

Viability Assessment

The Mole, Barry Waterfront, Barry CF63 4BA



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Non-Technical Executive Summary

The Mole comprises a “finger of land” which protrudes around 400m into the No 1 Dock with a gross site area of approximately 3.03 hectares (7.49 acres). The site is surrounded by water to the north, east and south.

The proposed mixed-use scheme comprises leisure, business space and residential uses and will include the following:

- Residential development comprising 65 units with a maximum height of 4 storeys.
- A 25,000 sq ft (2,323 sq m) incubator workspace building comprising offices, smart innovation space, break-out space and a café.
- The creation of a 400-berth marina with floating pontoons and a 5,600 sq ft (520 sqm) marina office building.

We have appraised the proposed development, attributing a gross development value (GDV) to the completed scheme based on comparable evidence obtained from the local property market for the residential and office elements. We have been provided with a valuation of the marina element of the scheme by Vail Williams who are specialist in undertaking marina valuations.

We summarise the GDV for each element of the scheme as follows:

Element	GDV
Marina	£10,100,000
Office	£3,000,000
Residential – inc. 30% Affordable	£16,591,864
Total	£29,691,864

We have been provided with a cost analysis by the applicant and their cost consultant, Corderoy and we have made industry standard assumptions on fees, contingency, finance and developer's profit.

We consider the Benchmark Land Value of the site to be £3,500,000, reflecting circa £475,000 per acre.

In order to be considered viable, the scheme must produce a blended developer's profit margin calculated on the basis of 20% of GDV for private housing and the marina, 6% on cost for affordable housing and 12.5% on cost for office. It must also meet the Benchmark Land Value of £3,500,000. When fixing the developers profit and BLV, to a policy compliant scheme, a deficit value of **£20,144,739** is produced and is therefore unviable.

We have also tested schemes with 15% and 0% affordable housing respectively, with no S106 contributions. Both scenarios are also showing as unviable.

1. RICS Compliance

1.1. RICS Professional Statement

This report has been prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) professional statement entitled *Financial viability in planning: conduct and reporting* effective 1st September 2019.

The professional statement is mandatory in England only and whilst the subject of this viability assessment is located in Wales, as an RICS regulated firm we have complied with the guidance insofar as it is possible to do so in the context of the Welsh planning system.

1.2. Objectivity, Impartiality and Reasonableness

We confirm that this report has been prepared by a suitably qualified surveyor acting with objectivity, impartially, without interference and with reference to all appropriate available sources of information.

1.3. Confirmation of Instructions and Fees

We have been instructed to undertake this viability assessment by Associated British Ports (the applicant).

No performance-related or contingent fees have been agreed.

1.4. Conflicts of Interest

There is no conflict of interest preventing us from acting on behalf of the applicant. We are reporting on an objective and unbiased basis.

We also are not advising the local planning authority in respect of any area-wide viability assessments.

In accordance with the RICS professional statement *Conflicts of Interest (1st edition, 2017)* we therefore confirm that we do not face a conflict of interest in preparing this report and are acting as objective and impartial advisers.

1.5. Information Sources

The extent of the due diligence enquiries we have undertaken and the sources of the information we have relied upon for the purpose of our viability assessment are stated in the relevant sections of our report below.

Our viability assessment is based upon certain technical information supplied to us by others who have informed us that they have complied with the RICS professional statement *Financial viability in planning: conduct and reporting* and that the information they have provided to us is balanced, reasonable and reflects an appropriate level of judgement.

1.6. Publication and Responsibility

In accordance with the RICS professional statement this report has been prepared on the basis that it may be made publicly available.

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Finally we would state that this report is provided solely for the purpose stated above. It is for the use only of the party to whom it is addressed, and no responsibility is accepted to any third party for the whole or any part of its contents. Any such parties rely upon this report at their own risk.

2. Savills

Savills is a highly respected property consultancy and agency business with over 600 offices worldwide and 35,000 staff. In the UK Savills have 130 offices with a London base and representation in all the major regional centres.

Savills' Cardiff office is the largest firm of chartered surveyors in Wales with a staff compliment of 100 providing a range of property related services including development agency and consultancy, residential, investment and commercial agency, property management, planning consultancy and energy brokerage.

In recent years, Savills have been involved in a number of significant development projects across Wales, providing viability assessments to support planning applications and local plan making; examples are set out below.

- Herbert Street for JR Smart, 2015
- The Wharf for JR Smart, 2016
- Brickworks, Trade Street, Cardiff for Portabella, 2016
- Capital Quarter for JR Smart, 2017/18
- Eveleigh Site, Dumballs Road for Rightacres Limited, 2017
- Former Riva Bingo Club, Splott for private client, 2017
- Leckwith Car Sales, Llandough, Vale of Glamorgan for private client, 2017
- Former Brandon Tool Hire, Rumney for private client, 2018
- Crawshay Court, Curran Road, Cardiff for South Central Cardiff Ltd, 2018
- The Rise, Penhill, for private client, 2018
- Duke of Clarence, Canton for Lower Westside Ltd., 2017/18
- 27-29 Cathedral Road Cardiff for private client, 2019
- Bottleworks, Penarth Rd Cardiff for Rightacres Property Ltd, 2019
- Vaughn's Laundry, Cardiff for Portabella, 2019
- 104-108 Cathedral Road, Cardiff for private client, 2019
- Caerleon Campus for Redrow Homes, 2020
- Clearwater Falls, Cardiff for private client, 2020
- Island Farm, Bridgend for HD Ltd, 2020
- Kingfisher Quarter, Cardiff for Ridgeback Group, 2021
- Baltic House for Abedi Ltd, 2021
- Knox Court, for Urban Centric, 2022
- Milford Street, Saundersfoot for Ventura Properties Ltd, 2022

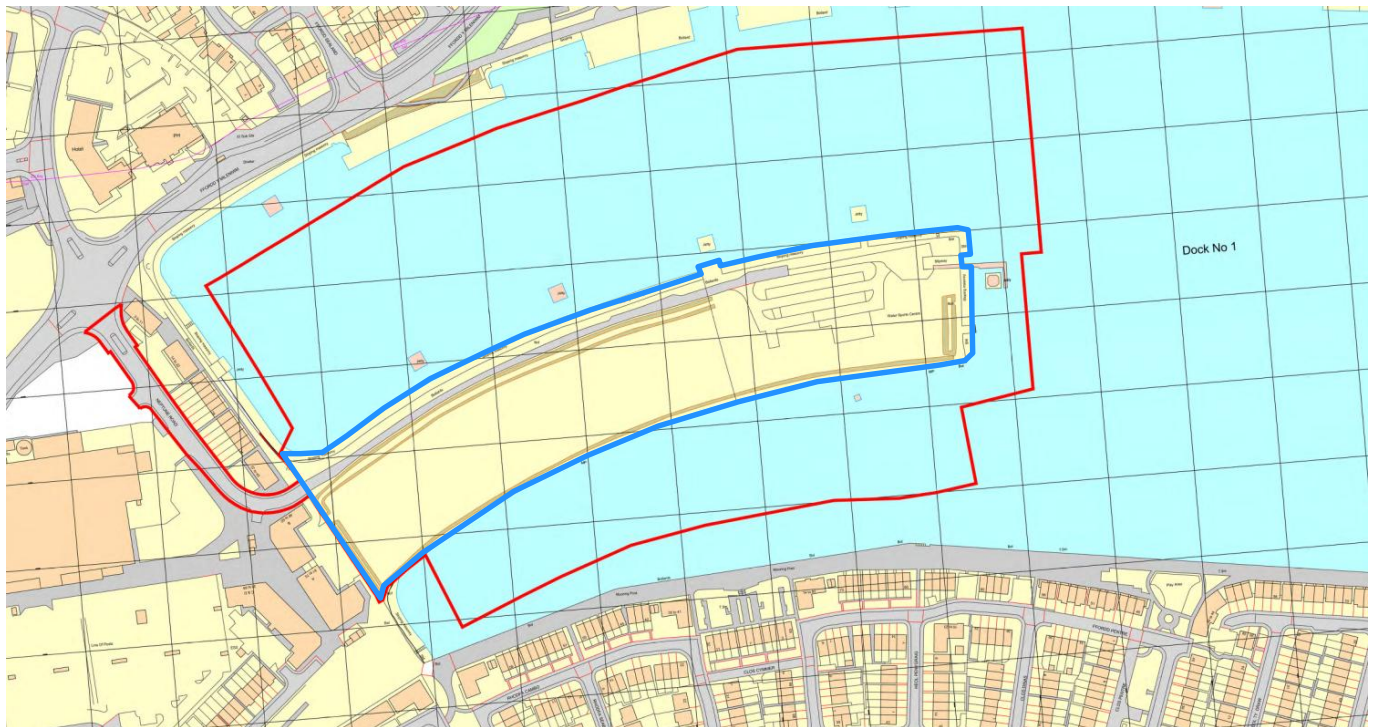
In all the above cases our reports have been referred to the District Valuer Service or Council-appointed valuer for independent appraisal and verification.

3. Site Description

The Mole comprises a “finger of land” which protrudes around 400m into the No 1 Dock with a gross site area of approximately 3.03 hectares (7.49 acres). The site is surrounded by water to the north, east and south and is edged blue on the plan below.

The land comprises former industrial land with the far eastern end occupied by Barry Community Water Activity Centre which includes a number of temporary buildings and a boat storage area.

The site is currently within DAM Flood Zone C2 although we understand that this has been subject of a successful flood map challenge and is expected to be removed from the C2 flood zone when flood maps are updated.



Site Plan of The Mole

4. Location

The property is located in Barry, a town in the Vale of Glamorgan, approximately 9 miles south-west of Cardiff. Barry railway station is situated 0.6 miles to the west of the property and provides transport to a number of destinations including Cardiff and Bridgend.

The property sits adjacent to the Barry Waterfront development area, located between the town centre (0.7 miles to the north) and Barry Island (0.6 miles to the south).

The Mole sits to the east of the new waterfront district centre and is overlooked from the south by the recent residential development at South Quay. The Mole is visible from the town to the north and has the potential for a mixed use centrepiece to the wider regeneration of the waterfront.

The Mole sits within No. 1 Dock, accessed from Neptune Road to the west, while the dock gates allow access to the Waterfront by boat from the sea.



5. Development Proposals

The scheme proposed for this site is a mixed-use scheme comprising leisure, business space and residential uses and will include the following:

- The creation of a 400-berth marina with floating pontoons.
- A 5,600 sq ft (520 sqm) marina office building which will include facilities for visitors/ members and a restaurant.
- A 25,000 sq ft (2,323 sq m) incubator workspace building comprising offices, smart innovation space, break-out space and a café.
- Residential development comprising 65 units with a maximum height of 4 storeys.
- Access road and car parking.
- Landscaping and public open space/park.
- Engineering works to raise the existing ground levels to a minimum of 9.00m AOD in order to mitigate against flood risk.
- 208 parking spaces.

Planning application ref no: 2023/00051/HYB was submitted in January 2023 and relates to a hybrid application made up of the following 5 key components:

No.	Proposal	Permission Sought
1	400-berth marina with floating pontoons within the No. 1 Dock at Barry Waterfront	Outline
2	Engineering works to raise the existing ground levels of the Mole site to a minimum of 9.00m AOD in order to- mitigate against potential future flood risk	Full
3	Development of a marina office building which will include facilities for visitors/ members and a restaurant	Outline
4	Incubator workspace building comprising offices, smart innovation space, break-out space and a café	Outline
5	Residential development comprising townhouses and apartments	Outline

Whilst an outline planning application has been submitted, the masterplan for the residential element of the proposed scheme identifies 65 no. residential units made up of 45 no. 3 and 4-bedroom townhouses and 20 no. 1 and 2-bedroom apartments. We provide a schedule of the proposed accommodation as follows:

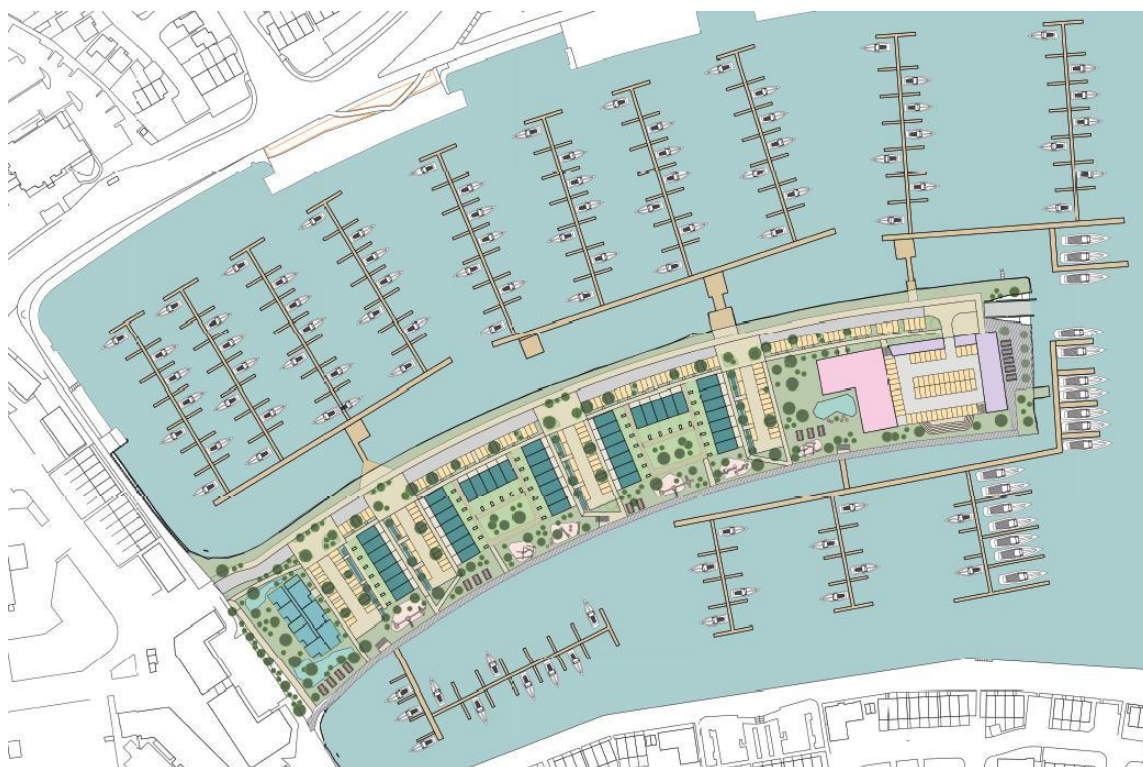
Type	Quantity
Flats (1 & 2 beds)	20
Townhouses (3 & 4 beds)	45
Total	65

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We provide a copy of the indicative masterplan below and at **Appendix 1**:



We provide a CGI of the proposed development below:



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The indicative masterplan identifies that the residential element of the property has a net developable area of approximately 1.42 hectares (3.5 acres) and capacity to deliver 65 dwellings at a density of 18.57 dwellings per acre.

The property is located in Barry where current policy requires 30% affordable housing. Based upon the indicative masterplan and the affordable housing policy requirements, we have provided an indicative mix of house types as identified below:

Unit Type	No. of Units	Size (Sq ft)	Size (Sq m)
Open Market			
3 bed townhouse (mid)	18	1,100	102
4 bed townhouse (mid)	13	1,215	113
4 bed townhouse (end)	14	1,215	113
Total Market Units	45	52,605	4,887
Affordable			
1 bed flat (SR)	14	495	46
2 bed flat (LCHO)	6	635	59
Total Affordable Units	20	10,740	998
Total:	65	63,345	5,885

6. Market Commentary

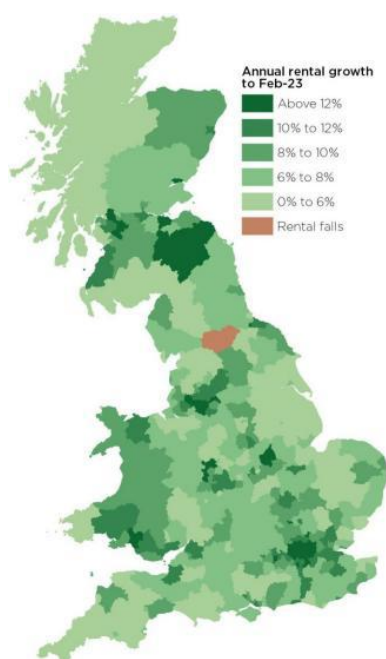
Residential

According to Bank of England data, demand is slowly recovering with new mortgage approvals rising in February to 33% below the pre-Covid average, but up from -41% in January. Whilst mortgage rates fell across all LTVs in March, they remain generally above 4.5%, and at these levels it is likely that price falls will follow as affordability is squeezed. This could be exacerbated as would-be buyers facing a falling market decide to postpone buying, further reducing sales market activity. More affordable areas may be cushioned from price falls compared to more expensive regions; nevertheless Savills forecasts a -8.5% reduction in house prices in Wales in 2023 before returning to growth in 2024. Savills 5 year forecast (2023 – 2027, suggests growth of 11.1% in Wales.

First time buyers (FTBs) have remained undaunted, with numbers in December 8% higher than the pre-Covid average. Despite the challenges of securing a mortgage with current high rates, high rents and competition for rental stock provide FTBs with a strong incentive to get on the housing ladder. FTBs are taking out increasingly longer mortgages in order to keep monthly payments affordable: at the end of 2022, 1 in 6 FTBs had a mortgage term in excess of 35 years, according to UK Finance.

There has also been a fall in the number of new buyer enquiries, with demand falling to its lowest level since 2008 according to the RICS. New instructions also continued to slow according to the December RICS survey.

In comparison, rents rose by 10.9% in the 12 months to February across the UK, according to Zoopla. While lack of supply has supported growth, increasingly tight household finances will also restrain growth. After London, annual rental growth has been strongest in Scotland, the North West and Wales, up 13.4%, 10.7% and 10.2% respectively. Zoopla expects growth to slow in 2023 with the growing unaffordability to hit spending power and subdued demand.



Source Zoopla Rental Index powered by Hometrack

Table 1 Regional rental growth to Feb-23

	m/m	q/q	y/y
UK	0.7%	2.4%	10.9%
London	0.7%	3.1%	14.9%
South East	0.6%	1.7%	8.7%
East of England	0.7%	2.1%	8.9%
South West	0.4%	1.0%	7.4%
East Midlands	1.0%	2.8%	9.2%
West Midlands	0.8%	2.5%	9.3%
North East	0.8%	2.4%	8.2%
Yorks & Humber	0.5%	1.8%	8.3%
North West	0.7%	2.4%	10.7%
Wales	1.0%	2.3%	10.2%
Scotland	1.1%	3.4%	13.4%

Source Zoopla Rental Index powered by Hometrack

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According to the Land Registry House Price Index, annual growth in Vale of Glamorgan was 2.75% to March 2023, lower than the annual growth in Wales at 4.82%. The Land Registry average for terraced houses in the Vale of Glamorgan in March 2023 was £242,163 showing a -0.68% decrease from the previous month.

Properties in Barry had an overall average price of £236,997 over the last year. The majority of sales in Barry during the last year were terraced properties, selling for an average price of £205,279. Semi-detached properties sold for an average of £276,737, with flats achieving £166,212. Overall, sold prices in Barry over the last year were 13% up on the previous year

We set out below new and re-sale evidence from the adjoining new Waterfront district for the residential element of the proposed scheme:

Under Offer

Address	Beds	Type	Size (sq ft)	Asking	£/ sq ft
Clos Cymmer, Barry	3	EOT	1,039	£290,000	£279
109 Ffordd Y Dociau, Barry	3	EOT	1,066	£315,000	£296
24 Lon Y Rheilffordd, Barry	3	MT	1,066	£270,000	£253
60 Ffordd Pentre, Barry	3	EOT	1,119	£340,000	£304
18 Rhodfa Cambo, Barry	3	EOT	1,199	£360,000	£300
Ffordd Pentre, Barry	3	EOT	1,199	£359,950	£300
8 Clos Dinas, Barry	4	EOT	1,216	£315,000	£259
8 Clos Cymmer, Barry	4	MT	1,163	£330,000	£284

Completed Sales

Address	Beds	Type	Size (sq ft)	Achieved	£/ sq ft	Date Achieved
31 Lon Y Rheilffordd, Barry	3	EOT	1,066	£300,000	£282	Nov-22
17 Llwyn David, Barry	4	EOT	1,453	£320,000	£220	Dec-22
9 Clos Cymmer, Barry	4	MT	1,163	£333,000	£286	Sep-22

Commercial

Economic data in the UK remains volatile and unpredictable as recently demonstrated by two recent announcements from the ONS. Firstly, revised GDP figures were released showing that Q4 posted 0.1% growth in Q4 with the original estimate at zero growth. Meanwhile inflation surprised many with CPI rising to 10.4% in February, up from 10.1% in January mainly driven by food shortages experienced at the start of the year which has driven food price inflation to 18.2%, the highest level since 1978.

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This volatility has meant investors are still in “wait and see” mode with investment volumes reaching £5.6bn in Q1 23, the lowest quarterly volume since 2009, if we exclude Q2 20 when the onset of Covid-19 paralysed the market. A combination of the cost of living squeeze, high wage inflation and government support for energy bills beginning to fade is applying further strain on retail operator gross margins. In turn, a handful of retail failures have already occurred in 2023 (most notably Paperchase and M&Co), with more failures likely.

Pricing has been significantly impacted by the rising cost of debt and the turbulent economic outlook which has been evident in all submarkets across the regional office market.

Investor demand in the market is primarily for prime assets with strong ESG credentials, there has however been scarce opportunities to acquire stock of this standard in the last six months. Conversely, the demand for secondary properties is thin with limited appetite for these assets which have been brought to the market. These two factors have combined to result in a reduction in investment volumes. It is expected that investment activity will continue to remain subdued in the short term until there are signs of price stabilisation.

We set out below rental and investment comparable evidence for the commercial element of the proposed scheme:

Rental Evidence

Address	Type	Lettable Space	Quoting (£/ sq ft)
Waterfront The Quays, Barry	Retail	18,862	£10.42 – £12.74
W Haven The Quays, Barry	Restaurant	3,829	£14.86 - £18.16
9 Windsor Rd, Windsor Loft, Barry	Office	4,100	£16.04 - £19.60
2-10 Holton Rd	Office	2,703	£10.00
Thompson Street, Barry	Retail	4,865	£14.23 - £17.40

Investment Evidence

Due to the size of the Property in relation to its sub-prime location, there have been limited comparable transactions within the immediate vicinity and, as such, we have expanded our search to include sales of similar properties in other secondary locations. We have had regard to the following:-

Ely Meadows, Talbot Green, Llantrisant

Three inter-connected office buildings totalling 111,036 sq ft situated in Llantrisant sold February 2023 for £7,850,000 reflecting 9.60% NIY and £70.70 per sq ft. The property is let to British Airways Avionics Engineering Limited until 24 March 2024. Total rent passing of £805,011 per annum (£7.25 per sq ft). WAULT of 1.13 years to expiry. The property was acquired by NHS for their own occupational purposes on lease expiry.

Usk House, Newport

The property comprises a modern 30,886 sq. ft office building situated in Newport city centre. It comprises 25,876 sq. ft (84%) let to Secretary of State for Housing Communities and Local Government. Long Leasehold Interest (125 years from 20 December 2006) at a peppercorn. Passing Rent of £308,135 per annum. Sold for £3,400,000 in December 2022 reflecting 8.45% NIY and £110.33 capital value per sq ft.

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Unit 4 Cefn Coed, Nantgarw

The property comprises a self-contained 8,886 sq. ft office building situated on Cefn Coed Business Park, Nantgarw. It is fully let to Credit Safe Limited until November 2025 at a passing rent of £110,000 per annum. Sold for £1,200,000 in August 2022 reflecting 8.65% NIY and £135.35 capital value per sq ft.

Marina (Source: Vail Williams)

The marina sector has continued to trade well over the last year and, despite concerns over rising inflation and cost of living crisis, most marinas still report high occupancy levels.

British Marine published a report on the UK marina and moorings market in January 2023. Highlights from that report include that UK marina berthing revenues grew by an average 13% between 2021 and 2022, and overall marina occupancy levels at the start of the 2022 season average 90%. Occupancy levels were similar for inland and coastal marinas, with 34% of marinas reporting full occupancy. The report was based on surveys completed by British Marine companies, over half of whom reported that demand for marina berths remains above pre-pandemic levels.

The following table, provided by Vail Williams, sets out the price for annual berths, paid in advance. All four marinas also offer flexible terms with shorter contracts and instalment payments for a premium.

Marina	2022 price per m incl. VAT	2023 price per m incl. VAT	Increase
Penarth Marina	£361	£400	10.8%
Cardiff Marina	£318	£345	8.5%
Swansea Marina	£207.33	£225.98	9%
Portishead Marina	£372	£412	10.8%

All report significant price increases, but are largely a result of rising costs, notably staff and utility costs will have increased considerably over the last 12 months. Most marinas have also seen material increases in rateable values for the April 2023 rates revaluation.

We provide a copy of a letter from Vail Williams at **Appendix 2**, issued to the applicant in April 2023, providing advice on projected values of the proposed marina development.

7. Viability Assessment

Copies of our viability appraisals are attached in **Appendix 4**. We set out below an explanation of our inputs and approach.

7.1. Timescales

We have allowed for the following timescales within our appraisals:

	Residential	Office	Marina
Pre-commencement period	9 months	9 months	9 months
Total construction period	13 months	12 months	Ph 1: 12 months (275 units) Ph 2: 18 months (125 units)
Total sales period	15 months (overlaps partly with construction period)	Assume pre-let (on completion of construction)	Assume pre-sold (on completion of Ph 1 construction)
Total project length	29 months	21 months	39 months

Please note that the timescales for each element of the development overlap and the total development period is 29 months until completion and sale of all of the residential, office, Marina Phase 1 and part construction of Marina Phase 2, with a further 10 month period for completion and sale of Marina Phase 2, subject to proof of concept and occupational demand.

7.2. GDV

Residential

Our schedule of GDV for the residential element is provided below.

Unit Type	No. of Units	Size (Sq ft)	Sales Values	£/ sq ft	Total	Total Sq Ft
Open Market (70%)						
3 bed townhouse (mid)	18	1,100	£315,000	£286	£5,670,000	19,800
4 bed townhouse (mid)	13	1,215	£345,000	£284	£4,485,000	15,795
4 bed townhouse (end)	14	1,215	£350,000	£288	£4,900,000	17,010
Market Units Total:	45			£286	£15,055,000	52,605
Affordable (30%)						
1 bed flat (SR)	14	495	£55,776	£113	£780,864	6,930
2 bed flat (LCHO)	6	635	£126,000	£198	£756,000	3,810
Affordable Units Total:	20			£143	£1,536,864	10,740

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Unit Type	No. of Units	Size (Sq ft)	Sales Values	£/ sq ft	Total	Total Sq Ft
Total:	65			£262	£16,591,864	63,345

Our GDV for the residential element totals **£16,591,864**.

Office

The office element, known as the 'incubator workspace building' will comprise office accommodation, smart innovation space, break-out space and a café and will have a total Net Internal Area of 20,000 sq ft. We have assumed the space will be built to shell and core finish ready for tenants' fit-out.

We would expect a public sector body to be the most likely occupier/operator. We have applied a rental value of £15 per sq ft NIA. We have assumed 6 months rents free and a lease with 5 years term certain and adopted a yield of 10% before deducting standard purchaser's costs.

The investment value of the office element is **£3,000,000** before deducting purchaser's costs, reflecting £120 per sq ft capital value.

Marina

Vail Williams have assessed the marina element of the scheme and advised that the Market Value of the completed and operational marina on the special assumption that the entire 400 berth marina development is complete and ready to open, at the date of their report (7 July 2022) is **£10,100,000**.

We attach a copy of Vail Williams assessment at **Appendix 2**.

7.3. Construction Costs

The applicant has supplied us with a cost plan produced by Corderoy in relation to the costs for the office and marina buildings, the marina car park and boat yard, as summarised in the table below.

Input	Cost (£)
Offices	£6,975,000
Marina Landside Buildings & Inf	£2,040,000
Marina Carpark	£270,000
Boatyard Surfacing	£470,000
Boatyard workshops/shed	£325,000
Enabling works and access	£1,045,000
Services	£745,000
Linear Park	£885,000

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A copy of which is provided at **Appendix 3A**.

In addition, Corderoy have also produced a cost plan for the residential element, summarised in the table below.

Input	Cost (£)
Residential	£12,970,000

The above cost was based on a scheme of 64 units. The submitted masterplan relates to a proposed scheme of 65 units and so we have pro-rated the above costs to arrive at an all in cost of £13,172,656 for the residential element.

A copy of which is provided at **Appendix 3B**.

The applicant has provided us with their own assessment of Dock related components, following receipt of specialist quotes. We set out below the costs adopted within our appraisal.

Input	Cost (£)
Marina Infrastructure	£3,519,608
Marine Piles & Piling	£2,748,000
Boat Hoist and Mover	£310,500
Hoist Dock	£931,500
Mole Quayside Repairs	£244,425
Lock Gates	£2,630,000
Dredging at Lock F	£500,000
Impounding Pumps	£1,000,000

Total costs for all elements (residential, office & marina) amount to **£37,811,689**.

These costs are inclusive of professional fees and contingency.

7.3.1. S106

The applicant has provided us with a copy of the local authorities pre application response which seeks the following S106 obligations:

The property is located in Barry where current planning policy requires 30% affordable housing, which should provide a tenure split between social rent and assisted home ownership of 70/30 in favour of social rented.

Based on the masterplan submitted and the application being outline at this stage, our viability assumes the following affordable mix, albeit we understand that the local authority may seek a different affordable mix.

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Unit type	No. of Units	Size (sq ft)	Comment
1 bed flat (Social Rented)	14	495	42% ACG
2 bed flat (LCHO)	6	635	70% OMV
Affordable Units Total:	20		

In addition to Affordable Housing the local authority are seeking the following:

Type of Obligation	Formula	Cost to Scheme
Sustainable Transport	£2,300/ dwelling for residential element £2,300/ 100 sq m of floor space for non-residential element.	£149,500 £73,600
Education	Contributions per dwelling (excluding 1-bed flats), depending on available capacity in local school)* Nursery: £1,825 Primary: £5,073 Secondary: £5,720 Post: £1,193 Total: £13,811	£897,715
Community Facilities	£1,260/ dwelling	£81,900
Public Open Space (POS)	On-site provision of 55.68 sq m per dwelling or contribution of £2,668 - per dwelling. Total on site: 3,619.1 sq m (0.89 acres)	On site
Public Art	1% of base build costs (all elements)	£236,673
S106 admin fee	2% of total S106 contribution	£28,788
Total		£1,468,176

*Assumed no capacity.

The total S106 financial obligations requested by the local authority amount to **£1,468,176**.

7.3.2. Acquisition Costs / Purchaser's Costs

We have allowed the following:

- Stamp duty at prevailing rate;
- Agent's fee – 1.5% of land value;
- Legal fee – 0.5% of land value.

7.3.3. Marketing & Disposal Costs

We have allowed the following:

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- Sales agent and marketing (residential) – 2.5% of GDV
- Legal (residential) – 0.5% of GDV
- Sales (office) – 1% of GDV
- Legal (office) – 0.5% of GDV
- Letting Agent (office) – 15% of rental income per annum
- Letting Legal (office) – 10% of rental income per annum

7.3.4. Finance Costs

We have reflected finance costs @ 7.5% per annum which reflects the current rates of borrowing.

7.3.5. Developer's Profit

We have adopted the following developer's profit margins on each element of the scheme:

Element	Profit Margin
Residential – Open Market	20% on GDV
Residential – Affordable	6% on cost
Office	12.5% on cost
Marina	20% on GDV

7.4. Benchmark Land Value (BLV)

Benchmarking as an approach is based upon the principle that “a viable development will support a residual land value at a level sufficiently above the site's existing use value (EUV) or alternative use value (AUV) to support a land acquisition price acceptable to the landowner.

It is generally accepted that, in assessing viability, unless a realistic return is allowed to a landowner to incentivise the release of land, development sites are not going to be released and growth will be stifled.

In assessing BLV, we have had regard to land sale transactions in the local market, the following being the most relevant.

Site	Net Acres	Scheme	Sale Date	Paid Price per NDA
Subway Road, Barry	1.32	72 units (100% affordable housing)	Aug-18	£474,158

We consider an appropriate BLV for this location is circa £475,000 per net developable acre, which indicates a BLV of £3,557,750, say **£3,500,000**.

8. Conclusion

We attach copies of our Argus appraisals at **Appendix 4**.

- **30% affordable housing & requested S106 contributions**

When fixing the BLV and Profit margins, based on a policy compliant scheme, the scheme produces a deficit as shown below.

Appraisal 1	Deficit
Fixed BLV & Profit	-£20,144,739

To consider the impact on viability when reducing the affordable housing provision and removing S106 contributions, we have tested the following scenarios.

- **15% affordable housing & no S106 obligations**

When tested with a reduced affordable housing provision of 15% with no S106 contributions, the scheme still produces a deficit as shown below.

Appraisal 2	Deficit
Fixed BLV & Profit	-£18,656,848

As part of our sensitivity analysis, we have identified that the scheme remains unviable even with a 5% increase in revenue and a 5% reduction in construction costs.

- **0% affordable housing & no S106 obligations**

When tested with no affordable housing provision or S106 contributions, the scheme still produces a deficit as shown below.

Appraisal 3	Deficit
Fixed BLV & Profit	-£18,215,900

A viability gap exists in all scenarios as identified above.

-END-

Viability Assessment

The Mole, Barry



A handwritten signature in black ink, appearing to read "Scott Caldwell".

Scott Caldwell MRICS

Director

Date: 23 June 2023

A handwritten signature in black ink, appearing to read "Abbey Bennett".

Abbey Bennett MRICS

Associate

Date: 23 June 2023

Viability Assessment

The Mole, Barry



Appendix 1



Schedule			
Type	Quantity	Type	Quantity
Flats (1 & 2 Bed)	20	Car Parking (Resi.)	65
Town House (3 & 4 Bed)	45	Car Parking (Resi. visitor)	13
		Car Parking (Marina)	130
Total		Total	
		208	

Figured dimensions and levels to be used.
Any inaccuracies must be notified to the architect.
Detail drawings and large scale drawings take precedence over smaller drawings.

Rev:

- A Additional parking and turning heads included. TW. 19.04.23
- B Edited landscaping and added traffic bollards to jetty. LJS. 10.05.23
- C Amended main spine road. LJS. 17.05.23

Chk'd: Rev:

DR
DR
DR

Chk'd: Rev:

-
-
-

Chk'd:

PRELIMINARY

PLANNING

DESIGN

TENDER

CONSTRUCTION

powelldobson
ARCHITECTS

Cardiff Office: Suite 17, Building One, Eastern Business Park, Wern Fawr Lane, Old St. Mellons, Cardiff CF3 5EA. Tel: +44 (0)29 20 201 001. www.powelldobson.com

Contract: ABP

Barry Waterfront 'The Mole' Masterplan

Title: Illustrative masterplan - Ground Floor

Drawing No. Rev.

Z0065 (02) 100 C

Scale: 1:1000 @ A1

Date: 03.10.2022

Drawn: KP

Checked: AMS

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Registered Office: Powelldobson, Suite 17, Building One, Eastern Business Park, Wern Fawr Lane, Old St. Mellons, Cardiff CF3 5EA. Powelldobson is a trading name of Powelldobson Architects Ltd a company registered in England and Wales No 3873802.

Viability Assessment

The Mole, Barry



Appendix 2

Ref: IF/P22-1269
Date: 7 July 2022



Associated British Ports
25 Bedford Street
London
WC2E 9ES

Vail Williams LLP
1000 Lakeside
North Harbour
Western Road
Portsmouth
Hampshire
PO6 3EN

Tel 023 9220 3200
vailwilliams.com

Dear Sirs,

Ref: Proposed Marina Development at Barry Docks

Our instructions are to provide advice on the projected values of a proposed marina development within part of the existing docks at Barry. The current postal address of the marina site is Neptune Road, Barry, CF62 5BR.

The site was inspected on 26 May 2022 by Ian Froome BSc MRICS (RICS No: 088287), an RICS registered Valuer.

This appraisal reflects market conditions at the date of this report. The proposed marina development is anticipated to take up to two years to bring to fruition, over which time there will be changes to general economic conditions. The planning and design process may well also result in changes to the marina layout, design and specification. Any reliance placed on this report must take account of the limitations associated with a projection of future values.

The valuation figures set out in this report are based on Market Value, as defined in the RICS Valuation – Global Standards 2022 and are subject to the qualifications and limitations referred to therein. This definition of value is as follows.

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.

Location

The town of Barry is the administrative centre of the Vale of Glamorgan, lying approximately 10 miles to the south west of Cardiff. It is known as a tourism and leisure destination, with a sizeable sandy beach and adjacent Pleasure Park drawing visitors from Cardiff and further afield.

Barry docks occupy a sizeable area and comprise two large docks, both accessed via two adjoining ship locks from the Bristol Channel. Stone breakwaters provide a protected outer harbour and the locks are of sufficient depth to allow access at all states of tide, albeit that water depth will be restricted on low spring tides. The proposed marina development would occupy the western section of No 1 Dock, either side of a large mole projecting into the dock from the western bank. The dock is now flanked by new housing development on its north and west sides, comprising a mix of housing and flats with some retail and leisure provision.

The road access to the marina site is via Neptune Road, alongside a new development of waterfront housing. The ground floor of some of the blocks is earmarked for retail and leisure development which is currently being marketed through local commercial agents. To the west of this site is a large Asda superstore.

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The proposal includes a separate parcel of land to be used for boat lifting and hardstanding, this lies to the north of the docks, at the eastern end of the land currently earmarked for residential uses. Immediately west of the boat yard site is Cory Way, which gives access to a new housing scheme currently under development. To the east of the proposed boat yard site is an area of mixed industrial and warehousing uses.

Description

Barry docks were developed in the late nineteenth century. The proposed marina would occupy the western end of No.1 dock which is accessed from the Bristol channel by a large ship lock measuring circa 20 metres wide by almost 200 metres long. The proposed development will involve installing additional gates within the lock to create a smaller locked chamber more suited to leisure craft. This will facilitate swifter lock operation and ensures less water is lost from the basin during each locking. The lock chambers are of sufficient depth to facilitate access at all states of tide, despite the high tidal range within the Bristol channel.

The proposed marina has yet to be designed in detail, but an outline of the anticipated marina facilities and layout can be summarised as follows:

- A minimum of 400 marina berths to be developed in two phases to the north and south of the mole.
- We have assumed an average boat size of 11 metres, giving an indicative marina capacity of 4,400 linear metres.
- Marina moorings will all be high quality floating pontoons with appropriate services bollards providing electricity and water supplies to each berth. Appropriate marina management software will be installed to enable accurate metering of electricity, which can then be re-charged to berth holders.
- The development on the mole will include sufficient car parking and marina facilities, comprising a new high-quality building of c. 5,600 sq ft, which will incorporate accommodation to run the marina, customer facilities including high quality WCs/showers and a function room, as well as a restaurant.
- The final fit-out of the restaurant will be either a café, bar or restaurant, depending upon demand levels at the time of completion. The building is anticipated to provide a gross internal floor area of 3,000 sq ft, which we have assumed is to be let on commercial terms at a net rent of £15 sq ft, giving a rent payable of £45,000 per annum.
- The marina should include a fuel sales facility selling diesel and petrol.
- Additional retail sales will be minimal, comprising sundry items and occasional convenience items sold from the marina shop. There will not be a bespoke retail or chandlery offer.
- The remaining development on the mole will comprise commercial business units to be operated by the Vale of Glamorgan Council and possibly residential development. Neither of these elements are included within this appraisal.
- The separate boat yard will occupy a crescent shaped parcel of land to the east of a goods railway serving the docks. The total land area is approximately 1 hectare (2.5 acres). The boat yard capacity should be at least 200 boats of average 11 metres length. We have modelled lower actual occupancy, but additional capacity will be required for busy times such as winter storage.
- The boat yard will be accessed via a bespoke boat hoist to be constructed on the north side of the dock. This should either be a hoist dock enabling a travel lift to hoist boats and transport them directly

to the boat yard, or a fixed crane with a separate boat mover allowing for boat manoeuvring. The hoist should have a capacity of at least 50 tons to allow the majority of leisure vessels to be lifted.

Tenure

The entire site is freehold, we have not seen a report on title so our appraisals are prepared on the assumption that there are no unusual or onerous covenants affecting the titles, that might otherwise impact on value.

Any possible inter-company leases between different divisions of the ABP Group are ignored for the purpose of this appraisal.

Planning and Statutory Matters

We have not investigated the planning history of the docks and we do not pass comment on the likelihood of obtaining planning and other required consents for the development, as this lies outside the scope of our instructions. You have advised us that the Local Planning Authority are, in principle, supportive of a marina development within Barry docks.

Parts of this former docks complex may have contaminated land or other environmental land quality issues. We would expect any such issues to be resolved as part of the development process and our valuations assume that the completed development will not be subject to any use restrictions or increased operating costs resulting from any such issues.

Marina Appraisal Assumptions and Parameters

Our valuation projections are based upon a set of trading forecasts prepared in collaboration with yourselves, with input from other consultants whose advice you have sought in the marina planning and design process. This advice has informed the marina layout and specification as set out in the description section above.

Trading projections have been prepared to cover the first eight years of operation, with year one commencing upon the practical completion of phase one of the marina development. This is currently anticipated to be June 2024, to provide for further design, planning and construction work to be completed.

The primary parameters and assumptions adopted within the income and expenditure model can be summarised as follows:

Inflation

Standard valuation protocol is to adopt current values, even when appraising future anticipated incomes of a proposed scheme. The alternative is to prepare a discounted cashflow with the assumption of a specific growth rate. In this case we have not allowed for any growth during the eight year life of the project to ensure that income and expenditure figures are not distorted by future inflation.

It may, however, be appropriate to apply a single inflationary factor to cover the period between now and the anticipated completion of the development, noting that the construction cost projections may be adjusted to reflect anticipated inflation over the same period.

We have, therefore, prepared figures on two alternatives, as follows

1. An appraisal that adopts current values throughout
2. An appraisal that applies a single inflationary factor of 7.5% to all incomes and costs. This is a one-off adjustment and not 7.5% per annum. For clarity this means that an assumed amount of, say £100 today is presented within the projections as £107.50, whether it is generated in year one or year eight.

All subsequent income and cost figures set out below are stated at current values, before the 7.5% inflationary adjustment to be made under the second of the above valuation approaches.

Mooring Fees

The original model had assumed these would commence at £21 per metre per month, excluding VAT and rising by year five to £23 per month. These rates are similar to Cardiff Marina but significantly lower than Penarth Marina, also in Cardiff Bay. We believe there is potential for a high quality marina at Barry to draw custom away from some of the Cardiff Bay marinas and it will be materially superior than marinas to the west, notably Porthcawl and Watchet, on the North Somerset coast opposite, as both are restricted by tides.

A second reason for applying slightly higher rates is to reflect the potential for monthly or quarterly payment supplements. It is commonplace for a marina to offer either yearly contracts (where the boat owner pays for an entire year up front) or monthly/quarterly contracts subject to pro-rata higher instalments to reflect the flexibility and cash flow benefits to the customer. Our model does not include any such instalment payments, so a slightly higher annual cost assumption is appropriate to reflect this reality.

The original mooring fee assumption has therefore been increased by 10%, so the initial rate is now £23.10 per metre per month. This equates to £277 per metre per annum, excluding VAT.

Electricity resales

Regulations forbid private resellers (who are not OFGEM regulated) making profits from electricity resales. Electricity must therefore be sold at cost, although a reasonable service charge can be added to reflect the cost of installing and maintaining electricity infrastructure. The original model had allowed a 25% margin above the cost of electricity supply. This is considered excessive so has been reduced to a 10% margin.

Visitor mooring fees

These are initially modelled at 16% of annual berthing revenue. This is a convenient way of showing visitor income growing as the business matures, but we must recognise that there is no automatic linkage between annual moorings and visitor numbers. As the marina business matures, and annual income increases, the visitor income projection could grow to unrealistic levels, so the percentage is reduced to 10% after year six.

Hardstanding storage income

The boatyard will cater for boats moored within the marina, with further demand generated from boats moored elsewhere. It is commonplace for boats to be lifted over the winter, to allow general maintenance, especially those tied to buoyed moorings during the summer, albeit such moorings are rare in the Bristol Channel due to the high tidal range.

Nevertheless, we would expect reasonable demand for hardstanding storage, both from within the marina and, for example, from boat owners who keep their boats within Cardiff Bay marinas during the summer, but live west of Cardiff and will find a Barry boatyard easier to visit to undertake winter maintenance.

The model assumes average occupancy of 1,350 linear metres by year four. This equates to around 122 boats, assuming 11 metre average boat length. In practice, we would expect higher occupancy in winter than summer, so this is a year-round average.

Boat lifting and hauling fees

All boats stored on the hardstanding must be lifted and launched, generating fee income. Additional lifting fees are generated when boats are lifted, washed down and immediately relaunched to reduce the build-up of

hull deposits. The model takes this income at 10% of all mooring and hardstanding fees, resulting in a year seven figure of just over £146,000 at current prices.

Assuming an average cost of around £25 per metre, per lift (excluding VAT) this suggests around 530 lifts or launches, using our base assumption of an average 11 metre boat length. By year seven the assumption is that marina occupancy will have reached around 330 boats. Most boats will require lifting at some stage each year, even if just to wash down, inspect and re-launch, so 530 events (noting that a lift and a launch are separate events) looks achievable.

Café/Restaurant rent

As outlined above, we have assumed a single food and beverage operator within the marina building complex generating an annual rent of £45,000 per annum, on a full repairing and insuring commercial lease.

Direct labour costs

These are modelled to grow in line with marina occupancy. The staff levels are reasonably high, but mooring fees will be set at a premium level, so staffing needs to be appropriate to provide a premium service. The model also assumes significant hardstanding, visitor and lifting fees, all of which require staff to provide the appropriate level of service.

Harbour and Lock contributions

The lock will continue to be operated by the port as it serves the entire dock complex, not just the marina. It is appropriate that the marina makes some contribution towards the operation and ongoing maintenance of the lock and the wider harbour and dock complex. We have adopted an assumed rate of 10% of total mooring revenue, applied to both annual and visitor mooring income. This generates a healthy contribution towards the costs of maintaining and operating this large ship lock.

Security Costs

The original model had allowed a cost of £100,000 per year for security, comprising physical security and a contribution towards the regular port security patrols. On reflection this is considered excessive, given that the port security patrols must continue irrespective of whether the marina is constructed. Some contribution is appropriate, but we have reduced the contribution to £45,000 per annum.

Impounding Cost

A contribution is included within the overheads towards the cost of impounding water within the docks. This requires large capacity pumps to backfill the docks, especially during times of heavy lock usage. If this was not done, then the docks would gradually empty because they are not river fed. The cost is significant at around £35,000, but the cost of operating these large capacity pumps will be substantial.

Other Costs and overheads

Additional costs and overheads have been projected at levels which are considered reasonable given the size and nature of the proposed marina development.

Trading Forecasts

Trading projections based upon the above parameters produce income and profit forecasts over the eight years of the model as set out below. Profit levels are reported on the basis of Earnings before Interest, Tax,

Depreciation and Amortisation (EBITDA), noting that this measure is commonly used when appraising the valuation potential of trading related properties.

The two following tables set out, firstly, the projections with no inflationary adjustment. The second table includes the one-off 7.5% inflation adjustment applied to all incomes and costs.

Trading forecasts at current values

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Revenue	£617,284	£946,424	£1,216,960	£1,452,268	£1,728,451	£1,876,427	£1,984,723	£1,984,723
Direct Costs	£321,962	£377,221	£445,638	£492,311	£579,068	£638,741	£666,312	£666,312
Gross Profit	£295,322	£569,203	£771,322	£959,957	£1,149,383	£1,237,686	£1,318,411	£1,318,411
Overheads	£262,993	£235,359	£237,407	£240,624	£257,821	£277,697	£278,238	£278,238
EBITDA	£32,329	£333,844	£533,915	£719,333	£891,562	£959,989	£1,040,173	£1,040,173

Trading forecasts assuming a one-off 7.5% inflation adjustment

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Revenue	£660,205	£1,014,030	£1,304,857	£1,557,813	£1,854,710	£2,013,784	£2,130,202	£2,130,202
Direct Costs	£346,109	£405,512	£479,061	£529,234	£622,498	£686,646	£716,285	£716,285
Gross Profit	£314,096	£608,518	£825,796	£1,028,578	£1,232,212	£1,327,137	£1,413,917	£1,413,917
Overheads	£282,717	£253,010	£255,213	£258,671	£277,157	£298,524	£299,106	£299,106
EBITDA	£31,379	£355,508	£570,584	£769,908	£955,055	£1,028,613	£1,114,811	£1,114,811

Marina Market Commentary

The Coronavirus pandemic had a limited impact upon many leisure moorings businesses. Whilst most were required to close during the lockdown in the spring and early summer of 2020, many recovered strongly in the latter part of the year. Restrictions on travelling abroad created increased demand for UK based holidays and leisure activities, with this heightened demand continuing through 2021.

Leisure sailing is viewed by many as an ideal “Covid-secure” form of leisure activity, with many boats only used by family groups. One consequence is increased boat sales, with British Marine reporting that boat sales volumes during 2020 were 9% higher than in 2019, boosting overall demand for marina and boatyard moorings. Whilst boat sales figures for 2021 have not yet been released, we anticipate the strong sales levels will have continued, based on anecdotal evidence.

The Royal Yachting Association also report increased watersports activity during 2021. Their Watersports Participation Survey 2021 (dated February 2022) reports that 11.7m people took part in one or more boating activities during the year from September 2020 to September 2021. This was not only almost double the 2020 levels, but also far higher than pre-pandemic surveys, which showed participation levels at between three and four million for the years leading up to 2019. The latest report suggests the huge increase is mainly due to one-off activities, notably as foreign holidays were restricted. There is also some evidence of increased regular use which has the potential to provide a longer-term boost to the leisure marine industry.

As a result, many marinas have seen incomes increase over the last year and those with active boat sales and brokerage operations have enjoyed improved sales volumes and sales revenues. The short to medium term

growth prospects also look good, with the expectation of higher demand for UK based leisure and holiday activities likely for years to come.

The marina sector traditionally sees low transaction volumes, with just a handful of marina transactions in any one year. The last two years are no exception. Undoubtedly the movement restrictions introduced to combat the COVID-19 pandemic played their part, but we do not see evidence from the admittedly limited number of current transactions that prices have been negatively impacted.

This is demonstrated by two current inland marina transactions with which we are involved. One sale completed in late March; the other is under offer. Both show strong sale prices, with under-bidders having offered close to the achieved values.

The mid-2021 sale of Universal Marina, near Southampton, demonstrates the values achievable for a high quality marina in a prime location. The marina sold to Premier Marinas in an off-market transaction, at a price believed to represent more than 15 times EBITDA. Universal Marina lies on the River Hamble, arguably the highest priced location in the country for leisure moorings. A marina at Barry has the potential to sit towards the top of the hierarchy within South Wales, albeit below values achievable on the Solent and River Hamble.

One reason for the continued demand for marina businesses is the resilience the sector showed through the pandemic, with the various periods of lockdown having a limited impact on core marina businesses. Boats may not be capable of use but must still be moored somewhere and mooring fees remain payable. This has prompted several existing marina owners to actively seek additional acquisition opportunities. We are also seeing potential new market entrants seeking to purchase marinas and mooring sites.

The market headwinds facing the wider economy should not be ignored and if, in the longer term, customers face hardship paying their mooring fees, then that could impact on bad debt levels, but our experience is that most marinas see little evidence of this at present.

Conclusions

You have asked us to provide an opinion of the anticipated future value of the marina once construction works are complete, to enable a comparison with the anticipated costs of development being assessed by others. The valuation projection required is therefore the value upon the completion of construction and as the marina business is opening.

A trading related property such as a marina is appraised with reference to the anticipated income and profit levels, representing an investment income to a theoretical purchaser. It will take several years to reach a fully trading position, hence the assessment of the first eight years of trading performance.

Our appraisal adopts discounted cash flow methodology to generate the day one value of the anticipated future income streams. As outlined above, we have not applied any specific yearly growth rate within the DCF to ensure that the figures are not distorted by future inflation. This is appropriate given the requirement to compare the values with the cost of construction over the next couple of years. The DCF adopts a discount rate of 8%, being consistent with the exit multiple of 12.5 (i.e. a yield of 8% in perpetuity). We consider this yield/multiple to be appropriate, noting the comments made in the market commentary section above.

Our appraisal generates a market value projection, being the anticipated value of the marina on a going concern basis, assuming that the entire 400 berth marina development is complete and about to open. This assumption represents a departure from the likely reality, which is to comprise a first phase of 225 berths, followed by phase 2 after a few years, taking the total to 400 berths.



We have, therefore, agreed with you that our valuation is subject to the Special Assumption that the entire 400 berth marina is assumed to be complete. Our understanding is that the costs of the entire 400 berth development are accounted for within your development appraisals, so it is therefore consistent to base our figures on a completed 400 berth marina.

Appraisal at current values

Based on the above parameters, the Market Value of the completed and operational marina on the **Special Assumption that the entire 400 berth marina development is complete and ready to open** can, as at the date of this report, be fairly stated to be **£10,100,000 (Ten Million One Hundred Thousand pounds)**

Appraisal with inflationary uplift

The following figure is presented as a future projection because the inputs (both incomes and costs) have been inflated by 7.5% to reflect the anticipation of inflation between today and the completion date of the marina. This inflationary factor is applied because the construction cost estimates may also be adjusted to reflect the anticipated impact of inflation during the construction period, so a value projection is needed to match that assumption. It is quite possible that construction cost inflation will exceed 7.5% but our inflation factor is not intended to match build cost inflation. It allows for a reasonable customer expectation of some increase in mooring and other marina costs between now and 2024, but likely below current levels of CPI inflation.

Based on these parameters, we anticipate that the Market Value of the completed and operational marina **on the Special Assumption that the entire 400 berth marina development is complete and ready to open and applying a one-off inflationary uplift of 7.5% between now and the date of opening**, can be reasonably forecast in the sum of **£10,800,000 (Ten Million Eight Hundred Thousand pounds)**.

This report has been prepared to assist you in appraising the anticipated future value of this proposed marina development. Any valuation projection of this nature is subject to a significant number of assumptions and variables, any one of which may prove different by the time the development is complete. You should therefore be mindful of the limitations of such a valuation projection, notwithstanding that we believe it to be based upon sound principles as at the date of this report.

These valuation figures are required to assess the level of additional funding that may be required in respect of the large-scale engineering and infrastructure works needed to deliver the marina, we understand this could include an application for grant funding. The use of this letter for these purposes is approved, but the report should not be used for any other purpose and no liability is accepted to any party other than Associated British Ports. The report is also confidential to you and must not be shared in whole or part with any third parties without our express written consent.

Yours faithfully,



Ian Froome BSc MRICS
Partner
For and on behalf of Vail Williams LLP
Mob: 07836 256872
Email: ifroome@vailwilliams.com

Ref: IF/P22-1269
Date: 27 April 2023



Associated British Ports
25 Bedford Street
London
WC2E 9ES

Vail Williams LLP
1000 Lakeside
North Harbour
Western Road
Portsmouth
Hampshire
PO6 3EN

Tel 023 9220 3200
vailwilliams.com

Dear Sirs

Re: Proposed Marina Development at Barry Docks, South Wales

This letter is written as an update to our advice letter dated 27 June 2022. It comprises advice on the projected values of a proposed marina development within part of the existing docks at Barry. The current postal address of the marina site is Neptune Road, Barry CF62 5BR.

The site was inspected by Ian Froome BSc MRICS, an RICS Registered Valuer in May 2022. We have not reinspected the site and you have advised that there have been no material physical changes to the site or to the marina development proposals since that date.

This appraisal reflects market conditions at the date of this report. The proposed marina development will take at least 18 months to bring to fruition, over which time there will be changes to general economic conditions. The planning and design process may well also result in changes to the marina layout, design and specification. Any reliance placed upon this report must take account of the limitations associated with a projection of future values.

The advice set out in this letter is based on Market Value as defined in the RICS Valuation – Global Standards 2022. This was defined in detail within our June 2022 report.

Location and Description

You have advised us that the marina development proposals remain as set out within our June 2022 advice letter, so we do not propose to repeat that detail here. In summary, the marina is to be developed within the existing dock, to north and south of a mole that currently contains a water-based activity centre in temporary buildings.

The main elements of the site as described in our June 2022 are repeated below for ease of reference.

- A minimum of 400 marina berths to be developed in two phases to the north and south of the mole.
- We have assumed an average boat size of 11 metres, giving an indicative marina capacity of 4,400 linear metres.
- Marina moorings will all be high quality floating pontoons with appropriate services bollards providing electricity and water supplies to each berth. Appropriate marina management software will be installed to enable accurate metering of electricity, which can then be re-charged to berth holders.

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- The development on the mole will include sufficient car parking and marina facilities, comprising a new high-quality building of c. 5,600 sq ft, which will incorporate accommodation to run the marina, customer facilities including high quality WCs/showers and a function room, as well as a restaurant.
- The final fit-out of the restaurant will be either a café, bar or restaurant, depending upon demand levels at the time of completion. The building is anticipated to provide a gross internal floor area of 3,120 sq ft, which we have assumed is to be let on commercial terms at a net rent of £15 sq ft, giving a rent payable of £46,800 per annum.
- The marina should include a fuel sales facility selling diesel and petrol.
- Additional retail sales will be minimal, comprising sundry items and occasional convenience items sold from the marina shop. There will not be a bespoke retail or chandlery offer.
- The remaining development on the mole will comprise commercial business units to be operated by the Vale of Glamorgan Council and possibly residential development. Neither of these elements are included within this appraisal.
- The separate boat yard will occupy a crescent shaped parcel of land to the east of a goods railway serving the docks. The total land area is approximately 1 hectare (2.5 acres). The boat yard capacity should be at least 200 boats of average 11 metres length. We have modelled lower actual occupancy, but additional capacity will be required for busy times such as winter storage.
- The boat yard will be accessed via a bespoke boat hoist to be constructed on the north side of the dock. This should either be a hoist dock enabling a travel lift to hoist boats and transport them directly to the boat yard, or a fixed crane with a separate boat mover allowing for boat manoeuvring. The hoist should have a capacity of at least 50 tons to allow the majority of leisure vessels to be lifted.

Market Update

The marina sector has continued to trade well over the last year and, despite concerns over rising inflation and cost of living crisis, most marinas still report high occupancy levels.

British Marine published a report on the UK marina and moorings market in January 2023. Highlights from that report include that UK marina berthing revenues grew by an average 13% between 2021 and 2022, and overall marina occupancy levels at the start of the 2022 season averaged 90%. Occupancy levels were similar for inland and coastal marinas, with 34% of marinas reporting full occupancy. The report was based on surveys completed by British Marine member companies, over half of whom reported that demand for marina berths remains above pre-pandemic levels.

The above report, whilst published in January 2023, reports market conditions pre-dating the September 2022 mini budget and resultant economic and markets turmoil. However, anecdotally from our discussions with marina owners and managers around the country, we believe the marina market to have remained stable. This would be consistent with previous economic shocks and downturns, to which marinas are generally quite resilient.

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We have reviewed the main competing marinas within this part of the Bristol Channel, namely Penarth and Cardiff marinas in Cardiff Bay, Portishead marina and Swansea marina. All report significant price increases from 2022 to 2023. The table below sets out the price for annual berths, paid in advance. All four marinas also offer flexible terms with shorter contracts and instalment payments for a premium.

Marina	2022 price per metre inc. VAT	2023 price per metre inc. VAT	Increase
Penarth Marina	£361	£400	10.8%
Cardiff Marina	£318	£345	8.5%
Swansea Marina	£207.33	£225.98	9%
Portishead Marina	£372	£412	10.8%

These are significant price increases, but are largely a result of rising costs, notably staff and utilities costs will have increased considerably over the last 12 months. Most marinas have also seen material increases in rateable values for the April 2023 rates revaluation.

Therefore, whilst the mooring tariff rises will improve revenue, the general increase in costs and overheads will squeeze profit margins, such that overall net profit levels for next year may not see much rise, if at all, over 2022 levels.

These valuation figures are projections based on anticipated income and cost levels. It is important to take a prudent approach when considering possible adjustments and we should also bear in mind the expectation that many economic forecasts for the next couple of years are cautious, anticipating weak economic growth.

Given this background it would, in our view, be unwise to increase future income and profit projections notwithstanding the last 12 months that have seen short term revenue growth. Conversely, we do not see compelling reasons to be more pessimistic. Whilst it is possible that slowing rates of new boat sales may restrict demand for new marina berths, by holding the income projections at current levels, the new Barry marina will look good value compared to the Cardiff marinas in particular, so should attract boat owners from those locations.

Our overall conclusion is that it would be appropriate to maintain the same overall projections as we used last year.

In due course it would be appropriate to prepare an updated business plan, at which time full details of fresh costings and overheads can be considered, alongside a possible rebasing of marina tariffs and revenues. Our judgement at present is that such an exercise will probably derive broadly similar profit projections as at the present.

In July 2022 we based our valuation projections on an investment yield of 8%. Two current transactions indicate that this is still appropriate, as follows:

- Weltonfield Marina, Daventry – this is an inland marina on the Grand Union Canal which sold as a going concern, the sale completed at the end of March 2023. It comprises a marina with two basins and an area of surplus land. Placing an appropriate value on the surplus land, our analysis is that the sale price equates to a yield of around 8% on the sustainable EBITDA levels of the marina business.

LISTEN
CARE
VWValues

INNOVATE
LEAD

- South coast marina sale – I am currently involved in the sale of a south coast marina. Terms are provisionally agreed and buyer's due diligence is underway so for necessary client and transaction confidentiality I cannot provide any further details of the site or location. Assuming that the transaction continues on the terms provisionally agreed, it will reflect a yield below 8%, appropriate for the prime south coast location.

Valuation Conclusions

Taking all matters into account and noting that this exercise is an overview and refresh of our July 2022 valuation projections, we consider those projections to broadly remain current. It is likely that mooring revenue projections may be capable of slight increase, but costs and overheads are also likely to have risen, so the overall net profit projections are likely to remain much as before.

The marina market has not altered to any dramatic degree and recent/current transactions still support the investment yields adopted in July last year.

Therefore, based upon the above parameters, the Market Value projections remain as advised in our 22 June 2022 report.

This letter is written as an update to our 22 June 2022 report. That, in turn, was prepared to assist you in appraising the anticipated future value of this proposed marina development. Any valuation projection of this nature is subject to a significant number of assumptions and variables, any one of which may prove different by the time the development is complete. You should therefore be mindful of the limitations of such a valuation projection, notwithstanding that we believe it to be based upon sound principles as at the date of this report.

This letter is confidential to Associated British Ports and is for use in assessing the level of additional funding that may be required in respect of the large-scale engineering and infrastructure works needed to deliver the marina. The report is confidential to you and must not be shared in whole or part with any third parties without our express written consent.

Yours faithfully



Ian Froome BSc MRICS
Partner
For and on behalf of Vail Williams LLP
Mob: 07836 256872
Email: ifroome@vailwilliams.com

Appendix 3

CORDEROY



THE MOLE BARRY

STAGE 2 ORDER OF COST ESTIMATE



STAGE 2 ORDER OF COST ESTIMATE

The Mole, Barry

Date: 18th April 2023

ABP Development Co.

Tel: +44 (0)29 2039 7884 | www.corderoy.com
Castlebridge 3| Cowbridge Road East| Cardiff | CF11 9AB

Document control

APPROVAL AND RELEASE RECORD			
Job Number: C2022038	Project title: The Mole, Barry		
Document Title: Stage 2 Order of Cost Estimate			
Document Description: Update Stage 2 Order of Cost Estimate following Vale Of Glamorgan opting for a 25,000sqft Incubator Building. Building Tender Price Indices and Construction Price Indices have been updated to reflect current Market Conditions.	Prepared	Checked / Reviewed	Approved by
	Date: 17.04.23	Date: 17.04.23	Date: 18.04.23
Issue v.18	AP	AP	SMcC

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The Mole, Barry

Stage 2 Order of cost estimate

18th April 2023

	Total (m2)	Professional fees (pre and post-contract)						Sub-total (before inflation)		Inflation (adjustment for Tender Price and Cost Increases)		TOTAL (including inflation)	
		Works Includes prelims, overhead and profit and adjustment for location factor.		Pre-contract (to Stage 3) Architect, M&E, Engineering, Surveys and Planning fees.		Contingency General 10% Risk allowance							
		Post contract QS services.											
		Total	£/m²	Total	%	Total	%	Total	£/m²	Total	£/m²	Total	£/m²
Marina Building	695	£1,640,000	£2,360	£215,000	13%	£185,000	10%	£2,040,000	£2,935	£113,000	£165	£2,153,000	£3,100
150 space carpark	1,875	£220,000	£115	£25,000	11%	£25,000	10%	£270,000	£145	£15,000	£10	£285,000	£150
Boat yard surfacing	7,000	£405,000	£60	£20,000	5%	£45,000	10%	£470,000	£65	£26,000	£5	£496,000	£70
Boat workshop / shed	500	£265,000	£530	£30,000	11%	£30,000	10%	£325,000	£650	£19,000	£40	£344,000	£690
Access Road	6,235	£850,000	£135	£100,000	12%	£95,000	10%	£1,045,000	£170	£58,000	£10	£1,103,000	£175
Utilities		£640,000	£0	£35,000	5%	£70,000	10%	£745,000	£0	£42,000	£0	£787,000	£0
Incubator building	2,315	£5,255,000	£2,270	£530,000	10%	£580,000	10%	£6,365,000	£2,750	£354,000	£155	£6,719,000	£2,900
Linear Park	7,780	£715,000	£90	£90,000	13%	£80,000	10%	£885,000	£115	£49,000	£5	£934,000	£120
	26,400	£9,990,000		£1,045,000		£1,110,000		£12,145,000		£676,000		£12,821,000	£7,205

The Mole, Barry

Stage 2 Order of cost estimate

No treatment to Incubator car-park / podium

		Works (incl prelims)	Adjust for location factor	Professional fees	Contingency	Sub-total	Tender Price Inflation	Construct' Inflation	Total Estimate	Total Estimate plus ABP PoC
1	Marina Building	£1,690,000	-£50,000	£215,000	£185,000	£2,040,000	£53,000	£60,000	£2,153,000	£2,153,000
2	150 space carpark	£225,000	-£5,000	£25,000	£25,000	£270,000	£7,000	£8,000	£285,000	£285,000
3	Boat yard surfacing	£415,000	-£10,000	£20,000	£45,000	£470,000	£12,000	£14,000	£496,000	£496,000
4	Boat workshop / shed	£275,000	-£10,000	£30,000	£30,000	£325,000	£9,000	£10,000	£344,000	£344,000
5	Access Road	£875,000	-£25,000	£100,000	£95,000	£1,045,000	£27,000	£31,000	£1,103,000	£1,103,000
6	Utilities	£660,000	-£20,000	£35,000	£70,000	£745,000	£20,000	£22,000	£787,000	£787,000
7	Incubator building	£5,475,000	-£220,000	£530,000	£580,000	£6,365,000	£167,000	£187,000	£6,719,000	£7,558,875
8	Linear Park	£735,000	-£20,000	£90,000	£80,000	£885,000	£23,000	£26,000	£934,000	£1,050,750
		£10,350,000	-£360,000	£1,045,000	£1,110,000	£12,145,000	£318,000	£358,000	£12,821,000	£13,777,625

Add Podium

		Works (incl prelims)	Adjust for location factor	Professional fees	Contingency	Sub-total	Tender Price Inflation	Constructio n Inflation	Total Estimate	Total Estimate plus ABP PoC
1	Marina Building	£1,690,000	-£50,000	£215,000	£185,000	£2,040,000	£53,000	£60,000	£2,153,000	£2,153,000
2	150 space carpark	£225,000	-£5,000	£25,000	£25,000	£270,000	£7,000	£8,000	£285,000	£285,000
3	Boat yard surfacing	£415,000	-£10,000	£20,000	£45,000	£470,000	£12,000	£14,000	£496,000	£496,000
4	Boat workshop / shed	£275,000	-£10,000	£30,000	£30,000	£325,000	£9,000	£10,000	£344,000	£344,000
5	Access Road	£875,000	-£25,000	£100,000	£95,000	£1,045,000	£27,000	£31,000	£1,103,000	£1,103,000
6	Utilities	£660,000	-£20,000	£35,000	£70,000	£745,000	£20,000	£22,000	£787,000	£787,000
7	Incubator building	£6,005,000	-£240,000	£575,000	£635,000	£6,975,000	£183,000	£205,000	£7,363,000	£8,283,375
8	Linear Park	£735,000	-£20,000	£90,000	£80,000	£885,000	£23,000	£26,000	£934,000	£1,050,750
		£10,880,000	-£380,000	£1,090,000	£1,165,000	£12,755,000	£334,000	£376,000	£13,465,000	£14,502,125

E/O Podium £ 610,000

Add Visual Treatment

		Works (incl prelims)	Adjust for location factor	Professional fees	Contingency	Sub-total	Tender Price Inflation	Constructio n Inflation	Total Estimate	Total Estimate plus ABP PoC
1	Marina Building	£1,690,000	-£50,000	£215,000	£185,000	£2,040,000	£53,000	£60,000	£2,153,000	£2,153,000
2	150 space carpark	£225,000	-£5,000	£25,000	£25,000	£270,000	£7,000	£8,000	£285,000	£285,000
3	Boat yard surfacing	£415,000	-£10,000	£20,000	£45,000	£470,000	£12,000	£14,000	£496,000	£496,000
4	Boat workshop / shed	£275,000	-£10,000	£30,000	£30,000	£325,000	£9,000	£10,000	£344,000	£344,000
5	Access Road	£875,000	-£25,000	£100,000	£95,000	£1,045,000	£27,000	£31,000	£1,103,000	£1,103,000
6	Utilities	£660,000	-£20,000	£35,000	£70,000	£745,000	£20,000	£22,000	£787,000	£787,000
7	Incubator building	£5,655,000	-£225,000	£540,000	£595,000	£6,565,000	£172,000	£193,000	£6,930,000	£7,796,250
8	Linear Park	£735,000	-£20,000	£90,000	£80,000	£885,000	£23,000	£26,000	£934,000	£1,050,750
		£10,530,000	-£365,000	£1,055,000	£1,125,000	£12,345,000	£323,000	£364,000	£13,032,000	£14,015,000

The Mole, Barry

Landside buildings and infrastructure

PLEASE NOTE: All sub-totals are rounded to nearest £5,000

STANDARD WORKS	Total
Marina building; construction	£437,000
Fit-out to accommodation areas	£108,800
Restaurant to shell and core only	£519,100
Finishes to roof terrace / outdoor (configuration unknown but assume superstructure costs captured elsewhere, allowance for finishes to area but no fit-out)	£64,000
Additional birth welfare block (fit out only)	£75,000
E/O piling (informed not required)	Excluded
Enabling works (based on plot area)	£82,913
Path	£39,600
Access Road	£45,425
Soft Landscaping / seeding	£1,225
Furniture and trees	£25,000
E/O For BREEAM Excellent (Building costs)	Excluded
Sub-total (rounded):	£1,400,000
Prelims	£210,000
OH&P	£80,500
Sub-total (rounded):	£1,690,000
Location factor: Using BCIS location factors (with base rates factored at 100 (UK avg.), BCIS suggests that works at this location should have a location factor of 97% applied.	-£50,000
Sub-total:	£1,640,000
Professional Fees; Pre-contract (Complete design and issue tender documents)	£165,000
<i>Civil engineer</i>	£16,500
<i>M&E engineer</i>	£16,500
<i>Ecology</i>	£8,000
<i>Transport</i>	£8,000

<i>Structural engineer</i>	£16,500
<i>Architect</i>	£65,500
<i>Planner</i>	£16,500
<i>PM</i>	Not required
<i>QS</i>	£16,500
Professional Fees; Post-contract (Employer appointments)	£50,000
<i>PM</i>	Not required
<i>QS</i>	£33,000
<i>General design / engineering consultation</i>	£16,500
Sub-total:	£1,855,000
General contingency	
General allowance	£185,000
Sub-total:	£2,040,000
TPI Inflation: Q2-2023 - Q1-2024	£ 53,000
Allow for tender price increases from todays rates to an assumed tender date in Q2 2024.	
Construction Inflation - Q2 2025 (mid-point)	£ 60,000
Allow for increase in prices through the programme. BCIS advises 2.9% based on Cost Index forecast (Q2 2024 start and Q2 2025 mid-point).	
TOTAL ORDER OF COST ESTIMATE:	£2,153,000

The Mole, Barry

Marina car park

PLEASE NOTE: All sub-totals are rounded to nearest £5,000

STANDARD WORKS	Total
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150 space car-park	£196,875
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Assume to be carried out at the same time as Marina building / same contract award.

Sub-total (rounded):	£195,000
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Prelims	£15,600
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OH&P	£16,848
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Sub-total (rounded):	£225,000
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Location factor: Using BCIS location factors (with base rates factored at 100 (UK avg.), BCIS suggests that works at this location should have a location factor of 97% applied.	-£5,000
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Sub-total:	£220,000
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Professional Fees; Pre-contract (Complete design and issue tender documents)	£20,000
--	----------------

<i>Civil engineer</i>	£2,000
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<i>M&E engineer</i>	£2,000
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<i>Ecology</i>	£1,000
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<i>Transport</i>	£1,000
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<i>Structural engineer</i>	£2,000
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<i>Architect</i>	£7,500
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<i>Planner</i>	£2,000
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<i>PM</i>	Not required
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<i>QS</i>	£2,000
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Professional Fees; Post-contract (Employer appointments)	£5,000
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<i>PM</i>	Not required
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<i>QS</i>	£4,500
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<i>General design / engineering consultation</i>	£2,000
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Sub-total:	£245,000
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General contingency

General allowance	£25,000
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Sub-total:	£270,000
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TPI Inflation: Q2-2023 - Q1-2024	£	7,000
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Allow for tender price increases from todays rates to an assumed tender date in Q2 2024.

Construction Inflation - Q2 2025 (mid-point)	£	8,000
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Allow for increase in prices through the programme. BCIS advises 2.9% based on Cost Index forecast (Q2 2024 start and Q2 2025 mid-point).

TOTAL ORDER OF COST ESTIMATE:	£285,000
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The Mole, Barry

Boat yard surfacing

PLEASE NOTE: All sub-totals are rounded to nearest £5,000

STANDARD WORKS	Total
Supply and place gravel to existing yard areas; advised 7,000m2	£315,000
Allowance for power and water distribution across the sites.	£31,500
Allowance for refuse collection areas.	£10,000
<i>Assume supply and place gravel or similar to existing surface. No allowance for earthworks, groundworks or hoists / racking machinery etc.</i>	
Sub-total (rounded):	£355,000
Prelims	£28,400
OH&P	£30,672
Sub-total (rounded):	£415,000

Location factor: Using BCIS location factors (with base rates factored at 100 (UK avg.), BCIS suggests that works at this location should have a location factor of 97% applied. -£10,000

Sub-total:	£405,000
Professional Fees; Pre-contract (Complete design and issue tender documents)	£15,000
<i>Civil engineer</i>	£4,000
<i>M&E engineer</i>	£4,000
<i>Ecology</i>	£0
<i>Transport</i>	£0
<i>Structural engineer</i>	£2,000
<i>Architect</i>	£0
<i>Planner</i>	£0
<i>PM</i>	Not required
<i>QS</i>	£4,000
Professional Fees; Post-contract (Employer appointments)	£5,000

<i>PM</i>	Not required
<i>QS</i>	£4,000
<i>General design / engineering consultation</i>	£2,000
Sub-total:	£425,000
General contingency	
General allowance	£45,000
Sub-total:	£470,000
TPI Inflation: Q2-2023 - Q1-2024	£ 12,000
Allow for tender price increases from todays rates to an assumed tender date in Q2 2024.	
Construction Inflation - Q2 2025 (mid-point)	£ 14,000
Allow for increase in prices through the programme. BCIS advises 2.9% based on Cost Index forecast (Q2 2024 start and Q2 2025 mid-point).	
TOTAL ORDER OF COST ESTIMATE:	£496,000

The Mole, Barry**Boat yard workshops**

PLEASE NOTE: All sub-totals are rounded to nearest £5,000

STANDARD WORKS	Qty	Unit	Rate	Total
Workshop for repairs	500.00	m ²	£ 465.00	£232,500

Basic 'tin shed' allowance with limited / regulation compliant lighting, water and welfare with no 'finishes'. No heating or ventilation etc. assumed to be required.

Sub-total (rounded):				£235,000
Prelims	8.0%			£18,800
OH&P	8.0%			£20,304
Sub-total (rounded):				£275,000

Location factor: Using BCIS location factors (with base rates factored at 100 (UK avg.), BCIS suggests that works at this location should have a location factor of 97% applied.

-3.0%

-£10,000

Sub-total:				£265,000
Professional Fees; Pre-contract (Complete design and issue tender documents)	8.75%			£25,000
<i>Civil engineer</i>	1.50%			£4,000
<i>M&E engineer</i>	1.50%			£4,000
<i>Ecology</i>	0.75%			£2,000
<i>Transport</i>	0.75%			£2,000
<i>Structural engineer</i>	1.50%			£4,000
<i>Architect</i>	1.00%			£2,500
<i>Planner</i>	0.75%			£2,000
<i>PM</i>	0.00%			Not required
<i>QS</i>	1.00%			£2,500
Professional Fees; Post-contract (Employer appointments)	2.25%			£5,000
<i>PM</i>	0.00%			Not required
<i>QS</i>	1.50%			£4,000

General design / engineering consultation	0.75%		£2,000
Sub-total:	11.00%		£295,000
General contingency			
General allowance	10.0%		£30,000
Sub-total:		£/m ²	£325,000
TPI Inflation: Q2-2023 - Q1-2024	2.6%	£	9,000
Allow for tender price increases from todays rates to an assumed tender date in Q2 2024.			
Construction Inflation - Q2 2025 (mid-point)	2.9%	£	10,000
Allow for increase in prices through the programme. BCIS advises 2.9% based on Cost Index forecast (Q2 2024 start and Q2 2025 mid-point).			
TOTAL ORDER OF COST ESTIMATE:			£344,000

The Mole, Barry

Access Road and Enabling ground works for Marina Building and Incubator (incl. Beech)

PLEASE NOTE: All sub-totals are rounded to nearest £5,000

STANDARD WORKS	Total
Car Parking Spaces <i>(excluded as other than the 150 space Marina car-park, it is understood that all other parking relates to the residential development estimated elsewhere)</i>	Excluded.
Access Road and Foot/Cycle Path	£544,525
Soft Landscaping / seeding	£7,500
Furniture and trees	£75,000
Enabling / groundworks / remediation to; <i>Access road</i>	£124,763
Sub-total (rounded):	£750,000
Prelims	£60,000
OH&P	£64,800
Sub-total (rounded):	£875,000
 Location factor: Using BCIS location factors (with base rates factored at 100 (UK avg.), BCIS suggests that works at this location should have a location factor of 97% applied.	 -£25,000
Sub-total:	£850,000
Professional Fees; Pre-contract (Complete design and issue tender documents)	£80,000
<i>Civil engineer</i>	£13,000
<i>M&E engineer</i>	£8,500
<i>Ecology</i>	£8,500
<i>Transport</i>	£8,500
<i>Structural engineer</i>	£8,500
<i>Architect</i>	£13,000
<i>Planner</i>	£13,000
<i>PM</i>	Not required
<i>QS</i>	£8,500

Professional Fees; Post-contract (Employer appointments)	£20,000
<i>PM</i>	Not required
<i>QS</i>	£17,000
<i>General design / engineering consultation</i>	£4,500
Sub-total:	£950,000
General contingency	
General allowance	£95,000
Sub-total:	£1,045,000
TPI Inflation: Q2-2023 - Q1-2024	£ 27,000
Allow for tender price increases from todays rates to an assumed tender date in Q2 2024.	
Construction Inflation - Q2 2025 (mid-point)	£ 31,000
Allow for increase in prices through the programme. BCIS advises 2.9% based on Cost Index forecast (Q2 2024 start and Q2 2025 mid-point).	
TOTAL ORDER OF COST ESTIMATE:	£1,103,000

The Mole, Barry

Utilities

PLEASE NOTE: All sub-totals are rounded to nearest £5,000

STANDARD WORKS

Total

SITE WIDE REQUIREMENTS

Diversions

Based on the information in the Atkins Report "Barry, The Mole & Quay Constraints Analysis Report V1 17th June 2020" the extent of potential diversions is limited. There is some indication that there may be need for limited diversions to enable the site access and the report indicates little or no on site diversions. On that basis an allowance has been made to cover potential diversions as indicated in Atkins report primarily for water and telcom at the entrance but also to allow for minor disconnections and the like.

Excluded

New Electrical Connections

Connect to the existing gas distribution system, assumed no more than 300m, to a position on the site and lay pipes to mutually acceptable service positions. Assumed no reinforcement required.

£220,000

New Gas Connections

Connect to the existing gas distribution system, assumed no more than 300m, to a position on the site and lay pipes to mutually acceptable service positions. Assumed no reinforcement required.

£100,000

New Water Connections

Connect to the existing water system, assumed no more than 300m, to a position on the site and lay pipes to mutually acceptable service positions. Assumed domestic use and no reinforcement required.

£90,000

New Sewer Connections

Connect to the existing sewers, assumed no more than 300m, to a position on the site and lay pipes to mutually acceptable service positions. Assumed gravity system, domestic use only and no reinforcement required.

£134,000

New Telecom Connections

Connect to the existing telecoms network, assumed no more than 300m, to a position on the site and install fibre to mutually acceptable service positions. Please note that this is an allowance for developer contribution pending application to Openreach or the like.

£20,000

RESIDENTIAL

Diversions

Based on the information in the Atkins Report "Barry, The Mole & Quay Constraints Analysis Report V1 17th June 2020" the extent of protential diversions is limited. There is some indication that there may be need for limited diversions to enable the site access and the report indicates little or no on site diversions. On that basis an allowance has been made to cover potential diversions as indicated in Atkins report primarily for water and telcom at the entrance but also to allow for minor discunnections anjd the like.

Exclude

New Electrical Connections

Connect to the existing gas distribution system, assumed no more than 300m, to a position on the site and lay pipes to mutually acceptable service positions. Assumed no reinforcement required.

Exclude

New Gas Connections

Connect to the existing gas distribution system, assumed no more than 300m, to a position on the site and lay pipes to mutually acceptable service positions. Assumed no reinforcement required.

Exclude

New Water Connections

Connect to the existing water system, assumed no more than 300m, to a position on the site and lay pipes to mutually acceptable service positions. Assumed domestic use and no reinforcement required.

Exclude

New Sewer Connections

Connect to the existing sewers, assumed no more than 300m, to a position on the site and lay pipes to mutually acceptable service positions. Assumed gravity system, domestic use only and no reinforcement required.

Exclude

New Telecom Connections

Connect to the existing telecoms network, assumed no more than 300m, to a position on the site and install fibre to mutually acceptable service positions. Please note that this is an allowance for developer contribution pending application to Openreach or the like.

Exclude

Sub-total (rounded):	£565,000
Prelims	£45,200
OH&P	£48,816
Sub-total (rounded):	£660,000

Location factor: Using BCIS location factors (with base rates factored at 100 (UK avg.), BCIS suggests that works at this location should have a location factor of 97% applied.

-£20,000

Sub-total:	£640,000
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Professional Fees; Pre-contract	£25,000
(Complete design and issue tender documents)	
<i>Civil engineer</i>	£6,500
<i>M&E engineer</i>	£6,500
<i>Ecology</i>	
<i>Transport</i>	
<i>Structural engineer</i>	£6,500
<i>Architect</i>	
<i>Planner</i>	
<i>PM</i>	Not required
<i>QS</i>	£6,500
Professional Fees; Post-contract	£10,000
(Employer appointments)	
<i>PM</i>	Not required
<i>QS</i>	£6,500
<i>General design / engineering consultation</i>	£3,000
Sub-total:	£675,000
General contingency	
General allowance	£70,000
Sub-total:	£745,000
TPI Inflation: Q2-2023 - Q1-2024	£ 20,000
Allow for tender price increases from todays rates to an assumed tender date in Q2 2024.	
Construction Inflation - Q2 2025 (mid-point)	£ 22,000
Allow for increase in prices through the programme. BCIS advises 2.9% based on Cost Index forecast (Q2 2024 start and Q2 2025 mid-point).	
TOTAL ORDER OF COST ESTIMATE:	£787,000

The Mole, Barry**Incubator building***PLEASE NOTE : All sub-totals are rounded to nearest £5,000*

STANDARD WORKS	Total (excl. Podium)	Total Inc. Podium	Total Visual Treatment (Excl. Podium)
Private Office Space	£2,821,500	£2,821,500	£2,821,500
Communal hot desk	£104,500	£104,500	£104,500
Dedicated desk area	£85,500	£85,500	£85,500
Meeting Rooms	£231,000	£231,000	£231,000
Reception / Café (Shell and Core coffee pod)	£49,000	£49,000	£49,000
Communal Areas with Kitchen	£214,800	£214,800	£214,800
Circulation	£883,500	£883,500	£883,500
Fit-out beyond Cat-A	Excluded	Excluded	Excluded
E/O For BREEAM Excellent (Building costs)	£87,795	£87,795	£87,795
Enabling works (based on plot area)	£59,175	£59,175	£59,175
Decked podium / 1st fl. external floor area	Excluded	£440,000	£150,000
Sub-total (rounded):	£4,535,000	£4,975,000	£4,685,000
Prelims	£680,250	£746,250	£702,750
OH&P	£260,763	£286,063	£269,388
Sub-total (rounded):	£5,475,000	£6,005,000	£5,655,000

Location factor: Using BCIS location factors (with base rates factored at 100 (UK avg.), BCIS suggests that works at this location should have a location factor of 96% applied.

-£220,000 -£240,000 -£225,000

Sub-total:	£5,255,000	£5,765,000	£5,430,000
Professional Fees; Pre-contract (Complete design and issue tender documents)	£450,000	£490,000	£460,000
<i>Civil engineer</i>	£26,500	£29,000	£27,000
<i>M&E engineer</i>	£65,500	£72,000	£68,000
<i>Ecology</i>	£26,500	£29,000	£27,000
<i>Transport</i>	£26,500	£29,000	£27,000
<i>Structural engineer</i>	£39,500	£43,000	£40,500
<i>Architect</i>	£184,000	£202,000	£190,000
<i>Planner</i>	£39,500	£43,000	£40,500
<i>PM</i>	Not required	Not required	Not required
<i>QS</i>	£39,500	£43,000	£40,500

Professional Fees; Post-contract (Employer appointments)		£80,000		£85,000		£80,000
<i>PM</i>		Not required		Not required		Not required
<i>QS</i>		£52,500		£57,500		£54,500
<i>General design / engineering consultation</i>		£26,500		£29,000		£27,000
Sub-total:		£5,785,000		£6,340,000		£5,970,000
General contingency						
General allowance		£580,000		£635,000		£595,000
Sub-total:		£6,365,000		£6,975,000		£6,565,000
TPI Inflation: Q2-2023 - Q1-2024	£	167,000	£	183,000	£	172,000
Allow for tender price increases from todays rates to an assumed tender date in Q2 2024.						
Construction Inflation - Q2 2025 (mid-point)	£	187,000	£	205,000	£	193,000
Allow for increase in prices through the programme. BCIS advises 2.9% based on Cost Index forecast (Q2 2024 start and Q2 2025 mid-point).						
TOTAL ORDER OF COST ESTIMATE:		£6,719,000		£7,363,000		£6,930,000

The Mole, Barry

Linear Park

PLEASE NOTE: All sub-totals are rounded to nearest £5,000

STANDARD WORKS	Total
Path	£158,800
Soft Landscaping / seeding	£24,575
Hard Landscaping (priced as path)	£70,400
E/O feature lighting	£50,000
Furniture and trees Assume a main park allocated somewhere with more local 'landscaped' spaces	£175,000
Allow for park equipment / playground / fitness	£150,000
Linear Park (raise 1.5 acres by 0.5m / carry out groundworks)	Excluded
Sub-total (rounded):	£630,000
Prelims	£50,400
OH&P	£54,432
Sub-total (rounded):	£735,000
Location factor: Using BCIS location factors (with base rates factored at 100 (UK avg.), BCIS suggests that works at this location should have a location factor of 97% applied.	-£20,000
Sub-total:	£715,000
Professional Fees; Pre-contract (Complete design and issue tender documents)	£70,000
<i>Civil engineer</i>	£5,500
<i>M&E engineer</i>	£7,000
<i>Ecology</i>	£7,000
<i>Transport</i>	£0
<i>Structural engineer</i>	£5,500
<i>Architect / park consultant</i>	£25,000
<i>Planner</i>	£7,000
<i>PM</i>	Not required
<i>QS</i>	£10,500

Professional Fees; Post-contract (Employer appointments)		£20,000
<i>PM</i>		Not required
<i>QS</i>		£10,500
<i>General design / engineering consultation</i>		£7,000
Sub-total:		£805,000
General contingency		
General allowance		£80,000
Sub-total:		£885,000
TPI Inflation: Q2-2023 - Q1-2024	£	23,000
Allow for tender price increases from todays rates to an assumed tender date in Q2 2024.		
Construction Inflation - Q2 2025 (mid-point)	£	26,000
Allow for increase in prices through the programme. BCIS advises 2.9% based on Cost Index forecast (Q2 2024 start and Q2 2025 mid-point).		
TOTAL ORDER OF COST ESTIMATE:		£934,000

OPEN MARKET: Townhouses (45nr) (110m2 per unit, 3 - 4 bedrooms)				AFFORDABLE: Apartments (19nr) (1 - 2 bedrooms)			
		£/m2				£/m2	
Enabling Works	£	3,710	£ 35	£	2,740	£ 35	
Construction of unit	£	129,800	£ 1,180	£	104,085	£ 1,280	
External works	£	6,695	£ 60	£	4,950	£ 60	
Utilities	£	2,810	£ 25	£	2,080	£ 25	
OHP and Prelims	£	30,220	£ 275	£	22,340	£ 275	
Location factor:	£	-	£ -	£	-	£ -	
Sub total	£	173,235	£ 1,575	£	136,195	£ 1,675	
Design and Management Fees etc.; Pre-contract	£	19,390	£ 175	£	14,335	£ 175	
Design and Management Fees etc.; Post-contract	£	4,405	£ 40	£	3,255	£ 40	
General contingency at 10%	£	19,985	£ 180	£	14,775	£ 180	
Tender and Construction Inflation	<i>excluded.</i>	£ -		<i>excluded.</i>	£ -		
Sub total	£	217,015	£ 1,975	£	168,560	£ 2,075	
Nr 45				19			
TOTAL: £		9,765,675		£	3,202,640		
				£	12,968,315		

PLEASE NOTE: All sub-totals are rounded to nearest £5,000

STANDARD WORKS	Qty	Unit	Rate	Total
Enabling works				
Enabling works (based on plot area)	9,730	m ²	£ 22.50	£218,925
Residential Units				
OPEN MARKET: Townhouses (45nr) (110m ² per unit, 3 - 4 bedrooms)	4,950	m ²	£ 1,180	£5,841,000
AFFORDABLE: Apartments (19nr) (1 - 2 bedrooms)	1,545	m ²	£ 1,280	£1,977,600
E/O Sprinklers open market	4,950	m ²	Incl.	£0
E/O Sprinklers affordable units	1,545	m ²	Incl.	£0
Plot costs				
Car Parking Spaces 54 No.	750	m ²	£ 97.50	£73,125
Road (including lighting and drainage)	950	m ²	£ 107.50	£102,125
Path (including basic lighting and drainage)	1,250	m ²	£ 76.00	£95,000
Trees and external furniture / park (allowance)	1	item	£ -	£0
Soft Landscaping / green spaces	1,880	m ²	£ 20.00	£37,600
Hard Landscaping	160	m ²	£ 80.00	£12,800
Front of House	500	m ²	£ 100.00	£50,000
Back of House	1,230	m ²	£ 20.00	£24,600
Utilities				
<i>(assumes no attenuation is required, standard drainage to outfall).</i>				
Diversions				
Captured under main works				£0

New Electrical Connections

Extend the existing high voltage underground distribution system from local substation. Atkins report indicates 2 substations in the vicinity of Asda could be used. assumed to be installed and allowed for as part of KG-QE North estimate, no more than 500m to a position on the site and install a ground mounted substation. From this substation lay underground service cables to mutually acceptable service positions. Assumed no reinforcement required. Assumes on site sub station will supply whole Mole development.

£50,000

New Gas Connections

Connect to the existing gas distribution system, assumed no more than 300m, to a position on the site and lay pipes to mutually acceptable service positions. Assumed no reinforcement required.

£40,000

New Water Connections

Connect to the existing water system, assumed no more than 300m, to a position on the site and lay pipes to mutually acceptable service positions. Assumed domestic use and no reinforcement required.

£40,000

New Sewer Connections

Connect to the existing sewers, assumed no more than 300m, to a position on the site and lay pipes to mutually acceptable service positions. Assumed gravity system, domestic use only and no reinforcement required.

£36,000

New Telecom connections

Captured under main works

Sub-total (rounded):		£1,325	£8,600,000
Prelims	15.0%		£1,290,000
OH&P	5.0%		£494,500
Sub-total (rounded):		£1,600	£10,385,000

Location factor: Percentage adjustment for location factor has been removed as it has captured within rate allowances above.

0.0%

£0

Sub-total:		£1,600	£10,385,000
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Professional Fees; Pre-contract (Complete design and issue tender documents)	11.00%		£1,145,000
<i>Civil engineer</i>	1.00%		£104,000
<i>M&E engineer</i>	1.00%		£104,000
<i>Ecology</i>	1.00%		£104,000
<i>Transport</i>	0.00%		£0
<i>Structural engineer</i>	1.00%		£104,000
<i>Architect / park consultant</i>	4.50%		£467,500
<i>Planner</i>	1.00%		£104,000
<i>PM</i>	0.00%		ABP to provide
<i>QS</i>	1.50%		£156,000
Professional Fees; Post-contract (Employer appointments)	2.50%		£260,000
<i>PM</i>	0.00%		ABP to provide
<i>QS</i>	1.50%		£156,000
<i>General design / engineering consultation</i>	1.00%		£104,000
Sub-total:	13.50%	£1,815	£11,790,000
General contingency			
General allowance	10.0%		£1,180,000
Sub-total:		£1,995	£12,970,000
Tender Inflation:	0.0%		Excluded
Construction Inflation:	0.0%		Excluded
TOTAL ORDER OF COST ESTIMATE:		£1,995	£12,970,000

Low Range Estimate: Using BCIS low quartile (1)
as base rate for residential units: £1,690 £10,980,000

High Range Estimate: Using BCIS high quartile
(3) as base rate for residential units: £2,185 £14,185,000

Appendix 4

ABP The Mole - Appraisal 1
30% affordable

Development Appraisal
Savills
23 June 2023

APPRAISAL SUMMARY

SAVILLS

ABP The Mole - Appraisal 1
30% affordable

Appraisal Summary for Merged Phases 1 2 3 4

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Residential (OM)	45	52,605	286.19	334,556	15,055,000
Residential (AH)	20	10,740	143.10	76,843	1,536,864
Marina	1	0	0.00	10,100,000	10,100,000
Totals	66	63,345			26,691,864

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Office	1	20,000	15.00	300,000	300,000	300,000
Totals	1	20,000			300,000	300,000

Investment Valuation

Office						
Market Rent	300,000	YP @	10.0000%	10.0000		
(6mths Rent Free)		PV 6mths @	10.0000%	0.9535	2,860,388	
Total Investment Valuation					2,860,388	

GROSS DEVELOPMENT VALUE **29,552,252**

Purchaser's Costs	(194,506)
Effective Purchaser's Costs Rate	6.80%
	(194,506)

NET DEVELOPMENT VALUE **29,357,745**

NET REALISATION **29,357,745**

OUTLAY

ACQUISITION COSTS

Fixed Price	3,500,000		
Fixed Price		3,500,000	
Residualised Price (Negative land)		(20,144,739)	
		(16,644,739)	
Stamp Duty	5.36%	187,600	
Agent Fee (1.5%)	1.50%	52,500	
Legal Fee (0.5%)	0.50%	17,500	
		257,600	

CONSTRUCTION COSTS

Construction

	Units	Unit Amount	Cost
Marina	1 un	1,530,982	1,530,982
Marina - Ph 2	1 un	1,988,626	1,988,626
Totals			3,519,608

	ft²	Build Rate ft²	Cost
Office	25,000	279.00	6,975,000
Residential (OM)	52,605	207.95	10,939,263
Residential (AH)	10,740	207.95	2,233,393
Totals	88,345 ft²		20,147,656
			23,667,264

Other Construction

Landside Buildings & Infrs.	2,040,000
Piles & Piling	2,748,000

APPRAISAL SUMMARY**SAVILLS****ABP The Mole - Appraisal 1****30% affordable**

Marina Car Park		270,000	
Boat Hoist and Mover		310,500	
Hoist Duck		931,500	
Mole Quayside Repairs		244,425	
Boatyard Surfacing		470,000	
Boatyard Workshops		325,000	
Enabling Works		454,561	
Services		324,065	
Lock Gate Repairs		2,630,000	
Dredging Lock F		500,000	
Impounding Pumps		1,000,000	
Linear Park		885,000	
Enabling Works		590,439	
Services		420,935	

14,144,425

Section 106 Costs

Section 106 Costs		1,468,176	
			1,468,176

MARKETING & LETTING

Letting Agent Fee (Office)	15.00%	45,000	
Letting Legal Fee (Office)	10.00%	30,000	
			75,000

DISPOSAL FEES

Sales Agent Fee (Resi)		1.00%	150,550	
Sales Agent Fee (Office)		1.00%	28,604	
Sales Legal Fee (Resi OM)		0.50%	75,275	
Sales Legal Fee (Resi AH)	20 un	400.00 /un	8,000	
Sales Legal Fee (Office)		0.50%	14,302	
				276,731

FINANCE

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				644,446

TOTAL COSTS**23,888,903****PROFIT****5,468,842****Performance Measures**

Profit on Cost%	22.89%
Profit on GDV%	18.51%
Profit on NDV%	18.63%
Development Yield% (on Rent)	1.26%
Equivalent Yield% (Nominal)	10.00%
Equivalent Yield% (True)	10.66%

IRR% (without Interest) N/A

Rent Cover	18 yrs 3 mths
Profit Erosion (finance rate 7.500)	2 yrs 9 mths

ABP The Mole - Appraisal 2
15% affordable

Development Appraisal
Savills
23 June 2023

APPRAISAL SUMMARY

SAVILLS

ABP The Mole - Appraisal 2
15% affordable

Appraisal Summary for Merged Phases 1 2 3 4

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Residential (OM)	55	57,975	285.90	301,364	16,575,000
Residential (AH)	10	5,370	143.10	76,843	768,432
Marina	1	0	0.00	10,100,000	10,100,000
Totals	66	63,345			27,443,432

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Office	1	20,000	15.00	300,000	300,000	300,000
Totals	1	20,000			300,000	300,000

Investment Valuation

Office						
Market Rent	300,000	YP @	10.0000%	10.0000		
(6mths Rent Free)		PV 6mths @	10.0000%	0.9535	2,860,388	
Total Investment Valuation					2,860,388	

GROSS DEVELOPMENT VALUE **30,303,820**

Purchaser's Costs	(194,506)
Effective Purchaser's Costs Rate	6.80%
	(194,506)

NET DEVELOPMENT VALUE **30,109,313**

NET REALISATION **30,109,313**

OUTLAY

ACQUISITION COSTS

Fixed Price	3,500,000	
Fixed Price	3,500,000	
Residualised Price (Negative land)	(18,656,848)	(15,156,848)
Stamp Duty	187,600	
Effective Stamp Duty Rate	5.36%	
Agent Fee (1.5%)	52,500	
Legal Fee (0.5%)	17,500	
		257,600

CONSTRUCTION COSTS

Construction

	Units	Unit Amount	Cost
Marina	1 un	1,530,982	1,530,982
Marina - Ph 2	1 un	1,988,626	1,988,626
Totals			3,519,608

	ft²	Build Rate ft²	Cost
Office	25,000	279.00	6,975,000
Residential (OM)	57,975	207.95	12,055,960
Residential (AH)	5,370	207.95	1,116,696
Totals	88,345 ft²		20,147,656

Other Construction

Landside Buildings & Infrs.	2,040,000
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APPRAISAL SUMMARY**SAVILLS****ABP The Mole - Appraisal 2****15% affordable**

Piles & Piling		2,748,000	
Marina Car Park		270,000	
Boat Hoist and Mover		310,500	
Hoist Duck		931,500	
Mole Quayside Repairs		244,425	
Boatyard Surfacing		470,000	
Boatyard Workshops		325,000	
Enabling Works		454,561	
Services		324,065	
Lock Gate Repairs		2,630,000	
Dredging Lock F		500,000	
Impounding Pumps		1,000,000	
Linear Park		885,000	
Enabling Works		590,439	
Services		420,935	
			14,144,425

MARKETING & LETTING

Letting Agent Fee (Office)	15.00%	45,000	
Letting Legal Fee (Office)	10.00%	30,000	
			75,000

DISPOSAL FEES

Sales Agent Fee (Resi)	1.00%	165,750	
Sales Agent Fee (Office)	1.00%	28,604	
Sales Legal Fee (Resi OM)	0.50%	82,875	
Sales Legal Fee (Resi AH)	10 un 400.00 /un	4,000	
Sales Legal Fee (Office)	0.50%	14,302	
			295,531

FINANCE

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)			
Total Finance Cost			750,022

TOTAL COSTS**24,032,994****PROFIT****6,076,319****Performance Measures**

Profit on Cost%	25.28%
Profit on GDV%	20.05%
Profit on NDV%	20.18%
Development Yield% (on Rent)	1.25%
Equivalent Yield% (Nominal)	10.00%
Equivalent Yield% (True)	10.66%
IRR% (without Interest)	N/A
Rent Cover	20 yrs 3 mths
Profit Erosion (finance rate 7.500)	3 yrs

ABP The Mole - Appraisal 3
0% affordable & No S106

Development Appraisal
Savills
23 June 2023

APPRAISAL SUMMARY

SAVILLS

ABP The Mole - Appraisal 3
0% affordable & No S106

Appraisal Summary for Merged Phases 1 2 3

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Residential (with 0% Affordable)	65	63,345	285.66	278,385	18,095,000
Marina - Ph 1	<u>1</u>	<u>0</u>	0.00	10,100,000	<u>10,100,000</u>
Totals	66	63,345			28,195,000

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Office	1	20,000	15.00	300,000	300,000	300,000

Investment Valuation

Office					
Market Rent	300,000	YP @	10.0000%	10.0000	
(6mths Rent Free)		PV 6mths @	10.0000%	0.9535	2,860,388

GROSS DEVELOPMENT VALUE

31,055,388

Purchaser's Costs	(194,506)
Effective Purchaser's Costs Rate	6.80%
	(194,506)

NET DEVELOPMENT VALUE

30,860,881

NET REALISATION

30,860,881

OUTLAY

ACQUISITION COSTS

Fixed Price	3,500,000	
Fixed Price		3,500,000
Residualised Price (Negative land)		(18,215,900)
		(14,715,900)
Stamp Duty		187,600
Effective Stamp Duty Rate	5.36%	
Agent Fee (1.5%)		52,500
Legal Fee (0.5%)		17,500
		257,600

CONSTRUCTION COSTS

Construction

	Units	Unit Amount	Cost
Marina - Ph 1	1 un	1,530,982	1,530,982
Marina - Ph 2	<u>1 un</u>	<u>1,988,626</u>	<u>1,988,626</u>
Totals			3,519,608

	ft²	Build Rate ft²	Cost
Office	25,000	279.00	6,975,000
Residential (with 0% Affordable)	<u>63,345</u>	<u>207.95</u>	<u>13,172,656</u>
Totals	88,345 ft²		20,147,656
			23,667,264

Other Construction

Landside Buildings & Infrs. (Ph 1)	2,040,000
Piles & Piling (Ph 1)	2,748,000
Marina Car Park (Ph 1)	270,000
Boat Hoist and Mover (Ph 1)	310,500
Hoist Duck (Ph 1)	931,500
Mole Quayside Repairs (Ph 1)	244,425

APPRAISAL SUMMARY**SAVILLS****ABP The Mole - Appraisal 3****0% affordable & No S106**

Boatyard Surfacing (Ph 1)		470,000	
Boatyard Workshops (Ph 1)		325,000	
Enabling Works (Ph 1)		454,561	
Services (Ph 1)		324,065	
Lock Gate Repairs (Ph 1)		2,630,000	
Dredging Lock F (Ph 1)		500,000	
Impounding Pumps (Ph 1)		1,000,000	
Linear Park (Ph 1)		885,000	
Enabling Works (Ph 2)		590,439	
Services (Ph 2)		420,935	
			14,144,425

MARKETING & LETTING

Letting Agent Fee (Office)	15.00%	45,000	
Letting Legal Fee (Office)	10.00%	30,000	
			75,000

DISPOSAL FEES

Sales Agent Fee (Resi)	1.00%	180,950	
Sales Agent Fee (Office)	1.00%	28,604	
Sales Legal Fee (Resi)	0.50%	90,475	
Sales Legal Fee (Office)	0.50%	14,302	
			314,331

FINANCE

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)			
Total Finance Cost			758,107

TOTAL COSTS**24,500,826****PROFIT****6,360,055****Performance Measures**

Profit on Cost%	25.96%
Profit on GDV%	20.48%
Profit on NDV%	20.61%
Development Yield% (on Rent)	1.22%
Equivalent Yield% (Nominal)	10.00%
Equivalent Yield% (True)	10.66%

IRR% (without Interest) N/A

Rent Cover 21 yrs 2 mths

Profit Erosion (finance rate 7.500) 3 yrs 1 mth

