

Valuation Advisory

Client: Totnes Community Development Society and Dairy Crest Group plc

Property: Former Dairy Crest Site, Station Road, Totnes

May 2019



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Former Dairy Crest site, Station Road, Totnes

Executive Summary

Location

- The property is located in the market town of Totnes, which is the principal administrative and retail centre for the South Hams district of Devon and is located approximately 25 miles to the south west of Exeter, 24 miles to the east of Plymouth and six miles to the west of Torbay.
- The property is located just off the A381 / Station Road immediately to the north of Totnes Railway Station and 0.5 miles north of the town centre.
- Totnes is an attractive market town with a wide range of independent retailers and is famed for its promotion of ethical products, wholefoods and fair-trade goods.
- The site is situated in a sustainable position, within walking distance to the town centre and adjacent to the railway line. The town has a good range of local amenities, including retail, foodstores, public houses and cafes. The town also has a number of primary and secondary schools.

Description

- The property is a derelict factory site, formerly used by Dairy Crest as a creamery, on the northern edge of the town. The site is broadly level and is divided by the Mill Leat stream which runs roughly north to south through the middle of the site and is crossed by a vehicular bridge. The property is bounded by the river Dart to the north, the railway line to the east and south and existing residential and open space to the west.
- The current buildings appear to have been developed over a period of time in conjunction with the on-going requirements of the previous occupiers and their businesses. The buildings vary in age and construction providing a mix of single and two-storey buildings. Of notable interest is the Grade II Listed former atmospheric railway pumping station, known as Brunel Buildings, built in the 1840s. The rest of the site is given over to worn hard-standing.
- The buildings and are in a dilapidated condition and, in our opinion, are not capable of beneficial occupation and have a nominal value in their current state.
- We calculate that the site extends to a total of 3.00 hectares (7.41 acres).

Tenure

- Freehold.
- The Report on Title advises that the land is subject to a number of rights, benefits and requirements to obtain the consent of third parties before relocating existing services, utilities or public rights of way. It advises that there are various title rights and covenants which will require insurance.

Tenancy

- We understand that since February 2015 TCDS have had a lease for the whole site, which allows for it to take forward pre-development investigative work on the site in order to prepare the CRTBO for the site.
- There were previously two leases in place between Unigate Dairies Limited and TCDS in relation to the property at a peppercorn rent. The lease terms were due to expire on 18 February 2019 or come to an end at any point that the Agreement for sale terminates. The authorised use is for (inter alia): TCDS and its contractors to use the property in connection with obtaining an Order as set out in the Agreement for sale. We are unaware as to the current status of these agreements.

Planning

- The property is the subject of a Community Right to Build Order application (ref: 0440/16/CRB) for:
“Atmos Community Right to Build - proposed development to support mixed use establishing over 3.5 hectares of employment land capable of supporting over 99 homes, 160 jobs and a range of community facilities.”
- The Order was Made on 28th February 2017 by South Hams District Council, thereby giving the scheme planning permission, subject to reserved matters approval. The Order (with modifications as required by the Independent Examiner) is subject to 24 conditions.

Conclusions

- The property is a derelict brownfield site which has the benefit of a Made CRtBO for a mixed-use development comprising employment land capable of supporting over 99 homes, 160 jobs and a range of community facilities.
- Under the Town and Country Planning Act 1990 and the Neighbourhood Planning Regulations 2012 only a community organisation meeting the prescribed conditions can to bring forward a CRtBO. Therefore, only the TCDS can deliver the Made Order and Conditions. In practical terms this suggest that only TCDS are able to implement the permitted development.
- We have adopted three approaches to the valuation:
- Firstly, we have undertaken a residual appraisal of the proposed scheme having regard to comparable evidence in order to arrive at the gross development value and adopting the construction costs set out in Mace’s cost estimate. The development costs are significantly in excess of the GDV which results in the appraisal showing a residual land value of negative £55,350,000. This demonstrates that the proposed scheme is not currently commercially viable which is in part due to the high costs of the enabling works and groundworks required to provide migration in respect to flood risk and the ecological constraints and to meet the requirements of key statutory agencies (Environment Agency and Natural England), the high specification for the development and the low values of the proposed land uses.
- Secondly, we have undertaken a comparable valuation approach on the basis that purchasers may seek to acquire the property in order to redevelop the site for a similar mix of uses and density as those within the CRtBO. Given this is unlikely to be bought forward by another community right to build organisation, the site would not have the benefit of an extant planning permission and the purchaser would need to discount any offer to reflect the cost, time and risk of obtaining an implementable planning permission. We have calculated the value of the land as a clean site and deducted the site clearance and remediation costs as well as the costs associated with creating the flood plain, raising levels, retaining structures and the bridge and throttle as set out in the Mace Cost Estimate. Making a further allowance for the costs and risk of obtaining planning permission results in a land value of £460,000 or £62,528 per acre.
- Thirdly, we have considered the value of the property in its existing employment use where a purchaser would acquire the property, undertake the essential demolition and remediation works but otherwise continue to use the property in its current employment use. This assumes that the bridge does not need to be replace and that flood mitigation works will not be required. This results in a net land value of £450,000 or £60,179 per acre.
- Given the relatively consistency between the two comparable approaches, we based our opinion of market value on the higher of these two figures.

Valuations as at: 13 May 2019

Market Value:	£460,000
Purchasers Costs:	Stamp Duty plus 1.50%

This Overview forms part of the Valuation Report dated May 2019 and should not be read in isolation.



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Atmos Hub
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TQ9 5JR

Your ref

Our ref MW / 479500PLEX / 920000000014071

Direct line 01392 429315

Dairy Crest Group plc
Claygate House
Littleworth Road
Esher, Surrey
KT10 9PN

mark.walter@eu.jll.com

13 May 2019

Dear Sir

Terms of Reference

Addressee:

D Chapman Esq
Totnes Community Development Society
Atmos Hub
Station Yard
Totnes
TQ9 5JR
For attention of D Chapman

T Atherton Esq
CFO & Deputy CEO
Dairy Crest Group plc
Claygate House
Littleworth Road
Esher, Surrey
KT10 9PN
For attention of T Atherton

Property Address:

Former Dairy Crest site, Station Road, Totnes

Reliance:

This report is confidential to the parties to whom it is addressed. We agree to extend reliance to Totnes Community Development Society and Dairy Crest Group plc.

If at any stage it is intended to include the valuation or report, or any reference thereto, in any Prospectus or Circular to shareholders or similar public document, our written consent will be required. No part of this report may be disclosed to any third parties without our prior written approval of the form and context in which it will appear.

Save in respect of our liability for death or personal injury caused by our negligence, or the negligence of its employees, agents or subcontractors or for fraud or fraudulent misrepresentation (which is not excluded or limited in any way):

a) we shall under no circumstances whatsoever be liable, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, loss



of revenue or loss of anticipated savings, or for any indirect, special or consequential loss arising out of or in connection with this report; and

b) our total liability in respect of all losses arising out of or in connection with this report, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall not exceed £5,000,000. This amount shall be an aggregate cap on our liability to all relying parties together.

Tenure:	Freehold
Valuation Date:	13 May 2019
Instruction Date:	11 April 2019
Instruction and Purpose of Valuation:	In accordance with our letter dated 11 April 2019 (attached to Appendix 1) we are instructed to provide you with a report and valuation for purchase and sale purposes.
Basis of Valuation:	<p>We confirm that our valuation and report will be prepared in accordance with the current RICS Valuation – Global Standards 2017 published by the Royal Institution of Chartered Surveyors and the RICS Valuation – Professional Standards UK January 2014 (revised April 2015) (the RICS Red Book) on the basis of Market Value as defined in Appendix 2.</p> <p>The report is subject to, and should be read in conjunction with, the attached General Terms and Conditions of Business and our General Principles Adopted in the Preparation of Valuations and Reports which are attached in Appendix 2.</p> <p>No allowance has been made for any expenses of realisation, or for taxation (including VAT) that might arise in the event of a disposal and the property has been considered free and clear of all mortgages or other charges that may be secured thereon.</p>
Inspection:	<p>The property was inspected specifically for this valuation. All significant parts of the property were inspected.</p> <p>The property was inspected on 1 April 2019 by Mark Walter.</p> <p>We understand that we saw representative parts of the property and we have assumed that any physical differences in parts we did not inspect will not have a material impact on value.</p>
Personnel:	<p>The valuation has been prepared by Sam Hall MRICS, under the direction of Mark Walter MRICS, Director.</p> <p>We confirm that the personnel responsible for this valuation are qualified for the purpose of the valuation in accordance with the RICS Valuation – Professional Standards and are RICS Registered Valuers.</p>
Status:	In preparing this valuation we have acted as External Valuers, subject to any disclosures made to you.
Disclosure:	<p>We have previously disclosed to you any recent involvement in this property.</p> <p>JLL has previously provided valuation advice to TCDS in relation to this property which we do not consider to be a threat to our objectivity.</p>



Assumptions:

All our assumptions are set out in this report, our valuation is on the basis of full Vacant Possession.

We have made no Special Assumptions.

Sources of Information:

We have inspected the premises and carried out all the necessary enquiries with regard to Market Value. We have not carried out a building survey or environmental risk assessment. We have not measured the premises and have relied on the floor areas provided.

We have been supplied with and relied upon, a draft Certificate of Title/Report on Title and other correspondence by your solicitor.

We have been provided with the following reports, which we have relied upon:

- Made CRtBO documents.
- CRtBO Baseline Position dated March 2019 prepared by TCDS.
- Order of Cost Estimate Nr 1 dated February 2019 prepared by Mace Cost Consultancy.
- Asbestos Survey Report and Demolition Survey dated November 2015 prepared by D3 Consulting.
- Geoenvironmental Assessment Ground Investigation dated November 2015 prepared by D3 Consulting.

Market Value:

£460,000

(FOUR HUNDRED AND SIXTY THOUSAND POUNDS)

Purchaser's Costs:

We have allowed for Stamp Duty Land Tax as follows: Market Value of up to £150,000, zero; next £100,000 (the portion from £150,001 to £250,000), 2.00%; remaining amount (the portion above £250,000), 5.00%.

We have also allowed for agents and legal fees at standard market rates which amounts to 1.50%.

Confidentiality and Publication:

Finally, and in accordance with our normal practice we confirm that the Report is confidential to the party to whom it is addressed for the specific purpose to which it refers. No responsibility whatsoever is accepted to any third party and neither the whole of the Report, nor any part, nor references thereto, may be published in any document, statement or circular, nor in any communication with third parties without our prior written approval of the form and context in which it will appear.

Yours faithfully

Sam Hall MRICS
Surveyor
For and on behalf of Jones Lang LaSalle Limited

Yours faithfully

Mark Walter MRICS
Director
For and on behalf of Jones Lang LaSalle Limited

1. Introduction

1.1. Background

The property comprises a former creamery which was closed by Dairy Crest Group Plc (Unigate Dairies Limited) in June 2007.

We have been provided with an outline of the background information, which we briefly summarise below.

1.1.1. Legal Interest

Legal agreements established in August 2014 provide Totnes Community Development Society (TCDS) and project partner McCarthy and Stone Retirement Lifestyles Ltd with an interest in the land. These agreements allow for the preparation of a masterplan for the re-development of the site through the use of a Community Right to Build Order (CRtBO) and are structured as follows:

- TDCS contract with Unigate Dairies Limited for the south of site for £1.00.
- McCarthy and Stone Retirement Lifestyles Ltd contract with Unigate Dairies Limited. This contract can be assigned to TCDS if McCarthy and Stone Retirement Lifestyles Ltd decide not to develop, which has been confirmed in September 2018 as being the case.
- Collaboration agreement between TCDS and McCarthy and Stone Retirement Lifestyles Ltd.
- Option Agreement for the north of the site between TCDS and Unigate Dairies Limited: The option is priced at £1.00. The residual land value is calculated by taking 84% of gross development value (open market) less the development costs as defined.

Since February 2015 TCDS have had a lease for the whole site, which allows for the Society to take forward pre-development investigative work on the site in order to prepare the CRtBO for the site.

1.1.2. Made Community Right to Build Order

The design process which led to the preparation and submission of the CRtBO for Atmos Totnes, commenced on 25 September 2014.

The proposals within the Order were determined by South Hams District as meeting the Basic Conditions before moving to Independent Examination and subsequently Referendum.

The referendum for the Order took place on 23 November 2016 and the results recorded an 85.69% yes vote, with a turnout of 30.64%. The result of the referendum is binding and the Order was Made on 28 February 2017 by South Hams District Council, thereby giving the scheme full planning permission.

The Order provides detail to RIBA 3 and 4 and sets out the Conditions that need to be discharged prior to development. The specific Conditions are captured within section 5 of the Order (with modifications as required by the Independent Examiner).

Under the Town and Country Planning Act 1990 and the Neighbourhood Planning Regulations 2012 only a community organisation meeting the prescribed conditions can bring forward a CRtBO. Therefore, only the TCDS can deliver the Made Order and Conditions. In practical terms this suggests that only TCDS are able to implement the permitted development.

1.2. Current Position

Following the establishment of a Made CRtBO in 2017 McCarthy and Stone confirmed in September 2018 that they wished to release their interest in the site.

A revised contract for a single sale of the whole site to TCDS is being drawn up. The agreement will be formed as follows:

- TCDS will take the entire site on the completion date.
- TCDS will pay £1.25 million initial consideration and take possession of the site.
- TCDS will pay an additional consideration based on:
 - The parties as part of the contractual arrangements agreeing valuers who will owe a duty to both parties and as experts value the land value of the entire site as at the contractual date based on the Made CRtBO.
 - There will be arrangements for TCDS to be able to grant interests out of the site in respect of any of the development under the Order if the valuation is delayed for any reason.

1.3. Valuation Approach

The CRtBO which provides for a planning permission which only TCDS can implement. Therefore, in arriving at a Market Value, we have approached the valuation as follows:

- Considering the residual value of the CRtBO, having regard to the proposed development and costs provided.
- Adopting the comparable land method on the basis that a purchaser in the market, without the benefit of the CRtBO would look to secure a planning permission for an alternative scheme which is broadly consistent with the uses permitted in the CRtBO. Again, having regard to the proposed site clearance / remediation costs provided.
- Having regard to the current employment use of the property after making an allowance for site clearance / remediation in accordance with the costs provided.

2. Location

2.1. Location

The property is located in the market town of Totnes, which is the principal administrative and retail centre for the South Hams district of Devon and is located approximately 25 miles to the south west of Exeter, 24 miles to the east of Plymouth and six miles to the west of Torbay.

The property is located just off the A381 / Station Road immediately to the north of Totnes Railway Station and 0.5 miles north of the town centre.



2.2. Communications

The A38 dual carriageway, which provides direct links to Plymouth and Exeter, is located approximately 5 miles north west and is accessed via the A384 and A385. The A38 also provides access to the M5 motorway at Exeter and the wider motorway network beyond.

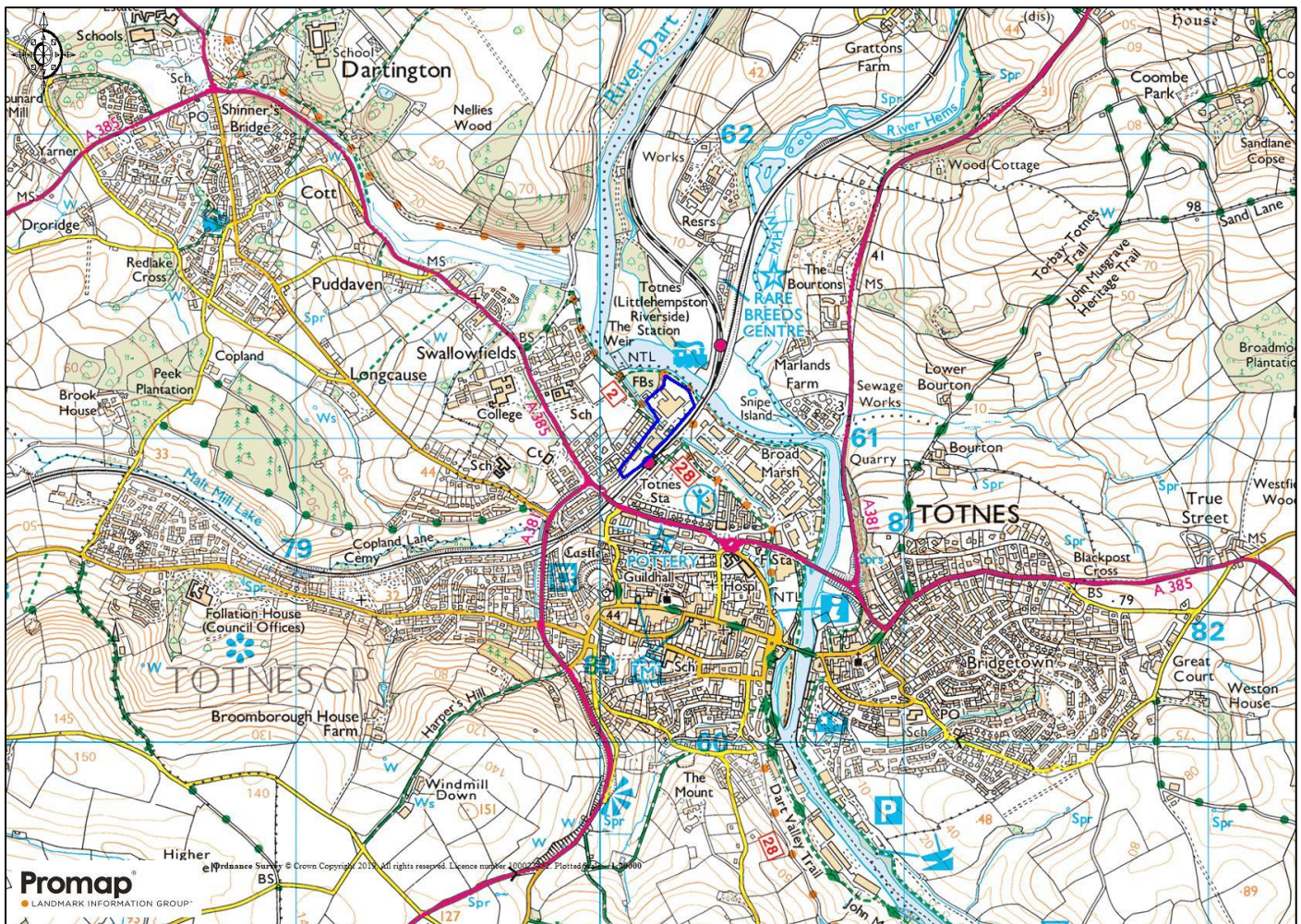
Main line rail services are available at Totnes which is on the London Paddington to Penzance line, with a journey time to London of approximately three hours.

By air, the region is served by Bristol and Exeter airport which are respectively situated approximately 90 miles and 29 miles to the north east and from where both scheduled and chartered flights are available to a number of major airports throughout the UK and internationally.

2.3. Situation

Totnes is an attractive market town with a wide range of independent retailers and is famed for its promotion of ethical products, wholefoods and fair-trade goods.

The site is situated in a sustainable position, within walking distance to the town centre and adjacent to the railway line. The town has a good range of local amenities, including retail, foodstores, public houses and cafes. The town also has a number of primary and secondary schools.



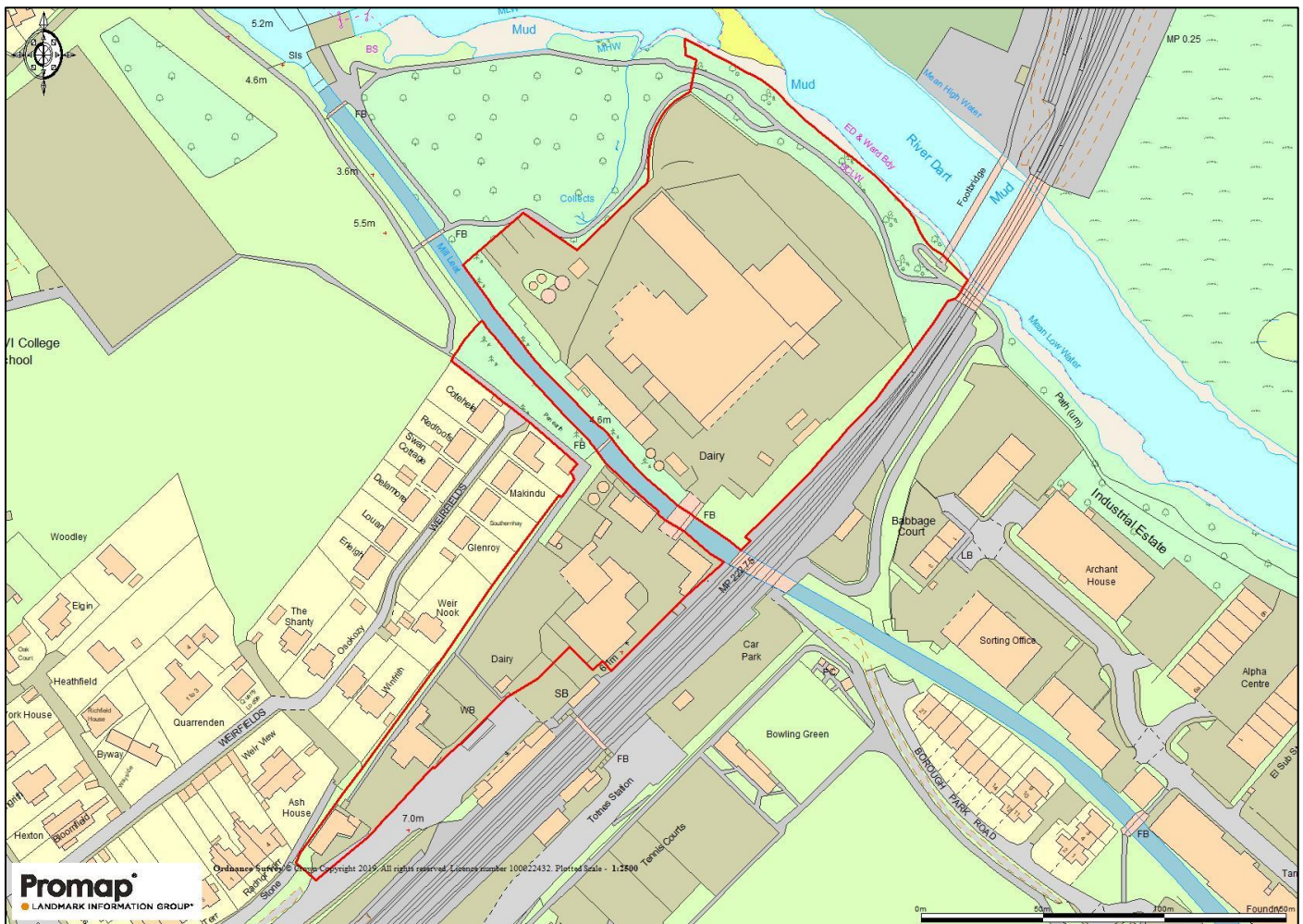
3. Description

3.1. Site

3.1.1. Description

The property is a derelict factory site, formerly used by Diary Crest as a creamery, on the northern edge of the town. The site is broadly level, although there are some variations of up to 3 metres and is divided by the Mill Leat stream which runs roughly north to south through the middle of the site and is crossed by a vehicular bridge. The property is bounded by the river Dart to the north, the railway line to the east and south and existing residential and open space to the west.

The property is shown for identification purposes on the Ordnance Survey extract below and attached at Appendix 3, the extent of the site being outlined in red in accordance with our understanding of the site boundaries. We calculate that the site extends to a total of 3.00 hectares (7.41 acres). You should verify that we have correctly identified the extent of the site.



The current buildings appear to have been developed over a period of time in conjunction with the on-going requirements of the previous occupiers and their businesses. The buildings vary in age and construction providing a mix of single and two-storey buildings. Of notable interest is the Grade II Listed former atmospheric railway pumping station, known as Brunel Buildings, built in the 1840s. It was originally an atmospheric pumping house on Isambard Kingdom Brunel's railway and was most recently used as a dairy store by Dairy Crest until 2007. The rest of the site is given over to worn hard-standing.

We have previously inspected the interior of the Brunel Buildings which extend to approximately 1,283.46 sq m (13,816 sq ft) and comprises a two-storey stone building under a pitched slate roof, which was recently installed. The building has concrete floors and a mezzanine level.

We were unable to inspect the interior of any of the other buildings and have been advised that they are in a dilapidated condition. We are therefore of the opinion that they are not capable of beneficial occupation and have a nominal value in their current state.

3.1.2. Access

Access and egress from the site is through the station car park which we have been advised is owned by Network Rail and leased to the mainline railway travel operator (currently Great Western). We understand that an agreement is in place which grants adequate rights across this land for both vehicles and pedestrians exist and will be continued in any redevelopment of the site.



Access to the property from Station Road



Bridge crossing the Mill Leat between the south and north sites

Further photographs of the property are shown at Appendix 4.

3.2. Proposed Development

3.2.1. General

The property benefits from a Community Right to Build Order made by South Hams District Council on 28 February 2017 which grants full planning permission for a mixed-use development over 3.5 hectares of employment land capable of supporting over 99 homes, 160 jobs and a range of community facilities. A master plan for the proposed development is shown below and at Appendix 5.

School for food entrepreneurship

A three-storey building comprising ground floor café, shop, food and education with two floors of flexible office or classroom space above.

Micro-Brewery

A three-storey building comprising ground floor brewery, bar and shop with two floors of flexible office space above.

Brunel Buildings / Energy Centre

Conversion of the two-storey building into community space including a restaurant, café/bar, event, meeting and work spaces. A dedicated Energy Centre is proposed next to the Brunel Buildings, which will provide heating and electricity to all buildings within the site. The Energy Centre will serve a District Heating Network.

Grocery store

A three-storey building comprising retail unit (use class A1) at ground floor, with net sales area of 300 sq m, and three self-contained maisonettes above.

Hotel

A three-storey hotel with: 58 bedrooms, restaurant, bar, lounge and undercroft car parking for 51 cars. The hotel runs along the southern boundary of the north site adjacent to the railway line.

Health and wellbeing centre

There is only limited information available on the design and layout of this property, however, we understand it is proposed to house a range of frontline NHS services and other complimentary uses.

River Link Café / Bar

A two-storey café on the northern boundary of the site with external seating areas.

Community Centre / Youth Building

The masterplan shows this building as a youth activities hub with links to a skateboard park, however, there is only limited information available at present.

The masterplan also shows associated public realm and car parking across the site. Two bridge links are proposed: B1- a vehicular and pedestrian bridge link and B2 - a pedestrian/ cycle link.

3.2.2. Construction

The plans and elevations show a predominately contemporary designed scheme. Proposed construction forms and natural insulations such as timber frame, straw bale, rammed earth, cob, wood fibre systems, sheeps wool, recycled newspaper etc will be used to form highly energy efficient build fabric solutions which are healthy, breathable and provide longevity.

Materials will be chosen to reflect the existing materials and aesthetic of the context where appropriate, such as natural slate, metal cladding, green roofs, natural stone, render, timber cladding, to add to local distinctiveness, architectural merit and diversity.

3.2.3. Specification

We have not been provided with any detail on the internal specification or finishes for the proposed residential or commercial units and have assumed that these will be delivered to a good standard and with a high level of sustainability.

3.2.4. Services

We understand that all mains services, including gas, water, electricity and mains drainage are available from the boundary of the property.

We have assumed that the development of the site would be relatively straightforward without any significant abnormal costs required to provide services.

3.3. Accommodation

The documents within the Community Right to Build Order includes an accommodation schedule showing the Gross Internal Area (GIA) for each proposed use, which we assume has been prepared in accordance with the RICS' Code of Measuring Practice (6th Edition). We have relied on the floor areas provided and made typical market assumptions for the Net Internal Areas (NIA) where appropriate. An accommodation schedule is shown below:

Commercial Accommodation

Use	Use Class	GIA (sq m)	GIA (sq ft)	Net:Gross Assumption	NIA (sq ft)
Live / Work	B1/B2/B3	1,980	21,313	100%	21,313
School for Food Entrepreneurship	A3 / A4 / A5	870	9,365	85%	7,960
Micro-Brewery (GF Brewery / Bar / Shop)	B2 / A5	120	1,292	85%	1,098
Micro-Brewery FF & SF Office Space)	B1	245	2,637	85%	2,242
Brunel Buildings*	D1	768	8,270		
Local Corner Grocery	A1	350	3,767	85%	3,202
Hotel (58 bedrooms)	C1	2,480	26,694		
Health and Wellbeing Centre	D1	300	3,229	85%	2,745
Café	C3	240	2,583	100%	2,583
Community Centre / Youth Building	D1	408	4,392	85%	3,733
Total		7,761	83,542		

*Area for Brunel Buildings from more recent floor plans prepared by Andrew Kirby Architects dated 16 February 2018.

Affordable Housing

Unit Tpe	No. Units	Unit GIA (sq m)	Unit GIA (sq ft)	Total GIA (sq ft)
North Site				
Live Work 1 Beds	4	60.00	640	2,562
Live Work 2 Beds	4	90.00	961	3,843
Live Work 3/4 Beds	3	245.00	2,615	7,845
Community Linked Housing 2 Beds	5	100.00	1,067	5,337
Community Linked Housing 2/3 Beds	3	115.00	1,227	3,682
Community Linked Housing 3/4 Beds	14	200.00	2,135	29,887

Community Linked Housing 1 Bed Flats	6	60.00	640	3,843
South Site				
Community Linked Housing 2 Bed Railway Units	9	130	1,388	12,488
Community Linked Housing 2 Bed Exemplar Units	2	140	1,494	2,989
Community Linked Housing 4 Bed Exemplar Units	2	220	2,348	4,697
Community Linked Housing 2 Bed Flats	6	60	640	3,843
Community Linked Housing 1 Bed Flats	4	50/70	538/753	2,562
Total	62			83,577

In addition to the above, there are 37 retirement units. We have not been provided with any detailed plans or floor areas for the retirement units. From the indicative layout in the Design and Access statement we have estimated there to be 15 x one-bedroom units and 22 x two-bedroom units.

3.4. Condition

3.4.1. General

JLL was not instructed to undertake any structural surveys, tests for services, or arrange for any investigations to be carried out to determine whether any deleterious materials have been used in the construction of the subject property or subsequent additions.

The buildings on site are either dilapidated or in need of extensive repair and refurbishment. In our opinion, in their current condition they are not capable of beneficial occupation.

Should the proposed scheme under the CRtBO not be delivered, then we are of the opinion that the majority of these buildings are of an age or condition which would render them obsolete, and again would expect the majority to be demolished.

3.4.2. Deleterious Materials

We consider it likely that there are deleterious materials within the fabric of the building although not in significant amounts.

Given the current condition of the buildings, and that the value of the property is related to its redevelopment, we envisage that these existing buildings will be demolished or extensively refurbished. We have assumed that Mace have factored an estimated cost for demolition into the cost information provided to us. We would however highlight that only specialist testing would confirm whether our assumption is correct. Should any deleterious materials be present on adverse amounts then the costs of demolition/removal will increase. If this is the case we should be consulted as it may impact on our valuation.

3.4.3. Asbestos

All commercial buildings are required to have an Asbestos Audit and, if appropriate, an on-going asbestos management plan. We have not seen a copy of this document. We recommend that your solicitors investigate the existence of the Asbestos Audit and your building surveyors review the document.

We have been provided with an Asbestos Survey Report prepared by D3 Consulting dated 2 November 2015. The report has identified the presence of asbestos in the existing buildings and we have assumed that the report's recommendations will be followed. D3 states that the extent of asbestos is of normal occurrence compared to other similar development projects and does not cause any concern to the project as a whole. We have assumed that asbestos removal costs have been included in the cost estimate provided by Mace.

3.4.4. Equality Act 2010

We have assumed the buildings will be constructed in compliance with the Equality Act 2010.

3.5. Environmental Considerations

3.5.1. Contamination

The site has historically been used as a dairy / milk processing plant.

We would recommend that your legal advisors obtain formal confirmation from the current owner and occupiers that no notices have been served on them by the Local Authority.

We have been provided with a Geo-Environmental Assessment Ground Investigation Report prepared by D3 Consulting dated 2 November 2015. The Site Investigation has identified small pockets of localised contamination which will be dealt with by removal and disposal at an appropriate landfill. There is also a small risk of additional ground contamination which will be investigated once all the buildings have been demolished. We have assumed that no significant contamination will be identified on the site for the purpose of this valuation. If this is not the case it may have an adverse impact on our valuation.

3.5.2. Ground Conditions

We have made the assumption that ground conditions are suitable for the current buildings and structures and proposed re-development.

Since our normal enquiries and inspections did not suggest that there are likely to be archaeological remains present in or on the property, we have assumed that no abnormal constraints or costs would be imposed on any future development at the property by the need to investigate or preserve historic features.

We do not normally carry out or commission investigations on site in order to determine the suitability of ground conditions and services for the purposes for which they are, or are intended to be, put; nor do we undertake archaeological, ecological or environmental surveys. We cannot confirm whether invasive vegetation has been or is present on the site and our valuation assumes that none exists. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is contemplated, no extraordinary expenses, delays or restrictions will be incurred during the construction period due to these matters.

3.5.3. Flood Risk

We have been provided with a Flood Risk and Surface Water Drainage Assessment prepared by John Grimes Partnership dated 22 January 2016. The report comments as follows:

“The Environment Agency’s (EA) indicative Flood Map for Planning shows the entire North Site and the northeast part of the South Site to be located within Flood Zone 3. The remainder of the South Site is shown to lie in Flood Zone 1.

Following consultation with the EA, Black & Veatch have been commissioned to re-run the existing Totnes model with changes made to the ground levels on the North Site. The changes comprise raising ground levels on part of the North Site to 5.95m A.O.D to create a platform above the modelled peak water level for the 1000 year fluvial event; thereby locating the development within Flood Zone 1. An area of land between the development platform and existing footpath adjacent to the Dart will be lowered to 2.7m A.O.D. This will form an informal wetland / amenity area and will provide flow conveyance and a contribution towards the loss of flood storage created by the raised development platform. A throttle structure is also proposed on the access bridge across the Mill Leat to reduce flows travelling down the leat in a flood event.

The modelling has demonstrated, to the satisfaction of the EA, that the risk of flooding due to loss of flood storage from the proposed development can be mitigated through the proposed landscaping and the resulting changes in peak flood level are

insignificant. In addition, the modelling has demonstrated that the proposed throttle structure will provide a significant reduction in peak water levels on the Mill Leat downstream of the site, thereby offering a reduction in flood risk to Totnes town.

In addition to the proposed design measures to address flood risk to the development, operation measures have been recommended to mitigate the residual flood risk. These include registering with the Environment Agency to receive flood warnings and implementation of a flood evacuation plan.”

For the purposes of our valuation we have assumed that the property has not flooded historically. If the property has historically flooded then our valuation will be affected. Our valuation assumes the property can be insured at normal risk and rates.

3.6. Sustainability Considerations

3.6.1. Energy Performance

Under the Energy Act 2011 Energy Performance Certificates (EPC's) are required when any building is sold, rented out, constructed and for major refurbishment projects. EPCs give information on a building's energy efficiency in a sliding scale from "A" (very efficient) to "G" (least efficient). EPC's are essentially required for privately occupied buildings and are the landlord's responsibility.

As a result of the Energy Efficiency Regulations 2015, the Minimum Energy Efficiency Standards (MEES) come into effect on 1st April 2018 for new leases and lease renewals/extensions and from 1st April 2023 for all existing leases. The standards make it unlawful for properties with F or G Energy Performance Certificates (EPC) to be let, without implementing cost-effective energy efficiency improvements or fulfilling an exemption criterion.

4. Legal

4.1. Title Review

We understand the property is held freehold. We have been provided with a copy of the draft Report on Title (RoT) prepared by Devonshires Solicitors but have not yet had sight of the final document or any of the plans / appendices. The RoT advises that the title to the Property is good and marketable, subject to the matters referred to in the RoT.

The executive summary draws attention to the following particular issues which we comment on in the table below:

RoT	JLL Comment
The Property is subject to rights and covenants in favour of the water authority and other statutory providers. Their consent will be required if you want to remove or interfere with their infrastructure.	We have assumed that this consent can be obtained, if required.
There is no site survey to inform you of the presence of utilities and infrastructure that may not be revealed on the title registers or the searches.	We have assumed that the contingency allowance within the cost estimate provided will be sufficient to cover any costs arising from previously unidentified infrastructure.
South Devon Railway Trust has the benefit of an access way and footpath on part of the Property. Their consent to stop, alter or restrict this right is required.	We have assumed that this consent can be obtained.
Network Rail (NR) will have to be consulted and asked to approve the proposed scheme due to the exclusions, rights and restrictive covenants they benefit from over parts of the Property. Please note NR does not necessarily have to consent to any releases.	We have assumed that NR approve will be forthcoming for any development of the property but have allowed an additional timescale to obtain this in our appraisal.
The Property is subject to a dedicated public footpath referred to as a riverside walk. Consent from the local authority will be required if this is to move and the programme will need to allow for it.	We have assumed that any proposed development will not impact on the public footpath or this can be satisfactorily moved if required.
There are various title rights and covenants for which we consider will require insurance.	We have assumed that title insurance can be obtained at commercial rates.
As the search results are more than 3 months old (that is, out of date) we would usually recommend that insurance is sought and we shall seek cover for this with the title quote referred to above.	We have assumed that title insurance can be obtained at commercial rates.
The Property is revealed to be subject to environmental and flood risk.	We have assumed that the recommended environmental flooding and flooding mitigation strategies are followed.

We understand that the completed residential and commercial units will be disposed as leaseholds of varying lengths.

4.2. Tenancy

We understand that since February 2015 TCDS have had a lease for the whole site, which allows for the it to take forward pre-development investigative work on the site in order to prepare the CRtBO for the site.

There were previously two leases in place between Unigate Dairies Limited and TCDS in relation to the property at a peppercorn rent. The lease terms were due to expire on 18 February 2019 or come to an end at any point that the Agreement for sale terminates. The authorised use is for (inter alia): TCDS and its contractors to use the property in connection with obtaining an Order as set out in the Agreement for sale. We are unaware as to the current status of these agreements.

4.3. Planning

4.3.1. General

The property is within the administrative area of South Hams District Council (SHDC).

The Plymouth and South West Devon Joint Local Plan (JLP) was adopted by SHDC on 21 March 2019. The adopted JLP forms part of the Development Plan for the South Hams.

4.3.2. History

We have made informal internet based enquiries of the Council's planning website; however, your legal advisors should confirm our assumptions and advise otherwise.

The property is the subject of a Community Right to Build Order application (ref: 0440/16/CRB) for:

"Atmos Community Right to Build - proposed development to support mixed use establishing over 3.5 hectares of employment land capable of supporting over 99 homes, 160 jobs and a range of community facilities."

The Community Right to Build came into force on 6th April 2012 and forms part of the Neighbourhood Planning (General) Regulations contained within the Localism Act 2011. The Order was Made on 28th February 2017 by South Hams District Council, thereby giving the scheme planning permission, subject to reserved matters approval.

The Community Right to Build Order (with modifications as required by the Independent Examiner) is subject to 24 conditions, all of which appear reasonable for a development of this nature.

A copy of the Decision Statement is shown at Appendix 6.

4.3.3. Listed Building Consent and Conservation Area

The Brunel Pumping Station is a Grade II Listed building. The building is proposed for refurbishment to a community hub and therefore the works will need to be approved and monitored by English Heritage to ensure the protection of the listed features. This is likely to increase the refurbishment costs and development programme and will have an impact on the land value.

The property is not located in a Conservation Area.

4.3.4. Current Planning Issues

The SHDC decision statement has been made under the Town and Country Planning Act 1990 and the Neighbourhood Planning Regulations 2012. The Neighbourhood Planning Regulations 2012 set out the prescribed conditions that must be met by a community organisation in order to bring forward a CRtBO under Regulation 13.

The TCDS meets the prescribed conditions for a community right to build organisation brought forward the Order. Therefore, only the TCDS can deliver the Made Order and the Conditions set out. In practical terms this suggest that only TCDS are able to implement the permitted development.

In our opinion another purchaser in the market, without the benefit of the CRtBO would look to secure a planning permission for an alternative scheme which is broadly consistent with the uses permitted in the CRtBO.

The property is allocated in the JLP under policy TTV22 as follows:

5	ATMOS (former Dairy Crest site)	Mixed use - including new homes and a range of business, commercial and community uses	62 homes	<p>a. Delivery in accordance with the provisions of the Community Right to Build Order (CRtBO), including appropriate flood risk mitigation measures (including improvements to the leat to protect existing development downstream), remediation of contaminated land and habitat enhancement.</p> <p>b. Sensitive and high quality design which integrates with the existing area and the setting of nearby heritage assets.</p>
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JLP Policy DEV8 requires a minimum of 30% affordable housing within the whole policy area.

We are not aware of any current planning issues or highway proposals likely to have an adverse impact upon the value of the property in the foreseeable future.

4.4. Statutory and Tax Matters

4.4.1. Council Tax / Business Rates

Once the proposed development is complete, the units will be individually assessed for Council Tax / Business Rates purposes.

4.4.2. Value Added Tax

We are unaware of the VAT situation in relation to this site, although we assume that this will be investigated by your legal advisers. Our valuation does not reflect VAT.

4.4.3. Stamp Duty Land Tax

We have allowed for Stamp Duty Land Tax as follows: Market Value of up to £150,000, zero; next £100,000 (the portion from £150,001 to £250,000), 2.00%; remaining amount (the portion above £250,000), 5.00%.

If the transaction on this property is seeking to take advantage of an avoidance scheme, you should be aware that the Government is trying to close avoidance loopholes. We would therefore recommend advice is sought on any avoidance schemes in place at this property.

5. Market Commentary

5.1. UK Economy

Our UK Economic and Property Market Overview is attached at the end of the Appendices.

5.2. Local Market Review

Totnes is a popular market town and civil parish at the head of the estuary of the River Dart in Devon within the South Devon Area of Outstanding Natural Beauty. The town has a resident population of approximately 8,000 (Source: 2011 Census), however its catchment is significantly larger and in the summer months the town benefits from an influx of tourists.

The town has recently seen a large amount of residential development including: Bloor Homes' Meadowside development of 50 dwellings (15 affordable); Linden Homes' Camomile Fields development of 100 dwellings (11 affordable); Linden Homes' development at Follaton Oak of 60 dwellings (30 affordable) and Cavanna Homes' development at Origins situated in nearby Dartington for 63 dwellings (13 affordable).

Totnes has a lack of supply of employment land, especially with the redevelopment of Baltic Wharf and therefore we believe that there would be demand for the property from local occupiers looking for space close to the centre of town.

The subject property is located outside of the town centre where most of the retail is centred and the other side of the railway line from the Broad Marsh industrial estate. The site's location adjacent to the train station will give the development prominence and increased footfall. It is also a sustainable location for those wishing to visit / commute to the site by public transport.

We note that The Shops at Dartington has proved to be popular and appears to be fully let with a mix of retailers. In addition, the serviced offices elsewhere in Devon have high levels of occupancy indicating demand for this type of product.

However, there has been very little speculative commercial development since the start of the credit crunch in 2008. Developers (and their funders) typically require pre-lets before acquiring the site and commencing development.

With regard to hotels, Tourism is one of the UK's largest and best performing industries and the uncertainty resulting from the EU referendum brought both challenges and opportunities. The weakening of the pound following the Brexit vote has benefitted hotels, with increased inbound tourism due to a more favourable exchange rate.

An increase in business and consumer confidence, together with a strengthening of the economy has positively influenced regional UK hotel performance in recent years. As a result, RevPAR is close to exceeding prior peak levels in nominal, if not in real, terms. Following the vote on 23 June 2016 to exit the European Union, there remains uncertainty around how the country will exit and what implications this will have for the corporate market and service industry. Hotel markets could potentially be hit by increased operational costs and an impact on corporate travel in particular, although the extent of this, if any at all, remains very uncertain. This uncertainty is likely to continue in the short to medium term, until the full impact on the economy is clarified and the exit agreement becomes more defined. We note that within 5 miles of Totnes there is a wide range of accommodation available including popular tourist locations such as Torbay and Dartmouth.

With regard to the health and wellbeing centre, the demand for NHS medical centres is driven by the Clinical Commissioning Group (CCG), NHS England with potential input from NHS Property Services (NHSPS) and the Valuation Office Agency (VOA). Medical centres occupied by GPs and their NHS contract are subject to rent reimbursement known as Notional Rent (NR). This is based on a VOA assessment of rental value with an assumed letting term of 15 years subject to the landlord being responsible for external repairs and insurance and the tenant responsible for internal repairs, lifts and boilers (TIR).

For an NHS Medical Centre scheme to be viable it is necessary to have a pre-letting in place to either a group of GPs preferably four but at least two with full NR and support from the NHS. The rental market for such entities is very artificial as there is a single potential tenant, the NHS (or GP's supported by the NHS).

There is a considerable amount of rental evidence available appertaining to either existing buildings although there are a few new schemes capable of rental analysis. This is because the supply chain of medical centre developments has been slowing following the abolition of Primary Care Trusts (PCTs).

We understand at the present time no commitment has been made by the NHS to take accommodation with the proposed building. It is therefore anticipated the scheme will accommodate health providers that are not directly funded through the NHS. For example: dentists, physiotherapists, psychotherapists, podiatrists, cosmetic clinicians and other complementary medical providers.

This market for such occupiers is subject general property market forces and the availability of alternative accommodation. Occupiers tend to be price sensitive and are often content occupying secondary office accommodation. The rental tone therefor tends to be somewhat lower than for NHS medical centres.

We understand that the whole Dairy Crest site was previously marketed by the current owner, and did not sell due to a number of issues, but predominately the flood risk concerns on the northern portion of the site.

6. Market Evidence & Analysis

We have researched the available letting and sales market evidence both for completed units and land.

6.1. Affordable Housing

The CRTBO designates all the housing within the scheme (excluding the retirement housing) as affordable housing. We understand that the housing developed by the TCDS will be held in perpetuity in the land trust. We have not been provided with any specific details with regard to affordable housing types or tenure mix and we have therefore had regard to offers being made by Registered Providers for new build housing across Devon, including the following:

- Tavistock: A Registered Provider bid for a Section 106 package of 68 affordable houses in the town of Tavistock, West Devon in 2018. The accommodation comprised one, two and three-bedroom houses. The offer equated to a blended rate of £156 / sq ft.
- Kingsbridge: A Registered Provider bid for a Section 106 package of 29 affordable houses in the town of Kingsbridge, South Hams in 2018. The accommodation comprised one and two-bedroom flats and two to four bedroom houses with a tenure mix of 72% affordable rent and 28% shared ownership. The offer equated to a blended rate of £152 / sq ft.
- Paignton: A Registered Provider bid for a Section 106 package of 24 affordable houses in the town of Paignton, Torbay in 2017. The accommodation comprised two to three-bedroom houses with a tenure mix of 58% affordable rent and 42% shared ownership. The offer equated to a blended rate of £147 / sq ft.

From the above evidence, we have adopted a blended rate of £155 / sq ft for the affordable units. We have assumed that no grant funding is available.

6.2. Workshops (light Industrial)

We have had regard to the rents achieved at the following comparable properties:

No.	Date	Address / Location	Area (sq ft)	Tenant	Rent sq ft	Comment
1	10/18	Unit 10, Ippelpen Business Park, Totnes Road, Newton Abbot	947	Dental Laboratories Association	£7.92	<ul style="list-style-type: none"> ■ 6 year lease at £7,500 p.a. with tenant break option in year 3. ■ End-terrace workshop with roller shutter door and allocated parking space. ■ Eaves height of 2.7m. ■ Established commercial location.
2	03/18	Unit 1B, West Golds Park, Jetty Marsh Road, Newton Abbot	920	Yeoman Ltd	£6.60	<ul style="list-style-type: none"> ■ 3 year lease at £6,000 p.a. ■ Mid-terrace unit with roller shutter door. ■ Workshop with first floor offices. ■ 2 allocated parking spaces. ■ Poor EPC rating
3	02/18	The Workshop, Lemon Place, Newton Abbot	1,184	Devon Escape Rooms	£7.18	<ul style="list-style-type: none"> ■ 6 year lease at £8,500 p.a. ■ Period building providing workshop and first floor office. ■ End-terrace unit. ■ Town centre location.

4	07/17	Unit A, Scope Complex, Wills Road, Totnes	750	Totnes Studio Lounge	£6.67	<ul style="list-style-type: none"> ■ 3 year lease at £5,000 p.a. with additional service charge of £580 p.a. ■ Provision for 2 parking spaces (not allocated). ■ First floor end-terrace commercial space. ■ EPC E. ■ Established trading estate.
5	06/17	Unit 15, Trojan Industrial Estate, Paignton	950	Riviera Dental Laboratory	£8.84	<ul style="list-style-type: none"> ■ 10 year lease at £8,400 p.a. with tenant break option in year 5. ■ Detached commercial unit with workshop/store and six parking spaces. ■ Established commercial location.

Based on the above evidence, and our experience, it is our opinion that the proposed workshops would achieve a rent of £7.50 sq ft with 3 months' rent free. We have assumed that the units are likely to be let to local occupiers of limited covenant strength and have therefore applied a yield of 10%.

6.3. Serviced Business Accommodation

In respect of the proposed redevelopment, we have been advised that the School for Food Entrepreneurs is to be constructed and fully fitted out in order to provide serviced business, kitchens and workshop space which occupiers can rent on a short-term basis. We have therefore had regard to the net rents achieved at the following comparable properties:

No.	Date	Address / Location	Area (sq ft)	Tenant	Rent sq ft	Comment
1	02/19	Part Second Floor, 19 Devon Square, Newton Abbot	591	Unknown	£11.00	<ul style="list-style-type: none"> ■ 6 year lease at £6,500 p.a. with tenant break and upward only rent review in year 3. ■ Additional charge of £257 for 2 parking spaces. ■ Refurbished period building in Newton Abbot town centre.
2	10/18	Suite 1, Block A, Ashleigh Way, Langage Office Campus, Plympton	1,512	Nestor Primicare Services Limited	£11.24	<ul style="list-style-type: none"> ■ 3.5 year FRI lease at £17,000 p.a. ■ Ground floor office suite with six allocated parking spaces. ■ 1990s detached office building in established location.
3	07/17	Unit 4, The Cider Warehouse, Castle Street, Totnes	580	Unknown	£10.00	<ul style="list-style-type: none"> ■ FRI flexible lease at £5,800 p.a. ■ First floor office accommodation. ■ One parking space included. ■ Situated to south of subject property.
4	02/17	Part Ground Floor, 306 Torquay Road, Paignton	860	NHS	£12.70	<ul style="list-style-type: none"> ■ 5 year lease at £11,000 p.a. with a tenant break option in year 3. ■ 1920s detached building in Paignton town centre.

						<ul style="list-style-type: none"> ■ Additional service charge of £250 p.a.
5	10/16	Part Ground Floor, Burrator House, Peninsula Park, Exeter	1,649	Fell Frischmann Consultants Ltd	£13.13	<ul style="list-style-type: none"> ■ FRI protected lease at £21,644 per annum expiring 31 March 2019. ■ Situated on an established out of town office park on the eastern side of the city.

Based on the above evidence, and our experience, it is our opinion that the proposed food school would achieve a rent of £12.00 sq ft. We are aware of other proposed developments of serviced creative space in the South West where the developers are anticipating achieving yields of between 8.25% and 12.00%. We are of the opinion that, due to the anticipated short term leases and low covenant strength of the tenants, a yield of circa 10.00% is appropriate.

6.4. Convenience Store

With regard to the local corner grocery, we have had regard to the following rental and investment evidence:

No.	Date	Address / Location	Area (sq ft)	Tenant	Rent sq ft	Comment
1	11/18	2/4 Yonder Street, Ottery St Mary	2,796	Martin McColl Limited	£10.65	<ul style="list-style-type: none"> ■ 16.5 year lease at £25,754 p.a. with fixed rental increases of 2% p.a. compounded in 2020 and every 5 years thereafter. ■ Rent reflects £3 sq ft on first floor ancillary of 527 sq ft. ■ Town centre location.
2	02/17	36 High Street, Crediton	3,075	Tesco Stores Ltd	£11.50	<ul style="list-style-type: none"> ■ Open market upward only rent review - nil increase at £35,360 p.a. ■ 20 year lease from February 2002. ■ Five yearly upward only rent reviews. ■ Town centre location in small Mid Devon town.
3	10/16	Unit 18-20, Roundhill Road, Torquay	3,272	Co-operative Group Food Ltd	£16.05	<ul style="list-style-type: none"> ■ Let on a 15 year lease at a rent of £52,500 p.a. with 5 yearly rent reviews. ■ Units combined and extended at the rear by the landlord at their cost. ■ Situated within a parade of shops in a residential area of Torquay.
4	05/16	4-6 Fore Street, Wellington	8,528	Co-operative Foodstores Ltd	£10.37	<ul style="list-style-type: none"> ■ Rent of £88,400 p.a. ■ FRI lease expiring September 2031 with five yearly rent reviews and no break options. ■ Located in prime location.

5	03/15	135 High Street, CREDITON	5,865	Co-operative Group Food Ltd	£11.50	<ul style="list-style-type: none"> ■ New 15 year lease at a rent of £50,000 p.a. subject to five yearly rent reviews with a collar and cap of 1% and 4%. ■ 3 months rent free was agreed. ■ Rent reflects £3 sq ft to the lower ground floor. ■ Situated toward the eastern end of the High Street.
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We have assumed that the proposed local corner grocery would be let to a regional occupier at a rent of £10.00 sq ft on a standard 10-year FRI lease (or longer with break clauses) with 3 months' rent free and that a yield of 7.50% is appropriate.

6.5. Hotel

Hotels are typically valued as a trading entity on the basis of fair maintainable trade. We understand that there are currently no trading projections available for the proposed hotel and therefore JLL's hotel and hospitality team has considered the value of a completed hotel based on typical market norms assuming that the hotel is run by an experience operator. They have also commented that they would consider the proposed situation of the hotel immediately adjacent to the train line to be disadvantageous and potentially limiting the interest from occupiers although we understand that the building incorporates a sound proof design.

We have reviewed the local hotel market and considered average room rates for other similar locations near train stations across the UK from budget star operators and based on our experience we have assumed an average room rate of £70 per night. Based on the average occupancy rate data available for Plymouth in 2015 of 66.6% we have adopted a similar occupancy of 65%. We have also made an allowance for food and beverage using typical market assumptions which provides for a turnover of £1,048,000 net of VAT. This provides for a gross profit of £839,000 and a net operating profit of £282,960.

On a day one basis we have adopted a 8x multiplier which provides a value of £2,263,677 (£39,029 per room). On a year three basis would adopt a 10x multiplier which would provide a value of £2,829,590 or £48,796 per room which is within the range we would expect for a hotel in this location.

6.6. Health & Wellbeing Centre

Typical 1990s fully fitted medical centres in a town centres would be assessed at an NR of approximately £12 sq ft for ground floor and 90% of that figure for the first floor if there is no lift. Car parking rates to be typically £350-400 per space.

New surgeries are typically let on the basis of a 20 year lease with no tenant's option to break with rent reviews to market rent at the end of each third year of the term on tenant's internal repairing terms (TIR). Typical rents would be in the order of £17 sq ft plus £300-400 per car parking space depending on location and availability. New projects are normally subject to VOA analysis on value for money and may involve submitting appraisals with detailed build costs and valuation figures. There are set parameters adopted by VOA so rather than assume a 15% or 20% profit on cost they would wish to see a target of 8% as they view the risk of medical centre developments as being much lower than traditional speculative developments.

The proposed lettings are likely to fall outside the criteria adopted for the primary care investors; however it provides a useful benchmark at top end values.

There are a number of specialist Primary Care investment funds that have existing large portfolios which are seeking to expand. This is normally through acquisition of existing stock, entering into new sale and leaseback agreements with GPs and procuring new developments through links with existing primary care development companies. Yields have been reducing over the past few years due to the lack of investment stock and increasing competition between the main funds. Yields for modern medical centre developments outside London are now typically sub 5% although if leases contain RPI or fixed uplifts even lower yields can be achieved. It is important to draft leases in line with industry standards without tenant's options to break and with the

rent review mechanism being capable of implementation based on the DV Notional Rent assessment. The Premises Cost Direction 2013 provide guidance relating to lease structures and rent reimbursement for GPs. Normally a GP practice will only sign a lease that enables them to reclaim the lease rent from the NHS, however, in turn the NHS require standard lease documentation to allow a degree of protection for GP tenants.

Lettings to non-NHS providers are likely to command rents and yields in line with office lettings, and therefore we have adopted office rents of £7.50 sq ft with 3 months' rent free and yields of 10% for the purpose of this valuation.

There are ways of increasing the Gross Development Value of a medical facility through agreeing the most beneficial lease terms. There are, however, NHS constraints but if a special case can be proved it may be possible to agree RPI rent reviews or a rental structure rates above the general tone of values in the area. This will depend very much on the level of support from the NHS and the priority they give the scheme. It would be necessary to provide a robust case in relation to build costs in order to justify the level of rent and VOA would normally scrutinise ways of cross subsidising schemes through either Section 106 contributions, enhancement and value of other elements of a scheme (such as reduced provision of social housing) and cross subsidy through pharmacy lettings. Often it is possible to secure a letting to a pharmacy operator which would sit within a medical centre or immediately adjacent. Such pharmacy operators benefit substantially on the patient footfall and are willing to pay very high values per sq m. Their assessment of rental value is based on the likely throughput of scripts and number of registered patients and is not normally analysed on a rate per sq m. It would be worth exploring whether or not there is a pharmacy capable of transferring to the site. It is necessary for pharmacy operators to obtain a pharmacy licence which is extremely difficult although the most common option is for a transfer of an existing licence.

6.7. A1 (Retail) and A3 (Restaurants and Cafes)

With regard to the proposed café, we have had regard to the following A1 and A3 evidence:

No.	Date	Address / Location	Area (sq ft)	Tenant	Rent sq ft	Comment
1	03/19	9 Fore Street, Totnes	2,043	Specsavers	£18.65	<ul style="list-style-type: none"> ■ Assignment of lease from NatWest that expires June 2026 subject to rent reviews in 2020 and 2025 at a current rent of £31,000 p.a. ■ Period mid-terraced property. ■ Prime retail location. ■ Rent sq ft reflects £3 to the first floor.
2	04/18	48 High Street, Totnes	415	Things I Like	£21.68	<ul style="list-style-type: none"> ■ New lease at £9,000 p.a. ■ Period mid-terraced Georgian property. ■ Slightly off-pitch location.
3	09/17	34 High Street, Totnes	750	Love Frankie	£28.00	<ul style="list-style-type: none"> ■ Assignment of existing lease expiring August 2023 at a current rent of £21,000 p.a. ■ Mid-terraced period property. ■ Prominent High Street location.
4	03/17	27 High Street, Totnes	1,004	Amanda Marsden Salon & Spa	£21.91	<ul style="list-style-type: none"> ■ Assignment of lease from Harberton Art Workshop at a rent of £22,000 p.a. ■ Period mid-terraced property. ■ Prime retail location.

5	05/15	50 Fore Street, Totnes	1,595	Marleys Deli	£16.61	<ul style="list-style-type: none"> ■ 15 year lease at £26,500 p.a. with tenant break options every three years and rent reviews every five years. ■ One month rent free was granted to the tenant. ■ Period mid-terraced property.
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The above evidence is all from high street retail units with good provenience and footfall compared to the proposed units. We have also had regard to more historic evidence from The Shops at Dartington, a nearby craft and shopping centre destination laid out as a small village, together with cafes and restaurants, located approximately two miles to the north west of Totnes town centre. Average passing rents in 2015 at The Shops reflected circa £10.00 sq ft, with up to £20 sq ft being achieved on the best space within the scheme, benefiting from the highest prominence and footfall.

Based on the above evidence, and our experience, it is our opinion that the proposed café would achieve a rent of £10.00 sq ft. We have assumed that the café is likely to be let to a local occupiers on short lease lengths with 3 months' rent free and have therefore applied a yield of 10%.

6.8. Community Uses (D1)

Community facilities are generally owned by Local Authorities or the Church. Any rents levied on such facilities are often nominal as their operation tends to further the respective owners' social objectives and therefore transactional evidence is rather limited.

Our enquiries have revealed few relevant transactions in Totnes and so we have also considered comparable evidence from a wider area of other uses within Class D1 (non-residential institutions) of the Town and Country Planning (Use Classes) Order 1987 (as amended) as follows:

No.	Date	Address / Location	Area (sq ft)	Tenant	Rent sq ft	Comment
1	To Let	Lower Tweed Mill, Dartington	464	Vacant	£9.50	<ul style="list-style-type: none"> ■ Five year lease available at £4,408 p.a. with additional service charge of £1,624 p.a. ■ Period building that has been renovated to provide offices.
2	04/19	11-15 Sherwell Valley Road, Torquay	2,369	Unknown	£5.07	<ul style="list-style-type: none"> ■ New lease at £12,000 p.a. ■ Former doctors surgery converted from three terraced houses. ■ Residential location.
3	02/18	3 Tor Hill House, Torquay	1,307	Midshires Care	£9.56	<ul style="list-style-type: none"> ■ Five year lease at a rent of £12,500 p.a. with a tenant break option in year 3. ■ Medical D1 use. ■ Ground floor suite. ■ Modern building in town centre location.
4	09/17	9 New North Road, Exeter	2,389	The Exeter Clinic (Podiatry)	£11.72	<ul style="list-style-type: none"> ■ New 10 year IRI lease at a rent of £28,000 p.a. with an open market rent review at the end of the fifth year and three months rent free.

						<ul style="list-style-type: none"> Grade II Listed building in medical use arranged over three floors with off road parking for two vehicles.
5	03/17	9-10 Manaton Court, Exeter	3,382	Devon Doctors Ltd	£7.40	<ul style="list-style-type: none"> New 5 year FRI lease with a tenant break option in year 3 at a rent of £25,000 p.a. with 4 car parking spaces. The property comprises a terraced modern unit on the outskirts of the city centre.
6	01/16	100 Queen Street, Newton Abbot	530	Unknown	£11.32	<ul style="list-style-type: none"> Quoting rent of £6,000 p.a. First floor D1 accommodation. Mid-terraced period building.

Based on the above evidence, and our experience, it is our opinion that the proposed community centre would achieve a rent of £7.50 sq ft. We have assumed that the unit is likely to be a single letting to a local occupier such as a veterinary surgery or a number of day uses such as day care or fitness classes which would produce a net rent of £7.50 and have therefore applied a yield of 10%.

With regard to the Brunel Buildings which is designated as community space including a restaurant, café/bar, event, meeting and work spaces, we have applied a capital value of £90.00 sq ft to the building except the proposed new glazed entrance extension where we have applied a lower rate of £45.00 sq ft. This results in a rounded figure of £700,000, assuming that the property is converted/refurbished in accordance with the planning permission. This is the approach and figure adopted in our previous valuation of this building in February 2019.

6.9. Employment Land

Within this location there have been very few land sales involving similar sites recently. We have therefore had regard to the following:

No.	Date	Address / Location	Size	Price	Comment
1	03/18	29-31 Stuart Road, Plymouth, Devon	1.01 acres	£360,000 (£350,000 per acre)	<ul style="list-style-type: none"> Former secure tarmac car park situated close to the city centre. Sold unconditionally. Residential redevelopment potential.
2	02/18	Plot A, Plymouth Enterprise Park, Ernesettle Lane, Plymouth, Devon	3.75 acres	£675,000 (£180,000 per acre)	<ul style="list-style-type: none"> Part of former Toshiba site sold to Tincknell & Son with outline planning consent. Majority of site is undeveloped and slopes.
3	03/17	Small & Tidmas, Princess Street, Barnstaple, Devon	2.53 acres	£825,000 (£325,000 per acre)	<ul style="list-style-type: none"> Former fabrics factory totalling 78,897 sq ft within walking distance of the town centre. Buildings (inc Grade II Listed section) in poor condition. Part of the site is in Flood Zone 3. Sold unconditionally for redevelopment.
4	09/15	Former Brickyard, Higher Poole,	0.54 acres	£105,000 (£195,000 per acre)	<ul style="list-style-type: none"> Undeveloped land with planning consent for six (5,378 sq ft) light industrial units.

		Wellington, Somerset			<ul style="list-style-type: none"> ■ Located within one mile of the A38 and two miles from J26 of the M5.
5	08/15	Plot E, Mid Devon Business Park, Willand, Devon	0.52 acres	£125,000 (£240,000 per acre)	<ul style="list-style-type: none"> ■ Serviced development plot on a modern business park within easy access of the M5 motorway.
6	03/15	Beechwood Way, Langage Business Park, Plymouth, Devon	1.79 acres	£340,000 (£190,000 per acre)	<ul style="list-style-type: none"> ■ Two parcels of greenfield undeveloped land acquired by GAP Group Plant Hire. ■ Located on a popular business park within easy access of the A38.

The above sales evidence ranges from £180,000 per acre to £350,000 per acre for freehold commercial land in the South West.

The sale of the former secure car park at Stuart Road in Plymouth achieved the highest value of £350,000 per acre. The site was sold with residential redevelopment potential and is located close to the city centre with benefits from good road frontage.

The lowest capital value rate of £180,000 per acre was achieved for the sale of Plot A at Plymouth Enterprise Park comprising part of former Toshiba site totalling 3.75 acres. The undeveloped land in Wellington and Plymouth also achieved a similar rate per acre. These sites are located in established commercial locations with good main road access.

Based on the above and in view of the property location in the popular town of Totnes, in the current market we are of the view that a cleared land value in the region of £200,000 per acre could be achieved

6.10. Residential Land

We are aware of the following recent transactions of land for residential development within the South Hams area:

No.	Date	Address / Location	Size	Price	Comment
1	04/18	Derby Road, Kingsbridge	2.93 acres	£1,050,000 (£358,362 per acre) (£32,813 per plot)	<ul style="list-style-type: none"> ■ Purchased by Killian Construction. ■ Greenfield site with challenging topography. ■ Planning for 32 dwellings with 13% affordable homes.
2	04/18	Belle Hill, Kingsbridge	9.56 acres	£3,800,000 (£397,490 per acre) (£39,583 per plot)	<ul style="list-style-type: none"> ■ Purchased by Westco Properties. ■ Greenfield site with challenging topography. ■ Planning for 96 dwellings with 30% affordable homes. ■ Price reflects a significant Section 106 financial contribution of £900,000.

We are also aware of the following, more historic, sales of residential development land in Totnes:

No.	Date	Address / Location	Size	Price	Comment
3	08/15	Meadowside, Totnes	5.07 acres	£1,729,000 (£341,026 per acre) (£34,580 per plot)	<ul style="list-style-type: none"> ■ Purchased by Bloor Homes. ■ Greenfield site. ■ Planning for 50 dwellings with 30% affordable homes and 0.74 acres employment land. ■ Acquired under Option with Market Value determined at a higher figure of £2,150,000.

4	07/14	Origins, Dartington	6.52 acres	£4,127,679 (£633,080 per acre) (£65,519 per plot)	<ul style="list-style-type: none"> ■ Purchased by Cavanna Homes. ■ Greenfield site. ■ Planning for 63 dwellings with 20% affordable homes and 0.96 acres employment land ■ Part of a wider redevelopment of adjacent industrial estate.
5	12/13	Baltic Wharf, Totnes	3.36 acres	£4,836,000 (£1.439m per acre) (£50,905 per plot)	<ul style="list-style-type: none"> ■ Purchased by Bloor Homes. ■ Brownfield site. ■ Planning for 95 dwellings with 26% affordable homes. ■ Required extensive ground works which we would expect to be reflected in the purchased price.

The above transactions show a range of £32,813 to £65,519 per plot. We note that some sales are slightly historic and we note that, with the exception of Baltic Wharf, all of the sales were of greenfield sites which did not incur any significant site clearance or remediation costs. On balance consider the above land transactions to still be relevant assuming a cleared and clean brownfield site and we would expect a price of £40,000 per plot to be achievable.

6.11. Retirement Land

We are aware of the following recent transactions of land for retirement developments within the Devon area:

No.	Date	Address / Location	Size	Price	Comment
1	04/18	Harewood House, Plymouth Road, Tavistock	1.06 acres	£1,426,529 (£29,719 per unit)	<ul style="list-style-type: none"> ■ Purchased by Churchill Retirement. ■ Brownfield site close to town centre. ■ Planning for 48 unit retirement scheme (Over 60s).
2	03/17	Pinnoc Mews, Pinhoe, Exeter	0.95 acres	£1,000,000 (£25,641 per unit)	<ul style="list-style-type: none"> ■ Purchased by McCarthy & Stone. ■ Brownfield site. ■ Planning for 39 unit retirement scheme. ■ Price reflects a significant Section 106 financial contribution of £900,000.

We are aware that a retirement operator was in discussions last year to take a 24-month option on brownfield site in Torbay with potential for a 100-unit retirement / assisted living scheme for a price just under £3m (equating to just under £30,000 per unit).

We also understand that the retirement land was previously under option to McCarthy & Stone for a price of £1,275,000 which equates to £34,459 per unit.

From the above evidence and our recent experience of the retirement home land market, we would expect the retirement land to achieve a price of £30,000 per unit.

7. Valuation Commentary

7.1. Valuation Approach

The CRtBO which provides for a planning permission which only TCDS can implement. Therefore, in arriving at a Market Value, we have approached the valuation as follows:

- Considering the residual value of the CRtBO, having regard to the proposed development and costs provided.
- Adopting the comparable land method on the basis that a purchaser in the market, without the benefit of the CRtBO would look to secure a planning permission for an alternative scheme which is broadly consistent with the uses permitted in the CRtBO. Again, having regard to the proposed site clearance / remediation costs provided.
- Having regard to the current employment use of the property after making an allowance for site clearance / remediation in accordance with the costs provided.

7.2. Residual Valuation Approach (CRtBO)

The Residual Cashflow Analysis determines a price that could be paid for the site given the expected 'as if complete' value of the proposed development and the total cost of the proposed development, allowing for market level profit margins and having due regard to the known characteristics of the property and the inherent risk involved in its development. It is our opinion that a prospective purchaser would rely heavily upon the Residual Cashflow Analysis as this method reflects the expectations of a purchaser in relation to costs, selling, prices, profit margins, etc.

We have undertaken residual cash flow analyses using Argus Developer, a proprietary development valuation software tool widely used by property professionals.

We comment on the development issues and main inputs that have been used below.

7.2.1. Gross Development Value

The Gross Development Value (GDV) of the proposed scheme has been assessed by the Direct Comparison method.

The comparables we have used have led us to believe that, with appropriate marketing, a GDV as summarised in the tables below, is achievable as at the date of valuation.

Use	Use Class	NIA (sq ft)	GDV
Live / Work	B1/B2/B3	21,313	£1,560,387
School for Food Entrepreneurship	A3 / A4 / A5	7,960	£932,738
Micro-Brewery (GF Brewery / Bar / Shop)	B2 / A5	1,098	£128,681
Micro-Brewery FF & SF Office Space)	B1	2,242	£164,150
Brunel Buildings	D1		£700,000
Local Corner Grocery	A1	3,202	£419,277
Hotel (58 bedrooms)	C1		£2,160,000
Health and Wellbeing Centre	D1	2,745	£201,002
Café	C3	2,583	£252,218
Community Centre / Youth Building	D1	3,733	£273,397

Affordable Housing	C3	83,577	£12,954,379
Retirement (land)	C3		£1,110,000
Total			£20,856,737

7.2.2. Development Costs

We have been provided with an Order of Cost Estimate Nr1 dated February 2016 prepared by Mace Cost Consultancy Limited. A summary is shown below, with the full estimate shown at Appendix 7:

Order of Cost Estimate Nr 1		Atmos Totnes - Whole Site		
Summary by Building		16 February 2016		
	Order of Cost £	£ / m ² GIFA		Change
Demolition and Site Remediation (Phase 1)	971,799	-	1%	13,267
Site Infrastructure and Provisions (Phase 2)	8,757,698	-	13%	225,278
Brunel (Phase 3)	2,717,069	2,717	4%	119,244
Energy Centre (Phase 3)	6,419,613	-	10%	181,117
Hotel/Hostel (Phase 4a)	5,367,525	2,324	8%	365,205
Cottage Industry (Phase 4a)	5,699,929	2,879	9%	1,345,900
Residential (Phase 4a, 4b, 4c, 4d)	16,288,718	2,402	24%	519,350
Transport Hub (Phase 4a)	2,105,447	-	3%	39,111
Youth Activity Hub (Phase 4b)	807,166	3,957	1%	44,452
River Link' Café & River Link Walkway (Phase 4c)	1,636,359	4,091	2%	429,865
Centre for Health and Well Being (Phase 4d) (Shell & Core only)	1,337,165	3,343	2%	254,487
Local Corner Grocery (Phase 4d) (excluding maisonettes)	1,034,818	2,957	2%	-9,239
School for Food Entrepreneurship (Phase 5)	2,288,757	2,631	3%	-19,902
Micro Brewery (Phase 5)	1,501,399	6,128	2%	231,787
External Works & Footbridges (Phase 6)	4,706,713	-	7%	122,784
	61,640,176	4,145		3,862,707
Preliminaries	Included on building Cost Plans		0%	
Overheads and Profit	Included on building Cost Plans		0%	
Building Works Estimate				
Fees & Surveys	Excl	Excl	Excl	
Contingency / Risk Allowance (As per Risk Register)	5,243,000	353	8%	
Inflation Allowance	Included on building Cost Plan		0%	
Formal Cost Plan £	66,880,000	£4,498 /m2	100%	

We would comment that these costs appear to be high compared to the RICS Building Cost Information Service (BCIS) figures and compared to cost estimates provided to us in respect of other development schemes.

While we are not qualified cost consultants although we would comment as follows:

- The cost estimate is dated over three years ago. While the estimate makes allowances for inflation we would caution that these forecasts may diverge from actual cost inflation experienced. For example, hotel build costs are reported to have increased circa 20% over this time period. We have adopted the day one costs in our appraisal (i.e. excluding any inflation).
- The hotel estimate excludes the costs of furnishing the rooms, common areas, kitchen and bar areas which our hotels team estimate would add circa £15,000 per room.
- The residential estimate at £2,402 sq m is almost double the average cost for residential mixed developments on BCIS.
- A contingency allowance of 8% has been allowed for which is higher than the 2% to 5% we would normally expect to see but undoubtedly reflects the challenging nature of developing this brownfield site.

We have assumed that there will be no unidentified remediation costs nor is there any contamination or any hazardous or deleterious materials existing which would hinder the development and would therefore result in additional costs.

We are not qualified to estimate whether the construction costs are an accurate assessment and we recommend that you seek advice from a qualified quantity surveyor.

7.2.3. Summary of Residential Development Cost Assumptions

A summary of the main inputs adopted within the development appraisal are detailed below:

Appriaisal Input	Comment
Construction Costs	As instructed we have adopted the construction costs provided by Mace. We would comment that these costs appear to very high as a consequence of requirement to raise ground levels to mitigate flooding and the high design specification.
Contingency	Included in Mace's costs above.
Professional Fees	Mace previously recommended an allowance of 12%. However, we would expect some of these cost to have been incurred to date and have applied a lower rate of 8% to the construction costs which reflect the costs going forward (i.e. exclude any pre-development costs to date).
Letting, Sales and Marketing Costs	We have allowed letting agents fees of 10% and letting legal fees of 5%. We have also allowed for sales fees of 1% and legal fees of 0.50%.
Finance Costs	We have adopted an overall cost of finance based on 6% applied to 100% of the development costs to reflect the opportunity cost to the developer as well as appropriate transaction fees.
Development Programme and Sales	We have been provided with a project programme and based on this we have adopted a preconstruction period of 3 months followed by a build period of 64 months. The total development timeframe is therefore 67 months. We have assumed that the commercial units would be pre-let and sales of units will occur at practical completion for each element of the development.
Stamp Duty, Agents and Legal Fees	We have adopted a SDLT in accordance with HMRC rates, agent's fees of 1% and legal fees of 0.50%.
Section 106	We have not made any allowance for Section 106 contributions.
Abnormal Costs	Included in Mace's costs above.
Developer's Profit Margin	We have adopted 20% profit on cost within our appraisal.

7.2.4. Residual Land Value

A copy of our appraisal is included at Appendix 8 and results in a residual land value of negative £55,352,566. This demonstrates that the proposed scheme is not currently commercially viable which is in part due to the high costs of the enabling works and groundworks required to provide migration in respect to flood risk and the ecological constraints and to meet the requirements of key statutory agencies (Environment Agency and Natural England), the high specification for the development and the low values of the proposed land use.

7.2.5. Sensitivity Analysis

The residual method of valuation takes into account a large number of subjective variables, the manipulation of which can have a significant impact on the development project being considered. Variations in sales prices, construction costs and periods and costs of finance can also have a marked affect.

In accordance with the Red Book, therefore, as we have carried out a residual calculation that is sensitive to fluctuations in input values, we have attached a sensitivity analysis within Appendix 6, to demonstrate how the changes in input data affect values. In the analysis it is shown that by stepped increases and decreases by 5% in sales values and 5% construction costs the residual land value can fluctuate from approximately negative £47 million residual land value to negative £63 million.

7.3. Comparable Valuation Approach

7.3.1. Redevelopment

We have undertaken a comparable valuation approach on the basis that purchasers may seek to acquire the property in order to develop the site for a similar mix of uses and density as those within the CRtBO. Given this unlikely to be bought forward by another community right to build organisation, the site would not have the benefit of an extant planning permission and the purchaser would need to discount any offer to reflect the cost, time and risk of obtaining an implementable planning permission.

The table below sets out our assumptions on land use, site areas and land values (assuming cleared and remediated) in accordance with the broad parameters of the CRtBO and the comparable land evidence above:

Land Use	Site Area (acres)	Assumptions	Clean Land Value
Residential (open market & affordable)	2.09	62 plots at £40,000 per plot	£2,480,000
Retirement	0.69	37 units at £30,000 per unit	£1,110,000
Employment (land)	1.71	£200,000 per acre	£342,000
Employment (Brunel Buildings)	0.42	£200,000 per acre	£84,000
Total	4.89		£4,016,000

From the above clean land value we have deducted the site clearance and remediation costs as well as the costs associated with creating the flood plain, raising levels, retaining structures and the bridge and throttle as set out in the Mace Cost Estimate. These costs are shown in the table below.

Item	Cost
Demolition and Remediation	-£869,577
Levelling	-£803,021
Retaining Structures	-£905,250

Bridge & Throttle	-£720,375
Total	-£3,298,222

This provides for a net land value of £717,778 on the assumption that the property has been an implementable planning permission for the above land uses.

In terms of risk, Policy TTV22 allocates the site for mixed use in accordance with the provisions of the CRtBO, including appropriate flood risk mitigation measures remediation of contaminated land and habitat enhancement. While the above land uses are consistent with those in the CRtBO we would consider there to be a moderate level of risk in obtaining planning permission. There will be a cost to be incurred in submitting a detailed application which we would estimate to be in the region of £100,000.

Therefore, in our opinion, any purchaser of the property on this basis is likely to allow a planning risk discount of 25% which would result in a land value (rounded) of £460,000 or £62,528 per acre.

7.3.2. Existing Employment Use

We have considered the value of the property in its existing employment use where a purchaser would acquire the property, undertake the essential demolition and remediation works but otherwise continue to use the property in its current employment use. This assumes that the bridge does not need to be replaced and that flood mitigation works will not be required.

We calculate that the currently useable site area extends to 5.64 acres. Adopting a value of £200,000 per acre from the evidence above results in a clean land value of £1,128,000. From this we have deducted demolition and remediation costs of £682,077 (assuming that it is not necessary to break out and crush the hardstandings). This results in a net land value of £450,000 or £60,179 per acre.

7.4. Conclusions

The property is a derelict brownfield site which has the benefit of a Made CRtBO for a mixed-use development comprising employment land capable of supporting over 99 homes, 160 jobs and a range of community facilities.

Under the Town and Country Planning Act 1990 and the Neighbourhood Planning Regulations 2012 only a community organisation meeting the prescribed conditions can bring forward a CRtBO. Therefore, only the TCDS can deliver the Made Order and Conditions. In practical terms this suggests that only TCDS are able to implement the permitted development.

We have adopted three approaches to the valuation:

Firstly, we have undertaken a residual appraisal of the proposed scheme having regard to comparable evidence in order to arrive at the gross development value and adopting the construction costs set out in Mace's cost estimate. The development costs are significantly in excess of the GDV which results in the appraisal showing a residual land value of negative £55,350,000. This demonstrates that the proposed scheme is not currently commercially viable which is in part due to the high costs of the enabling works and groundworks required to provide migration in respect to flood risk and the ecological constraints and to meet the requirements of key statutory agencies (Environment Agency and Natural England), the high specification for the development and the low values of the proposed land uses.

Secondly, we have undertaken a comparable valuation approach on the basis that purchasers may seek to acquire the property in order to develop the site for a similar mix of uses and density as those within the CRtBO. Given this unlikely to be bought forward by another community right to build organisation, the site would not have the benefit of an extant planning permission and the purchaser would need to discount any offer to reflect the cost, time and risk of obtaining an implementable planning permission. We have calculated the value of the land as a clean site and deducted the site clearance and remediation costs as well as the costs associated with creating the flood plain, raising levels, retaining structures and the bridge and throttle as set

out in the Mace Cost Estimate. Making a further allowance for the costs and risk of obtaining planning permission results in a land value of £460,000 or £62,528 per acre.

Thirdly, we have considered the value of the property in its existing employment use where a purchaser would acquire the property, undertake the essential demolition and remediation works but otherwise continue to use the property in its current employment use. This assumes that the bridge does not need to be replaced and that flood mitigation works will not be required. This results in a net land value of £450,000 or £60,179 per acre.

Given the relatively consistency between the two comparable approaches, we based our opinion of market value on the higher of these two figures.

8. Valuation

8.1. Market Value

Having regard to the foregoing, we are of the opinion that the Market Value (as defined in Appendix 2) of the freehold interest in the property with the benefit of full vacant possession as at 13 May 2019 is:-

£460,000

(Four Hundred and Sixty Thousand Pounds)

8.2. Confidentiality and Publication

Finally, and in accordance with our normal practice we confirm that the Report is confidential to the party to whom it is addressed for the specific purpose to which it refers. No responsibility whatsoever is accepted to any third party and neither the whole of the Report, nor any part, nor references thereto, may be published in any document, statement or circular, nor in any communication with third parties without our prior written approval of the form and context in which it will appear.

Appendix 1

Letter of Instruction

Private and Confidential

D Chapman Esq
Totnes Community Development Society
Atmos Hub
Station Yard
Totnes
TQ9 5JR

Your ref
Our ref
Direct line +44 (0)1392 429315
mark.walter@eu.jll.com

T Atherton Esq
CFO & Deputy CEO
Dairy Crest Group plc
Claygate House
Littleworth Road
Esher, Surrey
KT10 9PN

11 April 2019

Dear Mr Chapman and Mr Atherton

Valuation: Former Dairy Crest site, Station Road, Totnes (the “Property”)

Thank you for instructing Jones Lang LaSalle Limited (“JLL”, “we”, “us”) to act for Totnes Community Development Society and Dairy Crest Group plc (the “Client”, “you”) in connection with the valuation of the above Property (the “Instruction”).

We are pleased to provide you with details of our services and fees and we enclose our General Terms and Conditions of Business (the “General Terms”) and our General Principles Adopted in the Preparation of Valuations and Reports which, together with this letter (the “Letter of Engagement”), will form the agreement in respect of our appointment. To the extent that the Letter of Engagement conflicts with the General Terms, the Letter of Engagement shall prevail.

1. Scope of Services

We shall provide you with the following services:

- Full narrative style valuation report.
- Inspection of the Property.
- Undertake relevant Market research.
- We will not undertake a measured survey / check measurements of the Property and will rely on the areas provided to us.

Referred to in this letter of engagement as “Services”.

2. JLL team

Mark Walter is the Director with overall responsibility and will be your main point of contact: DDI: 01392 429315, mark.walter@eu.jll.com.

3. Purpose of Valuation

We understand that you require a valuation for purchase and sale purposes.

4. Interest to be Valued

We confirm that we will value the freehold interest in the Property.

We understand that the Property is currently a derelict brownfield site.

5. RICS Compliance

We confirm that our valuation and report will be prepared in accordance with the current RICS Valuation – Global Standards 2017, which incorporates the IVS, published by the Royal Institution of Chartered Surveyors and the RICS Valuation – Global Standards 2017 – UK national supplement (the RICS Red Book).

6. Basis of Value

We will value the Property on the following basis and assumptions:

- **Market Value (MV):** The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

The definition of this basis of valuation is contained within the RICS Red Book and will be further explained in our report.

7. Conflicts of Interest and Prior Involvement

JLL would have no conflict of interest in accepting an instruction to value the property on your behalf. You are aware that JLL has previously provided valuation advice to TCDS in relation to this property which we do not consider to be a threat to our objectivity.

8. Status of Valuer

We confirm that we will act as External Valuers in accordance with the RICS Red Book and that we have the knowledge, skills and understanding to undertake the valuation competently. The valuer undertaking the instruction is a RICS Registered Valuer.

9. Valuation Date

The valuation date will be the date of our report.

10. Currency

We confirm that we will provide a valuation in “£” (British Pounds).

11. Report and Timescale

We confirm that we will provide you with a full valuation report. The contents of the report will meet the requirements of VPS 3 of the RICS Red Book.

We will provide a PDF copy of our final report.

12. Sources of Information

Our General Principles Adopted in the preparation of Valuations and Reports set out the scope of our investigations with the following exceptions:

- We will not measure the Property or take check measurements.
- We will depart from the General Principles to the extent that such departure is necessary or appropriate in light of any matter affecting the Property that comes to our attention. In that situation, we shall notify you of such departure in our report, which shall supersede our General Principles.

We will rely upon information provided by you in respect the Made Community Right to Build Order, Report on Title, Cost Estimate and programme.

Any advice approval or representation made or given by us regarding the legal meaning or effect of such title deeds and other legal documents (draft or final version) should not be relied on by you. Any advice regarding legal interpretation or legal drafting issues must be obtained from your solicitors.

13. Fees

We have agreed our fee with you in the sum of £9,500 plus VAT including disbursements.

Our fee account will be addressed to Totnes Community Development Society who are to be responsible for the paying the whole amount.

In the event that our instruction is ended for any reason before we deliver our final report we would seek to charge a fair and reasonable fee based on the amount of work undertaken.

14. Reliance

We agree to address the report to the following parties (“Relying Parties”):

- Totnes Community Development Society, Atmos Hub, Station Yard, TotnesTQ9 5JR
- Dairy Crest Group plc, Claygate House, Littleworth Road, Esher, Surrey KT10 9PN

Provided that you acknowledge that:

- a) All Relying Parties shall be bound by the same liability exclusions and limitations as set out in this letter and our General Terms, and that our liability shall be no greater, in duration or extent, as a result of extending reliance the Relying Parties, than if the Relying Parties had been named in this letter jointly with you;
- b) You warrant that you shall procure the agreement of the Relying Parties to these terms, including but not limited to the liability exclusions and limitations referred to in paragraph (a) above; and
- c) nothing in this clause shall permit any quoting or disclosure intended to form part of any public offering.

If we extend our liability we would seek to charge an additional fee and this extension would be on the basis that the other parties will be subject to the terms of our instructions including our liability cap.

15. Confidentiality and Publication

In accordance with our normal practice, we confirm that the report is addressed for the specific purpose to which it refers. No responsibility whatsoever is accepted to any third party and neither the whole of the report, nor any part nor any references thereto may be published in any document, statement or circular nor in any communication with third parties without our prior written approval (which shall be at our sole discretion) and our approval of the form and context in which it will appear.

16. Money Laundering Regulations

We may be required by the Money Laundering Regulations to request that you provide us with identity verification information and documentation. You agree to provide said information and documentation upon request. We may confirm your identity and the information provided through third party databases.

17. Complaints

JLL operates a complaints handling procedure in accordance with RICS regulation requirements. A copy is available on request.

18. Monitoring

We are required by the RICS to inform you that the valuation may be subject to monitoring or investigation by the RICS under the Institution's conduct and disciplinary regulations. Guidance on the operation of the monitoring regime, including matters relating to confidentiality, is available at www.rics.org/regulation.

19. Important information

Please read the General Terms carefully.

Save in respect of our liability for death or personal injury caused by our negligence, or the negligence of its employees, agents or subcontractors or for fraud or fraudulent misrepresentation (which is not excluded or limited in any way):

a) we shall under no circumstances whatsoever be liable, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, loss of revenue or loss of anticipated savings, or for any indirect, special or consequential loss arising out of or in connection with this report; and

b) our total liability in respect of all losses arising out of or in connection with this report, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall not exceed £5,000,000. This amount shall be an aggregate cap on our liability to all relying parties together.

In no circumstances will we have any responsibility or liability in connection with any lending decision made prior to our Report.

We confirm that we hold sufficient professional indemnity insurance cover for the valuation provided and our overall workload.

20. Confirmation

Please sign, date and return a copy of this letter to confirm our appointment upon the terms set out in this letter and the attached General Terms. Until such time as we receive the signed letter, these terms apply to the provision of our services.

If you require any further assistance then please do not hesitate to contact us.

Yours sincerely



Mark Walter MRICS

Director

For and on behalf of Jones Lang LaSalle Limited

Encs

General Terms and Conditions of Business

General Principles Adopted in the Preparation of Valuations and Reports

Definition of Market Value

We have read and accept the terms of this Letter of Engagement and the General Terms on behalf of the Client and any other joint owners, and acknowledge receipt of a copy of the same.

Signed

On behalf of

Date

Appendix 2
General Terms & Conditions of Business
General Principles
Definition of Market Value

General Terms and Conditions of Business

a1. AGREEMENT

1.1. These Terms together with any Engagement set out the terms on which JLL will provide the Services to the Client. Each of the provisions provided in the Agreement are severable and distinct from the others.

1.2. The Engagement shall prevail to the extent of any conflict between the Terms, and the Engagement. The Agreement supersedes any previous arrangement concerning its subject matter. Unless the Parties agree otherwise, these Terms shall apply to any future instructions from the Client, although such instructions may be subject to a separate Engagement.

2. INTERPRETATION

The following definitions and rules of interpretation apply in these Terms:

2.1. Definitions

“Affiliates” includes in relation to either Party each and any subsidiary or holding company of that Party and each and any subsidiary of a holding company of that Party and any business entity from time to time controlling, controlled by, or under common control with, either Party, and **“holding company”** means a holding company as defined in section 1159 of the Companies Act 2006 or a parent undertaking as defined in section 1162 and schedule 7 of the Companies Act 2006, and **“subsidiary”** means a subsidiary as defined in section 1159 of the Companies Act 2006 or a subsidiary undertaking as defined in section 1162 and schedule 7 of the Companies Act 2006;

“Agreement” means any Engagement and these Terms together;

“Client” means the Party who enters into the Agreement with JLL;

“Data Protection Legislation” shall mean GDPR and any national implementing laws, regulations and secondary legislation in force in England from time to time.

“Engagement” means the agreement, letter of engagement or engagement agreement or email and any schedules/appendices sent to the Client by JLL (or agreed in writing) which sets out details of the Services to be provided to the Client pursuant to the Agreement;

“GDPR” means the General Data Protection Regulation ((EU) 2016/679) effective from 25 May 2018 and in this Agreement: “controller”, “processor”, “data subject”, “personal data”, “personal data breach”, “supervisory authority”, and

“processing” shall have the meaning set out in the GDPR, and references to “personal data” shall in addition mean personal data related to the Agreement.

“Insolvent” means in relation to:

- (a) a company (including any body corporate), that it:
 - (i) is unable to pay its debts as they fall due;
 - (ii) becomes or is deemed insolvent;
 - (iii) has a notice of intention to appoint an administrator filed at Court in respect of it, has an administrator appointed over, or has an administration order in relation to it, or has appointed a receiver or an administrative receiver over, or an encumbrancer takes possession of or sells the whole or part of its undertaking, assets, rights or revenue;
 - (iv) passes a resolution for its winding up or a court of competent jurisdiction makes an order for it to be wound up or dissolved or it is otherwise dissolved (other than a voluntary winding up solely for the purpose of a solvent amalgamation or reconstruction); or
 - (v) enters into an arrangement, compromise or composition in satisfaction of its debts with its creditors or any class of them or takes steps to obtain a moratorium or making an application to a court of competent jurisdiction for protection of its creditors;
- (b) a partnership, that it is dissolved by reason of the bankruptcy of one or more of its partners;
- (c) an individual, that he is bankrupt; and
- (d) a Party based outside England and Wales, that it is considered insolvent by the laws applicable to that Party;

“JLL” means Jones Lang LaSalle Limited of 30 Warwick Street London W1B 5NH registered in England with company number 01188567 and/or any Affiliate of JLL that provides the Services to the Client;

“Materials” means all materials, equipment, documents and other property of JLL made available to the Client by JLL in carrying out the Services

“Party” means either the Client or JLL (as the context requires) and **“Parties”** shall mean both of them;

“Services” means the Services set out in the Engagement or as otherwise agreed in writing between the Parties;

“Terms” means these terms and conditions.

2.2. Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.

2.3. A reference to a statute or statutory provision is a reference to it as it is in force as at the date of the Agreement and shall include all subordinate legislation made as at the date of the Agreement under that statute or statutory provision.

2.4. A reference to writing or written unless otherwise specified herein includes email.

2.5. Any words following the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2.6. Headings are for convenience only and do not affect the interpretation of this Agreement.

3. SERVICES

3.1. JLL shall provide the Services using reasonable care and skill.

3.2. JLL has no obligation to provide any services other than the Services and has no obligation to provide nor any liability for:

- a) an opinion on the price of a property (unless specifically agreed in writing);
- b) any advice regarding the condition of a property (unless specifically agreed in writing);
- c) the security or management of a property unless specifically instructed to arrange it;
- d) the safety of any third party entering any premises; or
- e) the management or payment of any third party suppliers.

3.3. Where the Parties have agreed that JLL shall carry out estate agency business, JLL shall (i) report in writing all offers it receives regarding the relevant property; and (ii) comply with its obligations under the Estate Agents Act 1979 and regulations made under that Act together with any other similar laws and regulations.

3.4. Where agreed in writing JLL shall use reasonable endeavours to meet any performance dates. JLL shall not be

responsible for any failure to meet performance dates due to causes outside its reasonable control and time shall not be of the essence for performance of the Services.

3.5. JLL shall have the right to make any changes to the Services which are necessary to comply with any applicable law, regulation, safety requirement, or which do not materially affect the nature or quality of the Services and JLL shall notify the Client in any such event.

3.6. Without prejudice to clause 9.2(b), if JLL becomes aware of a conflict of interest, it shall advise the Client and take reasonable steps to recommend a course of action.

4. CLIENT OBLIGATIONS

4.1. The Client shall:

- a) notify JLL promptly if it considers that any details or requirements set out in the Engagement are incomplete or inaccurate;
- b) co-operate with JLL in all matters relating to the Services;
- c) provide JLL, its employees, agents, consultants and subcontractors, with access to the relevant property as reasonably required by JLL to provide the Services; and
- d) obtain and maintain all necessary licences, permissions and consents which may be required by the Client before the date on which the Services are to start.

4.2. The Client shall promptly provide JLL with such information and materials as it may reasonably require in order to supply the Services and warrants that:

- a) such information is complete and accurate and was obtained and drafted in accordance with all applicable laws;
- b) it shall ensure that where the information and material includes representations or descriptions of a property, that such information and material contains no misrepresentation or false impression;
- c) where the Client will advertise a property under JLL's logo, that such advertisement (including its content and context in which it will appear) is approved in writing by JLL prior to its publication; and

c) it shall immediately notify JLL on becoming aware of any changes or issues that may render inaccurate any information or material provided to JLL.

4.3. In the event of any act or omission by the Client in breach of the Agreement or failure by the Client to perform any relevant obligation (Client Default):

a) JLL shall without limiting its other rights or remedies have the right to suspend performance of the Services until the Client remedies the Client Default, and to rely on the Client to relieve it from the performance of any of its obligations to the extent the Client Default prevents or delays JLL's performance of any of its obligations; and

b) JLL shall not be liable for any costs or losses sustained or incurred by the Client arising directly or indirectly from the Client Default.

4.4. The Client is responsible for effecting and maintaining adequate property and public liability insurance in relation to its activities and any relevant properties owned or occupied by it and shall be responsible for the safety of any person entering the relevant property.

5. PAYMENTS

5.1. Whenever possible, the fees and expenses (if known) for the Services shall be as set out in the Engagement. Where fees and expenses for the Services are not specified in writing, JLL shall be entitled to the fee specified by the Royal Institution of Chartered Surveyors (RICS) or if there is none specified, by any other applicable professional body chosen by JLL (acting reasonably) or, if none is specified, a fair and reasonable fee by reference to time spent undertaking the Services; and reimbursement of any expenses properly incurred by JLL on the Client's behalf.

5.2. All amounts payable by the Client under the Agreement are exclusive of value added tax (VAT) or similar taxes which the Client shall pay at the applicable rate.

5.3. In consideration of the provision of the Services, the Client shall pay each invoice submitted by JLL in accordance with the Agreement within 28 days from the date of invoice.

5.4. If the Client fails to make any payment due to JLL under the Agreement by the due date for payment, then JLL reserves the right to charge late payment interest after the due date on the overdue amount at the rate of 4% per cent per annum above the Bank of England's official bank rate from time to time. Such interest shall accrue on a daily basis from

the due date until actual payment of the overdue amount, whether before or after judgment. The Client shall pay the interest together with the overdue amount.

5.5. If termination of the Agreement takes place prior to the Services being completed, JLL shall, without limitation to its other rights and remedies under this Agreement or at law, be entitled to receive from the Client a reasonable fee proportionate to the part of the Services performed to the date of termination.

5.6. If the Client has agreed to engage JLL as its sole agent for the acquisition of an interest in a property, the Client shall be liable for payment of JLL's fees and expenses where an Affiliate of the Client or an individual with a majority stake in the Client completes the relevant acquisition.

6. INTELLECTUAL PROPERTY RIGHTS

6.1. All intellectual property rights in or arising out of or in connection with the Services including the intellectual property rights in Materials shall be owned by JLL unless otherwise expressly agreed in writing. For this purpose "intellectual property rights" means patents, utility models, rights to inventions, copyright and related rights, trademarks and service marks, trade names and domain names, rights in get-up, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to preserve the confidentiality of information (including know-how and trade secrets) and any other intellectual property rights, including all applications for (and rights to apply for and be granted), renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist, now or in the future, in any part of the world.

6.2. The Client shall have an irrevocable, royalty-free, non-exclusive licence to use the Materials for the purposes for which they are prepared by JLL, subject to JLL having received full payment for the Services in accordance with this Agreement. Such licence shall be capable of sub-licence by the Client to its employees, agents and subcontractors and shall survive termination. No third party has any right to use any such Materials without JLL's specific consent. JLL shall not be liable for the use of any Material for any purpose other than that for which JLL provided it to the Client.

6.3. Nothing in this clause 6 shall affect the Client's intellectual property rights that pre-exist the Services. The Client shall grant to JLL an irrevocable, royalty-free, non-exclusive, sub-licensable licence to use such pre-existing

intellectual property rights for the purpose of carrying out the Services.

7. CONFIDENTIALITY

A Party (receiving party) shall keep in strict confidence all technical or commercial know-how, processes or initiatives which are of a confidential nature and have been disclosed to the receiving party by the other Party (disclosing party), its employees, agents or subcontractors, and any other confidential information concerning the disclosing party's business, its products and services which the receiving party may obtain. The receiving party shall only disclose such confidential information to those of its employees, agents and subcontractors who need to know it for the purpose of discharging the receiving party's obligations under the Agreement, and shall ensure that such employees, agents and subcontractors comply with the obligations set out in this clause as though they were a party to the Agreement. The receiving party may also disclose such of the disclosing party's confidential information as is required to be disclosed by law, any governmental or regulatory authority or by a court of competent jurisdiction, or with the consent of the disclosing party.

8. LIABILITY

8.1. Save in respect of JLL's liability for death or personal injury caused by its negligence, or the negligence of its employees, agents or subcontractors or for fraud or fraudulent misrepresentation (which is not excluded or limited in any way):

- a) JLL shall under no circumstances whatsoever be liable, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, loss of revenue or loss of anticipated savings, or for any indirect, special or consequential loss arising out of or in connection with the Agreement and/or the Services; and
- b) JLL's total liability in respect of all losses arising out of or in connection with the Agreement and/or the Services, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall not exceed £5 million.

8.2. JLL shall have no liability for the consequences, including delay in or failure to provide the Services:

- a) due to any failure by the Client or any representative or agent of the Client to provide information or other material that JLL reasonably requires promptly, or

where that information or material provided is inaccurate or incomplete;

- b) to the extent that the Client or someone on the Client's behalf for whom JLL is not responsible is responsible, and where JLL is one of the parties liable in conjunction with others, JLL's liability shall be limited to the share of loss reasonably attributable to JLL on the assumption that all other parties pay the share of loss attributable to them (whether or not they do); or
- c) due to any failure by the Client or any representative or agent of the Client to follow JLL's advice or recommendations.

8.3. JLL owes no duty of care and has no liability to anyone but the Client unless specifically agreed in writing by JLL.

9. TERMINATION

9.1. Without limiting its other rights or remedies, either Party may terminate the Agreement by giving the other Party 28 days' written notice.

9.2. Without limiting its other rights or remedies, either Party may terminate the Agreement with immediate effect by giving written notice to the other Party if:

- a) the other Party commits a material breach of the Agreement and (if such a breach is remediable) fails to remedy that breach within 14 days of that Party being notified in writing to do so;
- b) a conflict of interest arises which prevents JLL continuing to act for the Client; or
- c) the other Party becomes Insolvent.

9.3. Without limiting its other rights or remedies, JLL may suspend provision of the Services under the Agreement or any other contract between the Client and JLL if the Client becomes Insolvent, or JLL reasonably believes that the Client is about to become Insolvent, or if the Client fails to pay any amount due under the Agreement on the due date for payment.

9.4. On termination of the Agreement for any reason:

- a) the Client shall immediately pay to JLL all of JLL's outstanding unpaid invoices and interest and, in respect of Services supplied but for which no invoice has been submitted and associated expenses, JLL

shall submit an invoice, which shall be payable by the Client immediately on receipt;

- b) the Client shall return any Materials which have not been fully paid for. Until they have been returned, the Client shall be solely responsible for their safe keeping and will not use them for any purpose not connected with the Agreement. Where all fees have been paid the Client shall be entitled to retain such Materials and they shall be licensed in accordance with clause 6.2;
- c) JLL may, to comply with legal, regulatory or professional requirements, keep one copy of all material it then has that was supplied by or on behalf of the Client in relation to the Services;
- d) the accrued rights, remedies, obligations and liabilities of the Parties as at expiry or termination shall be unaffected, including the right to claim damages in respect of any breach of the Agreement which existed at or before the date of termination or expiry; and
- e) clauses which expressly or by implication survive termination shall continue in full force and effect.

9.5. JLL may destroy any papers it has after six years from the earlier of completion of the Services or termination of the Agreement.

10. DATA PROTECTION

10.1. JLL (including third parties as described in our Privacy Statement available at www.jll.co.uk) may process in hard copy and/or in electronic form, personal data regarding the Client, its officers and any other individuals connected with the Client ('Client Contacts'). It may also verify the identity of Client Contacts including carrying out checks with third parties such as financial probity, anti-money laundering or sanctions-checking agencies. To facilitate compliance with money laundering regulations and avoid duplication of due diligence, the Client acknowledges that JLL may share Client Contacts' personal data with such third party agencies and JLL Affiliates.

10.2 Unless the Agreement and factual arrangements dictate otherwise, as between the parties for the purposes of the Agreement, the Client is deemed to be the controller and JLL is deemed to be the processor. The Client will ensure that any transfer of personal data to JLL (and any sub-processors under clause 10.11) complies with Data Protection Legislation. In providing the Services, JLL in its role as

processor shall comply with Data Protection Legislation as it relates to data processors. Nothing within this Agreement relieves either party of its own direct responsibilities and liabilities under Data Protection Legislation.

10.3 JLL shall not process personal data other than on the documented instructions of the Client, unless it is required to process the personal data by any law to which it is subject. In such a case JLL shall inform the Client of that legal requirement before complying with it, unless that law prohibits JLL from doing so.

10.4 JLL shall ensure that it and any third party with access to the personal data has appropriate technical and organisational security measures in place, to guard against the unauthorised or unlawful processing of personal data and against the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, the personal data. On request in writing, JLL shall provide to the Client a general description of the security measures it has adopted.

10.5 JLL shall take reasonable steps to ensure any person that has access to personal data is made aware of their responsibilities, and subject to enforceable duties of confidentiality.

10.6 JLL shall notify the Client without undue delay if it:

10.6.1 receives a request from an individual for subject access, or a request relating to any of the other individuals' rights available under the Data Protection Legislation, in respect of personal data;

10.6.2 receives any enquiry or complaint from a data subject, supervisory authority or third party regarding the processing of the personal data;

10.6.3 becomes aware of a personal data breach affecting personal data, unless the breach is unlikely to result in a risk to the rights and freedoms of data subjects.

10.7 JLL shall assist and provide all information reasonably requested in writing by the Client in relation to data protection impact assessments or 'prior consultation' with supervisory authorities, or matters under clause 10.6.

10.8 JLL shall maintain all the records and information necessary to demonstrate its compliance with the requirements set out in this clause 10.

10.9 JLL shall allow the Client (or its appointed auditor) to audit JLL's compliance with this clause 10. The Client agrees to give reasonable notice of any audit, to undertake

any audit during normal business hours, to take steps to minimise disruption to JLL's business, and not exercise this right of audit more than once every year unless instructed otherwise by a supervisory authority.

10.10 JLL shall upon receipt of a written request from the Client delete or return all the personal data at the end of the provision of the Services. JLL may retain copies of the personal data in accordance with any legal or regulatory requirements, or any guidance that has been issued in relation to deletion or retention by a supervisory authority.

10.11 JLL shall only engage a sub-processor where:

10.11.1 the Client has agreed in writing to the engagement of the sub-processor; or

10.11.2 the sub-processor is an Affiliate of JLL or a service provider engaged by JLL to support the infrastructure and administration of its business (with details maintained at <http://www.jll.co.uk/sub-processors>).

10.12 JLL shall ensure that any arrangements between JLL and a sub-processor are governed by a written contract including terms which offer at least the same level of protection for personal data as those set out in this clause. Where JLL intends to engage a new sub-processor under 10.11.2 and the Client objects, then Client may choose to terminate the Services in accordance with clause 9.

10.13 In accordance with clause 12.1, JLL shall remain liable for the acts and omissions of its sub-processors.

10.14 JLL shall only transfer personal data outside the European Economic Area where it has ensured the transfer complies with Data Protection Legislation.

11. FORCE MAJEURE

11.1. Neither Party shall be liable to the other Party as a result of any delay or failure to perform its obligations under the Agreement as a result of any event beyond the reasonable control of either Party including strikes, lock-outs or other industrial disputes (whether involving the workforce of JLL or any other party), failure of a utility service or transport network, act of god, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood, storm or default of suppliers or subcontractors.

11.2. If such an event prevents either Party from providing any of the Services for more than four weeks, the affected Party shall, without limiting their other rights or remedies,

have the right to terminate the Agreement immediately by giving written notice to the Party.

11.3. This clause does not apply to the payment of fees due to JLL by the Client.

12. GENERAL

12.1. **Subcontracting.** JLL may subcontract or deal in any other manner with all or any of its rights or obligations under the Agreement to any third party or agent provided that:

(i) where JLL subcontracts or delegates its obligations at the specific request of the Client, JLL shall have no liability for the acts or omissions of the third party or agent; and

(ii) otherwise, JLL shall remain liable for the acts or omissions of the third party or agent, unless the Client agrees to rely only on the third party or agent, such agreement not to be unreasonably withheld.

12.2. **Notices.** a) Any notice or other communication, including the service of any proceedings or other documents in any legal action given to a Party under or in connection with the Agreement shall be in writing, addressed to that Party at its registered office (if it is a company) or its principal place of business (in any other case) or such other address as that Party may have specified to the other Party in writing in accordance with this clause, and shall be delivered personally or sent by pre-paid first class post or commercial courier. Any notice or other communication sent to a Party located in a different country to the sending Party must be sent by commercial courier.

b) A notice or other communication shall be deemed to have been received: if delivered personally, when left at the address referred to in clause 12.2.a); if sent by pre-paid first class post at 9.00 am on the second business day after posting; or if sent by commercial courier, on the date and at the time that the courier's delivery receipt is signed. For this purpose a business day means a day (other than a Saturday or Sunday) on which banks are open for business in London.

12.3. **Severance.** a) If any provision or part-provision of the Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not

possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of the Agreement.

b) If any provision or part-provision of the Agreement is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.

12.4. **Waiver.** A waiver of any right under the Agreement or law is only effective if it is in writing and shall not be deemed to be a waiver of any subsequent breach or default. No failure or delay by a Party in exercising any right or remedy provided under the Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict its further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

12.5. **No Partnership or Agency.** Nothing in the Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between the Parties, nor constitute either Party the agent of the other for any purpose. Neither Party shall have authority to act as agent for, or to bind, the other Party in any way.

12.6. **Third parties.** Subject to clause 12.8, a person who is not a Party to the Agreement shall not have any rights to enforce its terms unless specifically agreed in writing.

12.7. **Variation.** Except as set out in these Terms, no variation of the Agreement, including the introduction of any additional terms and conditions, shall be effective unless it is agreed in writing and signed by both parties. Unless otherwise expressly agreed, variation of these terms does not require the consent of any third party (whether any employee referred to in clause 12.8 or otherwise).

12.8. **Protection of Employees.** Save in respect of fraud or criminal conduct no employee of JLL or any Affiliate has any personal liability to the Client nor to anyone representing the Client. Neither the Client nor anyone representing the Client may make a claim or bring proceedings against an employee or former employee personally. Any such employee of JLL is entitled to enforce this provision pursuant to the Contracts (Rights of Third Parties) Act 1999.

12.9. **Directors.** Some employees of JLL have the title of “director”. The Client acknowledges that this does not mean they hold the office of director for the purposes of the Companies Act 2006. Rather, it means that they hold a senior role as an employee.

12.10. **Complaints.** JLL’s complaints procedure is available on request.

12.11. **Publicity.** Neither Party may publicise or issue any specific information to the media about the Services or the Agreement’s subject matter without the consent of the other.

12.12. **Criminal Activity.** The Client acknowledges that to comply with law and professional rules on suspected criminal activity JLL is required to check the identity of Clients. JLL is also required by law to report to the appropriate authorities any knowledge or suspicion that a Client’s funds (or any funds provided for or on behalf of a client) derive from the proceeds of crime and may be unable to tell the Client that it has done this.

12.13. **Regulated Activity.** JLL is not permitted to carry out any activity regulated by the Financial Services and Markets Act 2000 including the insurance of property, except through an authorised person and in accordance with a separate agreement. Unless JLL specifically agrees otherwise in writing, no communication by JLL is intended to be, or should be construed as, an invitation or inducement to any person to engage in investment activity for the purposes of the Financial Services and Markets Act 2000, or as the approval of any communication of any such invitation or inducement.

12.14. **Anti-bribery.** Both parties shall comply with all applicable laws, statutes, regulations, relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010.

12.15. **Governing Law.** The Agreement and any disputes arising from it (including non-contractual claims and disputes) are governed by English Law.

12.16. **Jurisdiction.** Each Party irrevocably agrees that the courts of England shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims).

12.17. **Language.** These Terms are provided in English and JLL will communicate with the Client in English.

12.18. **Survival.** Clauses 5 to 9 shall survive termination of the Agreement.

General Principles

Adopted in the preparation of Valuations and Reports

These General Principles should be read in conjunction with JLL's General Terms and Conditions of Business except insofar as this may be in conflict with other contractual arrangements.

1 RICS Valuation - Global Standards 2017

All work is carried out in accordance with the Professional Standards, Valuation Technical and Performance Standards and Valuation Applications contained in the RICS Valuation – Global Standards 2017 published by the Royal Institution of Chartered Surveyors and the RICS Valuation – Global Standards 2017 – UK national supplement as applicable (“the RICS Red Book”), by valuers who conform to the requirements thereof. Our valuations may be subject to monitoring by the RICS. The valuations are undertaken by currently Registered RICS Valuers.

2 Valuation Basis:

Our reports state the purpose of the valuation and, unless otherwise noted, the basis of valuation is as defined in “the RICS Red Book”. The full definition of the basis, which we have adopted, is set out in our report and appended to these General Principles.

3 Assumptions and Special Assumptions:

Where we make an ‘assumption’ or ‘special assumption’ in arriving at our valuations, we define these terms in accordance with “the RICS Red Book” as follows:

Assumption: A supposition taken to be true.

Special Assumption: An assumption that either assumes facts that differ from the actual facts existing at the valuation date, or that would not be made by a typical market participant in a transaction on the valuation date.

We will not take steps to verify any assumptions.

4 Disposal Costs Taxation and Other Liabilities:

No allowances are made for any expenses of realisation, or for taxation, which might arise in the event of a disposal. All property is considered as if free and clear of all mortgages or other charges, which may be secured thereon. However, we take into account purchaser’s costs in investment valuations in accordance with market conventions.

No allowance is made for the possible impact of potential legislation which is under consideration.

Valuations are prepared and expressed exclusive of VAT payments, unless otherwise stated.

5 Sources of Information:

Where we have been provided with information by the client, or its agents, we assume that it is correct and complete and is up to date and can be relied upon. We assume that no information that has a material effect on our valuations has been withheld.

In respect of valuations for loan security purposes, commissioned by a lending institution, we may also rely on information provided to us by the Borrower or its advisors. In such cases, we have similarly assumed that all information is correct, complete, up-to-date and can be relied upon and that no pertinent information has been withheld.

6 Title and Tenancy Information:

We do not normally read leases or documents of title. We assume, unless informed to the contrary, that each property has a good and marketable title, that all documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other outgoing of an onerous nature, which would have a material effect on the value of the interest under consideration, nor material litigation pending. Where we have been provided with documentation we recommend that reliance should not be placed on our interpretation without verification by your lawyers. We have assumed that all information provided by the client, or its agents, is correct, up to date and can be relied upon.

7 Tenants:

Although we reflect our general understanding of a tenant's status in our valuations i.e. the market's general perception of their creditworthiness, enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

8 Measurements/Floor Areas:

All measurement is carried out in accordance with either the International Property Measurement Standards (IPMS) or the Code of Measuring Practice (6th Edition) issued by the Royal Institution of Chartered Surveyors, except where we specifically state that we have relied on another source. The areas adopted are purely for the purpose of assisting us in forming an opinion of capital value. They should not be relied upon for other purposes nor used by other parties without our written authorisation.

Where floor areas have been provided to us, we have relied upon these and have assumed that they have been properly measured in accordance with the International Property Measurement Standards (IPMS) or the Code of Measuring Practice referred to above.

9 Site Areas:

Site areas are generally calculated using proprietary digital mapping software and are based on the site boundaries indicated to us either at the time of our inspection, or on plans supplied to us. No responsibility is accepted if the wrong boundaries are indicated to us.

10 Estimated Rental Values:

Our assessment of rental values is formed purely for the purposes of assisting in the formation of an opinion of capital value and is generally on the basis of Market Rent, as defined in "the RICS Red Book". Where circumstances dictate that it is necessary to utilise a different rental value in our capital valuation, we will generally set out the reasons for this in our report. Such a figure does not necessarily represent the amount that might be agreed by negotiation, or determined by an Expert, Arbitrator or Court, at rent review or lease renewal or the figure that might be obtained if the property or unit were being let on the open market.

11 Town Planning, Acts of Parliament and Other Statutory Regulations:

Information on town planning is, wherever possible, obtained either verbally from local planning authority officers or publicly available electronic or other sources. It is obtained purely to assist us in forming an opinion of capital value and should not be relied upon for other purposes. If reliance is required we recommend that verification be obtained from lawyers that:

- i the position is correctly stated in our report;
- ii the property is not adversely affected by any other decisions made, or conditions prescribed, by public authorities; and
- iii that there are no outstanding statutory notices.

Our valuations are prepared on the basis that the premises (and any works thereto) comply with all relevant statutory and EC regulations, including fire regulations, access and use by disabled persons, control and remedial measures for asbestos in the workplace, the Energy Performance of Buildings Directive and any applicable bye laws. All buildings are assumed to have Energy Performance Certificates.

Our valuation does not take into account any rights, obligations or liabilities, whether prospective or accrued, under the Defective Premises Act 1972, or the Health and Safety at Work etc. Act 1974.

12 Structural Surveys:

Unless expressly instructed, we do not carry out a structural survey, nor do we test the services and we, therefore, do not give any assurance that any property is free from defect. We seek to reflect in our valuations any readily apparent defects or items of disrepair, which we note during our inspection, or costs of repair which are brought to our attention. Otherwise, we assume that each building is structurally sound and that there are no structural, latent or other material defects. Unless stated otherwise in our reports we assume any tenants are fully responsible for the repair of their demise either directly or through a service charge.

13 Deleterious Materials:

We do not normally carry out or commission investigations on site to ascertain whether any building was constructed or altered using deleterious materials or techniques (including, by way of example high alumina cement concrete, woodwool as permanent shuttering, calcium chloride or asbestos). Unless we are otherwise informed, our valuations are on the basis that no such materials or techniques have been used.

14 Site Conditions:

We do not normally carry out or commission investigations on site in order to determine the suitability of ground conditions and services for the purposes for which they are, or are intended to be, put; nor do we undertake archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is contemplated, no extraordinary expenses, delays or restrictions will be incurred during the construction period due to these matters.

15 Environmental Contamination:

Unless expressly instructed, we do not carry out or commission site surveys or environmental assessments, or investigate historical records, to establish whether any land or premises are, or have been, contaminated. Therefore, unless advised to the contrary, our valuations are carried out on the basis that properties are not affected by environmental contamination. However, should our site inspection and further reasonable enquiries during the preparation of the valuation lead us to believe that the land is likely to be contaminated we will discuss our concerns with you.

16 Insurance:

Unless expressly advised to the contrary we assume that appropriate cover is and will continue to be available on commercially acceptable terms. In particular, we will have regard to the following:

Composite Panels

Insurance cover, for buildings incorporating certain types of composite panel may only be available subject to limitation, for additional premium, or unavailable. Information as to the type of panel used is not normally available. Accordingly, our opinions of value make no allowance for the risk that insurance cover for any property may not be available, or may only be available on onerous terms.

Terrorism

Our valuations have been made on the basis that the properties are insured against risks of loss or damage including damage caused by acts of Terrorism as defined by the Terrorism Act 2000. We have assumed that the insurer, with whom cover has been placed, is reinsured by the Government backed insurer, Pool Reinsurance Company Limited.

Flood and Rising Water Table

Our valuations have been made on the assumption that the properties are insured against damage by flood and rising water table. Unless stated to the contrary our opinions of value make no allowance for the risk that insurance cover for any property may not be available, or may only be available on onerous terms.

17 Outstanding Debts:

In the case of property where construction works are in hand, or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, subcontractors or any members of the professional or design team.

18 Confidentiality and Third Party Liability:

Our Valuations and Reports are confidential to the party to whom they are addressed and for the specific purpose to which they refer, and no responsibility whatsoever is accepted to any third parties. Neither the whole, nor any part, nor reference thereto, may be published in any document, statement or circular, or in any communication with third parties, without our prior written approval of the form and context in which it will appear.

19 Statement of Valuation Approach:

We are required to make a statement of our valuation approach. The following provides a generic summary of our approach.

The majority of institutional portfolios comprise income producing properties. We usually value such properties adopting the investment approach where we apply a capitalisation rate, as a multiplier, against the current and, if any, reversionary income streams. Following market practice we construct our valuations adopting hardcore methodology where the reversions are generated from regular short term uplifts of market rent. We would normally apply a term and reversion approach where the next event is one which fundamentally changes the nature of the income or characteristics of the investment. Where there is an actual exposure or a risk thereto of irrecoverable costs, including those of achieving a letting, an allowance is reflected in the valuation.

Vacant buildings, in addition to the above methodology, may also be valued and analysed on a comparison method with other capital value transactions where applicable.

Where land is held for development we adopt the comparison method when there is good evidence, and/or the residual method, particularly on more complex and bespoke proposals.

There are situations in valuations for accounts where we include in our valuation properties which are owner-occupied. These are valued on the basis of existing use value, thereby assuming the premises are vacant and will be required for the continuance of the existing business. Such valuations ignore any higher value that might exist from an alternative use.

20 Capital Expenditure Requirement:

Where buildings are undergoing works, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the client or their appointed specialist advisors.

21 Goodwill, Fixtures and Fittings:

Unless otherwise stated our valuation excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier.

22 Plant and Machinery:

No allowance has been made for any plant, machinery or equipment unless it forms an integral part of the building and would normally be included in a sale of the building.

23 Services:

We do not normally carry out or commission investigations into the capacity or condition of services. Therefore we assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.

24 Land and Building Apportionments:

When instructed, we will provide apportionments between land and buildings for depreciation purposes only. Such apportionments are not valuations and should not be used for any other purpose unless specified in the report.

25 Portfolio Valuations:

In respect of valuations of portfolios of properties, our overall valuation is an aggregate of the individual values of each individual property. The valuation assumes, therefore, that each property would be marketed as an individual property and not as part of a portfolio. Consequently no portfolio premium or discount has been reflected and any consequence of marketing a range of individual properties together has also not been reflected in our valuations. However, if adjoining or complementary properties might achieve a higher value by being marketed together (known as “prudent lotting”), we have reported the higher value that would emerge.

26 Rating:

Any information regarding rating has generally been obtained from the Valuation Office website. We will not investigate whether any rating assessment is a fair assessment or considered the likelihood of an appeal being successful.

27 Plans and Maps:

All plans and maps included in our report are strictly for identification purposes only, and, whilst believed to be correct, are not guaranteed and must not form part of any contract. All are published under licence and may include mapping data from Ordnance Survey © Crown Copyright. All rights are reserved.

Market Value

Definition and Interpretive Commentary reproduced from the RICS Valuation – Global Standards 2017, VPS 4 and IVS Framework

1.1 Market Value

1.1.1 The definition of *Market Value* as defined in IVS 104 paragraph 30.1 is:

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

1.1.2 *Market value* is a basis of *value* that is internationally recognised and has a long-established definition. It describes an exchange between parties that are unconnected and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, at the *valuation date*, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximises its productivity and that is possible, legally permissible and financially feasible – fuller treatment of this particular premise of value can be found at section 140 of IVS 104.

1.1.3 It ignores any price distortions caused by *special value* (an amount that reflects particular attributes of an asset that are only of value to a *special purchaser*) or *marriage value*. It represents the price that would most likely be achievable for an asset across a wide range of circumstances. *Market rent* applies similar criteria for estimating a recurring payment rather than a capital sum.

1.1.4 In applying *market value*, regard must also be had to the requirement that the valuation amount reflects the actual market state and circumstances as of the effective *valuation date*. The full conceptual framework for *market value* can be found at paragraph 30.2 of IVS 104.

1.1.5 Notwithstanding the disregard of *special value*, where the price offered by prospective buyers generally in the market would reflect an expectation of a change in the circumstances of the asset in the future, the impact of that expectation is reflected in *market value*. Examples of where the expectation of additional value being created or obtained in the future may have an impact on the *market value* include:

- the prospect of development where there is no current permission for that development and
- the prospect of marriage value arising from merger with another property or asset, or interests within the same property or asset, at a future date.

1.1.6 The impact on value arising by use of an *assumption* or *special assumption* should not be confused with the additional value that might be attributed to an asset by a *special purchaser*.

1.1.7 In some jurisdictions a *basis of value* described as 'highest and best use' is adopted and this may either be defined by statute or established by common practice in individual countries or states.

IVS Framework

30.2 The definition of *Market Value* shall be applied in accordance with the following conceptual framework:

(a) “the estimated amount”

refers to a price expressed in terms of money payable for the *asset* in an arm’s length market transaction. *Market Value* is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser;

(b) “an asset or liability should exchange”

refers to the fact that the value of an asset or liability is an estimated amount rather than a predetermined amount or actual sale price. It is the price in a transaction that meets all the elements of the Market Value definition at the valuation date;

(c) “on the valuation date”

requires that the value is time-specific as of a given date. Because markets and market conditions *may* change, the estimated value *may* be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the *valuation date*, not those at any other date;

(d) “between a willing buyer”

refers to one who is motivated, but not compelled to buy. This buyer is neither over eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present owner is included among those who constitute “the market”;

(e) “and a willing seller”

is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing, whatever that price *may* be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

(f) “in an arm’s length transaction”

is one between parties who do not have a particular or special relationship, eg parent and subsidiary companies or landlord and tenant that *may* make the price level uncharacteristic of the market or inflated. The Market Value transaction is presumed to be between unrelated parties, each acting independently;

(g) “after proper marketing”

means that the *asset* has been exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the Market Value definition. The method of sale is deemed to be that most appropriate to obtain the best price in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of asset and market conditions. The only criterion is that *there must* have been sufficient time to allow the asset to be brought to the attention of an adequate number of market *participants*. The exposure period occurs prior to the valuation date;

(h) “where the parties had each acted knowledgeably, prudently”

presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the *asset*, its actual and potential uses, and the state of the market as of the valuation date. Each is further presumed to use that knowledge prudently to seek the price that is most favourable for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the valuation date, not with benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell *assets* in a market with falling prices at a price that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time;

(i) “and without compulsion”

establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

- 30.3 The concept of Market Value presumes a price negotiated in an open and competitive market where the *participants* are acting freely. The market for an asset could be an international market or a local market. The market could consist of numerous buyers and sellers, or could be one characterised by a limited number of market *participants*. The market in which the asset is presumed exposed for sale is the one in which the *asset* notionally being exchanged is normally exchanged.
- 30.4 The Market Value of an *asset* will reflect its highest and best use. The highest and best use is the use of an *asset* that maximises its potential and that is possible, legally permissible and financially feasible. The highest and best use *maybe* for continuation of an *asset’s* existing use or for some alternative use. This is determined by the use that a market *participant* would have in mind for the *asset* when formulating the price that it would be willing to bid.
- 30.5 The nature and source of the valuation inputs *must* be consistent with the basis of value, which in turn *must* have regard to the *valuation purpose*. For example, various approaches and methods *maybe* used to arrive at an opinion of value providing they use market-derived data. The market approach will, by definition, use market-derived inputs. To indicate Market Value, the income approach should be applied, using inputs and assumptions that would be adopted by participants. To indicate Market Value using the cost approach, the cost of an asset of equal utility and the appropriate depreciation should be determined by analysis of market-based costs and depreciation.
- 30.6 The data available and the circumstances relating to the market for the *asset* being valued *must* determine which valuation method or methods are most relevant and appropriate. If based on appropriately analysed market-derived data, each approach or method used *should* provide an indication of Market Value.
- 30.7 Market Value does not reflect attributes of an *asset* that are of value to a specific owner or purchaser that are not available to other buyers in the market. Such advantages *may* relate to the physical, geographic, economic or legal characteristics of an *asset*. Market Value requires the disregard of any such element of value because, at any given date, it is only assumed that there is a willing buyer, not a particular willing buyer.

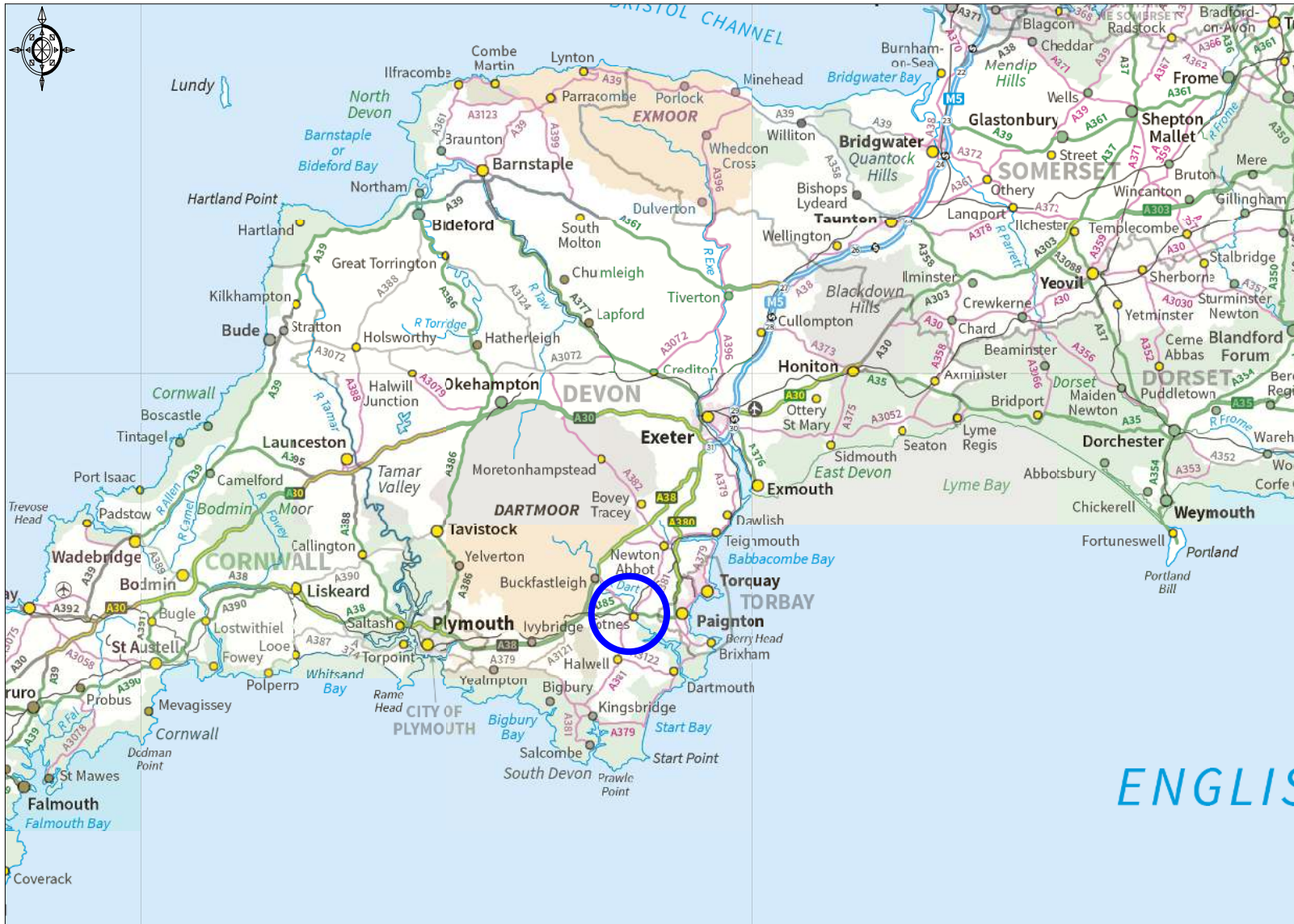
1.2 Special Value

Special value is an amount that reflects particular attributes of an asset that are only of value to a *special purchaser*.

A *special purchaser* is a particular buyer for whom a particular asset has *special value* because of advantages arising from its ownership that would not be available to other buyers in a market.

Appendix 3

Location Plans and Maps





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Promap
 LANDMARK INFORMATION GROUP

This plan is published for the convenience of identification only and although believed to be correct is not guaranteed and it does not form any part of any contract. © Crown Copyright. All rights reserved. Licence Number LIG0074.



Appendix 4

Photographs



Access to property from Station Road



South Site



South Site



South Site



Bridge over Mill Leat



Bridge over Mill Leat



North Site



North Site



North Site



North Site

Appendix 5

Layout Plan



Access to property from Station Road



South Site



South Site



South Site



Bridge over Mill Leat



Bridge over Mill Leat



North Site



North Site



North Site



North Site

Appendix 6

Made Community Right to Build Order

DATED

28 February

2017



South Hams
District Council

**SOUTH HAMS DISTRICT COUNCIL
COMMUNITY RIGHT TO BUILD ORDER
for TOTNES NEIGHBOURHOOD AREA
2017**

SOUTH HAMS DISTRICT COUNCIL (“the Council”) in exercise of its powers and obligations under section 61E(4) of the 1990 Act and following a local referendum in the Totnes Neighbourhood Area on 23 November 2016 in which more than half of those voting voted in favour of the Community Right to Build Order

HEREBY MAKES THE FOLLOWING ORDER:

COMMENCEMENT AND CITATION

- 1) This Order shall come into operation on the 1 March 2017
- 2) This Order may be cited as the South Hams District Council Community Right to Build Order for Totnes Neighbourhood Area 2017.

GENERAL PROVISIONS

- 3) The provisions of the Order are set out in the attached Schedule

**THE COMMON SEAL OF
SOUTH HAMS DISTRICT COUNCIL**

SH2/1

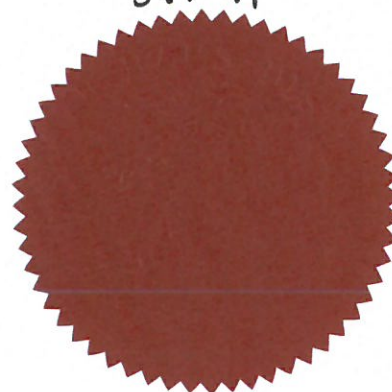
was hereunto affixed)

this 28 day of February 2017)

in the presence of:)

Sue Nightingale

Solicitor



SCHEDULE



**The Town and Country Planning Act 1990 (as amended) and
The Neighbourhood Planning Regulations 2012**
Decision Statement by South Hams District Council

In accordance with The Town and Country Planning Act 1990 Act 61E (11) and (12) and Regulation 26 of The Neighbourhood Planning Regulations 2012

South Hams District Council confirm that following a referendum in the Totnes Neighbourhood Area on 23 November 2016 in which more than half of those voting voted in favour of the proposed Community Right To Build Order (a copy of which is available for inspection and published on the council's website) the Council intends to confirm the proposed Order which will become effective on 1 March 2017.

The Confirmed Order will be published on the Council's website and will be available for inspection in the Council's offices at Follaton House Plymouth Road TOTNES TQ7 5NE from 9am to 4.30pm Monday to Friday (except on public holidays).

Signed.....*Tom J*.....

Thomas Jones

Community of Practice Lead – Place making

Dated.....*22.2.2017*.....

Appendix 7

Mace Cost Estimate

Order of Cost Estimate Nr 1

Atmos Totnes - Whole Site

for

Totnes Community Development Society

Report Nr: 2

Date: 16 February 2016



Project Nr: 32010
Prepared by: Craig Grabham
Reviewed: Andrew Clancy
Approved: Stuart Wilkinson

Signed: 

Mace Cost Consultancy Limited
Suite 3.2
@ Renslade House
Bonhay Road
Exeter, Devon
EX4 3AY
Tel: +44 (0)1392 421 208

Order of Cost Estimate Nr 1

Commentary

1. Introduction

- 1.1 This report is an update to Cost Plan Nr 1 and has been updated for changes to the outline design following design freeze for Regulation 14. An updated programme accompanies this report with inflation being adjusted to suit. Due to the programme being pushed back and increase to GIFA project cost has arisen by circa £3.8m.
- 1.2 This Formal Cost Plan is an estimate for the mixed used development on a brown field site of approximately 25,000 square meters with a designed gross internal floor area of approximately 15,000 square meters.
- 1.3 Initial indications are that the net lettable floor area will be in the region of 7,659 square meters including a hotel of 2,310 square meters.
- 1.4 The restricted nature of the site has been considered and the estimate makes allowance for the costs that are likely to be incurred in this respect. With limited information regarding ground conditions and have therefore assumed the specification of substructures throughout the scheme.
- 1.5 The estimate represents the anticipated construction cost at current prices using a competitive method of procurement and a traditional form of contract. An inflation percentage has then been applied using the BCIS all-in tender price index. Tender prices are currently rising and have been for the past 18 months with Contractors increasing their margins following the down turn in recent years. The main increases can be seen in labour and material cost; especially in masonry and concrete. Mace market research showed a volatile market during 2015 with tender prices likely to rise at an average of 4-5% over the next 12-18 months.
- 1.6 In order to calculate the cost if inflation over the course of this project, a construction related programme drafted by Mace has been used to anticipate inflation adjustments
- 1.7 The estimated cost is generally higher than average based on £/m2 and this is due partly to the nature of the site with a significant amount of infrastructure works required prior to construction. In addition, the client's brief indicates a high quality building targeted with sustainable aspirations which leads us to anticipate construction costs at the upper end of expectations for this type of development.
- 1.8 The client wishes to procure and construct some elements through self and community build processes. While these process and strategies are being defined they have not been allowed for within this Formal Cost Plan. Certain efficiencies can be made with preliminaries which are yet to be estimated.

1.9 A third party developer (McCarthy & Stone) has been brought into the scheme to design, build and operate a retirement complex on the South Site and this element is considered separate to this cost plan.

1.10 A separately priced risk register accompanies this Cost Plan and equates to the figures of risk included. The risk register is the only planned and costed contingency for the project and should be strictly managed.

2. Site Conditions

2.1 The site is located at Station Yard, Totnes, Devon, TQ9 5JP. Currently the site is vacant from its previous use which was a milk processing and bottling facility operated by Dairy Crest Ltd. The site is considered as an urban brown field site.

2.2 No additional allowances have been made for the works being in close proximity or joined to that of the McCarthy & Stone development, nor have any efficiencies been applied with the sharing of labour, materials or preliminaries of any elements of the construction.

2.3 To the North (South site) & West (North Site) boundaries mark the land to be developed alongside the rear gardens of residential units in Weirfields. Centrally a leat splits the site between the North and South sites and we understand this has a 7m protected area to each bank.

2.3.1 To the North of the site is the River Dart with a public footpath between site and river. To the East lies the main London-Penzance railway line and Totnes Railway Station. To the South there is road access to the railway station with parking. To the West are residential houses adjacent to the site with a public footpath between.

2.4 Within close proximity to the site, incoming electricity supply (HV & LV), gas supply, water supply and data connections have been identified but some are disconnected/isolated and others still live. There are also storm water and foul water drainage networks across the site.

2.5 The site was a former Dairy production facility which was closed in 2007. The site lays in a poor state of repair and is considered to contain large amounts of contaminated material; namely hydrocarbons and asbestos.

2.6 The derelict buildings have become a habitat for numerous species which will have an impact of the construction programme and methods used to facilitate the site. Additionally the site is adjacent water ways which also house species to protect and enhance. Ecology constraints and allowances have been included as part of the Cost Plan.

3. Exclusions

The following items are not included in this estimate of construction cost and allowance should be made elsewhere:

- 3.1 Professional fees
- 3.2 Planning and building control fees
- 3.3 Any costs directly incurred by the client including those of land purchasing or lease costs and funding
- 3.4 Works to neighbouring properties / boundary wall agreements including any cost associated with properties at Weirfields
- 3.5 VAT will be payable but is not included as it will be recoverable by the client.
- 3.6 Works associated with Radon Gas
- 3.7 Works required to or requested by Network Rail and the adjacent railway line including licenses etc.
- 3.8 External loose FF&E
- 3.9 Artwork, internal planting and the like
- 3.10 Section 106 or Section 278 works
- 3.11 Any archaeological works
- 3.12 Removal and/or treatment of invasive species such as Japanese Knot-Weed or Buddleia
- 3.13 Future inflation beyond 4Q 2020
- 3.14 Works to leat further north than the Hydro-electric scheme and/or further south than the railway line
- 3.15 Electrical or mechanical closing/opening mechanism to leat throttle
- 3.16 Specialist FF&E in the hotel/hostel e.g. commercial kitchen, bar, gym
- 3.17 FF&E to cottage workshops, studio's and flats
- 3.18 Works to the newly replaced roof to Brunel Main & Secondary
- 3.19 Any additional opening required for windows to Brunel Main & Secondary

3.20 No stand-by generators or back-up boilers have been included to any part of the development.

3.21 The Health and Well-being is Shell and Core due to lack of design and end function this has been costed as a shell and core with all fit-out excluded

4. Information used

The following information was used in the preparation of this estimate: Architectural, Masterplan and Landscaping Drawings and Reports.

- 4.1 Illustrative Master Plan 4182 - 30 - H
 - 4.1.1 Atmos RIBA Stage 2 Report
 - 4.1.2 4182 300 - 4182 370 Site Wide Ground Floor Plans
 - 4.1.3 Landscape Concept Masterplan Option 2
 - 4.1.4 Embankment Indicative Sections
 - 4.1.5 Leat Indicative Sections
 - 4.1.6 SW-2010-04-LA-001 Landscape Plan RevA
- 4.2 Mechanical, Electrical, Civil and Structural Drawings and Reports;
 - 4.2.1 0307193-HL-XX-XX-DR-E-690-0001
 - 4.2.2 0307193-HL-XX-XX-DR-M-590-0001
 - 4.2.3 0307193-HL-XX-XX-DR-M-590-0002
 - 4.2.4 0307193-HL-XX-XX-DR-M-590-0002-P2
 - 4.2.5 REP-0307193-11A-SH-150713-Energy Strategy-P3
 - 4.2.6 REP-0307193-11A-SH-Infrastructure Study
 - 4.2.7 9844-500 Drainage Layout C-A1
 - 4.2.8 9844-500 Drainage Layout C-A3
 - 4.2.9 12161-SK01-P1 Proposed Reinforced Soil Sections
- 4.3 D3 Atmos Asbestos Summary Memo Sept 2015.pdf
 - 4.3.1 Mace Atmos 13 02 15 - Estimate from Weaver Demolition
 - 4.3.2 D3 Atmos Demolition Costing Memo Feb 2015.pdf
- 4.4 Inflation uplift calculated using the BCIS All-in Tender Price Index
- 4.5 The client strategy and brief has been developed into three working documents and as such have informed the details of this cost plan, namely;
 - 4.5.1 TCDS Atmos Totnes Needs Assessment
 - 4.5.2 TCDS Atmos Totnes Local Labour Initiative
 - 4.5.3 TCDS Atmos Totnes Fundraising and Investment Strategy August 2015

	Order of Cost £	£ / m ² GIFA		Change
Demolition and Site Remediation (Phase 1)	971,799	-	1%	13,267
Site Infrastructure and Provisions (Phase 2)	8,757,698	-	13%	225,278
Brunel (Phase 3)	2,717,069	2,717	4%	119,244
Energy Centre (Phase 3)	6,419,613	-	10%	181,117
Hotel/Hostel (Phase 4a)	5,367,525	2,324	8%	365,205
Cottage Industry (Phase 4a)	5,699,929	2,879	9%	1,345,900
Residential (Phase 4a, 4b, 4c, 4d)	16,288,718	2,402	24%	519,350
Transport Hub (Phase 4a)	2,105,447	-	3%	39,111
Youth Activity Hub (Phase 4b)	807,166	3,957	1%	44,452
River Link' Café & River Link Walkway (Phase 4c)	1,636,359	4,091	2%	429,865
Centre for Health and Well Being (Phase 4d) (Shell & Core only)	1,337,165	3,343	2%	254,487
Local Corner Grocery (Phase 4d) (excluding maisonettes)	1,034,818	2,957	2%	-9,239
School for Food Entrepreneurship (Phase 5)	2,288,757	2,631	3%	-19,902
Micro Brewery (Phase 5)	1,501,399	6,128	2%	231,787
External Works & Footbridges (Phase 6)	4,706,713	-	7%	122,784
	<u>61,640,176</u>	<u>4,145</u>		<u>3,862,707</u>
Preliminaries	Included on building Cost Plans		0%	
Overheads and Profit	Included on building Cost Plans		0%	
Building Works Estimate				
Fees & Surveys	Excl	Excl	Excl	
Contingency / Risk Allowance (As per Risk Register)	5,243,000	353	8%	
Inflation Allowance	Included on building Cost Plan		0%	
Formal Cost Plan £	<u>66,880,000</u>	<u>£4,498 /m2</u>	100%	

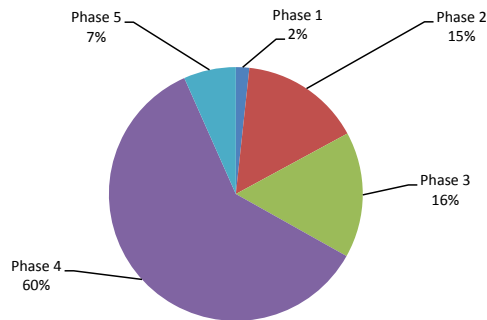
Order of Cost Range

On the basis of the project brief and the design information available, we anticipate that the outturn construction cost at current prices will be in the range of £65m - £68m.

Floor Areas - Cost Plan Nr 1 Report Nr 1			Floor Areas - Cost Plan Nr 1 Report Nr 2			
	sq m	sq ft	sq m	sq ft	% GIFA uplift	
Gross internal floor area	14,870 m2	160,059 sq ft	16,984 m2	182,814 sq ft	114.22%	## 31,854 m2
Net lettable office area	120 m2	1,292 sq ft	120 m2	1,292 sq ft	100.00%	
Workspaces	1,980 nr	21,313 sq ft	2,635 nr	28,363 sq ft	133.08%	
Net lettable area	7,659 m2	82,441 sq ft	8,664 m2	93,258 sq ft	113.12%	
Brunel	1000	10764	1,000	10764	100.00%	
Energy Centre	380	4090	380	4090	100.00%	
Hostel/Hotel (55 room hotel)	2310	24865	2,480	26694	107.36%	
Cottage Industries	1980	21313	2,635	28363	133.08%	
Residential	6781	72990	7,890	84927	116.35%	
Transport Hub	50	538	50	538	100.00%	
Youth Activity Hub	204	2196	204	2196	100.00%	
River Link Café	400	4306	360	3875	90.00%	
Centre for Health and Well Being	300	3229	400	4306	133.33%	
Local Corner Grocery	350	3767	350	3767	100.00%	
School for Food Entrepreneurs	870	9365	870	9365	100.00%	
Micro Brewery	245	2637	365	3929	148.98%	

Summary by Phase

	Order of Cost £	
Phase 1 (Demolition & Site Remediation)	971,799	1%
Phase 2 (Site Infrastructure & Provisions)	8,757,698	13%
Phase 3 (Brunel & Energy Centre)	9,136,683	14%
Phase 4a (Residential, Hotel, Transport Hub & Cottage Industry)	13,172,901	20%
Phase 4b (Residential & Youth Activity Hub)	5,347,157	0%
Phase 4c (Residential, River Link Café & Walkway)	4,965,686	0%
Phase 4d (Centre for Health and Wellbeing & Local Corner Grocery)	10,791,384	0%
Phase 5 (School for Food Entrepreneurs)	3,790,156	0%
Phase 6 (External Works & Footbridges)	4,706,713	7%
	<hr/>	
	61,640,176	
Preliminaries	Included on building Cost Plan:	0%
Overheads and Profit	Included on building Cost Plan:	0%
Building Works Total	61,640,176	
Fees and Surveys	Excluded	
Contingency / Risk Allowance	5,243,000	8%
Inflation allowance	Included on individual cost plan	0%
	<hr/>	
Order of Cost Total	£ 66,880,000	100%



Order of Cost Estimate Nr 1

Atmos Totnes - Whole Site

for

Totnes Community Development Society



Demolition and Site Remediation

Order of Cost Estimate Nr 1

Atmos Totnes - Whole Site

Breakdown - Demolition & Site Remediation

16 February 2016

		Quantity	Unit	Rate	Total
0	Facilitating Works				
0.1	Asbestos Removal			Total	90,000
0.1.1	Asbestos allowance to Atmos South & Brunel Building	1	Item	40,000	40,000
0.1.2	Asbestos allowance to Atmos North	1	item	50,000	50,000
0.2	Demolition			Total	449,130
0.2.1	Piecemeal demolition of buildings attached to Brunel Main & Secondary; namely buildings numbers 5, 7, 8, 9, 10, 11 & 12	1	item	94,630	94,630
0.2.2	Remove render to external elevations of Brunel to expose stonework	1	item	Incl.	-
0.2.3	Demolish all other structures to South Site; namely building numbers 13, 14, 15, 16, 17, 20, 21, 22	1	item	Incl.	-
0.2.4	Crush brick and concrete arising's from above and stockpile on site	1	item	Incl.	-
0.2.5	Remove and dispose all other non recyclable/usable materials off-site	1	item	Incl.	-
0.2.6	Demolish brick chimney to ground level; manual demolition to top section followed by high reach excavator from 25m and below. Crush and stockpile arising's on-site	1	item	43,000	43,000
0.2.7	Demolish all structure to the North Site; namely buildings 24 - 43a	1	item	104,000	104,000
0.2.8	Crush brick and concrete arising's from above and stockpile on site	1	item	20,000	20,000
0.2.9	Break out and crush all hardstandings to North and South sites; up to 25,000m ² to a depth of 200mm	1	item	187,500	187,500
0.3	Site Remediation			Total	153,760
0.3.1	Remediation of Lead contamination to areas adjacent TP04	18	m ³	320	5,760
0.3.2	Remediation of Petroleum Hydro Carbons to areas adjacent TP07	400	m ³	320	128,000
0.3.3	Allowance to remove buried petroleum tanks, safe removal and disposal	1	Item	20,000	20,000
				Building elements total for hotel/hostel	692,890
	Preliminaries	18%	%	692,890	124,720
	Overheads and Profit	7.5%	%	817,610	61,321
				Building Works Total	878,931
	Fees	Excluded			
	Contingency	Excluded			
	Inflation to 3Q, 2017	10.6	%	878,931	92,868
	Carried to Summary			Cost Plan Total	971,799

Order of Cost Estimate Nr 1

Atmos Totnes - Whole Site

for

Totnes Community Development Society



Site Infrastructure & Provisions

		Quantity	Unit	Rate	Total
0	Facilitating Works			Total	629,820
0.1	Reduced levels to create flood plain to the North and East of the North Site and stockpile on site	8,370	m3	35	292,950
0.1.1					
0.1.2	Material arising from demolition and break-up of hardstanding; cost for moving and storing	11,165	m3	10	111,650
0.1.3	Total fill material required to raise North Site to required levels. (Calculation Only for 0.1.5)	21,998	m3	-	-
0.1.4	Inert material required in-lieu of removed contaminated materials. (Calculation Only for 0.1.5)	418	m3	-	-
0.1.5	Imported materials required for site levelling	2,881	m3	40	115,220
0.1.6	Temporary retaining structure for spoil/ stock piling of materials	1	Item	70,000	70,000
0.1.7	Creation of swales	1	nr	40,000	40,000
0.2	Retaining structures			Total	710,000
0.2.2	Retaining wall to North Bank of Leat; Geogrid earth retaining structure	470	m	1,500	705,000
0.2.3	E/O for otter run/ledge to above	1	nr	5,000	5,000
0.3	Piling			Total	1,594,400
0.3.1	Allowance for piling as yet to be designed; Assumed 13m pile depth of Precast Concrete Piles (50N/mm2) hammered in by pile driver, 0.05*0.1m2; 275*275. Includes pile caps	1,287	Nr	750	965,250
0.3.2	E/O for Provision of plant, including bringing to and removing from site, erection and dismantling at each pile location. For every additional 100 piles	13	Nr	10,000	128,700
0.3.3	Allowance for pile testing at every 50 piles	26	Nr	5,000	128,700
0.3.4	Ground Beams	14,870	m2	25	371,750
0.4	Bridge & Throttle			Total	565,000
0.4.1	Temporary Bridge; Bailey Bridge on lease	6	wks	2,500	15,000
0.4.2	New main bridge linking South & North site for pedestrian and vehicles to include provision for service runs	1	nr	500,000	500,000
0.4.3	Throttle to leat as part of bridge structure; stainless steel, cone shaped bespoke design and fabrication. (Does not include mechanical closer)	1	nr	50,000	50,000
0.5	Services				
0.5.1	HVLV			Total	174,000
0.5.1.1	LV Cabling	1,040	m	50	52,000
0.5.1.2	Extra/Over for cabling and ductwork to the new bridge	15	m	100	1,500
0.5.1.3	Site wide feeder pillars	7	nr	2,000	14,000
0.5.1.4	Connection to residential buildings	65	nr	500	32,500
0.5.1.5	Connection to commercial buildings; including those with residential over	8	nr	1,250	10,000
0.5.1.6	Connection to micro brewery	1	nr	1,000	1,000
0.5.1.7	Connection to retirement complex	1	nr	2,000	2,000
0.5.1.8	Connection to Transport Hub	1	nr	1,000	1,000
0.5.1.9	Construction of temporary substation	1	nr	10,000	10,000
0.5.1.10	Temporary Substation	1	nr	50,000	50,000
0.5.2	LTHW			Total	319,550
0.5.2.1	LTHW supply; pre insulated steel district heating pipework; 50mm dia; welded joints	110	m	75	8,250
0.5.2.2	LTHW supply; pre insulated steel district heating pipework; 65mm dia; welded joints	270	m	85	22,950
0.5.2.3	LTHW supply; pre insulated steel district heating pipework; 80mm dia; welded joints	200	m	95	19,000
0.5.2.4	LTHW supply; pre insulated steel district heating pipework; 100mm dia; welded joints	165	m	105	17,325
0.5.2.5	LTHW supply; pre insulated steel district heating pipework; 150mm dia; welded joints	65	m	150	9,750

		Quantity	Unit	Rate	Total
0.5.2.6	E/O for pipework etc. across new bridge	15	m	150	2,250
0.5.2.7	LTHW return; pre insulated steel district heating pipework; 50mm dia; welded joints	110	m	75	8,250
0.5.2.8	LTHW return; pre insulated steel district heating pipework; 65mm dia; welded joints	270	m	85	22,950
0.5.2.9	LTHW return; pre insulated steel district heating pipework; 80mm dia; welded joints	200	m	95	19,000
0.5.2.10	LTHW return; pre insulated steel district heating pipework; 100mm dia; welded joints	165	m	105	17,325
0.5.2.11	LTHW return; pre insulated steel district heating pipework; 150mm dia; welded joints	65	m	150	9,750
0.5.2.12	E/O for pipework etc. across new bridge	15	m	150	2,250
0.5.2.13	Connection to dwellings; 32mm F&R; connection to heat exchange plate/interface	65	nr	500	32,500
0.5.2.14	Connection to retail/commercial buildings	11	nr	1,000	11,000
0.5.2.15	Connection to micro brewery	1	nr	1,000	1,000
0.5.2.16	Connection to retirement complex	1	nr	1,000	1,000
0.5.2.17	Connection to transport hub	1	nr	1,000	1,000
0.5.2.18	Inspection chambers; allow say 65nr	76	nr	1,500	114,000
0.5.3	Gas			Total	66,050
0.5.3.1	Gas supply; pipework and labels	425	m	80	34,000
0.5.3.2	E/O for crossing new bridge	15	m	100	1,500
0.5.3.3	Connection to existing medium pressure gas line	1	nr	5,000	5,000
0.5.3.4	Cap off and remove existing gas pipework	35	m	30	1,050
0.5.3.5	Valve connection for phasing of works	1	nr	5,000	5,000
0.5.3.6	Gas meters; to energy centre, retirement complex and food for school entrepreneurs	3	nr	1,000	3,000
0.5.3.7	Gas connection to buildings; as per above	3	nr	500	1,500
0.5.3.8	Medium pressure kiosk/ dedicated meter room; to Energy Centre	1	nr	15,000	15,000
0.5.4	Water			Total	177,750
0.5.4.1	Mains cold water supply; pipework; labels; 3m exclusion zone	650	m	80	52,000
0.5.4.2	Connection to existing MCWS; c/w pressure reducing valve	1	nr	5,000	5,000
0.5.4.3	Cap off and remove existing MCWS	225	m	30	6,750
0.5.4.4	MCWS connection to buildings	76	nr	500	38,000
0.5.4.5	MCWS meters	76	nr	1,000	76,000
0.5.5	Drainage (below ground level)			Total	258,100
0.5.5.1	Remove and dispose of rising main (diversion taken elsewhere); backfill after excavation	215	m	150	32,250
0.5.5.2	Allowance only for rising main drainage diversion; excavate; surround; pipework; backfill	225	m	200	45,000
0.5.5.3	Connection to existing rising main route	2	nr	2,000	4,000
0.5.5.4	Foul drainage pipework	720	m	50	36,000
0.5.5.5	E/O for crossing new bridge	15	m	50	750
0.5.5.6	Inspection chambers; average cover level 5.70m	20	nr	600	12,000
0.5.5.7	Inspection chambers; average cover level 6.90m	8	nr	700	5,600
0.5.5.8	Connection to residential units	65	nr	1,500	97,500
0.5.5.9	Connection to retail/commercial buildings	10		2,500	25,000
0.5.6	Trenching			Total	296,000
0.5.6.1	Allowance for trenching; assumed shared trench to a depth not exceeding 3m	1,480	m	200	296,000
0.5.7	Telecommunications			Total	120,000
0.5.7.1	Communications from Main Road to Energy Centre; allowed for new fibre optic broadband	1	Item	35,000	35,000
0.5.7.2	Site wide telephone and fibre optic broadband to all units	1	item	85,000	85,000

		Quantity	Unit	Rate	Total
0.6	Rainwater Harvesting Tanks				Total 26,500
0.6.1	Rainwater harvesting tanks based on 11,000 litre capacity (2nr x 6500l tanks)	5	Nr	5,300	26,500
0.7	Utility Provider Costs / Statutory Bodies				Total 376,000
0.7.1	Gas - Medium pressure network using MP/LP Gas metering	1	Nr	76,000	76,000
0.7.2	Electrical Utilities	1	Nr	240,000	240,000
0.7.3	Water	1	Nr	25,000	25,000
0.7.4	Drainage	1	Nr	20,000	20,000
0.7.5	Telecommunications	1	Nr	15,000	15,000
0.8	BWIC in connect with service provisions	5%	%	5,313,170	265,659
				Construction Works Total	5,578,829
	Preliminaries	20%	%	5,578,829	1,115,766
	Overheads and Profit	7.5%	%	6,694,594	502,095
				Building Works Total	7,462,347
	Fees			Excluded	
	Contingency			Excluded	
	Inflation to 4Q, 2018	17.4	%	7,462,347	1,295,351
	Carried to Summary			Cost Plan Total	8,757,698

Order of Cost Estimate Nr 1

Atmos Totnes - Whole Site

for

Totnes Community Development Society



Brunel Building Refurbishment

		Quantity	Unit	Rate	Total
0	Facilitating Works			Total	8,520
0.1	Allowance to break out existing flooring and ground bearing slab due to unknown condition	426	m2	20	8,520
1	Substructure			Total	70,545
1.1	Strip Foundation to glazed extension; In good ground, in-situ reinforced concrete to 1500mm depth, includes excavation and 3nr courses of masonry to dpc	26	m	120	3,084
1.2	150mm thick in-situ reinforced concrete ground bearing slab; includes excavation, levelling, blinding, insulation and dpm	509	m2	80	40,680
1.3	50mm Structural sand:cement screed to receive floor finish	509	m2	28	14,238
1.4	Allowance to form lift pits	2	Nr	5,000	10,000
1.5	HDPE gas protection membrane	509	m2	5	2,543
2	Superstructure			Total	771,894
2.1	Frame				
2.1.2	Steel frame to support mezzanine; 35kg/m2	5	t	1,800	9,450
2.1.3	Secondary steel work	0.5	t	1,900	998
2.2	Upper Floors				
2.2.1	Walkway in café/bar area; Timber floor including joists	6	m2	80	490
2.2.2	New mezzanine to Brunel main; Precast beam and block	150	m2	100	15,000
2.2.3	First floor to Brunel Secondary; timber floor including joists	155	m2	80	12,400
2.3	Roof				
2.3.1	Removal of roof covering to allow skylight installation	38	m2	50	1,900
2.3.2	E/O allowance for possible structural strengthening to above	1	Item	10,000	10,000
2.3.3	Installation of skylights to Brunel Main	38	m2	700	26,600
2.3.4	Rainwater goods - guttering; 100m cast iron and painted, includes fix	52	m	75	3,908
2.3.5	Rainwater goods - downpipes; 75mm cast iron and painted, includes fix, hoppers and shoes	98	m	80	7,840
	N.B. Assumed no works required to newly replaced roof to Brunel Main & Secondary				
2.4	Stairs and Ramps				
2.4.1	Pre-cast reinforced concrete stair case with dog-leg and landing; high quality with stainless steel and glass balustrades. Bespoke design.	1	Nr	14,500	14,500
2.4.2	Staircase to first floor of Brunel Secondary to access function space with U-turn/double dog-leg; assumed timber construction with softwood balustrades and hardwood handrail	1	Nr	5,500	5,500
2.5	External Walls				
2.5.1	Glazed curtain wall to new entrance; Structural triple glazed highly efficient glass within powder coated aluminium structural frame	266	m2	1,250	332,500
2.5.2	Solar Shading; Vertical Hardwood Louvers/Brise Soleil	246	m2	200	49,200
2.5.3	Allowance for stone work repairs to internal and external faces; repointing, cleaning etc. where required	1,100	m2	45	49,500
2.5.4	Allowance for specialist repairs to ornate fenestration surrounds; includes band of red clay brick to surround to external elevations	1	Item	35,000	35,000
2.5.5	Forming of new double door entrances; north gable end of Secondary Building	2	Nr	2,000	4,000
2.5.6	Forming of new single door openings; formed between Main Brunel & New Entrance	3	Nr	1,500	4,500
2.5.7	Allowance for repairs to existing double door openings	5	Nr	400	2,000
2.5.8	Allowance for repairs to existing large service entrance	2	Nr	500	1,000

		Quantity	Unit	Rate	Total
2.6	Windows and External Doors				
2.6.1	Main entrance to glazed extension; fully glazed double doors	1	Nr	7,500	7,500
2.6.2	New double entrance doors	4	Nr	1,800	7,200
2.6.3	Glazed entrance one and a half door to South Gable end of Brunel Main; to fit existing opening (expected bespoke product)	1	Nr	3,000	3,000
2.6.4	Large service entry double door to North Gable end of Main Brunel	1	Nr	4,000	4,000
2.6.5	Large Arched gable end windows with timber frames, mullions & transoms	2	Nr	30,000	60,000
2.6.6	Tall slender arched windows to East/West elevations of Brunel main	10	Nr	6,000	60,000
2.6.7	Extra/Over to above for those windows to external environment	3	Nr	2,000	6,000
2.6.8	Circular windows to gable ends of Secondary Buildings	2	Nr	3,000	6,000
	N.B. Assumed all fenestration to be replaced on Brunel Main & Secondary. Also assumed no further window opening required				
2.7	Internal Walls and Partitions				
2.7.1	Half height glazed balustrade to walkway in café/bar and to edge of mezzanine	38	m2	400	15,300
2.7.2	Dense aggregate block walls; Ground floor of Brunel Main and shafts of platform and service lift	102	m2	40	4,076
2.7.3	Timber stud partition; including head and sole plates	91	m2	55	4,983
2.8	Internal Doors				
2.8.1	Glazed single doors	5	Nr	850	4,250
2.8.2	1 & 1/2 glazed internal door	3	Nr	1,100	3,300
3	Finishes			Total	119,312
3.1	Wall Finishes				
3.1.1	To timber stud partition; 2nr coats of lightweight plaster and emulsion	181	m2	32	5,798
3.1.2	To blockwork walls; sand:cement render and emulsion	204	m2	45	9,171
3.1.3	To internal face of Brunel Main & Secondary; internal render	550	m2	55	30,250
3.1.4	Allowance for Whiterock to kitchen areas	1	item	5,000	5,000
3.2	Floor Finishes				
3.2.1	Stone flooring; includes skirting	424	m2	100	42,350
3.2.2	Non-slip vinyl to Kitchen and Store	85	m2	50	4,250
3.2.3	Carpet tiles first floor	311	m2	30	9,334
3.3	Ceiling Finishes				
3.3.1	To Kitchen and Store; Hygienic suspended ceiling	85	m2	45	3,825
3.3.2	Suspended ceiling to function space and under mezzanine	311	m2	30	9,334
4	Fixtures, Fittings & Equipment			Total	226,456
4.1	Allowance for directional and statutory signage	1	Item	1,500	1,500
4.2	Allowance for commercial kitchen	1	Item	30,000	30,000
4.3	Shelving and racking to kitchen store	1	Item	5,000	5,000
4.4	Allowance for bar/café survery and associated items	1	Item	15,000	15,000
4.5	Allowance to fit out 170 cover restaurant/café/bar	1	Item	150,000	150,000
4.6	Allowance for flexible commercial space	499	m2	50	24,956
5	Services			Total	571,540
5.1	Sanitary Appliances	1,000	m2	30	30,000
5.2	Services Equipment	1,000	m2	12	12,000

		Quantity	Unit	Rate	Total
5.3	Disposal Installations	1,000	m2	18	18,000
5.4	Water Installations	1,000	m2	12	12,000
5.5	Heat Source	1,000	m2	5	5,000
5.6	Space Heating and Air Conditioning	1,000	m2	65	65,000
5.7	Ventilation Systems	1,000	m2	100	100,000
5.8	Electrical Installations	1,000	m2	175	175,000
5.9	Gas and Other Fuel Installations	1,000	m2	50	50,000
5.10	Lift and Conveyor Installations				
	Platform lift	1	Nr	25,000	25,000
	Service Lift	1	Nr	20,000	20,000
5.11	Fire and Lighting Protection	1,000	m2	12	12,000
5.12	Communication, security and Control Systems	1,000	m2	20	20,000
5.13	Special Installations				
5.14	Builders Work in Connection with Services	5%	%	544,000	13,600
5.15	Testing and Commissioning of Services	2.5%	%	557,600	13,940
6	Complete Buildings and Building Units				Total
	N/A				
7	Works to Existing Buildings				Total
	N/A				
8	External Works				Total
					11,100
8.1	Hard landscaping to service and storage yard	122	m2	35	4,270
8.2	Gates to above	1	Nr	5,000	5,000
8.3	External Lighting	122	m2	15	1,830
	Building elements total for Brunel				1,779,367
	Preliminaries	18%	%	1,779,367	320,286
	Overheads and Profit	7.5%	%	2,099,653	157,474
				Building Works Total	2,257,127
	Fees	Excluded			
	Contingency	Excluded			
	Inflation to 2Q, 2019	20.4	%	2,257,127	459,943
	Carried to Summary			Cost Plan Total	2,717,069

Order of Cost Estimate Nr 1

Atmos Totnes - Whole Site

for

Totnes Community Development Society



Energy Centre

Order of Cost Estimate Nr 1

Atmos Totnes - Whole Site

Breakdown - Energy Centre

16 February 2016

		Quantity	Unit	Rate	Total
0	Facilitating Works			Total	-
0.1	Included elsewhere				
1	Substructure			Total	60,400
1.1	Strip foundations; 600 wide to a depth of 1500, in-situ RC concrete to 20N/mm	90	m	180	16,200
1.2	Ground floor slab	340	m2	75	25,500
1.3	Blinding and heavy-duty polyurethane 8mm screed acting as floor finish	340	m2	55	18,700
2	Superstructure			Total	593,198
2.1	Frame				
2.1.1	Softwood timber frame	380	m2	220	83,600
2.2	Upper Floors				
2.2.1	Softwood timber upper floor	25	m2	65	1,625
2.2.2	Mezzanine; steel	60	m2	1,800	108,000
2.2.3	E/O for steel composite deck acting as finished floor surface	60	m2	120	7,200
2.3	Roof				
2.3.1	Softwood flat roof; 100*50 wall plats, roof joists, struts and 18mm plywood boards	380	m2	65	24,700
2.3.2	Thermafleece EcoRoll; 140mm thick	380	m2	14	5,320
2.3.3	20mm thick polymer asphalt roof deck	380	m2	85	32,300
2.4	Stairs and Ramps				
2.4.1	Staircase to 1nr level U-turn/double dog-leg; assumed timber construction with softwood balustrades and hardwood handrail	1	Nr	4,500	4,500
2.5	External Walls				
2.5.1	Composite Wall panel system; Kingspan KS900, steel outer skin, 80mm thick, u-value 0.26	537	m2	200	107,384
2.6	Windows and External Doors				
2.6.1	Allowance for windows to North and South Elevations	380	m2	500	190,000
2.6.2	External double doors	3	nr	4,000	12,000
2.6.3	External 1 1/2 doors	1	nr	2,500	2,500
2.7	Internal Walls and Partitions				
2.7.1	Softwood stud partition wall, 100mm centres, head and sole plates and plasterboard to each side	176	m2	55	9,669
2.8	Internal Doors				
2.8.1	Internal single door; includes for vision panel and ironmongery	5	nr	400	2,000
2.8.2	Internal double door; includes for vision panel and ironmongery	3	nr	800	2,400
3	Finishes			Total	24,325
3.1	Wall Finishes				
3.1.1	Allowance for emulsion finish to walls generally	713	m2	15	10,691
3.1.2	Extra/Over for tiling to wc's	101	m2	50	5,040
3.2	Floor Finishes				
3.2.1	Coloured latex levelling screed with anti - slip	340	m2	12	4,080
3.2.2	Mezzanine finish included in its frame	-	-	-	
3.2.3	Carpet tile to circulation space	17	m2	40	680
3.3	Ceiling Finishes				
3.3.1	Suspended ceiling to wc's and circulation space	77	m2	42	3,234
3.3.2	E/O for moisture resistant to wc's	60	m2	10	600
4	Fixtures, Fittings & Equipment			Total	7,500
4.1	General allowance for FF&E	1	Item	7,500	7,500

Order of Cost Estimate Nr 1

Atmos Totnes - Whole Site

Breakdown - Energy Centre

16 February 2016

		Quantity	Unit	Rate	Total
5	Services			Total	3,448,614
5.1	Sanitary Appliances				
5.1.1	WC's	6	Nr	420	2,520
5.1.2	Urinal	2	Nr	350	700
5.1.3	Wash Hand Basin	8	Nr	400	3,200
5.1.4	Cubicles; including doors	6	Nr	450	2,700
5.2	Services Equipment				
	N/A				
5.3	Disposal Installations				
5.3.1	Above ground foul drainage	380	m2	16	6,080
5.3.2	Allowance for waste disposal from biomass fuel store, hopper and feeder	1	Item	5,000	5,000
5.4	Water Installations				
5.4.1	Hot and cold supply throughout	380	m2	42	15,960
5.5	Heat Source				
5.5.1	Biomass Boiler; 200kw	2	nr	200,000	400,000
5.5.2	Low temperature hot water pump to biomass boiler; 2kg/s flow rate	2	nr	50,000	100,000
5.5.3	Gas boilers; 1025KW	4	nr	85,000	340,000
5.5.4	Low temperature hot water pump to gas boiler; 35kg/s flow rate	1	nr	30,000	30,000
5.5.5	Low temperature hot water pump to gas boiler; 26.5kg/s flow rate	1	nr	35,000	35,000
5.5.6	Pipework to boiler house	1	Item	250,000	250,000
5.5.7	Flues to gas boiler; includes pipework from 4nr boilers to flue	1	nr	75,000	75,000
5.5.8	Flues to biomass boiler; includes pipework from 2nr boilers to flue	1	nr	50,000	50,000
5.5.9	Allowance for architectural merit to flues replicating existing brick work chimney	1	nr	75,000	75,000
5.5.10	Buffer vessel; 8,000 litres	1	nr	150,000	150,000
5.5.11	Allowance for controls	1	nr	100,000	100,000
5.6	Space Heating and Air Conditioning				-
5.6.1	Low temperature hot water distribution; including radiators to wc's and circulation	77	m2	100	7,700
5.7	Ventilation Systems				
5.7.1	Ventilation to switch rooms, comms rooms and sub-station/transformer room	340	m2	26	8,840
5.7.2	Supply and extract to biomass fuel store	340	m2	42	14,280
5.8	Electrical Installations				
5.8.1	General lighting throughout	380	m2	60	22,800
5.8.2	Small power throughout	380	m2	35	13,300
5.8.3	HV/LV Transformer; 1500 kVA	1	nr	150,000	150,000
5.8.4	HV Cabling	1	nr	200,000	200,000
5.8.5	LV Distribution points	1	nr	200,000	200,000
5.8.6	LV Cabling	1	nr	300,000	300,000
5.9	Gas and Other Fuel Installations				-
5.9.1	Utility Gas Meters	1	nr	20,000	20,000
5.9.2	MP-LP governor	1	nr	5,000	5,000
5.9.3	Pipework within boiler house	1	nr	50,000	50,000

Order of Cost Estimate Nr 1

Atmos Totnes - Whole Site

for

Totnes Community Development Society



Hotel

		Quantity	Unit	Rate	Total
0	Facilitating Works				Total
0.1	Included with Site Infrastructure and Provisions				
1	Substructure				Total 195,920
1.1	Piling and Pile Caps; Included				
1.2	Allowance for Ground Beams, design tbc	1,240	m2	50	62,000
1.3	Ground floor slabs	1,240	m2	75	93,000
1.4	HDPE gas protection membrane	1,240	m2	5	6,200
1.5	Blinding and screed to received floor finish	1,240	m2	28	34,720
2	Superstructure				Total 2,105,606
2.1	Frame				
2.1.1	Steel frame; 75 kg/m2	186	t	2,250	418,500
2.1.2	E/O Undercroft design included within above				
2.1.3	Secondary Steel Allowance; 50kg/m2	19	t	2,000	37,200
2.1.4	Fire protection to steel	2,480	m2	8	19,840
2.2	Upper Floors				
2.2.1	Composite steel and in-situ concrete; 50mm thick precast deck including screed and reinforcement	2,480	m2	90	223,200
2.3	Roof - Yet to be designed.				
2.3.1	Allowance for Timber roof trusses, 0.25W/m²K insulation and clay roof tile covering	1,240	m2	190	235,600
2.3.2	Rainwater goods; Included				
2.4	Stairs and Ramps				
2.4.1	Main/Feature staircase; Reinforced concrete construction, stainless steel and glass balustrades including plastered and painted soffits	1	nr	35,000	35,000
2.4.2	Staircase to fire escape; Reinforced concrete construction, mild steel and timber balustrades and handrail	2	nr	20,000	40,000
2.5	External Walls - Yet to be designed				
2.5.1	Dense aggregate block walls	1,277	m2	60	76,603
2.5.2	Allowance for 25mm thick Red Cedar rainscreen cladding; includes timber batons, breather membrane, 50mm insulation board, hung from metsec frame system	1,277	m2	165	210,658
2.6	Windows and External Doors				
2.6.1	Windows	1,277	m2	425	542,605
2.6.2	Main entrance	1	Nr	10,000	10,000
2.6.3	E/O for access control to premises	1	Nr	1,500	1,500
2.7	Internal Walls and Partitions				
2.7.1	Allowance for dense aggregate block walls to lift shaft and stair cores	1	Nr	45,000	45,000
2.7.2	Softwood stud partition wall; 600mm centres, head and sole plates and plasterboard to each side	2,480	m2	55	136,400
2.8	Internal Doors - Number yet to be determined				
2.8.1	Allowance for say; 125 Internal doors	125	Nr	500	62,500
2.8.2	Access control to each hotel suite	55	Nr	200	11,000
3	Finishes - Specification yet to be determined				Total 208,320
3.1	Wall Finishes				
3.1.1	Wall finishes; generally paint to internal walls	2,480	m2	32	79,360
3.2	Floor Finishes				
3.2.1	Floor finishes; mixture of carpet and vinyl	2,480	m2	20	49,600
3.3	Ceiling Finishes				
3.3.1	Suspended ceiling on visible grid	2,480	m2	32	79,360
4	Fixtures, Fittings & Equipment				Total 186,000

Order of Cost Estimate Nr 1

Atmos Totnes - Whole Site

for

Totnes Community Development Society



Cottage Industries

		Quantity	Unit	Rate	Total
0	Facilitating Works				Total
0.1	Included with Site Infrastructure and Provisions				
1	Substructure				Total 156,420
1.1	Piling and Pile Caps; Included				
1.2	Allowance for Ground Beams, design tbc	990	m2	50	49,500
1.3	Ground floor slabs	990	m2	75	74,250
1.4	HDPE gas protection membrane	990	m2	5	4,950
1.5	Blinding and screed to received floor finish	990	m2	28	27,720
2	Superstructure				Total 2,334,238
2.1	Frame				
2.1.1	Steel frame; 50 kg/m2	132	t	2,250	296,438
2.1.2	E/O Undercroft design included within above				
2.1.3	Secondary Steel Allowance; 50kg/m2	13	t	1,800	23,715
2.1.4	Cantilevered balconies to Flat/Studio at Floor 1 & Floor 2; includes associated works such as railing and balustrades	112	m2	650	73,077
2.1.5	Fire protection to steel	2,635	m2	8	21,080
2.2	Upper Floors				
2.2.1	Composite steel and in-situ concrete; 50mm thick precast deck including screed and reinforcement	2,635	m2	90	237,150
2.3	Roof - Yet to be designed.				
2.3.1	Allowance for Timber roof trusses, 0.25W/m²K insulation and clay roof tile covering	990	m2	190	188,100
2.3.2	Rainwater goods; Included				
2.4	Stairs and Ramps				
2.4.1	Main/Feature staircase; Reinforced concrete construction, stainless steel and glass balustrades including plastered and painted soffits	1	nr	35,000	35,000
2.4.2	Staircase to internal fire escape; Reinforced concrete construction, mild steel and timber balustrades and handrail	1	nr	20,000	20,000
2.4.3	Staircase to external fire escape; Light duty galvanised steel staircase	1	nr	15,000	15,000
2.4.4	Internal timber staircase linking studio with flat; 1 storey	8	nr	5,500	44,000
2.5	External Walls - Yet to be designed				
2.5.1	Dense aggregate block walls	1,689	m2	60	101,328
2.5.2	Allowance for 25mm thick Red Cedar rainscreen cladding; includes timber batons, breather membrane, 50mm insulation board, hung from metsec frame system	1,689	m2	140	236,431
2.5.3	Glazed curtain wall to north elevation	16	m2	850	13,574
2.6	Windows and External Doors				
2.6.1	Windows	1,689	m2	425	717,738
2.6.2	Main entrance	1	Nr	15,000	15,000
2.6.3	Glazed double entrances to café area and Workshops	12	Nr	4,500	54,000
2.6.4	Single solid external doors	7	Nr	1,000	6,654
2.7	Internal Walls and Partitions				
2.7.1	Allowance for dense aggregate block walls to lift shaft and stair cores	1	Nr	39,924	39,924
2.7.2	Softwood stud partition wall; 600mm centres, head and sole plates and plasterboard to each side	2,635	m2	55	144,925
2.8	Internal Doors -				
2.8.1	Single Doors	11	Nr	400	4,259
2.8.2	Double Doors	59	Nr	800	46,844
3	Finishes - Specification yet to be determined				Total 302,470
3.1	Wall Finishes				
3.1.1	Wall finishes; generally plasterboard skim and paint to internal walls	2,635	m2	32	84,320
3.1.2	Allowance for Whiterock to hygienic areas	1	item	10,000	10,000
3.2	Floor Finishes				

		Quantity	Unit	Rate	Total
3.2.1	Floor finishes; mixture of carpet and vinyl	2,635	m2	42	110,670
3.3	Ceiling Finishes				
3.3.1	Suspended ceiling on visible grid to ground floor	990	m2	32	31,680
3.3.2	Plasterboard, skim and paint to first and second floor	1,645	m2	40	65,800
4	Fixtures, Fittings & Equipment			Total	52,263
4.1	General FF&E to café area only	120	m2	125	15,000
4.2	FF&E to cottage workshops, studio and flats excluded except for kitchen and bathrooms				
4.3	Residential kitchen to studio/flats	11	Nr	3,500	37,263
5	Services			Total	841,179
5.1	Sanitary Appliances				
5.1.1	WC's	11	Nr	420	4,620
5.1.2	Urinal	1	Nr	350	350
5.1.3	Wash Hand Basin	12	Nr	400	4,800
5.1.4	Bath with shower over to studio/flats	8	Nr	1,000	8,000
5.1.5	Stainless steel double sink and drainer to commercial kitchen	1	Nr	1,250	1,250
5.1.6	E/O for IPS Panels to public toilets (included for urinal)	4	Nr	400	1,600
5.1.7	Cubicles; include door	3	Nr	450	1,350
5.1.8	Doc M Pack	2	Nr	250	500
5.1.9	General allowance for sanitary services	2,635	m2	12	31,620
5.2	Services Equipment				
5.2.1	Commercial Kitchen	1	Nr	45,000	45,000
5.3	Disposal Installations				
5.3.1	Above ground drainage only	2,635	m2	8	21,080
5.4	Water Installations				
5.4.1	Hot and Cold storage and distribution	2,635	m2	42	110,670
5.5	Heat Source				
5.5.1	Heat Plate Exchangers	2,635	m2	15	39,525
5.6	Space Heating and Air Conditioning				
5.6.1	Heating and cooling to public areas; assumed reception and foyer only	1	Item	10,000	10,000
5.6.2	Distribution of district heating around building	2,635	m2	16	42,160
5.7	Ventilation Systems				
5.7.1	Mechanical extract ventilation to public toilets and commercial	3	Nr	2,500	7,500
5.7.2	Allowance for extract ventilation to workshops	8	Item	2,500	20,000
5.8	Electrical Installations				
5.8.1	Mains and sub-mains distribution	2,635	m ²	15	£39,525
5.8.2	Small power	2,635	m ²	35	£92,225
5.8.3	Lighting	2,635	m ²	60	£158,100
5.9	Gas and Other Fuel Installations				
5.9.1	Incoming gas for back-up boiler	1	Nr	10,000	£10,000
5.10	Lift and Conveyor Installations				
5.10.1	Passenger lift serving 3 floors	3	Nr	32,500	£97,500
5.11	Fire and Lighting Protection				
5.11.1	Lighting protection	1	Item	8,000	£8,000
5.12	Communication, security and Control Systems				
5.12.1	Fire and smoke detection, alarm and sounder	2,635	Item	22	£57,970
5.13	Special Installations				
5.14	Builders Work in Connection with Services				
5.14.1	BWIC with services	2.5%	%	813,345	20,334
5.15	Testing and Commissioning of Services				
5.15.1	Allowance for testing and commissioning	1	Item	7,500	7,500

Order of Cost Estimate Nr 1

Atmos Totnes - Whole Site

for

Totnes Community Development Society



Residential

		Quantity	Unit	Rate	Total
0	Facilitating Works				Total
0.1	Included with Site Infrastructure and Provisions				
1	Substructure				Total 11,730
1.1	Piling and Pile Caps; Included				
1.2	Allowance for Ground Beams, design tbc	85	m2	50	4,250
1.3	Beam and Block Floor	85	m2	55	4,675
1.4	HDPE gas protection membrane	85	m2	5	425
1.5	Blinding and screed to received floor finish	85	m2	28	2,380
2	Superstructure				Total 188,136
2.1	Frame				
2.1.1	89mm timber frame, open panel at 600mm centres	85	m2	270	22,950
2.2	Upper Floors				
2.2.1	Suspended timber upper floor	170	m2	65	11,050
2.2.2	E/O for increased loading to patio	29	m2	50	1,425
2.3	Roof				
2.3.1	Softwood truss pitched roof; 100*38 at 600 centres	85	m2	40	3,400
2.3.2	Glulam timber barge board beam; clean planed finish, 115*405	14	m	225	3,240
2.3.3	Glulam timber ridge beam; clean planed finish, 66*315	7	m	120	864
2.3.4	400mm sheepswool thermafleecce EcoRoll (0.039W/mK)	85	m2	36	3,060
2.3.5	Associated roof items as of yet unspecified to include; batons, felt, boards, wall plates, purlins etc.	85	m2	45	3,825
2.3.6	Slate roof tiles	65	m2	85	5,525
2.3.7	Rooflights	8	m2	550	4,400
2.3.8	Green roof	12	m2	250	3,000
2.3.9	Flatroof terrace/patio; structure	29	m2	80	2,280
2.3.10	Insulation	29	m2	28	812
2.3.11	Patio type slabs laid to roof terrace	29	m2	80	2,280
2.3.12	E/O for parapet walls; allowance for glass balustrade and stainless steel rail	7	m	420	2,940
2.4	Stairs and Ramps				
2.4.1	Timber staircase; straight with timber spindles and handrail	1	Nr	2,000	2,000
2.5	External Walls				
2.5.1	Straw bale insulation packed into timber frame	259	m2	13	3,370
2.5.2	Timbervent exterior sheeting	259	m2	10	2,592
2.5.3	Timber cladding; allowance for larch. To include associated batons/fixing mechanism	259	m2	120	31,104
2.6	Windows and External Doors				
2.6.1	External doors; timber, single, includes ironmongery	3	Nr	550	1,650
2.6.2	Residential windows; double glazed in timber frames	200	m2	225	45,000
2.7	Internal Walls and Partitions				
2.7.1	Load bearing walls included as part of frame;				
2.7.2	E/O for Party Wall for items such a fire proofing, sound insulation as of yet un-designed	110	m2	35	3,843
2.7.3	E/O for Structural wall	84	m2	20	1,674
2.7.4	Softwood stud partition wall; 600mm centres, head and sole plates	107	m2	55	5,907
2.7.5	Glazed wall/curtain wall to balconies	25	m2	550	13,695

		Quantity	Unit	Rate	Total
2.8	Internal Doors				
2.8.1	Single doors	10	Nr	400	4,000
2.8.2	Double doors	3	Nr	750	2,250
3	Finishes			Total	39,931
3.1	Wall Finishes				
3.1.1	Plasterboard; taped and jointed, skimmed to all areas and 2nr coats of emulsion	751	m2	26	19,531
3.1.2	E/O for tiled finish to kitchen and bathroom	1	item	5,000	5,000
3.2	Floor Finishes				
3.2.1	Rolled carpet to all areas except bathroom and kitchen	200	m2	35	7,000
3.2.2	E/O for tiled finish to kitchen and bathroom	1	item	2,000	2,000
3.3	Ceiling Finishes				
3.3.1	Plasterboard; taped and jointed, skimmed with emulsion finish	200	m2	32	6,400
4	Fixtures, Fittings & Equipment			Total	6,500
4.1	Kitchen; to include sink, drainer, worktops and units	1	Nr	5,000	5,000
4.2	Allowance for FF&E generally	1	Item	1,500	1,500
5	Services			Total	44,614
5.1	Sanitary Appliances				
5.1.1	WC	2	Nr	350	700
5.1.2	WHB	2	Nr	300	600
5.1.3	Bath	1	Nr	400	400
5.1.4	Separate shower including, tray, walls, door and wall mounted shower	1	Nr	650	650
5.1.5	Storage/vanity unit	1	Nr	300	300
5.2	Services Equipment N/A				
5.3	Disposal Installations				
5.3.1	Waste, soil and vent installation; uPVC pipework and connections	200	m2	8	1,600
5.3.2	Connections and pipework for rainwater harvesting	1	Item	1,000	1,000
5.4	Water Installations				
5.4.1	Cold water connection and distribution	200	m2	28	5,600
5.4.2	Hot water connection, distribution and storage	200	m2	34	6,800
5.5	Heat Source				
5.5.1	Heat Plate Exchanger	1	Nr	1,000	1,000
5.6	Space Heating and Air Conditioning				
5.6.1	Heat plate exchanger	1	Nr	2,500	2,500
5.6.2	LTHW panels, thermostatic radiator valves and distribution pipework	200	m2	60	12,000
5.7	Ventilation Systems N/A				
5.8	Electrical Installations				
5.8.1	Mains connection, small power, cooker point and lighting	200	m2	35	7,000
5.9	Gas and Other Fuel Installations N/A				

Order of Cost Estimate Nr 1

Atmos Totnes - Whole Site

for

Totnes Community Development Society



Transport Hub

		Quantity	Unit	Rate	Total
0	Facilitating Works				Total
0.1	Included with Site Infrastructure and Provisions				
1	Substructure				Total £7,000
1.1	Substructure as part of piled solution to Hotel/Hostel				
1.2	E/O for strip foundation along internal walls of office; 2m deep RC in-situ footings, blinding, insulation and 200mm ground slab.	25	m2	220	£5,500
1.3	E/O for strip foundation to 2nr wall of workshop; 1500mm deep RC in-situ footings	12.5	m	120	£1,500
2	Superstructure				Total £46,625
2.1	Frame N/A				
2.2	Upper Floors N/A				
2.3	Roof N/A				
2.4	Stairs and Ramps N/A				
2.5	External Walls				
2.5.1	Dense aggregate block walls to Ground Floor Office	75	m2	60	£4,500
2.5.2	Render finish to above	60	m2	180	£10,800
2.5.3	Section of curtain walling to north elevation	15	m2	850	£12,750
2.5.4	Dense aggregate block walls to workshop	38	m2	60	£2,250
2.5.5	Render to finish to above	38	m2	120	£4,500
2.6	Windows and External Doors				
2.6.1	Windows and External Doors	25	m2	425	£10,625
2.6.2	Glazed single entrance door	1	Nr	1,200	£1,200
2.7	Internal Walls and Partitions N/A				
2.8	Internal Doors N/A				
3	Finishes				Total £2,850
3.1	Wall Finishes				
3.1.1	Wall Finish; Plasterboard, skim and paint to internal walls of office	25	m2	32	£800
3.2	Floor Finishes				
3.2.1	Floor Finish; Carpet tiles to office	25	m2	42	£1,050
3.3	Ceiling Finishes				
3.3.1	Ceiling Finish; Plasterboard, skim and internal walls to office	25	m2	40	£1,000
4	Fixtures, Fittings & Equipment				Total £972,660
4.1	Allowance for general FF&E to office	1	Nr	5,000	£5,000
4.2	Bicycle for each residential unit; basic adult mountain bike	65	Nr	250	£16,250
4.3	Vehicles for the car club; Toyota Yaris, 5 Door Hatchback with 1.5L petrol Hybrid	58	Nr	16,195	£939,310
4.4	Cycle stand to workshop	2	Nr	250	£500
4.5	Worktop/counter to workshop with storage under	1	Nr	600	£600
4.6	Racking and shelves to walls of workshop	1	Nr	500	£500
4.7	Large lockable storage cupboard for bikes in repair/awaiting parts etc.	1	Nr	2,500	£2,500
4.8	Roller shutter door to workshop	1	Nr	8,000	£8,000
5	Services				Total £149,964
5.1	Sanitary Appliances				
5.1.1	Allowance for Shower and WC Block to Transport - Yet to be confirmed if required	45	m2	750	£33,750
5.2	Services Equipment				
5.2.1	N/A				
5.3	Disposal Installations				
5.3.1	N/A				

Breakdown - Transport Hub

16 February 2016

		Quantity	Unit	Rate	Total
5.4	Water Installations				
5.4.1	Hot and Cold storage and distribution	25	m2	42	£1,050
5.5	Heat Source				
5.5.1	Heat Plate Exchanger	1	Nr	2,500	£2,500
5.5.2	Fan coil unit to workshop only	1	Nr	2,500	£2,500
5.6	Space Heating and Air Conditioning				
5.6.1	Distribution	25	m2	16	£400
5.7	Ventilation Systems				
5.7.1	N/A				
5.8	Electrical Installations				
5.8.1	Mains and sub-mains distribution; Included within Hotel/Hostel				
5.8.2	Small power to office	25	m ²	35	£875
5.8.3	Lighting to office	25	m ²	60	£1,500
5.8.4	Allowance for lighting to Workshop	1	Item	1,500	£1,500
5.9	Gas and Other Fuel Installations				
	N/A				
5.10	Lift and Conveyor Installations				
	N/A				
5.11	Fire and Lighting Protection				
5.11.1	Included within Hotel/Hostel				
5.12	Communication, security and Control Systems				
5.12.1	Included within Hotel/Hostel				
5.13	Special Installations				
5.13.1	Electrical car charge points	29	Nr	3,500	£101,500
5.14	Builders Work in Connection with Services				
5.14.1		2.5%	%	145,575	£3,639
5.15	Testing and Commissioning of Services				
5.15.1	Allowance for testing and commissioning	1	Item	750	£750
6	Complete Buildings and Building Units			Total	
	N/A				
7	Works to Existing Buildings			Total	
	N/A				
8	External Works			Total	£182,650
8.1	Car Park; Surface level car park with tarmac finish including drains, kerbs and white lines	1240	m2	90	£111,600
8.2	Lighting to car park	1240	m2	20	£24,800
8.3	Access control barrier to Transport Hub Car Park	2	Nr	15,000	£30,000
8.4	Cycle stands	65	Nr	250	£16,250
				Building Elements Total for Transport Hub	£1,361,749
	Preliminaries	18%	%	1,361,749	245,115
	Overheads and Profit	7.5%	%	1,606,864	120,515
				Building Works Total	1,727,379
	Fees	Excluded			
	Contingency	Excluded			
	Inflation to Q3, 2019	21.9	%	1,727,379	378,068
	Carried to Summary			Cost Plan Total	2,105,447

Order of Cost Estimate Nr 1

Atmos Totnes - Whole Site

for

Totnes Community Development Society



Youth Activity Hub

		Quantity	Unit	Rate	Total
0	Facilitating Works				Total
	Included with Site Infrastructure and Provisions				
1	Substructure				Total 17,952
1.1	New beam and block floor	204	m2	55	11,220
1.2	HDPE gas protection membrane	204	m2	5	1,020
1.3	Blinding and screed to received floor finish	204	m2	28	5,712
2	Superstructure				Total 253,715
2.1	Frame				
2.1.1	Timber frame - single storey building	204	item	220	44,880
2.2	Upper Floors				
	N/A				
2.3	Roof				
2.3.1	Pitched roof - Slate tiles complete with rafter, trusses, insulation, felt, weather proof membrane and breather membrane	266	m2	250	66,575
2.4	Stairs and Ramps				
	N/A				
2.5	External Walls				
2.5.1	External wall; Larch cladding system on SFS / Metsec; compete with rigid insulation board, sheathing board and breather membranes	204	item	140	28,560
2.5.2	Thermafleece insulation	204	item	50	10,200
2.5.3	SFS / Metsec framing system	204	item	70	14,280
2.6	External Windows and Doors				
2.6.1	Powder coated aluminium glazed entrance door with glazed side panel	1	item	12,000	12,000
2.6.2	Powder coated aluminium glazed door (to rear of building)	1	item	8,000	8,000
2.6.3	Powder coated aluminium glazed windows	1	item	30,000	30,000
2.6.4	Allowance for ironmongery to windows and doors	1	item	15,000	15,000
2.7	Internal Walls				
2.7.1	Timber stud partition; plasterboard partition including openings, angles, abutments, etc., double boarded both sides with plaster skim to receive wall finish	204	item	55	11,220
2.8	Internal Doors				
2.8.1	Single timber door sets, complete with frame, architrave and vision panels as required	1	item	10,000	10,000
2.8.2	Allowance for ironmongery	1	item	3,000	3,000
3	Internal Finishes				Total 27,990
3.1	Wall Finishes				
3.1.1	Plasterboard to external walls, plaster skim to all walls to received finish	204	m2	42	8,568
3.1.2	2Nr coats of matt emulsion painting to walls	204	m2	12	2,448
3.1.3	Allowance for whiterock to kitchen	1	item	3,000	3,000
3.2	Floor Finishes				
3.2.1	Vinyl	61	m2	30	1,836
3.2.2	Carpet	143	m2	30	4,284
3.3	Ceiling Finishes				
3.3.1	Metal frame suspended ceiling tiles	61	m2	35	2,142
3.3.2	Metal frame suspended ceiling tiles (MR board)	143	m2	40	5,712
4	Fixtures, Fittings & Equipment				Total 15,000
4.1	Allowance for FF&E	1	Item	15,000	15,000

		Quantity	Unit	Rate	Total
0	Facilitating Works				Total
5	Services				74,107
5.1	Sanitary Appliances				
5.1.1	Showers, complete with shower trays, and tiling	3	nr	1,000	3,000
5.1.2	Kitchen fit out	1	nr	10,000	10,000
5.1.3	Toilets (including cubicles and Doc M pack)	4	nr	1,000	4,000
5.2	Services Equipment				
5.2.1	Allowance for services equipment	204	m2	10	2,040
5.3	Disposal Installations				
5.3.1	Disposal Installations (Waste, soil and vent installation; uPVC pipework and fittings)	204	m2	18	3,672
5.3.2	Connections and pipework to rainwater harvesting	1	Nr	2,500	2,500
5.4	Water Installations				
5.4.1	Water Installations (Hot and cold water supply to WC, kitchen)	204	m2	12	2,448
5.5	Heat Source				
5.5.1	Heat Plate Exchanger	1	Nr	2,500	2,500
5.6	Space Heating and Air Conditioning				
5.6.1	LTHW radiators	204	m2	55	11,220
5.7	Ventilation Systems				
5.7.1	Allowance for mechanical ventilation to kitchen and WC's	204	m2	12	2,448
5.8	Electrical Installations				
5.8.1	Electrical (Small power, basic lighting and emergency lighting)	204	m2	100	20,400
5.9	Gas and Other Fuel Installations N/A				
5.10	Lift and Conveyor Installations N/A				
5.11	Fire and Lighting Protection				
5.11.1	Fire and smoke detection, alarm and sounder	204	m2	18	3,672
5.12	Communication, security and Control Systems				
5.12.1	Security systems	204	m2	12	2,448
5.13	Special Installations				

Order of Cost Estimate Nr 1

Atmos Totnes - Whole Site

for

Totnes Community Development Society



River Link Café and Walkway

		Quantity	Unit	Rate	Total
0	Facilitating Works				Total
0.1	Included with Site Infrastructure and Provisions				
1	Substructure				Total 24,840
1.1	Piling and Pile Caps; Included				
1.2	Allowance for Ground Beams, design tbc	180	m2	50	9,000
1.3	Beam and Block Concrete Ground Floor	180	m2	55	9,900
1.4	HDPE gas protection membrane	180	m2	5	900
1.5	Blinding and screed to received floor finish	180	m2	28	5,040
2	Superstructure				Total 466,900
2.1	Frame				
2.1.1	Timber frame	360	m2	220	79,200
2.2	Upper Floors				
2.2.1	Suspended timber floors	360	m2	75	27,000
2.3	Roof				
2.3.1	Pitched roof; timber trusses with slate tiles	360	m2	250	90,000
2.4	Stairs and Ramps				
2.4.1	Allowance for timber staircase with U-turn; to include handrails and balustrades	1	Nr	4,500	4,500
2.5	External Walls				
2.5.1	Larch cladding system on SFS / Metsec; compete with rigid insulation board, sheathing board and breather membranes	360	m2	140	50,400
2.5.2	Thermafleece, sheeps wool insulation	360	m2	50	18,000
2.5.3	SFS / Metsec framing system	360	m2	65	
2.6	Windows and External Doors				
2.6.1	Double glazed windows in timber frame	360	m2	425	153,000
2.6.2	Allowance for powder coated aluminium double entrance doors	1	Item	25,000	25,000
2.7	Internal Walls and Partitions				
2.7.1	Timber stud partition; plasterboard partition including openings, angles, abutments, etc, double boarded both sides with plaster skim to receive wall finish	360	m2	55	19,800
2.8	Internal Doors				
2.8.1	Allowance for solid timber single doors with vision panel and ironmongery	360	m2	65	23,400
3	Finishes				Total 58,640
3.1	Wall Finishes				
3.1.1	2nr coat emulsion to main areas	360	m2	26	9,360
3.1.2	Extra/Over for whiterock to WC and kitchen areas	360	m2	30	10,800
3.1.3	Allowance for Whiterock to hygenic areas	1	item	5,000	5,000
3.2	Floor Finishes				
3.2.1	General allowance for non-slip vinyl to kitchen and WC areas and carpet tiles to majority	360	m2	45	16,200
3.3	Ceiling Finishes				
3.3.1	Suspended ceiling on visible metal grid; includes allowance for moisture resistant tiles to WC and Kitchen areas	360	m2	48	17,280
4	Fixtures, Fittings & Equipment				Total 50,760
4.1	Allowance to fit-out café area	360	m2	85	30,600
4.2	Allowance to fit-out flexible office space	360	m2	56	20,160
5	Services				Total 228,361
5.1	Sanitary Appliances				

		Quantity	Unit	Rate	Total
5.1.1	Saniatry applicances throughout	360	m2	35	12,600
5.2	Services Equipment				
5.2.1	Installation of commercial kitchen	1	nr	35,000	35,000
5.3	Disposal Installations				
5.3.1	Disposal throughout café and office units	360	m2	12	4,320
5.3.2	Connection and pipework to rainwater harvesting	1	nr	2,500	2,500
5.4	Water Installations				
5.4.1	Hold and Cold water distribution throughout ground and first floor	360	m2	40	14,400
5.5	Heat Source				
5.5.1	Heat plate exchanger	1	nr	2,500	2,500
5.6	Space Heating and Air Conditioning				
5.6.1	Low temperature hot water distribution including radiators and ventilation	360	m2	100	36,000
5.7	Ventilation Systems				
5.7.1	Extract ventilation to commercial kitchen	360	m2	28	10,080
5.8	Electrical Installations				
5.8.1	Distribution including lighting and small power	360	m2	150	54,000
5.9	Gas and Other Fuel Installations				
	N/A				
5.10	Lift and Conveyor Installations				
5.10.1	Allowance for passenger lift service ground and first floor	1	nr	30,000	30,000
5.11	Fire and Lighting Protection				
5.11.1	Lighting protection	360	m2	4	1,440
5.11.2	Smoke and fire detectors, alarms and sounders	360	m2	22	7,920
5.12	Communication, security and Control Systems				
5.12.1	Access control, security linked to sitewide system and provision of broadband	360	m2	28	10,080
5.13	Special Installations				
	N/A				
5.14	Builders Work in Connection with Services				
5.14.1	BWIC	2.5%	%	220,840	5,521
5.15	Testing and Commissioning of Services				

		Quantity	Unit	Rate	Total
5.15.1	Allowance for testing and commissioning of services	1	Item	2,000	2,000
6	Complete Buildings and Building Units			Total	
	N/A				
7	Works to Existing Buildings			Total	
	N/A				
8	External Works			Total	161,365
8.1	Raised platform and walkway creating river link; assumed allowance as undesigned to date				
8.1.1	Precast steel piles; 175mm diameter to a depth of 12m @2500mm centres	70	Nr	450	31,500
8.1.2	Pile caps; formed of RC40 insitu concrete to include formwork. Caps 525*525*300	6	m3	365	2,113
8.1.3	Steel frame ; 35kg/m2	9	T	2,200	20,251
8.1.4	Secondary steel allowance	1	T	2,500	2,301
8.1.5	Corrosion protection to above	1	Item	1,500	1,500
8.1.6	Timber deck; treated hardwood floor decking	263	m2	100	26,300
8.1.7	Handrail and balustrade	138	m	300	41,400
8.1.8	Steps; Allowance for 10nr steps constructed of hardwood; steel frame as support	2	nr	8,000	16,000
8.1.9	FF&E allowance for items such as buoys, barge protectors, moorings etc.	1	nr	20,000	20,000
	Building elements total for River Link Café and Walkway				990,866
	Preliminaries	18%	%	990,866	178,356
	Overheads and Profit	7.5%	%	1,169,222	87,692
	Building Works Total				1,256,913
	Fees	Excluded			
	Contingency	Excluded			
	Inflation to 1Q, 2021	30	%	1,256,913	379,446
	Carried to Summary			Cost Plan Total	1,636,359

Order of Cost Estimate Nr 1

Atmos Totnes - Whole Site

for

Totnes Community Development Society



Centre for Health and Wellbeing

		Quantity	Unit	Rate	Total
0	Facilitating Works				Total
0.1	Included with Site Infrastructure and Provisions				
1	Substructure				Total
					37,200
1.1	Piles, Pile caps and Ground Beams included within Site Infrastructure				
1.2	Beam and Block Concrete Flooring	400	m2	55	22,000
1.3	HDPE Gas membrane	400	m2	6	2,400
1.4	Dpm, dpc, blinding and screed to receive floor finish	400	m2	32	12,800
2	Superstructure				Total
					509,000
2.1	Frame				
2.1.1	Timber Frame	400	m2	220	88,000
2.2	Upper Floors N/A				
2.3	Roof				
2.3.1	Pitched roof - Slate tiles complete with rafter, trusses, insulation, felt, weather proof membrane and breather membrane	400	m2	260	104,000
2.4	Stairs and Ramps N/A				
2.5	External Walls				
2.5.1	External wall; Larch cladding system on SFS / Metsec; compete with rigid insulation board, sheathing board and breather membranes	400	m2	150	60,000
2.5.2	Sheep's wool insulation	400	m2	55	22,000
2.5.3	SFS / Metsec framing system	400	m2	75	30,000
2.6	Windows and External Doors				
2.6.1	Double glazed windows in timber frames	400	m2	450	180,000
2.6.2	Powder coated aluminium double entrance doors	1	Item	25,000	25,000
2.7	Internal Walls and Partitions Excluded				
2.8	Internal Doors Excluded				
3	Finishes				Total
3.1	Wall Finishes Excluded				
3.2	Floor Finishes Excluded				
3.3	Ceiling Finishes Excluded				
4	Fixtures, Fittings & Equipment				Total
	Excluded				
5	Services				Total
5.1	Sanitary Appliances Excluded				
5.2	Services Equipment Excluded				
5.3	Disposal Installations Excluded				
5.4	Water Installations Excluded				
5.5	Heat Source Included elsewhere				
5.6	Space Heating and Air Conditioning Excluded				
5.7	Ventilation Systems				

Order of Cost Estimate Nr 1

Atmos Totnes - Whole Site

for

Totnes Community Development Society



Local Corner Grocery

		Quantity	Unit	Rate	Total
0	Facilitating Works				Total
0.1	Included with Site Infrastructure and Provisions				
1	Substructure				Total 32,550
1.1	Piles, Pile caps and Ground Beams included within Site Infrastructure				
1.2	Beam and Block Concrete Flooring	350	m2	55	19,250
1.3	HDPE Gas membrane	350	m2	6	2,100
1.4	Dpm, dpc, blinding and screed to receive floor finish	350	m2	32	11,200
2	Superstructure				Total 433,950
2.1	Frame				
2.1.1	Timber frame	350	m2	220	77,000
2.2	Upper Floors				
2.2.1	Precast concrete suspended floor separating retail to residential over; 6m span, 250mm thick to a point load of 12kN/m2	350	m2	110	38,500
2.2.2	Extra/Over for noise attenuation and thermal insulation	350	m2	22	7,700
2.3	Roof N/A				
2.4	Stairs and Ramps				
2.4.1	Internal timber staircase linking Local Corner Grocery with Residential above	2	nr	5,500	11,000
2.5	External Walls				
2.5.1	Large cladding system on SFS / Metsec, complete with rigid insulation board, sheathing board and breather membranes	350	m2	140	49,000
2.5.2	Thermafleecce, sheeps wool insulation	350	m2	50	17,500
2.5.3	SFS / Metsec framing system	350	m2	65	22,750
2.6	Windows and External Doors				
2.6.1	Double glazed windows in timber frame	350	m2	425	148,750
2.6.2	Allowance for powder coated aluminium double entrance doors	1	Item	25,000	25,000
2.7	Internal Walls and Partitions				
2.7.1	Timber stud partition, plasterboard partition including openings, angles, abutments, etc, double boarded both sides with plaster skim to receive wall finish	350	m2	55	19,250
2.8	Internal Doors				
2.8.1	Solid timber single doors with vision panel and ironmongery	350	m2	50	17,500
3	Finishes				Total 41,300
3.1	Wall Finishes				
3.1.1	Plasterboard, taped and jointed to include head and sole plates; skim plaster and 2nr coats of emulsion	350	m2	26	9,100
3.2	Floor Finishes				
3.2.1	Hard non-slip vinyl tiles	350	m2	52	18,200
3.3	Ceiling Finishes				
3.3.1	Suspended ceiling	350	m2	40	14,000
4	Fixtures, Fittings & Equipment				Total 25,000
4.1	Allowance for retail fit out	1	nr	25,000	25,000
5	Services				Total 110,599
5.1	Sanitary Appliances				
5.1.1	Allowance for staff toilets	1	Item	3,500	3,500
5.2	Services Equipment N/A				
5.3	Disposal Installations				

		Quantity	Unit	Rate	Total
5.3.1	Internal drainage	350	m2	12	4,200
5.4	Water Installations				
5.4.1	Hot and cold water distribution	350	m2	16	5,600
5.5	Heat Source				
5.5.1	Heat Plate Exchanger	1	Nr	5,000	5,000
5.6	Space Heating and Air Conditioning				
5.6.1	Fan coil unit above main entrance	1	Nr	3,000	3,000
5.6.2	Comfort cooling/heating system; ahu, ductwork and ceiling mounted intake/extract	350	m2	85	29,750
5.7	Ventilation Systems				
5.7.1	Mechanical extract to staff toilets	1	Item	3,500	3,500
5.8	Electrical Installations				
5.8.1	Basic small power and emergency lighting	350	m2	30	10,500
5.8.2	Lighting	350	m2	50	17,500
5.9	Gas and Other Fuel Installations N/A				
5.10	Lift and Conveyor Installations N/A				
5.11	Fire and Lighting Protection				
5.11.1	Lighting protection	350	m2	4	1,400
5.11.2	Smoke and fire detectors, alarms and sounders	350	m2	22	7,700
5.12	Communication, security and Control Systems				
5.12.1	Access control, security linked to sitewide system and provision of broadband	350	m2	38	13,300
5.13	Special Installations N/A				
5.14	Builders Work in Connection with Services BWIC	3%	%	104,950	3,149
5.15	Testing and Commissioning of Services				
5.15.1	Allowance for testing and commissioning	1	Item	2,500	2,500
6	Complete Buildings and Building Units				Total
7	Works to Existing Buildings				Total
8	External Works Included in Externals				Total
					Building Elements Total for Local Corner Grocery
					£643,399
	Preliminaries	18%	%	643,399	115,812
	Overheads and Profit	7.5%	%	759,210	56,941
					Building Works Total
					816,151
	Fees	Excluded			
	Contingency	Excluded			
	Inflation to 3Q, 2020	26.8	%	816,151	218,667
	Carried to Summary				Cost Plan Total
					1,034,818

Order of Cost Estimate Nr 1

Atmos Totnes - Whole Site

for

Totnes Community Development Society



School for Food Entrepreneurs

		Quantity	Unit	Rate	Total
0	Facilitating Works				Total
0.1	Included with Site Infrastructure and Provisions				
1	Substructure				Total 40,020
1.1	Piling and Pile Caps; Included				
1.2	Ring beam	290	m2	50	14,500
1.3	Beam and Block Concrete Floor	290	m2	55	15,950
1.4	Gas membrane	290	m2	5	1,450
1.5	Blinding and screed to receive floor finish	290	m2	28	8,120
2	Superstructure				Total 675,061
2.1	Frame				
2.1.1	Timber Frame	530	m2	220	116,600
2.2	Upper Floors				
2.2.1	Composite steel and in-situ concrete; 50mm thick precast deck including screed and reinforcement	580	m2	90	52,200
2.3	Roof				
2.3.1	Precast concrete decking flat roofs with screed over	530	m2	70	37,100
2.3.2	High performance bitumen felt roofing system including insulation and vapour control barrier	530	m2	95	50,350
2.4	Stairs and Ramps				
2.4.1	Reinforced concrete construction, mild steel and timber balustrades and handrail	1	Nr	25,000	25,000
2.5	External Walls				
2.5.1	Dense aggregate block walls	598	m2	60	35,882
2.5.2	Green/Living wall hung from metsec frame	179	m2	650	116,146
2.5.3	Allowance for 25mm thick Red Cedar rainscreen cladding; includes timber batons, breather membrane, 50mm insulation board, hung from metsec frame system	419	m2	140	58,708
2.6	Windows and External Doors				
2.6.1	Windows	290	m2	425	123,250
2.6.2	Double entrance doors	3	Nr	4,500	13,500
2.7	Internal Walls and Partitions				
2.7.1	Timber stud partition	540	m2	55	29,700
2.7.2	RC Block	135	m2	55	7,425
2.8	Internal Doors				
2.9.1	Single	7	Nr	800	5,600
2.9.2	Double	3	Nr	1,200	3,600

		Quantity	Unit	Rate	Total
3	Finishes			Total	103,677
3.1	Wall Finishes				
3.1.1	Plasterboard, taped and jointed with skim and emulsion finish	1,678	m2	32	53,697
3.1.2	Allowance for whiterock to food preparation areas	1	item	15,000	15,000
3.2	Floor Finishes				
3.2.1	Non-slip vinyl	530	m2	26	13,780
3.3	Ceiling Finishes				
3.3.1	Hygienic suspended ceiling tile and grid	530	m2	40	21,200
4	Fixtures, Fittings & Equipment			Total	26,050
4.1	Allowance for general FF&E throughout	530	m2	35	18,550
4.2	Allowance for reception counter	1	Nr	7,500	7,500
5	Services			Total	541,105
5.1	Sanitary Appliances				
5.1.1	General allowance for sanitary services	530	m2	7	3,710
5.1.2	WC's	12	Nr	300	3,600
5.1.3	WHB's	12	Nr	300	3,600
5.1.4	E/O for IPS Panels	12	Nr	500	6,000
5.1.5	Cubicles; includes doors	12	Nr	350	6,000
5.1.6	Allowance for Doc M Pack	3	Nr	250	750
5.2	Services Equipment				
5.2.1	Allowance for commercial/industrial kitchen equipment, food processing, food smoking, bakery, meat processing and dairy processing	1	Item	200,000	200,000
5.2.2	Connections required to items of specialist equipment as per function of building	530	m2	15	7,950
5.3	Disposal Installations				
5.3.1	Above ground drainage only	870	m2	12	10,440
5.3.2	Connections and pipework to rainwater harvesting	1	Item	1,000	1,000
5.4	Water Installations				
5.4.1	Incoming water and distribution to all areas	870	m2	40	34,800
5.5	Heat Source				
5.5.1	Heat Plate Exchanger	1	Nr	5,000	5,000
5.6	Space Heating and Air Conditioning				
5.6.1	Low temperature hot water distribution including radiators and ventilation	870	m2	100	87,000
5.7	Ventilation Systems				

Order of Cost Estimate Nr 1

Atmos Totnes - Whole Site

for

Totnes Community Development Society



Micro Brewery

		Quantity	Unit	Rate	Total
0	Facilitating Works				Total
0.1	Included with Site Infrastructure and Provisions				
1	Substructure				Total 38,710
1.1	Piling and Pile Caps; Included				
1.2	Allowance for Ground Beams, design tbc	245	m2	50	12,250
1.3	Ground floor slabs	245	m2	75	18,375
1.4	HDPE gas protection membrane	245	m2	5	1,225
1.5	Blinding and screed to receive floor finish	245	m2	28	6,860
2	Superstructure				Total 496,455
2.1	Frame				
2.1.1	Steel frame; 50kg/m2	13	t	2,250	28,744
2.1.2	Secondary steel allowance of 10% of frame	1	t	1,800	2,300
2.1.3	Fire protection to above	365	m2	6	2,190
2.2	Upper Floors N/A				
2.3	Roof				
2.3.1	Precast concrete decking flat roofs with screed over	245	m2	70	17,150
2.3.2	High performance bitumen felt roofing system including insulation and vapour control barrier	245	m2	95	23,275
2.4	Stairs and Ramps N/A				
2.5	External Walls				
2.5.1	Curtain walling to South East Corner	99	m2	850	84,337
2.5.2	Glazed double ended entrance	41	m2	650	26,355
2.5.3	Allowance for metal cladding, say copper on a metsec frame	206	m2	380	78,445
2.6	Windows and External Doors				
2.6.1	Windows	365	m2	425	155,125
2.6.2	Glazed double entrance doors	4	Nr	4,500	18,000
2.7	Internal Walls and Partitions				
2.7.1	Timber stud partition	152	m2	55	8,382
2.8	Internal Doors				
2.8.1	Revolving doors; allowance for 2m diameter, laminated glazing, curved walls with 4nr wings	4	Nr	12,000	48,000
2.8.2	Single internal timber door	7	Nr	450	3,352
2.8.3	Double internal timber door	1	Nr	800	800

		Quantity	Unit	Rate	Total
3	Finishes			Total	49,166
3.1	Wall Finishes				
3.1.1	Plasterboard, taped and jointed with skim and emulsion finish	511	m2	32	16,360
3.2	Floor Finishes				
3.2.1	Allowance for stone flooring to Bar area of Micro Brewery	109	m2	100	10,861
3.2.2	Non-slip vinyl to remainder	203	m2	26	5,283
3.3	Ceiling Finishes				
3.3.1	E/O to create bulk head over bar and back of house	203	m2	50	10,160
3.3.2	Plasterboard, taped and jointed with skim and emulsion finish	203	m2	32	6,502
4	Fixtures, Fittings & Equipment			Total	163,250
4.1	Allowance for bar and associate items	1	Item	20,000	20,000
4.2	Allowance for brewery fit out; specification & output (litres) unknown	1	Item	125,000	125,000
4.3	Allowance for general fit out to Micro Brewery	365	m2	50	18,250
5	Services			Total	161,563
5.1	Sanitary Appliances				
5.1.1	General allowance for sanitary services	365	m2	7	2,555
5.1.2	WC's	3	Nr	300	900
5.1.3	WHB's	3	Nr	300	900
5.1.4	E/O for IPS Panels	2	Nr	500	1,000
5.1.5	Allowance for Doc M Pack	1	Nr	250	250
5.2	Services Equipment				
5.2.1	Connections required to items of specialist equipment as per function of building	365	m2	20	7,300
5.3	Disposal Installations				
5.3.1	Above ground drainage only	365	m2	12	4,380
5.3.2	Connections and pipework to rainwater harvesting	1	Nr	1,000	1,000
5.4	Water Installations				
5.4.1	Incoming water and distribution	365	m2	40	14,600
5.5	Heat Source				
5.5.1	Heat Plate Exchanger	1	Nr	5,000	5,000
5.6	Space Heating and Air Conditioning				
5.6.1	Low temperature hot water distribution including radiators and ventilation	365	m2	100	36,500
5.7	Ventilation Systems				
5.7.1	Mechanical extract to brewery area	365	m2	28	10,220
5.8	Electrical Installations				
5.8.1	Distribution including lighting and small power	365	m2	150	54,750
5.9	Gas and Other Fuel Installations				
5.9.1	Incoming gas to be distributed to specialist equipment	365	m2	8	2,920
5.10	Lift and Conveyor Installations				
5.10.1	N/A				
5.11	Fire and Lighting Protection				
5.11.1	N/A				
5.12	Communication, security and Control Systems				
5.12.1	Fire and smoke detection, alarm and sounder	365	m2	22	8,030

Order of Cost Estimate Nr 1

Atmos Totnes - Whole Site

for

Totnes Community Development Society



External Works

		Quantity	Unit	Rate	Total
8	External Works				750,990
8.1	Site Preparation Works (Enabling and Infrastructure Works costed separately)				
8.1.1	Gabion wall to North Bank of leat; 1500mm high, 4mm mesh, helicoil basket ties and brick/concrete fill	245	m	110	26,950
8.1.2	Gabion wall to South Bank of leat; 4000mm high, 5mm mesh, helicoil basket ties and brick/concrete fill	245	m	180	44,100
8.1.3	E/O for soil nailing to gabion walls	1	Item	50,000	50,000
8.1.4	New Footbridges across the leat	2	nr	100,000	200,000
8.1.5	Bin and Cycle stores	5	nr	12,500	62,500
8.1.6	Allowance for external steps through retaining walls	1	Item	100,000	100,000
8.1.7	External lighting	13372	m2	20	267,440
8.2	Roads, Paths, Paving's and Surfacing				1,493,530
8.2.1	Road make up to adaptable standards	420	m	1,200	504,000
8.2.2	Curbs to above	840	m	150	126,000
8.2.3	Hard Landscaping	5702	m2	75	427,650
8.2.4	Extra/Over for SUDS to hard landscaped areas	5702	m2	40	228,080
8.2.5	Pedestrian priority access routes	2078	m2	100	207,800
8.3	Soft Landscaping, Planting and Urban Drainage				305,540
8.3.1	Soft Landscaping	2027	m2	20	40,540
8.3.2	Quiet Garden	1	Item	20,000	20,000
8.3.3	Creating of ponds with reed bed acting as flood attenuation	1	Item	100,000	100,000
8.3.4	Allowance for planting	1	Item	50,000	50,000
8.3.5	Allowance for trees	1	Item	75,000	75,000
8.3.6	Creating of sails	1	Item	20,000	20,000
8.4	Fencing, Railing and Walls				50,000
8.4.1	Allowance for fencing, railing and walls (retaining walls for site levelling included in Infrastructure)	1	Item	50,000	50,000
8.5	External Fixtures				250,000
8.5.1	Allowance for ecology enhancing features	1	Item	150,000	150,000
8.5.2	Allowance for external features	1	Item	100,000	100,000
8.6	External Drainage Included in Infrastructure Cost				
8.7	External Services Included in Infrastructure Cost				
					Building Elements Total for External Works 2,850,060
	Preliminaries	18%	%	2,850,060	513,011
	Overheads and Profit	7.5%	%	3,363,071	252,230
					Building Works Total 3,615,301
	Fees	Excluded			
	Contingency	Excluded			
	Inflation to 2Q, 2021	30.2	%	3,615,301	1,091,412
	Carried to Summary			Cost Plan Total	4,706,713

Appendix 8

Residual Valuation Summary

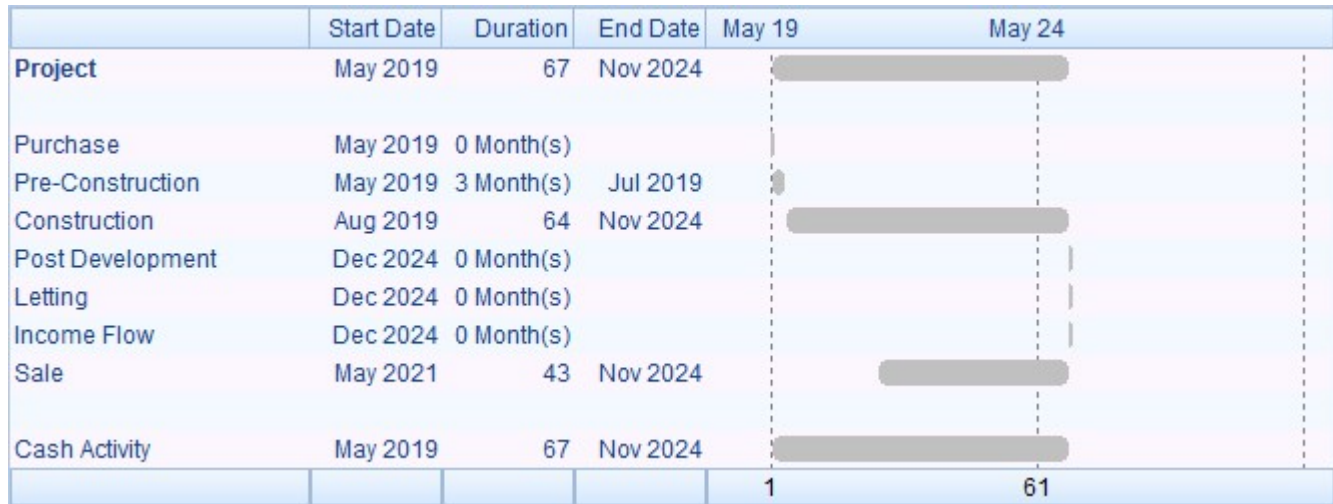
Atmos
Residual Land Valuation

Former Dairy Crest Site
Station Road
Totnes

**Atmos
Residual Land Valuation**

Project Timescale	
Project Start Date	May 2019
Project End Date	Nov 2024
Project Duration (Inc Exit Period)	67 months

Phase 1



**Atmos
Residual Land Valuation**

Summary Appraisal for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
Community Housing	62	83,577	155.00	208,943	12,954,435
Retirement Land	<u>1</u>	<u>0</u>	0.00	1,110,000	<u>1,110,000</u>
Totals	63	83,577			14,064,435

Rental Area Summary

	Units	ft ²	Rent Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Live / Work	1	21,313	7.50	159,848	159,848	159,848
Food School	1	7,960	12.00	95,523	95,523	95,523
Local Corner Grocery	1	3,202	10.00	32,020	32,020	32,020
Health & Wellbeing Centre	1	2,745	7.50	20,585	20,585	20,585
Cafe	1	2,583	10.00	25,830	25,830	25,830
Community Centre	1	3,733	7.50	27,999	27,999	27,999
Brunel Buildings	1	8,720		0	0	
Micro Brewery (GF Bar / Shop)	1	1,098	12.00	13,178	13,178	13,178
Micro Brewery (FF Office Space)	<u>1</u>	<u>2,241</u>	7.50	16,811	<u>16,811</u>	<u>16,811</u>
Totals	9	53,596			391,793	391,793

Investment Valuation

Live / Work						
Market Rent	159,848	YP @	10.0000%	10.0000		
(3mths Rent Free)		PV 3mths @	10.0000%	0.9765	1,560,837	
Food School						
Market Rent	95,523	YP @	10.0000%	10.0000		
(3mths Rent Free)		PV 3mths @	10.0000%	0.9765	932,738	
Local Corner Grocery						
Market Rent	32,020	YP @	7.5000%	13.3333		
(3mths Rent Free)		PV 3mths @	7.5000%	0.9821	419,277	
Hotel						
Manual Value					2,160,000	
Health & Wellbeing Centre						
Market Rent	20,585	YP @	10.0000%	10.0000		
(3mths Rent Free)		PV 3mths @	10.0000%	0.9765	201,002	
Cafe						
Market Rent	25,830	YP @	10.0000%	10.0000		
(3mths Rent Free)		PV 3mths @	10.0000%	0.9765	252,218	
Community Centre						
Market Rent	27,999	YP @	10.0000%	10.0000		
(3mths Rent Free)		PV 3mths @	10.0000%	0.9765	273,397	
Brunel Buildings						
Manual Value					700,000	
Micro Brewery (GF Bar / Shop)						
Market Rent	13,178	YP @	10.0000%	10.0000		
(3mths Rent Free)		PV 3mths @	10.0000%	0.9765	128,681	
Micro Brewery (FF Office Space)						
Market Rent	16,811	YP @	10.0000%	10.0000		
(3mths Rent Free)		PV 3mths @	10.0000%	0.9765	164,150	
					6,792,302	

GROSS DEVELOPMENT VALUE 20,856,737

Purchaser's Costs (332,144)
Effective Purchaser's Costs Rate 4.89% (332,144)

NET DEVELOPMENT VALUE 20,524,593

NET REALISATION 20,524,593

**Atmos
Residual Land Valuation**

OUTLAY

ACQUISITION COSTS

Residualised Price (Negative land)		(55,352,566)	
			(55,352,566)

CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost	
Construction Costs	1 un	66,880,000	66,880,000	66,880,000

PROFESSIONAL FEES

Professional Fees	8.00%	5,350,400	
			5,350,400

MARKETING & LETTING

Letting Agent Fee	10.00%	39,179	
Letting Legal Fee	5.00%	19,590	
			58,769

DISPOSAL FEES

Sales Agent Fee	1.00%	64,602	
Sales Legal Fee	0.50%	102,623	
			167,225

TOTAL COSTS

17,103,828

PROFIT

3,420,766

Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	16.40%
Profit on NDV%	16.67%
Development Yield% (on Rent)	2.29%
Equivalent Yield% (Nominal)	9.73%
Equivalent Yield% (True)	10.36%
IRR	(2.40)%
Rent Cover	8 yrs 9 mths
Profit Erosion (finance rate 6.000)	3 yrs 1 mth

**Atmos
Residual Land Valuation**

Table of Land Cost and Land Cost

Construction: Gross Cost	Rent: Rate /ft²				
	-2.50 /ft²	-1.25 /ft²	0.00 /ft²	+1.25 /ft²	+2.50 /ft²
-10.000%	£48,986,072	£48,557,799	£48,129,526	£47,701,253	£47,272,980
60,192,000	£48,986,072	£48,557,799	£48,129,526	£47,701,253	£47,272,980
-5.000%	£52,597,592	£52,169,319	£51,741,046	£51,312,773	£50,884,500
63,536,000	£52,597,592	£52,169,319	£51,741,046	£51,312,773	£50,884,500
0.000%	£56,209,112	£55,780,839	£55,352,566	£54,924,293	£54,496,020
66,880,000	£56,209,112	£55,780,839	£55,352,566	£54,924,293	£54,496,020
+5.000%	£59,820,632	£59,392,359	£58,964,086	£58,535,813	£58,107,540
70,224,000	£59,820,632	£59,392,359	£58,964,086	£58,535,813	£58,107,540
+10.000%	£63,432,152	£63,003,879	£62,575,606	£62,147,333	£61,719,060
73,568,000	£63,432,152	£63,003,879	£62,575,606	£62,147,333	£61,719,060

Sensitivity Analysis : Assumptions for Calculation

Rent: Rate /ft²

Original Values are varied in Fixed Steps of £1.25

Heading	Phase	Rate	No. of Steps
Live / Work	1	£7.50	2.00 Up & Down
Food School	1	£12.00	2.00 Up & Down
Local Corner Grocery	1	£10.00	2.00 Up & Down
Health & Wellbeing Centre	1	£7.50	2.00 Up & Down
Cafe	1	£10.00	2.00 Up & Down
Community Centre	1	£7.50	2.00 Up & Down
Micro Brewery (GF Bar / Shop)	1	£12.00	2.00 Up & Down
Micro Brewery (FF Office Space)	1	£7.50	2.00 Up & Down

Construction: Gross Cost

Original Values are varied by Steps of 5.000%.

Heading	Phase	Amount	No. of Steps
Construction Costs	1	£66,880,000	2.00 Up & Down

Appendix 9

UK Economic and Property Market Commentary

Capital Markets Research

Monthly Property & Economic Commentary

1 Summary

Property

- Annual total returns slowed to 5.6%, down from 6.3% on the back of weakening capital growth
- Retail - How much further to fall? Shopping Centres are taking the largest hit
- Q1 2019 investment volumes surprise on the upside, helped by some large deals

Economy

- Retail sales remain resilient in Q1 as online sales record significant growth
- Strong wage growth and moderate inflation supporting household consumption

Table 1 - JLL Annual Forecast: IPD UK (%)

	2019	2020	2021
Total returns			
All Property	3.4	3.7	3.8
Office	4.2	4.5	4.4
Retail	-0.1	1.3	2.2
Industrial	7.9	7.7	6.4
Capital growth			
All Property	-0.9	-0.7	-0.7
Office	0.3	0.5	0.4
Retail	-4.7	-3.6	-2.8
Industrial	3.5	3.4	2.1

Source: JLL

2 Property Market

All-property 12-month total returns decline to 5.6% in March

Annual returns at the All-Property level continued to slow in March, falling from 6.3% to 5.6% on the back of a moderation in capital value growth. Capital values did increase by 0.4% in the 12 months to March but the latest reading was the lowest since June 2017.

Within the sectors, retail returns fell to -2.6% from -1.9%, the lowest return figure since 2009. Office and industrial total returns were 6.5% and 14.5% respectively, down from 6.7% and 16.1%.

Monthly capital value growth has been negative for 5 consecutive months now, pointing to further falls in the annual numbers over the coming months. Indeed the capital value index is almost back to its April 2018 value, wiping out the gains of the previous 11 months.

Table 2 – IPD UK Monthly Index, March 2019

	Income return	Capital value growth	Rental growth	Total returns
All Property	0.4	-0.2	0.0	0.2
Office	0.4	0.0	0.1	0.4
Retail	0.5	-0.9	-0.4	-0.4
Industrial	0.4	0.2	0.3	0.6

Source: IPD

Retail – How much further to fall?

Annual total returns in retail recorded -2.6% in the 12 months to March, on the back of a continued slide in capital values. They have now declined by 8.1% over the past 12 months, a combination of both falling rents and outward movement in yields.

Within the retail sub-sector, capital values have declined by 10.2% in shopping centres, 8.5% in Retail Warehouses and 8.4% in high street stores.

Since the beginning of 2016, Shopping centres have seen capital values fall by 20%, as multiple retailers have gone into administration or CVAs and media attention has amplified the general malaise around this asset class.

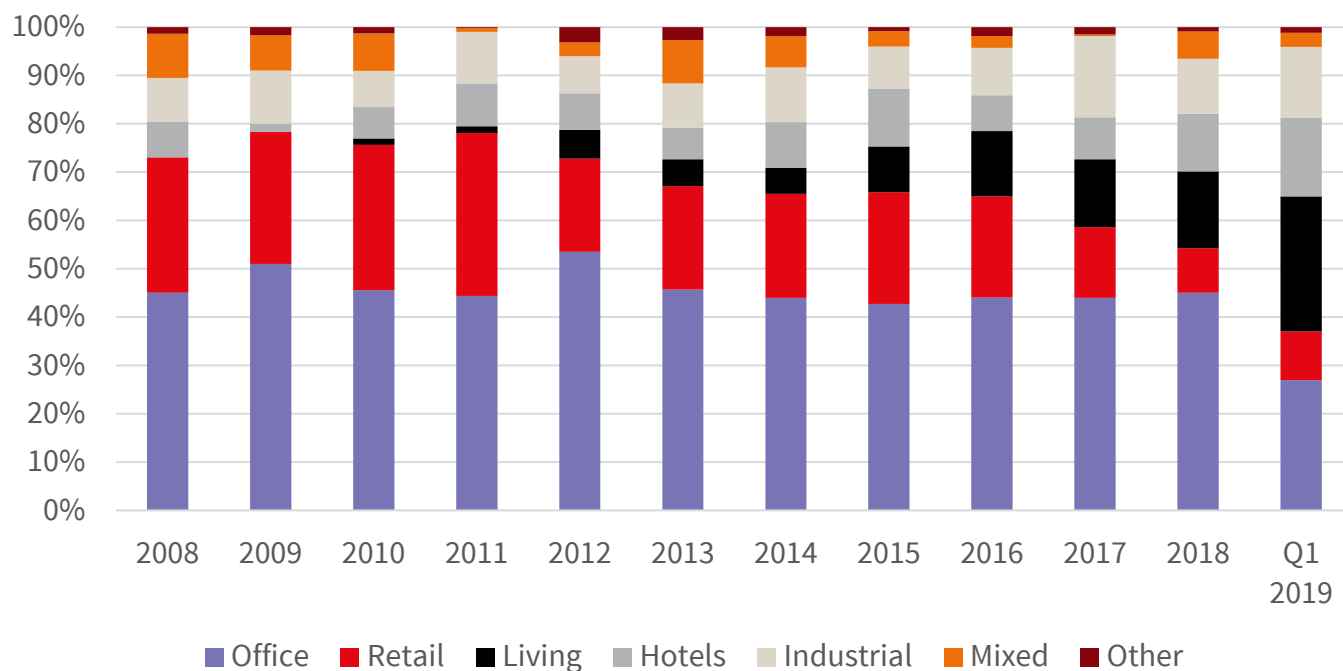
This has led to investors deserting the sector, with only four shopping centres transacted in the first quarter of 2019. The lack of transactional activity will also hinder accurate valuations of shopping centres going forward with a lack of comparables potentially slowing any further markdowns and widening the spread between asking and bid price.

A further hindrance to investors that spot an opportunity amidst the price declines in shopping centres is the steep cost of obtaining finance on a retail asset. A recent report by Laxfield Group shows the average margin on a loan backed by a retail asset has increased by 180 basis points in 2014 to 397 basis points now. Given the high cost of servicing the debt, as well as the high amount of Capex required by many shopping centres to make them fit for purpose highlights the challenges for investors looking to get into this space.

Q1 2019 investment volumes surprise on the upside, aided by some large deals

Transactional activity remained surprisingly robust in the first quarter of this year, with £12.7bn of investment volumes, just 1% down from Q1 2018, and well above the 10 year average. Q1's number was boosted by some large deals, notably the £1.115bn sale and leaseback of 25 Canary Wharf by Citi, and the £1bn Grange Hotel Portfolio acquired by Queensgate Investment. The 10 largest deals in Q1 totaled £4.8bn, accounting for 38% of Q1's total by value. In addition, 7 of the 10 largest deals were in the 'Alternatives' space, mainly hotels and the private rented sector (PRS).

Chart 1 – Composition of UK investment volumes, by sector



The chart above highlights how the UK investment universe has changed over the past decade. Retail, which now makes up 10% of transactional activity, now falls well behind other sectors such as the 'Living' umbrella which accounted for 28% of activity (comprised of student housing, PRS and healthcare). Indeed, the PRS sector alone accounted for £2bn in Q1. With structural and demographic factors supporting demand in these sectors, investors are likely to continue to target these asset types going forward.

Turning to overseas investors, they accounted for 54% of transactional activity in Q1. But if we exclude the two large deals mentioned above, that figure drops to 37%. The retrenchment of overseas capital in Q1 is unsurprising given that political uncertainty was elevated in the run-up to the original date of the UK leaving the EU on March 31st.

That said, the majority of the largest deals seen in Q1 were acquisitions from overseas buyers, who continue to be attracted to the UK market due to cyclical reasons (weak currency and relative yield gap) as well as structural reasons (transparent and liquid market).

Finally, the large value of portfolios traded this quarter (£3.9bn, up 22% Y-on-Y) as well as the average size of the portfolio traded (£127mn) indicate the large quantum of capital looking to access the market as well reflecting the desire of investors entering the 'Living' space to build scalable platforms in operationally heavy sectors such as PRS and student housing.

3 Economy

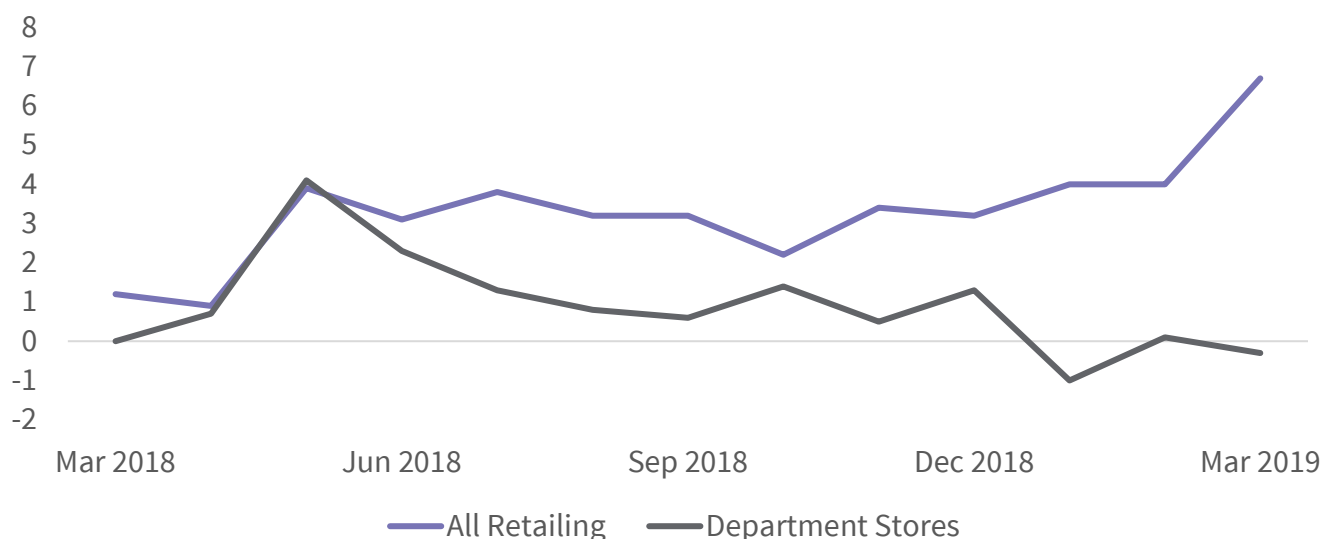
Retail sales remain resilient

Latest figures from the ONS indicate retail sales in March increased by 1.1%, taking the Q1 increase to 1.6%, up from just 0.1% the previous quarter. All store types apart from department stores saw a rise in quantity bought, and online sales accounted for 18.6% of all goods bought, up from 18.1% the previous month. Food stores and non-store retailing were both the largest contributors.

In annual growth terms, online retail sales have grown by 12.4% in the past 12 months, compared to 6.7% for retail sales overall. All retail sectors apart from food stores and household goods stores saw a significant rise in online sales.

Whilst retail sales overall have remained resilient especially online sales, this is in marked contrast to sales in department stores, which saw a decline of 0.3% in volume of sales over the past year.

Chart 2 – Annual growth rates, retail sales



Strong wage growth combined with moderate inflation supporting household consumption

Inflation remained at 1.9% in March, unchanged from the previous month. The strength of the labour market has continued to surprise the market, with the unemployment rate now at 3.9%, the lowest since 1975. One explanation is due to Brexit uncertainty, the lack of business investment has meant many companies are increasing their head count rather than invest in new equipment and technology to meet demand.

This is pushing up wage growth, nominal average wage growth is now 3.4% and real pay growth now stands at 1.5%, the highest since the EU referendum.

The rise in household income will support retail sales going forward, which has been the primary driver of growth in the UK economy since the referendum. Indeed, with real wages now growing, we are also seeing a slowdown in consumer borrowing, with credit card lending increasing by just over 6% in March, compared to 9.4% 12 months ago. Over the past two years, UK consumers have spent more than they have earned according to data by the ONS, in Q4 2018 alone households recorded a deficit of £4.4bn. That said, with energy prices set to increase by 10% in April, we could start to see inflation creep up again, eating into real wage growth.

Table 3 – UK economic forecasts

	2019	2020	2021
GDP	1.4	1.9	2.1
Retail Sales Index (volumes)	2.7	2.4	2.5
Inflation (CPI)	1.8	1.7	1.6
Bank of England Base Rate	1.0	1.25	1.75
10-year Gilt Yield	1.6	2.0	2.3

Source: Oxford Economics

Table 4 – Current Economic Indicators

Retail Sales (Y-o-Y):	1.1%	▲	Consumer Confidence:	-13	◀▶	Unemployment:	3.9%	◀▶
Inflation (CPI):	1.9%	◀▶	UK 10-year gilt yield	1.18%	▲	BoE base rate	0.75%	◀▶

Source: BRC, ONS, GfK NOP, Refinitiv. Note: Arrows indicate movement on last month. *Retail sales on total basis in March 2019 are BRC, Consumer confidence March 2019, Inflation March 2019; Unemployment rate is the ILO figure from March 2019.

Links to other research publications

[UK Capital Markets Blog](#) – The latest insight and opinions on the commercial property investment market.

[UK Research](#): All the latest UK research on the office, retail, industrial and residential sectors. Includes quarterly and topical reports on the latest trends in UK real estate.

[Central London Office Market Report](#) – Quarterly update on leasing and investment activity in the Central London office market.

[UK Regional City Quarterly Reports](#) - City based overview giving a high-level summary of the key occupier and investor activity over the quarter.

[UK Property Market Index](#) - Tracking the performance of UK commercial real estate, looking at total returns, income return and capital value growth. One of the few indices in the market to track both prime and secondary property asset.

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