

Site Value (PV) per hectare

No area input per hectare

No area input per acre

		New build/ conversion	building name	floor/ type	Bedrooms	GIA (m2)	GIA (sqft)	Conversion element GIA (m2)	New build/extension element GIA (m2)	Difference vs Original
Residential	Unit 1	Conversion	Main house	lower ground	1 plus study	73	785.8			
Residential	Unit 2	Conversion	Main house	lower ground	2	77	828.8			
Residential	Unit 3	Conversion	Main house	Lower ,upper ground and first floor	1	71	764.2			
Residential	Unit 4	Conversion and one storey extension (1 additional floor over existing)	Museum	ground and first ; incl private garde and drive	3	104.5	1124.8	55	49.5	+2m2
Residential	Unit 5	Conversion	Main house	GF,FF and SF townhouse, incl private courtyard/ terrace	2	155	1668.4			
Residential	Unit 6	Conversion	Main house	ground floor	1	55	592.0			
Residential	Unit 7	Conversion	Main house	ground floor	2	70	753.5			
Residential	Unit 8	Conversion	Main house	first floor	2	81	871.9			
Residential	Unit 9	Conversion	Main house	first floor	2	72	775.0			
Residential	Unit 10	Conversion	Main house	second and third with look out and balcony	3	114	1227.1			
Residential	Unit 11	Conversion	Main house	second	2	74	796.5			
Residential	Unit 12	Conversion	Rear outbuilding	GF,FF and SF townhouse, incl private courtyard	3	132	1420.8			
Residential	Unit 13	Conversion	Rear outbuilding	GF,FF and SF townhouse, incl private balcony	3	137	1474.7			
Residential	Unit 14	Conversion and two storey extension (2 additional floors over existing)	Rear outbuilding	Ground,First and second	3	99	1065.6	40	59	-1m2
Residential	Unit 15	Conversion and two storey extension (2 additional floors over existing)	Rear outbuilding	Ground,First and second incl private roof terrace	3	110	1184.0	40	70	-1m2
Residential	Unit 16	Conversion and one storey extension (1 additional floor over existing)	Rear outbuilding	ground and first	1	54	581.3	28	26	
Residential	Unit 17	Conversion and one storey extension (1 additional floor over existing)	Rear outbuilding	ground and first; poor light on GF living	2	68	732.0	32.9	35.1	
Residential	Unit 18	conversion	Rear outbuilding	ground and first	1	60	645.8			
Residential	Unit 19	conversion	Rear outbuilding	ground and first incl private garden to side and rear	2 plus study /office	90	968.8			
Residential	Unit 20	Conversion with mezzanine floor	Workshop- launch store	ground and first floor mezzanine	2 plus study	117	1259.4			
Residential	Unit 21	Conversion	Old boathouse	ground and first with private garden and balcony on FF	2	80	861.1			
Residential	Unit 22	Conversion	Boathouse	ground and first; poor light in living on GF	2	65	699.7			
Residential	Unit 23	Conversion	Boathouse	ground and first	1	55	592.0			
Residential	Unit 24	Conversion	Boathouse	ground and first	2	69	742.7			
Residential	Unit 25	New build	New build- Townhouse	3 storey with top floor terrace and small garden to front	2	105	1130.2			+5m2
Residential	Unit 26	New build	New build- Townhouse	3 storey with top floor terrace and small garden to front	2	105	1130.2			+5m2
Residential	Unit 27	New build	New build- Townhouse	3 storey with top floor terrace and small garden to front	2	106	1141.0			+1m2
Total Residential (saleable area)						2398.5	25817.5			
Commercial/ Communal (not saleable)		Gazebo building adjacent to the River	to be fully repaired and restored as Grade 2 listed			34	366.0			
		Gatehouse /next to main gate	use as a bin store			18	193.8			
Communal		basement vaults used as storage for resi units				66	710.4			
Communal		Communal internal areas (communal stairs ,halways)				105	1130.2			
GRAND TOTAL SCHEME INCL COMMUNAL						2621.5	28217.8			