#LSHKNOWS

VALUATION

VALUATION REPORT

ON

LAND AT SIXFIELDS
NORTHAMPTON

ON BEHALF OF:
WEST NORTHAMPTONSHIRE COUNCIL

DATE: 22 FEBRUARY 2022

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VALUATION

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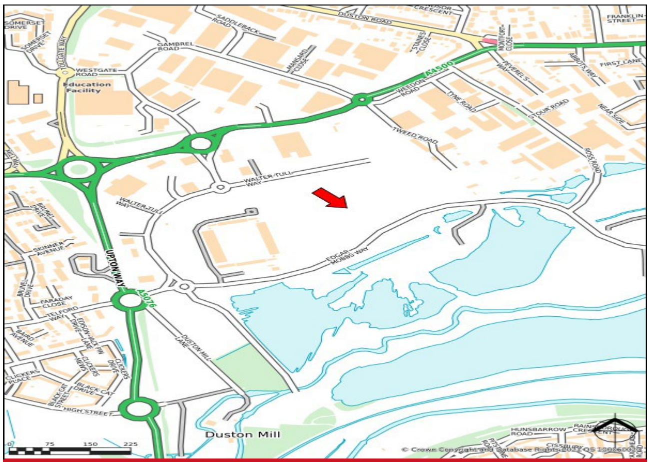
1. EXECUTIVE SUMMARY

Subject Site



Street Map

Property Address	Land at Sixfields, Northampton	
Location	The subject property comprises undeveloped land located adjacent to Sixfields Football Stadium to the west of Northampton town centre and within easy reach of the M1 motorway to the west.	
Description	Type:	Undeveloped / Development land
	Site Area:	8.25 hectares (20.41 acres)
	Condition:	Significant abnormal ground constraints
Tenure	Freehold subject to four long leasehold interests together with a Homes England Clawback Deed. The lease over the main part of the site extends over additional land including a Household Waste Recycling Centre located on the opposite side of Walter Tull Way which is excluded from this valuation exercise and is to be retained by West Northamptonshire Council.	
Rental Profile	Passing Rent:	£0 per annum (two peppercorns)
Valuations and Yield Profile	Valuation Date:	21 December 2021
	Market Value (MV):	£685,000
	Acquisition Premium reflecting Synergistic Value:	£820,000
Asset Management Issues	Owned freehold but subject to long leases. Vacant possession of the main site cannot be secured until April 2024 on the basis that the tenant does not complete the remediation works (see body of Report for details). The lease structure for the smaller (running track) part of the site is complex with multiple leasehold interests expiring in 2154 and 2163. A provisional agreement has been reached for the sale of the freehold to the long leaseholder who would be the most obvious purchaser, however the property is also subject to a competing offer from a third party developer.	
Valuation Issues	Significant abnormal development constraints and complex tenure and title structure and a Homes England Clawback Deed.	

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VALUATION

22 February 2022

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West Northamptonshire Council
1 Angel Square
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Northampton
NN1 1ED

For the attention of: James Aldridge BSc (Hons) MRICS, Group Asset Manager

Our Ref: MDW

Dear Sir / Madam

CLIENT	**WEST NORTHAMPTONSHIRE COUNCIL**
THE PROPERTY	**LAND AT SIXFIELDS, NORTHAMPTON**

2. TERMS OF INSTRUCTION

Appointment	We refer to your recent instructions, acknowledged on 15 December 2021 (copies at Appendix 5), to provide you with a Valuation Report in respect of the Freehold and Long Leasehold Interests in the above development property for disposal purposes. We have inspected the Property, made relevant enquiries and now have pleasure in reporting to you. The basis upon which we usually prepare our Valuations and Reports is set out in the Terms of Engagement (copy at Appendix 5). Unless and except where here specifically stated otherwise, this Report has been prepared in accordance with these Terms of Engagement.
RICS Compliance	We confirm that this report and valuation has been prepared in accordance with the Royal Institution of Chartered Surveyors' Valuation Guidance Standards – Global Standards ("Red Book Global"). Lambert Smith Hampton acts in the capacity of External Valuer in connection with this instruction. We confirm that the Valuation Division of Lambert Smith Hampton has a Quality Management System which complies with BS EN ISO 9001:2015. Lambert Smith Hampton holds appropriate professional indemnity insurance for this valuation instruction.
Valuation Date	The Valuation Date is 21 December 2021.
Basis of Valuation	Market Value (MV) (definition at Section 11).
VAT	Our Valuation is exclusive of VAT unless otherwise stated.
Purchaser's Costs	Our Valuation, unless otherwise stated, is produced net of Purchaser's costs at the appropriate rate, plus VAT.
Valuer	This Report and Valuation has been prepared by Mark Weller BSc (Hons) MRICS, a member of the RICS Valuer Registration Scheme, Director, who has acted with independence, integrity and objectivity, and has sufficient current local and national knowledge of the particular market as well as appropriate skills, qualifications, experience and understanding for the purposes of this instruction.
Inspection	The Property was inspected on 23 April 2021 by The Valuer.

Free of Conflict of Interest

As part of the disposal process LSH were instructed by West Northamptonshire Council to provide viability, planning and cost consultancy advice in respect of the subject site. Prior to this, we had no involvement with the property within the last two years. We therefore consider ourselves to be free of any conflict of interest in providing this advice for you.

Reliance upon Provided Information

We have previously agreed that we shall rely upon the following information for the purpose of reporting to you:

- Copy ground leases.
- Copy leases.
- Factual Ground Investigation Report dated October 2016 prepared by Ian Farmer Associates (1998) Limited.
- Outline Enablement Requirements for Sites 2, 3 and 4, Sixfields, dated 28 June 2016 prepared by Hydrock Consultants Limited.
- Ground Investigation Desk Study prepared by Hydrock Consulting Limited dated December 2016.
- LSH Cost Plan.
- Axiom Structures Structural Engineering Feasibility Report.
- LSH Planning Report.
- Offers from CDNL and Cill Dara.
- Browne Jacobson LLP Property Report

We have assumed that all material information has been fully disclosed to us and our Valuations have been prepared on the basis that there is no further information available.

Limitation and Liability

We draw your attention to the Assumptions, Limitations and Regulatory information set out within this Report to which our advice is subject and our Terms of Engagement agreed between us.

This Valuation Report is provided for the stated purpose and for the sole use of the named Client. It is confidential to the Client and his professional advisors and the Valuer accepts no responsibility whatsoever to any other person.

Neither the whole, not any part of this Valuation Report, nor any reference hereto may be included in any published document, circular or statement, or published in any way, without the Valuer's written approval of the form and context in which it may appear.

Such publication of, or reference to, this Valuation Report may not be made unless it contains a sufficient contemporaneous reference to the Special Assumptions set out herein or Departures from the RICS Valuation Guidance Standards – Global Standards ("Red Book Global").

Valuer:

Mark Weller BSc (Hons) MRICS
RICS Registered Valuer
Director
For and on behalf of
<u>LAMBERT SMITH HAMPTON</u>

Checked by:

Timothy Sandford BSc MRICS
RICS Registered Valuer
Director
For and on behalf of
<u>LAMBERT SMITH HAMPTON</u>

3. PROPERTY DETAILS

Location

Macro Location

Northampton is located in the centre of the county approximately 50 miles south east of Birmingham, 65 miles north of London with the surrounding towns of Wellingborough (12 miles to the north east), Kettering (17 miles to the north), Milton Keynes (18 miles to the south), and Bedford (21 miles to the south east).

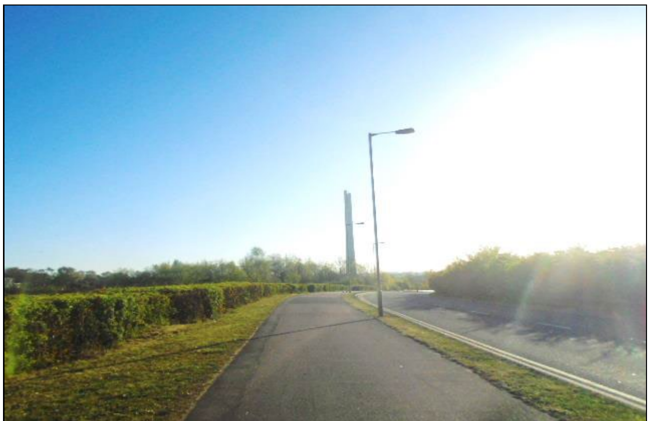
Northampton is located adjacent to junctions 15, 15a and 16 of the M1 motorway. The A43, the A508 the A45 provide access to the M40 and to the A14 respectively. The town railway station has recently been redeveloped. The town is on the London (Euston) to Birmingham (New Street) with connections to the north west and to Scotland.

The town is within easy reach of major international airports at London (Heathrow), London (Luton), London (Stansted), Birmingham International and East Midlands.

Micro Location

The property is located adjacent to Sixfields football stadium to the west of Northampton town centre and within easy reach of the M1 motorway to the west. The property largely comprises undeveloped land arranged across a split level site with upper and lower plateaus. The immediate surrounds comprises the Sixfields football stadium, home to Northampton Town Football Club, and the Sixfields leisure development where occupiers include Cineworld, Nuffield Health, KFC, McDonalds, Bella Italia, Fire Jacks and Taco Bell.

Located on the opposite side of Weedon Road is Sixfields Retail Park occupied by Poundland, Boots, Tui, Next and Costa together with Lidl and Sainsbury's foodstores. To the west is established commercial / industrial development including a Wickes DIY store, Matalan and a number of car showrooms.



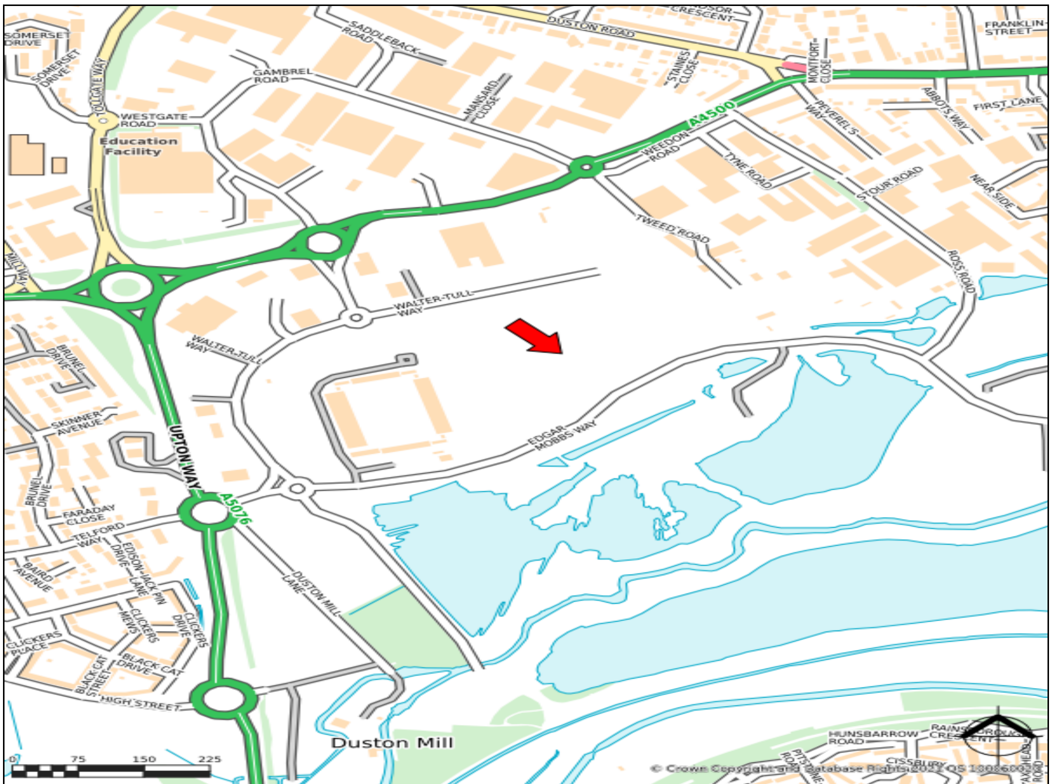
Street Scene

Street Scene

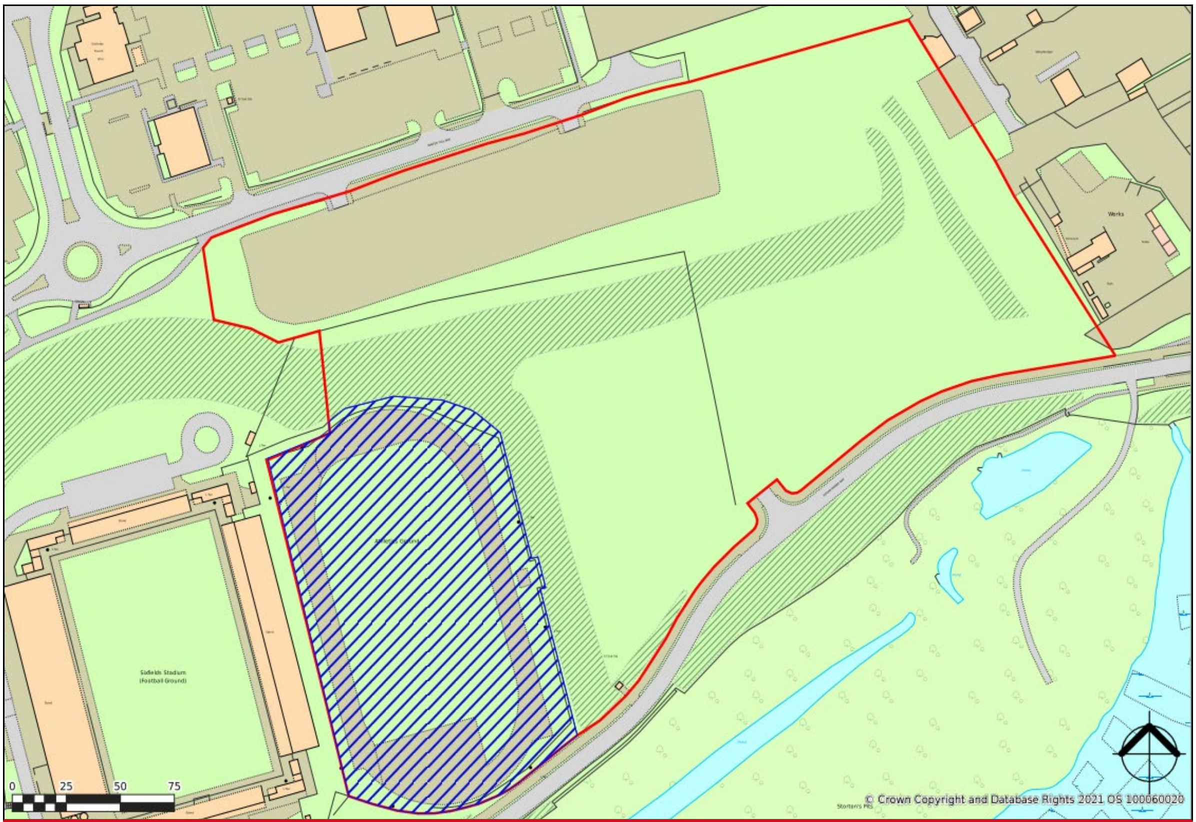
Situation

The property comprises a significant parcel of undeveloped land situated immediately to the east of Northampton Town Football Club's Sixfields stadium situated in between Walter Tull Way and Edgar Mobbs Way with established industrial accommodation to the west. There is a Household Waste Recycling Centre on the opposite side of Walter Tull Way.

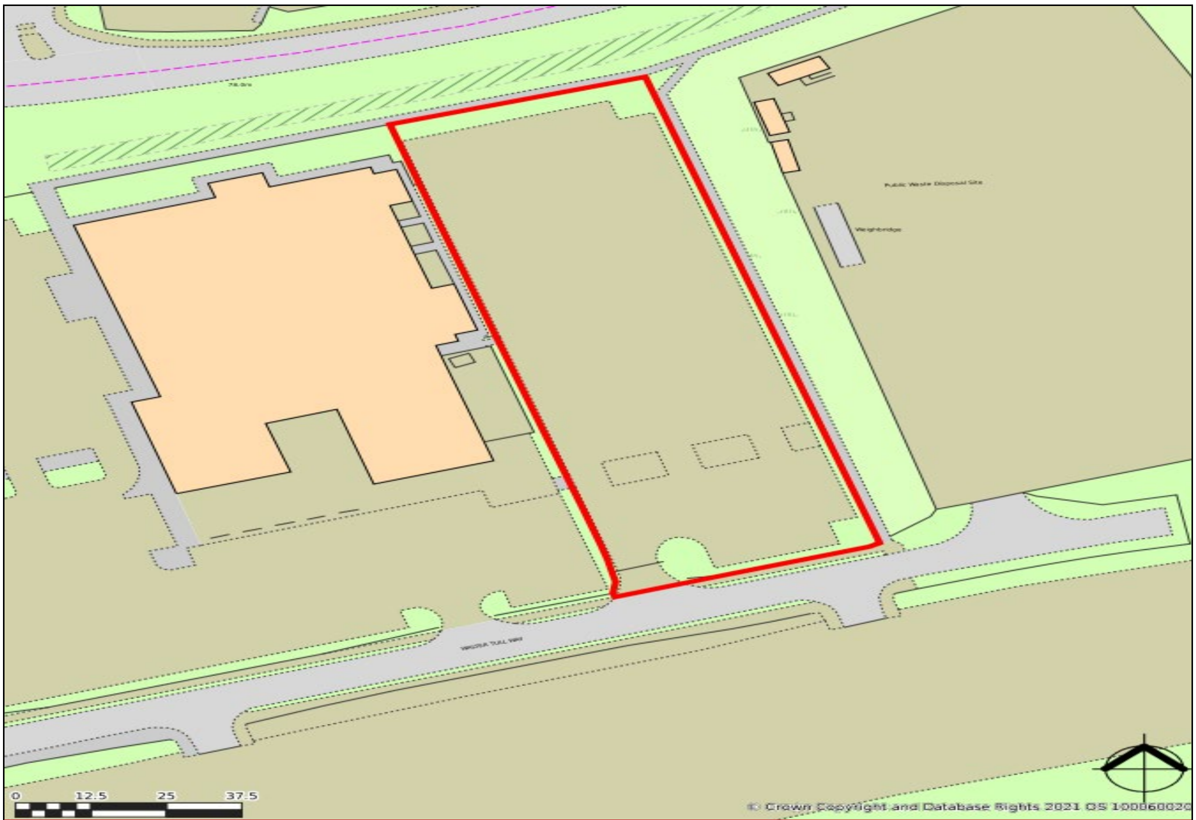
City Plan



Street Plan



Ordnance Survey Extract – Main Site



Ordnance Survey Extract – Car Park north of Walter Tull Way

The boundaries of the Property, as we understand them to be, are outlined in red on the copy extract from the Ordnance Survey Plans shown above.

Approximate area, as scaled from the Ordnance Survey Plan		
Site Area:	8.25 hectares	20.41 acres

The extent of the site is outlined in red on the above OS plans and extends to 8.25 hectares (20.41 acres). The property is owned freehold by West Northamptonshire Council (WNC) subject to four long leasehold interests to County Developments (Northampton) Limited (CDNL), Northampton Town Football Club (NTFC) and WNC together with a Homes England Clawback Deed. CDNL and NTFC are connected parties.

The part of the site edged and hatched blue comprises a former running track and extends to approximately 1.843 hectares (4.554 acres). This part of the site is subject to a total of 3 long leasehold interests. The freehold is owned by WNC and let in its entirety to CDNL on a lease expiring September 2163. The eastern and western halves are sublet to NTFC and WNC respectively on leases expiring in April 2154. The western part let to NTFC extends to 0.885 hectares (2.187 acres) and the eastern part let to WNC extends to 0.958 hectares (2.367 acres).

The remainder of the site is subject to a separate lease to CDNL expiring April 2164 and extends to 6.407 hectares (15.856 acres).

The site essentially comprises three distinct parts consisting of the former running track, the lower plateau fronting Edgar Mobbs Way and extending to approximately 2.987 hectares (7.386 acres) excluding the running track and 4.83 hectares (11.94 acres) including the former running track, and the upper plateau accessed of Walter Tull Way and extending to approximately 3.42 hectares (8.47 acres).

The lower plateau includes a fairly large embankment reducing the net developable area to approximately 3.81 hectares (9.41 acres) including the running track. The running track itself is at a lower level to the remainder of the lower plateau although we have assumed this will be addressed through the proposed enabling works.

The former running track includes ongoing stadium works which reduces the net developable area of this part to approximately 1.46 hectares (3.61 acres).

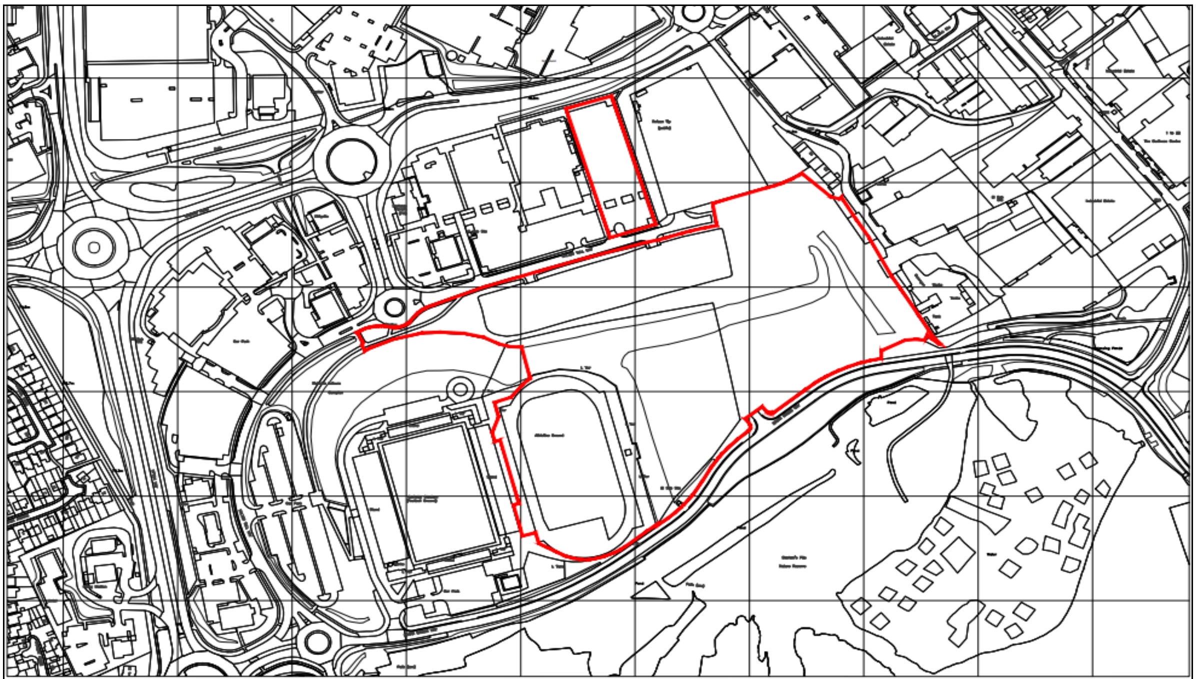
A summary of the site areas is detailed below:

Area	Gross Ha	Gross Acres	Net Ha	Net Acres
Upper Plateau	3.42	8.47	3.42	8.47
Lower Plateau	2.987	7.386	2.35	5.80
Former Running Track	1.843	4.554	1.46	3.61
Total	**8.25**	**20.41**	**7.23**	**17.88**

The sites are accessed off Edgar Mobbs Way and Walter Tull Way, both of which are adopted highways.

The Homes England Clawback Deed extends over the main site only i.e. the upper and lower plateaus and not the former running track.

We have been provided with the following plan which shows the site in its entirety.



West Northamptonshire Council
Assets & Environment

Title: Sixfields Proposal
Northampton

Scale: 1:3000 at A3
Date: 26th November 2021
Drg No: 012

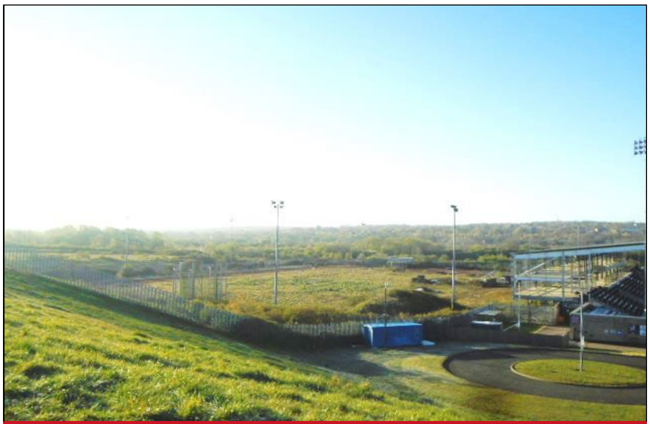
Site Plan - Entirety

4. DESCRIPTION AND CONSTRUCTION

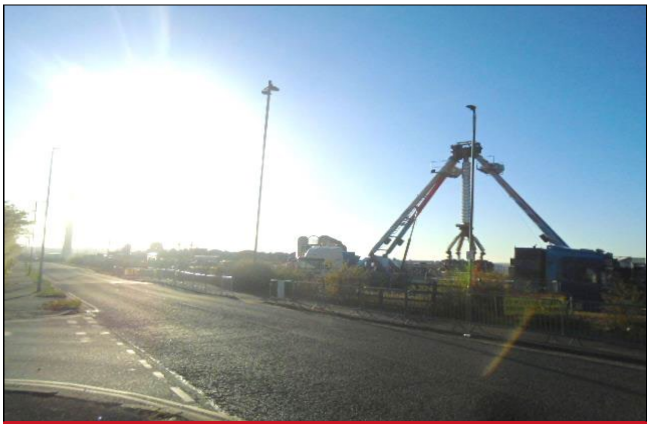
Description

The property comprises a large parcel of undeveloped land and former running track, let on four long leases. The property is arranged across two plateaus with the lower plateau comprising the former running track and undeveloped land accessed off Edgar Mobbs Way and the upper plateau comprising a rough surfaced car park to the south of Walter Tull Way, a surfaced car park to the north of Walter Tull Way together with undeveloped land. The western part of the former running track has been developed and now accommodates a part built stand serving the football club.

The property is considered suitable for development of a wide range of uses but is subject to significant abnormal development constraints and the total abnormal and enabling works are estimated at approximately £10,910,000. This cost has been adjusted on a pro-rata basis in respect of the car park to the north of Walter Tull Way which has not been separately costed.



View Down Towards Former Running Track



Upper Plateau

Lower Plateau

Lower Plateau

Services

We understand that all mains services are available although we have not made any enquiries of the respective service supply companies.

Development Proposal

The main part of the site is held on a lease which is subject to very restrictive terms with the tenant required to carry out investigatory and remediation works to facilitate the development of 300 houses and 85,000 sq ft of retail and leisure. If they have not done so, then the landlord is able to terminate the lease by notice on or after 10 April 2024. These requirements align with the Homes England Clawback Deed base scheme.

Development Options

We have utilised previous development masterplans which we have updated to test the viability of a number of development proposals, in addition to the proposed use of 300 dwellings and 85,000 sq ft of retail accommodation specified within the Clawback Deed.

Whilst planning policy appears to favour employment use development, which also appears most suitable to the location, in accordance with your instructions we have viability tested a mix of uses.

To test the viability of the site we have prepared development appraisals in respect of the following five potential schemes.

- **Option 1** – assumes the household waste recycling centre is retained which is consistent with this valuation exercise with the remainder of the upper plateau creating 80,500 sq ft of industrial/trade counter accommodation. The lower plateau provides an apartment development extending to 309 units, providing a gross internal floor area of 277,173 sq ft with an aggregate net sales area of 239,477 sq ft.

- **Option 2** – assumes that the household waste recycling centre is retained with the upper plateau again accommodating 80,500 sq ft of trade counter/industrial development with the lower plateau accommodating 132,925 sq ft of industrial/trade counter development.

- **Option 3** – retains the household waste recycling centre with the upper plateau accommodating 80,500 sq ft of trade counter/industrial development with the lower plateau accommodating two distribution warehouse units extending to 114,690 sq ft and 53,110 sq ft respectively.

- **Option 4** – assumes wholesale redevelopment with the household waste recycling centre moved with the upper plateau accommodating 146,000 sq ft of retail/leisure accommodation with the lower plateau accommodating the two distribution warehouse units. Our appraisal does not allow for the costs of acquiring or relocating the Household Waste Recycling Centre. This option includes the household waste recycling centre which is excluded from this valuation exercise.

- **Option 5** – retains the household waste recycling centre but assumes that the upper plateau accommodates 85,000 sq ft of retail accommodation with the lower plateau accommodating 300 residential units in accordance with the Homes England Clawback Deed.

We have assumed 100% market housing with no allowance for affordable housing or any other Section 106 contributions. We have included CIL which is payable on both retail and residential development. The policy requirement for affordable housing is 35% provision subject to viability. The Homes England Clawback Deed specifies up to 300 homes for open market sale and our approach is therefore consistent with the Clawback Deed.

The site is subject to significant abnormal development constraints.

We attach as Appendix 3 a Cost Plan prepared by LSH. We have been provided with previous site surveys and cost estimates by West Northamptonshire Council which have been updated as part of this exercise. The cost plan provides an estimate of potential construction costs in respect of the enabling works together with build costs, inclusive of contingency and professional fees in respect of the various forms of assumed development. For the purposes of our valuation report we have relied upon this cost plan.

The cost estimates either include or exclude the entirety of the household waste recycling centre and adjacent car park and the cost has been adjusted on a pro-rata basis in respect of the car park which is included within this valuation exercise whilst the household waste recycling centre is not included. The ground conditions and constraints are consistent across the site and this approach is considered reasonable.

We attach as Appendix 4 a Structural Engineering Feasibility Report prepared by Axiom Structures which has informed the LSH cost plan in respect of the foundation solutions.

Hazardous and Deleterious Materials

For the purpose of this report, we have assumed that, unless indicated to the contrary, a survey would not disclose any evidence of asbestos or deleterious materials in the construction of the subject in circumstances where it is likely to have an effect on health or safety.

5. CONTAMINATION AND ENVIRONMENTAL MATTERS

Contamination

We have been provided with a number of ground investigation reports identifying a range of abnormal development constraints. We attach at Appendix 4 a cost plan prepared by LSH which provides an estimate of potential construction costs in respect of the enabling works together with build costs, inclusive of contingency and professional fees in respect of the various forms of assumed development.

For the purposes of our valuation report we have relied upon this cost plan.

Masts and Lines

There are no telecommunications base stations at the property.

There are no masts or high voltage overhead transmission lines passing overhead, or in close proximity to the Property.

Flood Risk

Flooding

The Environment Agency website identifies the subject as being within an area classed as having a very low risk of flooding from rivers or the sea. The former running track has a low to high chance of flooding from surface water with the remainder of the site at very low risk of flooding from surface water.

Drainage

For the purpose of this Report, we have assumed that, unless indicated to the contrary, enquiries would not disclose any evidence of historic pluvial flooding, relating to the drainage of surface water or groundwater flooding.

6. TENURE AND TENANCY/IES

Tenure

Freehold.

We understand that the site is held freehold and we have not been advised of any covenants, easements or other restrictions with affect the title. We understand that it has direct access to a public highway and is not subject to any rights of ways.

We confirm that we have had sight of your Solicitor's Report on Title.

Tenancies and Other Agreements

The property is owned freehold by West Northamptonshire Council (WNC) subject to four long leasehold interests to County Developments (Northampton) Limited (CDNL), Northampton Town Football Club (NTFC) and WNC together with a Homes England Clawback Deed. CDNL and NTFC are connected parties.

The main part of the site is held by County Developments (Northampton) Limited (CDNL) on a lease dated 11 April 2014 for a term of 150 years expiring 10 April 2164. The annual rent is one peppercorn which is not subject to review. The lease extends over additional land comprising a Household Waste Recycling Centre located on the opposite side of Walter Tull Way which is excluded from this valuation exercise and is to be retained by West Northamptonshire Council.

The lease terms are very restrictive. The tenant is required to carry out investigatory and remediation works to facilitate the development of 300 houses and 85,000 sq ft of retail and if the works have not been completed then the landlord is able to terminate the lease by notice on or after 10 April 2024. These requirements align with the Homes England Clawback Deed base scheme.

The lease is drawn on full repairing and insuring terms. The tenant is not able to assign or sublet the whole or part of the property, except in respect of underlettings for leases and licences that are defined under the existing use.

The tenant and any underlessee of the tenant shall not use the property for any purpose other than the permitted use, which is defined as the existing use, being a household waste recycling centre, study centre, funfair and car parking facilities for Sixfields, investigatory works and remediation works including any physical microbiological and other recognised methodologies of completing works necessary to either reduce the negative impacts, remove or eliminate the levels of contamination of the land on the property or any part of it to reduce risks to human health and to the environment and to comply with the requirements of any statutory or regulatory body.

The lease does not appear to allow any dealings or permit any form of development.

The smaller part of the site known as the running track is subject to a total of 3 long leasehold interests. The freehold is owned by WNC with the entirety let to CDNL on a lease expiring September 2163. The eastern and western halves are sublet to NTFC and WNC respectively on leases expiring in April 2154.

The CDNL lease is dated 17 September 2013. The lease is drafted on a FRI basis for a term of 150 years expiring 16 September 2163. The annual rent is one peppercorn and again the lease terms are very restrictive.

The tenant is not permitted to assign the whole of the lease. A mortgagee in possession may assign the lease but not without the consent of the landlord, such consent not to be unreasonably withheld. Neither the tenant nor its mortgagee in possession shall assign part only.

The tenant shall not underlet the whole or part of the property whilst it remains in the existing use, which is defined as for sports use including athletics.

If the property is developed for any non-sport uses permitted by the lease, the tenants may grant sub-leases of parts consistent with the form of alternative development of the property subject to first obtaining the landlord's consent (not to be unreasonably withheld) to the form(s) of sub-lease proposed to be granted as part of the development and subject to providing such information as the landlord may reasonably require in respect of each sub-lease created.

The tenant and any underlessee of the tenant shall not use the property for any purpose other than the existing use and for the purpose of investigatory works, provided that a mortgagee in possession of the interest granted or a lawful assignee of the tenant's leasehold interest shall be entitled to use the property for the permitted use.

The tenant shall not permit the property to be vacant for any time. The landlord may waive (at its discretion but acting reasonably) this requirement if it is the opinion that the property will be occupied for the proposed use of the property (other than ancillary investigative works) by 31 December 2019.

Whilst the lease does not require the tenant to remediate the site, it does not appear to permit the tenant to develop the site.

The eastern and western halves are sublet to NTFC and WNC respectively each on a lease dated 13th April 2004 for a term of 150 years expiring in April 2154. The rent is a peppercorn and the lease terms are similar to the CDNL lease detailed above and equally restrictive.

The leasehold interests appear to be linked to a contract for the sale dated 13 September 2013 of the freehold land with vacant possession conditional on planning consent which would have seen the freehold title transferred to CDNL and would have allowed CDNL (as freeholder) to develop the property. The contract for the sale was, however, terminated by the freeholder and the freehold sale to CDNL did not proceed. The lease over the western part of the running track to NTFC would have remained in place as it is needed for operational purposes.

The main site is also subject to a Clawback Deed dated 11 April 2014 which entitles Homes England (formerly Homes and Communities Agency) to 50% of the increase in value of the proposed development above the value of the permitted use development of up to 300 dwellings for open market sale (Use Class C3), and up to 85,000 sq ft of net lettable area of retail floor space within Use Classes A1-A5 as defined in the Town and Country Planning Act (Use Classes) Order 1987, as amended, subject to a minimum value of £1.00.

It is our understanding of the above that the tenant is required to remediate the site to a standard suitable for a development of 300 dwellings and 85,000 sq ft of retail accommodation. This has been costed at £12,650,000 which includes the household waste recycling centre. Furthermore, the Household Waste Recycling Centre is subject to a long lease where vacant possession in order to complete the remediation works cannot be secured other than by way of negotiation. The Household Waste Recycling Centre is let to Northamptonshire County Council (now vested in WNC) for a term of 125 years commencing 1 February 1994 at a rent of one peppercorn.

The tenure is complex and whilst we believe the above is consistent with your solicitors report on title it would be prudent to ask your solicitors to review the above to ensure our interpretation is correct.

Contracted Rental Income

£0 per annum (two peppercorns)

7. STATUTORY ENQUIRIES

Town Planning

The Property lies within an area administered by West Northamptonshire Council. We attach at Appendix 1 a detailed planning report with the site appearing to provide scope for mixed use development which reflects current and emerging policy.

The land in the past was subject to an outline planning application to include single storey retail buildings (13,380 sq m), single storey building for use within Classes A3, A4 and A5 (695 sq m) with associated car parking areas, petrol filling station, residential development of up to 255 units comprising of two-three storey townhouses and four storey apartment blocks. The application also included the proposed extension at first floor level of the existing West Stand to form a conference centre together with a linked four storey up to 100 bedroom hotel, landscaping and open space. The application was submitted in 2014 and has not been decided.

Planning policy is not definitive and whilst appearing to favour employment use development, which also appears most suitable to the location, in accordance with your instructions we have viability tested a mix of uses including residential, retail and industrial.

We understand the Property is not Listed, and is not within a Conservation Area.

We are not aware of any outstanding Enforcement Notices.

Business Rates

We have made informal enquiries only and have not been able to identify any Rating assessments in respect of the subject property.

8. MARKET CONDITIONS

Market Commentary

General Economic Comment

We attach at Appendix 2 a copy of our current Economic and Macro Property Market Commentary.

Commercial Investment Market Commentary

According to the LSH UKIT Q3 report £13.5bn of assets changed hands in Q3, 2% above the five year quarterly average, but marginally below Q2's £13.9bn. Q3 volume was, however, flattered by two major portfolio transactions, with the number of deals in the quarter falling 9% below trend and the lowest since Q4 2020.

Global demand for industrial assets remains unabated, with Q3 volume of £3.8bn being the second strongest quarter on record behind Q4 2020. Distribution warehouses continue to dominate with volume of £2.8bn underpinned by Blackstone's £1.7bn major sale and leaseback acquisition of the Asda Portfolio, by a distance the largest ever industrial deal.

Activity in the multi-let arena was also strong, nevertheless, most notably in the South East segment, where Q3 volume of £447 million was 43% above the five year quarterly average. However Q3's largest multi-let deal was in the Rest of UK segment, namely Pictet Alternative's £132m (NIY 5.86%) acquisition of the Titan Portfolio from AEW.

Renewed interest in relatively high yielding retail assets continued at pace, with Q3 retail volume of £1.7bn, 8% above trend and fuelled by a resurgence of demand for retail warehousing. Impressive volume of £787m included INVESCO Real Estate's £84m acquisition of the Fort Shopping Park, Birmingham (NIY 6.41%); and British Land's £82m (6% NIY) purchase of Thurrock Shopping Park.

£758m of shops changed hands in Q3, almost double that seen in Q2 and boosted by the £227m (3.29% NIY) acquisition of 48-50 New Bond Street, London W1. Meanwhile, however, shopping centre investment remained subdued, with only a handful of deals transacted in Q3.

While uncertainty surrounds the office sector in the wake of the pandemic, office volume of £4.2bn was robust in the circumstances standing only 13% below average. Central London office volume was £2.9bn being only 8% below trend, fuelled by ten deals over £100m.

Regional offices was the best performing office segment against trend, however, with Q3 volume of £798m the strongest in two years, underpinned by Regional REIT's £236m (7.50% NIY) acquisition of a portfolio of 31 regional office assets from Squarestone. Whilst office parks volume of £330m was below par, it continued to reflect strong interest in science and technology parks, with such assets accounting for more than 80% of Q3's total. Headline deals included Blackstone's £135m site acquisition for the planned Cambridge International Technology Park and British Land's £75m (4.15% NIY) purchase of Beta House Technology Park, Cambridge.

Despite recent difficulties faced by international students around travel restrictions, student accommodation volume rebounded by 57% from Q2 to reach £1.3bn, the third highest on record. This was underpinned by several portfolio deals, most notably Scape Student Living's major £969m portfolio purchase of 11 sites from GCP Student Living.

Reflecting a flight to quality, the All Property average transaction yield moved in sharply in Q3, falling 50bps to 5.14%, its lowest level since Q3 2007. While inward movement was seen across each of the core sectors, the fall was driven by activity in the industrial sector, where the average yield moved in by 53bps to a record low of 4.03%.

Elsewhere, reflecting the strength of appetite for science and technology backed assets, the average yield for office parks moved in by a substantial 178bps during Q3 to an all time low of 4.66%, while the average yield for retail warehouses moved in by 115bps to standard 7.34%.

The retail warehouse transaction yield movement was mirrored in notional pricing, with prime yields for open A1 covenants hardening by 75bps alone in Q3 to 6%. Prime yields remained stable elsewhere in the market albeit sentiment indicates continued downward pressure on industrial yields.

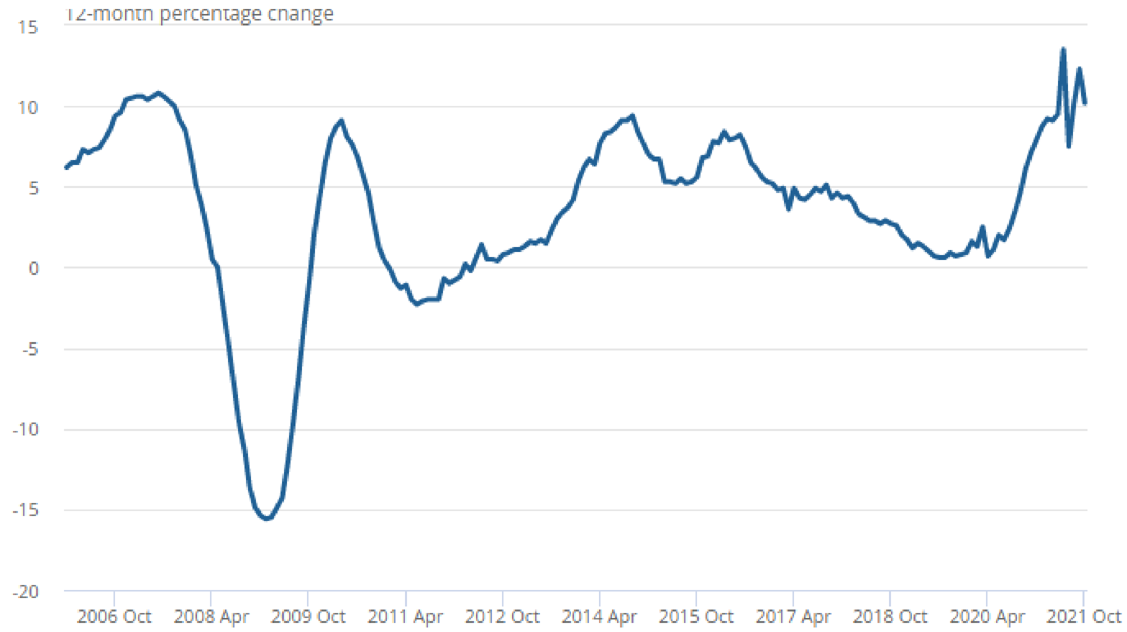
Residential Market Commentary

Record levels of activity in the housing market in 2021 has been driven by low interest rates and the stamp duty holiday. There has been a particular surge in demand from buyers seeking more space and trading up to larger properties. According to Zoopla the number of buyers looking for a house has more than doubled and UK Finance data shows a 93% increase in mover mortgages.

According to Nationwide house prices rose by 0.9% in November, putting annual growth at 10%. The majority of English regions recorded slowing growth, including London which also saw the lowest regional price growth at 4.2% in the year to Q3. While growth is gradually slowing, the supply/demand imbalance is expected to keep growth positive.

Figure 1: October 2021 saw UK house price growth slow to 10.2%

Annual house price rates of change for all dwellings, UK: January 2006 to October 2021



The end of the stamp duty holiday had brought with it a dip in activity, with UK mortgage approvals in October 4% lower than the 2017-19 average for the month, according to the Bank of England. Completed transactions also dipped below their pre-pandemic average. But new sales agreed are still running at elevated levels according to TwentyCi, suggesting the year end is likely to be busier than usual. Sales are up considerably over the year; so far in 2021, residential transactions averaged around 135,000 per month, levels not seen since before the global financial crisis.

The average UK rent increased 4.6% over the year to September, according to Zoopla. Rents have increased most the South West (12%) and least in London, still 4% down on last year. However, the capital saw rental growth of 2% between August and September.

There is still significant momentum left to run in the market. According to Zoopla, 22% of people currently want to move, much higher than the normal level of 5%. However, over the course of 2022 households will find an increase in the cost of living, tax rises, and a likely rise in mortgage rates will begin to affect affordability. As a result, it is expected that activity will steady off in 2022. However, whilst transactions will be lower than 2021, it is expected they will still be above average.

There are some developments which are currently on the market including:

Hunsbury Grange

Hunsbury Grange is a development by Shelbourne Estates located approximately 1 mile to the west of the property. It forms part of a larger area of development formed of multiple different schemes.

The development provides a mix of 2, 3, 4 and 5-bedroom homes all finished to a high specification.

We are aware of the following availability at this scheme:

Property Type	SQFT	Asking Price	Price per SQFT
Dursley 4-bedroom semi-detached	934	£314,750	£337
Tidworth 3-bedroom detached house	902	£319,750	£354
Chessington 3-bedroom semi-detached	1,158	£344,750	£298
Bredhurst 4-bedroom detached	1,172	£405,750	£346
Cadley 4-bedroom detached	1,358	£444,750	£328
Willingham 4-bedroom detached	1,424	£474,750	£333
Addlestone 4-bedroom detached	1,469	£484,750	£330
Harbury 4-bedroom detached	1,462	£494,750	£338
Wimbourne 4-bedroom detached	1,796	£599,750	£334
Hartfield 5-bedroom detached	2,239	£649,750	£290
Average			£329

MyResi Upton Square

MyResi Upton Square is a development by Metropolitan Thames Valley located 0.6 miles to the west of the property. It forms part of a larger area of development formed of multiple different schemes. The development provides market housing, shared ownership purchase options and rental properties.

This development provides 1, 2, 3 and 4-bedroom properties including apartments.
This development is currently being marketed. We are aware of the current availability at this development:

Property Type	Asking Price
1-bedroom apartment	£165,000
4-bedroom house	£285,000

We are also aware of the following developments in the area:

St Michael's Park

St Michael's Park is a development by Morris Homes located approximately one mile from the subject. The development comprises 2, 3, 4 and 5-bedroom homes.

We are aware of the following availability at this scheme:

Property Type	SQFT	Asking Price	Price per SQFT
Abbey 2-bedroom apartment	659	£199,750	£303
Kensington 2-bedroom apartment	668	£199,750	£299
Broxton 4-bedroom detached	1,101	£384,750	£349
Moreton 4-bedroom detached	1,330	£419,750	£316
Cranleigh 4-bedroom detached	1,358	£425,750	£314
Warwick 4-bedroom detached	1,424	£459,750	£323
Abingdon 4-bedroom detached	1,469	£464,750	£316
Average			£317

Dragonfly Meadows

Dragonfly Meadows is a development by Taylor Wimpey located 2 miles south of the subject property. This is a large development which provides a mix of 2, 3, 4 and 5-bedroom homes. This development has been recently completed and proved popular, having now sold out.

We are aware of the following recent sales at this development:

Address	Sale Date	SQFT	Sale Price	Price per SQFT
50 Dragonfly Way Northampton	20 March 2020	1,765	£412,000	£233
35 Mayfly Road Northampton	21 August 2020	1,087	£282,000	£259
37 Mayfly Road Northampton	18 June 2020	1,173	£295,000	£251
39 Mayfly Road Northampton	28 February 2020	1,173	£295,000	£251
60 Mayfly Road Northampton	01 September 2020	1,216	£345,000	£284
66 Mayfly Road Northampton	24 July 2020	1,216	£347,000	£285
68 Mayfly Road Northampton	13 March 2020	1,216	£345,000	£284
70 Mayfly Road Northampton	24 July 2020	1,507	£425,000	£282
72 Mayfly Road Northampton	30 July 2020	1,345	£385,000	£286
74 Mayfly Road Northampton	31 July 2020	1,345	£385,000	£286
76 Mayfly Road Northampton	31 July 2020	1,507	£445,000	£295
78 Mayfly Road Northampton	27 March 2020	1,087	£285,000	£262
80 Mayfly Road Northampton	30 March 2020	1,345	£385,000	£286
82 Mayfly Road Northampton	01 April 2020	1,765	£465,000	£263

84 Mayfly Road Northampton	27 March 2020	1,507	£440,000	£292
86 Mayfly Road Northampton	13 March 2020	915	£294,000	£321
88 Mayfly Road Northampton	27 February 2020	1,109	£315,000	£284
96 Mayfly Road Northampton	01 April 2020	1,173	£280,000	£239
5 Damselfly Road Northampton	07 May 2020	893	£133,250	£149
8 Hawker Way Northampton	18 February 2020	797	£139,750	£175
26 Emperor Crescent Northampton	28 February 2020	1,345	£380,000	£282
29 Emperor Crescent Northampton	31 January 2020	1,087	£280,000	£258
3 Green Drake Way Northampton	14 August 2020	1,076	£310,000	£288
Average				**£265**

Retail Warehouse

UK retail warehousing, despite its association with the struggling High Street sector, continues to outperform other retail segments despite the rise of online retailing and Covid-19.

Many additional retail park tenants have delivered stronger resilient results despite the pandemic, in stark contrast to many High Street retailers. Lidl, B&M, Home Bargains, Aldi and M&S alone have taken in excess of 3,000,000 sq ft of new space between them in 2020. The growth in click and collect as a consumer preference has been widely sighted as a key driver of revenues and tenants are recognising that retail parks are the best way to fulfil this service.

The better performance of retail parks can be attributed to the essential nature of out-of-town operators, dominated by supermarkets and DIY stores, and to the layout of these out of town lots. While only 27% of retail was allowed to remain open under Government lockdown measures, 61% of retail warehousing floor space was designated as essential. In addition, the retail park is well suited to the post pandemic world. The convenience of car parking, open air nature and ample room makes social distancing easier, allowing footfall to recover.

While Covid-19 uncertainty persists, restrictions will remain in place through much of the first half of the year, forecasts suggests that the UK economy should see a strong rebound in economic growth by the end of 2021, further strengthening during 2022. Strong performers are supermarkets, discounters, homeware and DIY, sportswear and fast-food operators.

There is a move towards more flexible lease terms, which has resulted from tenants having an increased leverage in lease negotiations. The traditional 5 to 10 year term certain is making way for 1 to 3 year commitments or leases with rolling break options. Tenants have an increased focus on affordability and greater reliance on turnover based rents.

The UK has had little choice but to become a nation of online shoppers during the Covid-19 pandemic. The sales figures for ecommerce retailers and delivery companies that can bring goods straight to the door are a testament to the new normal we have come to accept over the best part of a year.

The shift to online has been a long time coming and the pandemic has accelerated that trend and with it the latest demise of a High Street presence for our biggest brands like Debenhams and Topshop.

Retailers suffered their worst annual sales performance on record in 2020, driven by slump in demand for fashion and homeware products, figures show.

A recent report from the Centre for Retail Research (CRR) said that 2020 was the worst for High Street job losses in more than 25 years, as the coronavirus accelerated the move towards online shopping.

Nearly 180,000 retail jobs were lost last year, up by almost a quarter from 2019, the CRR said.

Many shops are closing every day on Britain's main streets. These closures have not been exclusive to smaller retailers, as major retail players have also struggled; including House of Fraser, Mothercare, Marks & Spencer, Debenhams and Poundworld.

Many of these companies have been forced to use CVAs to try and restructure their business, which include rent reductions and store closures, or ceased trading altogether.

For retail and leisure, the fallout from COVID-19 will hasten change and consolidation, with the list of retailers announcing job cuts continuing to grow. However, government support and major reforms in planning have the potential to promote change for the better. For many retailers, the lockdown was the final straw in their bid for survival.

The disruption from COVID-19 is has altered the traditional status quo between landlords and tenants. Landlords are adapting to the more challenging climate for occupiers with an increased offering of turnover-based leases, which are commonplace in the USA and Europe. Major landlords, including The Crown Estate, L&G and Capco announced restructuring of lease terms, including offering turnover-based rents to assist current tenants and boost occupancy.

This sharing of risk and reward between tenants and landlords will provide significant levels of relief for retailers and hospitality operators. The increased adoption of turnover-based rents may well embed itself into the UK retail landscape and become the new normal for commercial retail leases.

The introduction of new planning use classes, predominantly Class E which incorporates former use classes A1/2/3 and B2, seeks to ensure that traditional retail units can be more easily repurposed to accommodate a range of purposes, a move which should aid the regeneration of town centres and local high streets.

Northampton, the county town of Northamptonshire, was designated a New Town in 1968 and maintained this status until the Development Corporation was wound up in 1985. The total population within the Northampton Primary Retail Market Area is estimated at 282,000 at end 2019, similar to the Sub Regional Weak Town average.

Northampton is projected to see above average growth in population within its Retail Market Area over the period 2019-2024.

Northampton's Enterprise Zone covers the Northampton Waterside area, stretching from Sixfields to Brackmills, following the line of the River Nene; the area has become a focus for investment in sustainable construction, low carbon technology, advanced technologies and high performance/precision engineering.

Employment in private sector services accounts for 61% of total employment in Northampton, slightly above the Retail PROMIS average; specifically, professional & business services and finance sectors together account for a close to average 12.5% of total employment, while retailing and leisure account for 23.8% of total employment, around the Retail PROMIS average. The public sector accounts for 19.0% of total employment in Northampton, around the Retail PROMIS average.

Along with other East Midlands centres, Northampton has long been associated with shoe manufacture; Barkers Shoes and Crockett & Jones are still based in the town. Engineering continues to be an important source of employment, despite considerable rationalisation over recent years. Cosworth Racing and Bearward Engineering are major employers within the town; Mercedes Benz is also based in nearby Brixworth. Other important manufacturing employers include Carlsberg, Weetabix and KAB seating.

Northampton has emerged as a key distribution location, due to the town's position between London and the Midlands, and its proximity to the M1. Yusen Logistics, Norbert Dentressangle, Knights of Old, Gem Logistics, Wincanton and Eddie Stobart are just a few of the many logistics companies that have operations in Northamptonshire.

Major retailers such as Tesco and Sainsbury's also have a presence. In 2018, Sainsbury's opened a second distribution centre adjacent to its existing site, which is thought to have created around 400 new jobs.

The retail offer in Northampton town centre is largely mainstream and the number of national multiples is slightly below average for a Sub Regional Weak Town. The town has a somewhat dated Debenhams' department store on The Drapery and a large Primark store anchors the Grosvenor Centre. Despite uncertainty surrounding Debenhams nationally, we understand that the store will continue trading in Northampton for the time being.

Retail warehouse supply was estimated at 1,010,000 sq ft, ranking the town 37 of the PROMIS Centres. Overall, provision per household of retail warehousing floorspace is above the PROMIS average, although this varies across key goods categories. Some goods categories are over-represented in terms of provision per household, particularly Other Bulky, Other High St, and Electrical. In contrast, DIY is under-represented in terms of provision per household.

Around 54% of total retail warehousing floorspace in the Northampton area is on retail parks, close to the Retail PROMIS average.

The main location for retail warehousing in the area is Towcester Road, just south of Northampton town centre. Two large retail parks - **St James' Retail Park** and **Nene Valley Retail Park** - occupy adjacent sites here. Towcester Road is one of Northampton's main arterial roads and both of these parks are relatively accessible and visible.

Nene Valley Retail Park provides 145,000 sq ft of retail warehousing and whilst the park benefits from open A1 planning consent, most tenants are bulky goods retailers, such as Pets at Home, ScS, Smyths Toys, Dreams, Dunelm and Currys/PC World.

St James' Retail Park provides nearly 170,000 sq ft of retail warehousing. Tenants are mainly bulky goods retailers and include The Range, HomeSense, DW Sports Fitness, DFS and AHF Furnishings.

To the south-east of Northampton, just off the A45 by-pass near Great Billing, is the highly visible and accessible **Riverside Retail Park**. An initial bulky goods restriction was subsequently relaxed and the park now accommodates a number of non bulky goods tenants such as Boots, Wilko, Next and Sports Direct; there are also Pizza Hut, KFC, Subway and McDonalds restaurants within the park.

Sixfields Retail Park is located to the west of the town, at the junction of Weedon Road and Upton Way. This prominent site is adjacent to the town's by-pass and close to a Sainsbury's superstore. Sixfields Retail Park is relatively small, but has open A1 consent and occupiers include Boots, Next and M&S Foodhall.

Also to the west of the town, but just outside the central area, is **Beckett Retail Park**, which is accessed from St James Mill Road. Occupiers on the park include Majestic Wine Warehouse and Bensons for Beds.

At the time of the 2020 audit, there were sixteen vacancies on retail and leisure parks in the Northampton area, many of which were at Sol Central leisure development on the edge of the town centre. Most of these vacancies were long term, having also been vacant at the time of the previous audit.

Market conditions in the retail park sector have continued to deteriorate, with corporate failures and store rationalisation programmes affecting occupier demand. This has resulted in a dearth of rental evidence and, whilst many agent sources report rental decline, the rate and extent of this decline is often difficult to quantify for individual parks. This is particularly true in the context of the Covid-19 crisis.

Riverside Retail Park at Great Billing, still achieves the prime retail warehouse rents in the Northampton area, where the tone of rent for the park stood at £29-£31 psf according to agents in 2020.

The retail market is clearly struggling and understandably transactional evidence is very limited with the more dated transactions not reflecting the significant falls in value as a consequence of both the pandemic and wider structural issues affecting the sector.

Closer to Northampton itself, The Range took a large 30,000 sq ft store at St James Retail Park at £14 per sq ft in April 2019.

We understand that Wren Kitchens have agreed to take a vacant unit at Nene Valley Retail Park at £20 per sq ft; the store opened in August 2020.

A letting to Costa Coffee at St Peter's Way Retail Park achieved £26 psf in May 2018, with 12 months rent free.

In terms of investment sales we are aware of the following:

Cambridge Retail Park, Newmarket Road, Cambridge	INITIAL YIELD 6.00%
	High profile retail park with tenants that include Boots, Argos, Sports Direct, Currys PC World, Homebase, SCS, Sofology, Dunelm, Lidl, Halfords, Starbucks, Furniture Village, Nandos, The Gym, Pizza Hut with a WAULT to break of 5.3 years acquired by Railpen in December 2020 for £96,000,000 reflecting a net initial yield of 6.00%.
Templars Shopping Park, Oxford	**INITIAL YIELD 7.25%**
	Retail park extending to 142,352 sq ft with tenants that include Pets at Home, DW, Poundland, Sainsbury's, Costa, Pure Gym, Halfords, Shoe Zone, The Works, JD Sports, Asda Living, Matalan and TK Maxx with a WAULT of 6.2 years to break sold in December 2020 for £45,000,000 reflecting a net initial yield of 7.25%. The average rent is £25.48 per sq ft.
New Hall Hey Retail Park, Rossendale	**INITIAL YIELD 7.65%**
	Retail park extending to 80,000 sq ft with tenants that include Aldi, Home Bargains, Iceland, Pets at Home and Marks & Spencer foodhall with a WAULT of 8.5 years to break and an average rent of £14.55 per sq ft. The retail park sold in January 2021 for £14,250,000 reflecting a net initial yield of 7.65%.
Droitwich Spa Retail Park, Kidderminster Road, Droitwich, WR9 9AY	**INITIAL YIELD 7.95%**
	Out of town retail park extending to 26,887 sqft comprising two units let to B&M and Pets at Home sold in December 2020 to Alternative Income REIT. The property was purchased for £4,750,000 reflecting a net initial yield of 7.95%. The property was producing an income of £403,654 per annum with a WAULT to expiry of 7 years.

Abbey Retail Park, Alvechurch Highway, Redditch, B97 6RF	INITIAL YIELD 7.50%

Out of town retail park extending to 40,090 sqft comprising two units let to B&M and Argos sold in December 2020 for £7,500,000 reflecting a net initial yield of 7.50%. The property was producing an annual income of £605,000 at the time of sale with a WAULT to expiry of 7.8 years.

Bromsgrove Retail Park, Birmingham Road, B61 0DD	INITIAL YIELD 6.20%

Out of town retail park extending to 53,892 sqft comprising five units let to Home Bargains, Food Warehouse, Lidl, Pure Gym and Greggs sold in December 2020 to Staffordshire County Council Pension Fund. The sale price was £13,000,000 reflecting a net initial yield of 6.20%. The property was producing an annual income of £861,782 at the time of sale with a WAULT of 15.7 years to expiry and 10.9 years to break.

Templars Shopping Park, 129 Pound Way, Oxford OX4 3XH	INITIAL YIELD 7.25%

Out of town retail park extending to 142,352 sqft comprising 14 units let to Pets at Home, DW, Poundland, Sainsburys, Costa, Pure Gym, Halfords, Shoe Zone, The Works, JD Sports, Asda Living, Matalan and TK Maxx sold in December 2020 to Federated Hermes. The sale price was £45,000,000 reflecting a net initial yield of 7.25%. The property was producing an annual income of £3,626,518 at the time of sale with a WAULT of 7.1 years to expiry and 6.2 years to break.

St Peters Retail Park, Lichfield Street, Burton upon Trent, DE14 3RH	INITIAL YIELD 8.60%

Out of town retail park extending to 41,732 sqft comprising three units let to Halfords, Pets at Home and Dunelm sold in December 2020 to Brydell Partners. The sale price was £5,500,000 reflecting a net initial yield of 8.60%. The property was producing an annual income of £507,274 at the time of sale with a WAULT of 4.9 years to expiry.

Industrial Commentary

East Midlands take-up reached 10.7m sq ft in 2020, down 15% on the all-time high of 2019. Nonetheless, it was still one the strongest years on record, and the East Midlands retained its status as the most active region of the UK. Take-up in the XL segment fell by 33% to 6.2m sq ft, but this remained the dominant part of the market, accounting for 59% of total activity.

There was a shift in demand as built to suit deals, which drove the market in 2019, declined by 50% to 3.8m sq ft. Conversely, the take-up of speculative new-build and refurbished units nearly trebled, to 4.9m sq ft. However, the largest deals of the year were build-to-suit projects, with Aldi taking 1.3m sq ft at Interlink South, Bardon, and Royal Mail pre-leasing 800,000 sq ft at DIRFT III, Daventry. Meanwhile, DHL completed two separate deals at SEGRO Logistics Park East Midlands Gateway, for 694,000 sq ft and 192,000 sq ft.

East Midlands Availability increased by 11% to 11.8m sq ft, the highest level since 2012. The main driver of this was a jump in the availability of secondhand XL units, which increased fivefold to 3.4m sq ft.

Secondhand units coming back to the market included Rockingham 528 in Corby (528,000 sq ft), available on a lease assignment; and 1400 Magna Park, Lutterworth (425,000 sq ft), vacated by furniture retailer Harvey's, which went into administration last year.

Major new developments include GLP's Magna Park South, where four speculatively developed units totalling more than 1.25m sq ft were completed in December 2020. One 99,000 sq ft unit was leased prior to completion, while three others of 126,000 sq ft, 300,000 sq ft and 746,000 sq ft are available for occupation. The last of these is the largest warehouse currently on the market in the UK.

Reflecting the strength of demand, rental growth was recorded across the East Midlands in 2020. Prime rents for 50,000 sq ft units saw double-digit growth in Rugby/Daventry, rising by 11% to £7.50 per sq ft; and in Wellingborough/Kettering/Corby, with a 13% increase to £6.75 per sq ft. Strong growth was also seen in Northampton, up 7% to £7.50 per sq ft; and Derby, up 8% to £6.50 per sq ft. Further rental increases are anticipated across most markets in 2021.

The A14 and A43 markets in Northamptonshire continue to attract demand from occupiers and investors seeking value outside of prime M1 locations. SEGRO's 1.2m sq ft Kettering Gateway is under development, with 230,000 sq ft already pre-let to Bunzl and Clipper rumoured to be in advanced discussions for a further pre-let. Ceva took BSH's former DC1 unit at Prologis Park Kettering (425,000 sq ft), providing confidence for construction to start on two new speculative units at the park. Further speculative development is underway at Arrow 248 on Midlands Logistics Park, while St Modwen are constructing two units in Wellingborough in Q1 2021.

It appears that concerns around Covid-19 and Brexit have not suppressed demand, and consumers in the UK have fundamentally changed the way they shop. The rise in e-commerce due to the pandemic is likely to have a lasting effect. This has altered the logistics expansion plans of retailers and accelerated their needs, pushing them to take readily available space. With supply struggling to cope it is anticipated the industrial and logistic sector will continue to out perform the other property sectors.

Due largely to its excellent motorway links, Northampton has performed well as a distribution location and as such has attracted a large number of major employers. Many third-party logistics firms have chosen to locate within the town; key employers include Royal Mail, Dachser and Dalepak who all occupy sizable distribution facilities.

However, in less positive news, Debenhams announced plans to close their Lodge Farm distribution centre in 2017 and the site, which was run by DHL and employed over 200 people, closed in 2019. In further bad news for the town, Coca-Cola shut its Northampton distribution centre in 2019, which had been operational since 1993.

Almost 60 people lost their jobs at the site, which primarily acted as a storage location for goods manufactured at the nearby Milton Keynes factory. The Milton Keynes manufacturing site has also ceased operations as part of ongoing cost cuts and productivity improvements. Some more positive news for the Northampton market has seen employment growth coming from two logistics operators in 2020. James & James Fulfilment committed to a new distribution unit, resulting in the creation of around 200 roles over 2021-2023.

Additionally, Cygnia Logistics expanded their presence in the market with two distribution units that saw them increase their employment demands by 250 jobs from 2020.

Despite seeing job cuts in the aftermath of the Global Financial Crisis, Northampton also remains a popular location for retailing firms. The Swan Valley area in particular has emerged as an important location for large retailers who run their own logistics operations, with major firms such as Pets at Home, The White Company and Sainsbury's choosing the area. In 2018, a 325,000 sq ft distribution centre completed for Sainsbury's at Prologis Park Pineham. The unit is used as the supermarket giant's dedicated national frozen food distribution facility and around 500 new jobs were thought to have been created.

Northampton also plays host to a number of manufacturing firms who have distribution locations in the town. Notable examples include Siemens and BMW.

Demand in Northampton is primarily driven by the take up of Logistics space (units over 100,000 sq ft) from a plethora of firms within the retailing and 3PL sectors. Take up of this nature over 2020 was relatively healthy, recording a number of Logistics deals of around 200,000 sq ft to specialist Logistics operators. James & James committed to Liberty 196 at Brackmills Industrial Estate after a deal for the same unit fell through towards the latter end of 2019. It is understood that the firm are planning to create mezzanine space in 2021 which will triple the operational capacity of the unit. In addition, Cygnia Logistics also let two units of a similar size in the market. The first of these was a 197,000 sq ft unit at Brackmills, with the latter being a slightly larger unit of 211,000 sq ft at Prologis Park Pineham. An additional deal was recorded in Q4 2020 at the speculatively developed G-Park, where Whistle took the 155,300 sq ft Unit 3.

The Swan Valley area is home to a number of major national firms, who have large distribution centres in the park. Pets at Home, Morrisons and the Royal Mail all have space in the area. Most recently, The White Company joined the retailers in the area by taking a lease on a unit previously occupied by Blacks Leisure. Further development has also been seen in the area, in 2012 construction firm Neptunus completed a 107,200 sq ft purpose build on Cob Drive.

Furthermore, in 2019, Aviva Investors undertook the speculative development of a high quality 58,000 sq ft warehouse, Odette 58, which completed that year and was subsequently let in 2020 to home appliance manufacturer Fisher and Paykel.

Reflecting Northampton's desirability as a location for distribution and logistics occupiers, the pipeline is dominated by permissions for the large scale development of distribution units. In early 2021, work got underway on preparatory infrastructure at SEGRO Logistics Park Northampton Gateway. The proposed scheme will aim to deliver nearly 5 million sq ft of Logistics space organised around a Strategic Rail Freight Interchange (SRFI). The first warehouse plots are projected to be ready for development in late 2021.

Industrial Rental Comparable Evidence

Northampton Distribution Centre, Lodge Way, Northampton	£7.00 PER SQFT
	A new lease was granted in July 2020 for an industrial unit extending to 49,443 sqft. The new lease is for a term of 10 years at an annual rent of £346,101 which reflects £7 per sqft. The lease also provides for a break option at the fifth anniversary of the term. Fairly dated industrial premises well-located on an established regional industrial location.

Unit 4 (Gp86), Cheaney Drive, Northampton, Grange Park, NN4	£7.56 PER SQFT

Brand new distribution warehouse extending to 86,000 sq ft let in July 2021 on a 15 year lease at a reported rent of £650,000 per annum equating to £7.56 per sq ft.

Brackmills Industrial Estate, Redbourn Park, Liliput Road, Northampton, NN4 7DT	£7.50 PER SQFT

Warehouse extending to 40,751 sq ft let in June 2021 on a 10 year lease at a reported rent equating to £7.50 per sq ft.

Unit 25, Westgate Industrial Estate, Saddleback Road, Northampton, NN5 5HL	£6.95 PER SQFT

A new lease was granted in June 2020 for an industrial unit extending to 7,910 sqft. The new lease was granted at a rent of £55,000 per annum which reflects £6.95 per sqft.
Secondary industrial unit located on an established industrial estate.

2 Mansard Close, Westgate Industrial Estate, Northampton, NN5 5DL	£7.49 PER SQFT

A new lease was granted in October 2020 for an industrial unit extending to 24,024 sqft. The new lease was granted at a rent of £180,000 per annum which reflects £7.49 per sqft.
This is a modern property which is located in an established location with quick access to the M1 motorway and provides a secure yard.

Queens Park Industrial Estate, Studland Road, Northampton	£6.76 PER SQFT

A new lease was granted in February 2021 for a traditional industrial unit which extends to 13,305 sqft. The new lease was granted on an FRI basis at a rent of £90,000 per annum.
This is a semi-detached secondary industrial unit located on a sought after industrial park with strong transport links.

24 Millbrook Close, St James Mill Business Park, Northampton,	£9.17 PER SQFT

A new lease was granted in December 2020 for a trade counter unit which extends to 3,272 sqft. The new lease was granted for a term of 5 years at a rent of £30,000 per annum which reflects £9.17 per sqft.
The unit provides reasonably modern trade counter accommodation on a well-located business park.

Unit 7, St James Trade Park, Northampton, NN5 5JW	£10.00 PER SQFT

A new lease was granted in January 2021 for a trade counter industrial unit which extends to 4,376 sqft. The new lease will run for a term of 10 years and was granted at an annual rent of £43,760.
This is a modern trade counter unit located at an established trade park.

Investment transactions that we are aware of include the following:

Vespa Point, Prologis Park Coventry	INITIAL YIELD 5.31%

Distribution warehouse extending to 60,247 sq ft sold in June 2020 for £7,395,000 reflecting a net initial yield of 5.31% and a capital value of £123 per sq ft.

The property was let to Network Rail with an unexpired term of 10 years with 5 years to break.

Good quality warehouse let to a strong covenant for 5 years term certain.

Unit 20, Warth Park, Raunds, Wellingborough	INITIAL YIELD 4.84%

Distribution warehouse extending to 82,565 sq ft built in 2004, let to CCL Label Ltd trading as Avery until 17 March 2030 at a rent of £476,589 per annum. Sold in November 2020 for £9,225,000 reflecting a net initial yield of 4.84%.

Larger older warehouse let to a strong tenant for approximately 9.25 years.

Dunlop Systems, Prologis Park Coventry	INITIAL YIELD 5.18%

Distribution warehouse extending to 61,191 sq ft sold in March 2021 for £6,855,000 reflecting a net initial yield of 5.18% and a capital value of £112 per sq ft.

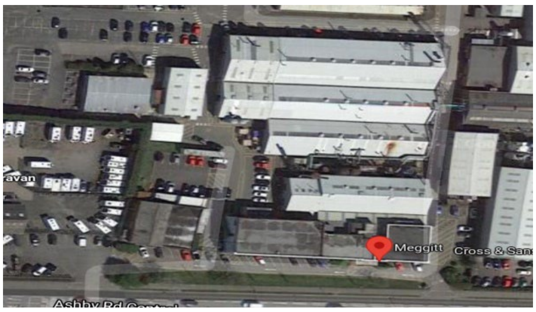
The property was let to Dunlop Systems & Components Limited with an unexpired term of 3.4 years.

101 Stonebridge Cross, Droitwich	INITIAL YIELD 4.95%

The property was sold in February 2021 for £5,400,000 reflecting a net initial yield of 4.95% rising to 5.51% in April.

Distribution warehouse extending to 57,491 sq ft let to Spire Healthcare until April 2026. The rent will increase to £5.46 per sq ft in April 2021 with the yield increasing to 5.51%

Ashby Road, Shepshed, Loughborough	INITIAL YIELD 4.50%



The property was sold in November 2021 for £12,000,000 reflecting a net initial yield of 4.50%.

The property was acquired by way of sale and leaseback and is let to Meggitt Aerospace Ltd, with a guarantee from Meggitt International Holdings Ltd for a term of 20 years subject to five yearly reviews geared to RPI with an annual collar and cap at 1% and 3% per annum compounded.

The site extends to approximately 6.1 acres providing a total of 98,868 sq ft across four main buildings situated within "the Golden Triangle' and within one mile of junction 23 of the M1. The cities of Nottingham and Leicester, both dominant economic centres for the East Midlands region are 19 miles north and 13 miles south.

Brackmills Trade Park, Northampton	INITIAL YIELD 3.81%

The property was sold in June 2021 for £15,580,000 reflecting a net initial yield of 3.81%.

The property comprises a modern trade park completed in 2017 totalling 66,317 sq.ft. Tenants on the estate include Greggs, Screwfix, Howden Joinery, Topps Tiles and Belgrade Insulations.

The passing rental at the time of sale was £633,110 per annum with a WAULT to break of 7 years and WAULT to expiry of 10 years.

Lodge Way Industrial Estate, Northampton	INITIAL YIELD 5.84%

The property was sold in January 2021 for £5,220,000 reflecting a net initial yield of 5.84%.

A single let industrial warehouse extending to 49,443 sq ft which has recently undergone a full refurbishment and is let to Transglobal Freight Management Ltd for a term of 10 years with a tenant break option in year 5.

Walkers warehouse, Bursom Industrial Estate, Leicester	INITIAL YIELD 5%

Sold in June 2021 for £12.1M reflecting a NIY of 5% or £99 per sq ft. This comprises a 1990's built warehouse let to Walkers Crisps for a term certain of 10 years. The passing rent reflected approximately £5.25 per sq ft.

Whilst there has been limited transactional activity prime logistics land values in Northampton are estimated at approximately £1,000,000 per acre.

Just to the south of the subject property sites 2A and 2B Edgar Mobbs Way were sold in sold unconditionally in 2020 for £1,652,000 with a restriction on use to B1, &/or B2 &/or B8 Use Class. The site is made up of two parcels of land sold jointly by NHS Property Services Ltd and the Homes England. The site extends to circa 2.05 hectares (5.13 acres) excluding adopted highway which totals 0.27 Ha (0.60 acres) with a net developable area of 2.5 acres excluding land in Flood Zones 2 and 3. Based on the net developable area of 2.5 acres the purchase price equates to £660,800 per acre. The land was subject to an annual licence with the football club for matchday parking. We are not aware of any abnormal ground constraints but the market has improved since the date of the transaction.

Whilst now somewhat historic in November 2019, a 37 acre development site on Towcester Road, Northampton was purchased for £14,210,000, reflecting a figure of c. £385,000 per acre.

Further afield Chancerygate acquired a 6.35-acre site in Colwick, Nottingham in November 2021 to speculatively build an industrial scheme. The purchase price was £3.755 million equating to £591,339 per acre

Firethorn Trust acquired a 21.16 acre site on Kingston Park in Peterborough from O&H Properties Ltd in February 2021. Firethorn will be developing a circa 500,000 sq ft logistics park at the site. The scheme is reported to have a GDV of £60m with the first units scheduled to complete in Summer 2022. Third party news sources reported that no planning application was submitted prior to sale of the land. However, the Kingston Park South land parcel is covered by the original 1993 Hampton consent and 2019 Local Plan (Strategic Employment Allocation/General Employment Area). The purchase price remains confidential but is understand to be in the region of £570,000 per acre.

Kettering Business Park, Kettering – 4 acres sold in August 2019 at £425,000 per acre.

Stanton Cross, Wellingborough – 13.3 acres net developable area recently sold in Q4 2020 to St Modwen at a price reflecting £413,713 per acre.

We are aware of a number of recent an on-going land transactions in the wider West Midlands where land values close to and in excess of £1m per acre are being achieved for prime sites. Earlier in 2021 a former Toys R Us distribution warehouse in Coventry on Richardson Way on a site extending to 17.26 hectares (42.65 acres) was reported to have been sold to logistics developer Bericote for £60 million equating to approximately £1.4m per acre gross. Plans have now been submitted for the development of three new distribution warehouses.

9. VALUATION COMMENTARY

Location

The property comprises a significant development opportunity situated adjacent to Sixfields Stadium with surrounding uses that in addition to the football stadium include the Sixfields leisure development where occupiers such as Cineworld, Nuffield Health, KFC, McDonalds, Bella Italia, Fire Jacks and Taco Bell.

The town centre is approximately 2 miles to the east with convenient access to the M1 motorway at Junctions 15A and 16 via the A5076/A5123 and A500 respectively.

The site sits adjacent to the football ground with industrial uses to the east and leisure uses and a household waste recycling centre to the north. Whilst the site's location could support out of town retail, it appears best suited for industrial/distribution warehouse development where the current market is very strong.

Property

The property comprises a substantial development opportunity extending to approximately 8.25 hectares (20.41 acres). The property is owned freehold by West Northamptonshire Council (WNC) subject to four long leasehold interests to County Developments (Northampton) Limited (CDNL), Northampton Town Football Club (NTFC) and WNC together with a Homes England Clawback Deed (main site only).

The former running track extends to approximately 1.843 hectares (4.554 acres). The remainder of the site, subject to a separate lease, extends to 6.407 hectares (15.856 acres).

The site essentially comprises three distinct parts consisting of the former running track, the lower plateau fronting Edgar Mobbs Way and the upper plateau accessed of Walter Tull Way.

The lower plateau includes a fairly large embankment reducing the net developable area and the running track itself is at a lower level to the remainder of the lower plateau although we have assumed this will be addressed through the proposed enabling works.

Lease Terms

The freehold title is subject to four long leases at peppercorn rents.

The leases of the running track do not appear to permit development and the site can only be used for sports use including athletics. The western part of the title now accommodates a part built stand serving the football club.

In respect of the remainder of the site the tenant, CDNL, is required to undertake substantial enabling and remediation works and if these works aren't completed by April 2024 the freeholder will be able to terminate the lease. Due to the leasehold title and costs associated with the enabling works and with securing vacant possession of the Household Waste Recycling Centre we do not consider completing the works in accordance the lease to be viable. We understand that after having sought legal advice WNC are confident that they will be able to exercise the break option and take control of the site although this is likely to be resisted by the tenant and is not without risk.

The Council has been approached by CDNL who wishes to acquire the freehold title. A rival offer has also been received from Cill Dara Group Holdings Limited.

Asset Management Initiatives

Owned freehold but subject to long leases. Vacant possession of the main site cannot be secured until April 2024 on the basis that the tenant does not complete the remediation works with the lease of the smaller part of the site expiring 2163. The potential for grant funding to assist in the funding of the remediation works should also be explored. For the avoidance of doubt our valuation does not reflect any grant funding.

A provisional agreement has been reached for the sale of the Freehold to the long leaseholder who would be the most obvious purchaser, however the property is also subject to a competing offer from a third party developer.

Marketing Programme

The property has not been openly marketed.

Proposed Purchase Price

The Council has been approached by the long leaseholder who wishes to acquire the freehold title and we have been advised that an offer of £890,000 has been received, slightly in excess of our opinion of value.

We are aware that an offer of £2,050,000 was received from Cill Dara Group Holdings Limited as a best and final offer before submitting an unconditional offer of £2,050,000 after the bid deadline.

SWOT

We consider strengths, weaknesses, opportunities and threats of the Property at the date of Valuation to be:

Strengths	Well located next to Sixfields stadium with good road links
	Substantial site that appears well suited to employment use development
	Current strength of the industrial / logistics market
Weaknesses	Significant abnormal development constraints
	Subject to four long leases with a complex tenure
	Ability to secure vacant possession in 2024 is not without risk and likely to be contested by CDNL in the event of which significant legal fees and delays are likely to be incurred
	Subject to a Homes England Clawback Deed in respect of the main site
Opportunities	Dispose of the freehold interest to enable redevelopment
	Exercise the break option in 2024 and secure vacant possession over the main site
	Explore the potential sale to Cill Dara at a higher premium
	Continue to explore alternative uses
Threats	Rising construction costs and labour shortages and potential for unforeseen abnormal constraints
	Failure to exercise 2024 break option and uncertainty in respect of Homes England Clawback Deed
	Continued disruption from Covid-19

10. VALUATIONS AND VALUATION METHODOLOGY

Market Value

Taking into account the transactions set out within this report, for valuation purposes we have adopted the market approach or direct comparable method of valuation which provides an indication of value by comparing the Property with other similar properties for which price information is available. We have adjusted these comparables to reflect differences in age, size, condition, location and any other relevant factors.

Options Appraisals

Our development appraisals of the five development scenarios are attached as Appendix 6 to this report. In undertaking our appraisals we have relied upon the cost estimates, which are inclusive of contingency and professional fees, together with the following appraisal assumptions:

Gross Development Value	Residential – £270 per sq ft Trade Counter / Industrial – Average rent of £9 per sq ft capitalised off a yield of 5.5% Larger Distribution Warehouse – Rent of £7.25 per sq ft capitalised off a yield of 5%. Smaller Distribution Warehouse – Rent of £7.25 per sq ft capitalised off a yield of 5%. Retail – Rent of £15 per sq ft capitalised off a yield of 8%.
Rent Free Incentives	Trade Counter / Industrial – 6 months Larger Distribution Warehouse – 12 months Smaller Distribution Warehouse – 9 months Retail – 24 months
Purchaser's Costs	6.8%
Development Period	Lead-in period – 18 months to secure planning and undertake enabling works Construction programme Residential – 56 months Trade Counter / Industrial – 12 months Distribution Warehouse – 12 months Retail – 24 months Letting Period Trade Counter / Industrial – 6 months Distribution Warehouse – 6 months Retail – 12 months Sales Period Residential – 56 months commencing after 12 months of construction programme Trade Counter / Industrial – on practical completion Distribution Warehouse – on practical completion Retail – on practical completion
Site Enabling Works	Options 1, 2, 3 & 5 - £10,030,000 Option 4 - £12,650,000
Building Costs	As per cost plan
Contingency	Included in construction cost estimate
Professional Fees	7%-8% included in construction cost estimate
CIL	Residential - £65.23 per sq m Retail - £130.47 per sq m

Marketing Costs	Residential – 1% of GDV Commercial - £20,000 - £50,000
Letting Costs	Agents fees 15% Legal fees 5%
Disposal Costs	Agents fees 1% Legal fees 0.5%
Finance Costs	6% interest

Our target rate of developer's profit varies depending on the risk profile of each development scenario. Our target rate of return, together with the residual land value for each development scenario is detailed below:

Option	Profit	Residual Land Value
Option 1	20% on GDV	(£20,615,099)
Option 2	12.5% on GDV	(£23,017,024)
Option 3	12.5% on GDV	(£16,855,982)
Option 4	15% on GDV	(£28,958,101)
Option 5	20% on GDV	(£23,468,859)

We have also undertaken a sensitivity analysis attached to the rear of our development appraisals based on movements in construction cost of up to 15%, movements in rent of up to £0.50 per sq ft and movements in yield of up to 0.50%.

Our residential appraisals assume 100% market homes with no affordable housing or Section 106 contributions, the inclusion of which will further negatively impact the viability position.

In addition the leases do not appear to permit development with the leases arguably too short from a development perspective and the Clawback Deed will need addressing.

The tenure is complex with the added complication of a Clawback Deed. Whilst a substantial opportunity this is clearly a challenging development site with significant abnormal development constraints. All 5 development scenarios demonstrate significant viability deficits.

The industrial / trade counter scheme with the inclusion of larger distribution warehouses generates the smallest deficit and this sits comfortably with current market sentiment. We also consider the location to be most suited to employment use development which is also supported by planning policy.

Notwithstanding the fact that our appraisals are demonstrating significant viability deficits industrial appraisals are always difficult align to with land transactions and values established by transactional evidence. Developers will value engineer and deliver buildings at significant cost savings and build in growth when forecasting receipts. The industrial market is very popular with fierce competition for sites which continues to drive values. Even for more challenging sites developer interest remains strong and developers are aware that they will need to bid at a certain level driven by land comparable transactions in order to be competitive.

As previously explained prime industrial land values within Northampton are considered to be circa £1,000,000 per acre for locations close to the M1 motorway with values falling off slightly moving into Northampton.

The net developable area of the site is approximately 7.23 hectares (17.88 acres). There are abnormal remediation/enabling works estimated at £10,910,000 together with abnormal costs in respect of foundations and external works totalling £5,155,000 in respect of the most viable Option 3. The costs have been adjusted on a pro-rata basis in respect of the car park to the north of Walter Tull Way.

Adopting a land value of £900,000 per acre produces a gross value of £16,092,000 which after deducting the abnormal development costs of £16,065,000 generates a positive land value of £27,000.

It is also possible that the costs of the enabling works could be reduced for an employment use scheme although intrusive site investigations would be required to provide greater certainty in this regard. As previously explained developers will value engineer all aspects of a development scheme and should a saving of 20% be achieved on the enabling works, which isn't considered inconceivable, then this would increase the land value to £2,209,000 The potential availability of grant funding should also be explored.

We can't explicitly allocate the cost saving which could only be achieved through a value engineering exercise as further due diligence, which is likely to involve further intrusive site investigations, and ultimately a competitive tender process for the works, is required.

The enabling works relate to highways works, remediation and earth works which will be required for all options and in the absence of further due diligence it is difficult to differentiate between the uses. The Structural Engineering Feasibility Report from Axiom Structures confirmed that there was a moderate to high risk of ground gases which required further testing, but without physical investigations they advised that gas membranes and ventilation systems with suspended slabs to ground floors in both residential and all industrial buildings should be allowed for at this stage.

Therefore based on current information all enabling works would be required for all options.

It should also be noted that we are experiencing significant construction inflation which has now accelerated from materials into labour and transport costs. This could increase over the coming months.

Given the complexities and variables associated with a development of this nature, and the value engineering that can be undertaken by developers, it is not unreasonable for any disposal to contain an overage provision which can be linked to the implemented planning scheme and the actual costs of the development.

As indicated at £900,000 per acre and assuming a 20% saving on the abnormal development costs the site value of £2,209,000 equates to £123,546 per acre net. The property could potentially be used for open storage or car park type uses that wouldn't involve wholesale redevelopment and could generate a reasonable level of income and value. Whilst some works would be required, such as surfacing, fencing, and lighting rental values of £30,000 to £40,000 per acre per annum could be achievable for open storage uses. On this basis a value of £123,546 per acre doesn't appear unreasonable.

The above assumes merged freehold and leasehold titles which are currently in separate ownerships and subject to on-going discussions and gross of any costs associated with merging the titles. The above is also gross of any potential clawback payment to Homes England which as previously stated will need addressing.

The impact of the restrictive user clauses within the long leasehold titles and the presence of the break clause in April 2024 in the absence of the tenant undertaking the required remediation works are also very relevant and would factor heavily in any negotiations.

The Council has been approached by the CDNL who wishes to acquire the freehold title. The long leaseholder is the most obvious purchaser and avoids any potential legal dispute and will enable the long leaseholder to develop the site. It is likely that a sale to a third party could only be completed once vacant possession has been secured in April 2024 which may be challenged by the long leaseholder and result in a legal dispute.

WNC has a responsibility to act reasonably and in good faith. CDNL has indicated that they would defend their position in the event WNC seek to exercise the break option and believe they have reason to be confident. Such a legal process will take considerable time and incur substantial expense. Any agreement with CDNL will remove the risk of litigation around the break option which will result in delays and costs and in the event CDNL were successful in defending their position then the negative impact on the value of WNC's freehold interest would be significant.

The freehold interest in the former running track is subject three long leases all at a peppercorn rent and has a nominal value only. The site is occupied by NTFC and WNC with occupation reverting to CDNL in April 2154 until expiry of their lease in September 2163. The part held long leasehold by WNC extends to a net developable area of 2.367 acres which having regard to the restrictions on use etc. we have attributed a nominal value of £10,000 per acre to produce £23,670.

The remainder of the site has a net developable area of 14.27 acres and at £123,546 per acre the unencumbered freehold value is £1,763,001. Assuming 50% of this is payable to Homes England under the terms of the Clawback Deed this leaves £881,501.

Based on the legal advice to date WNC will be in a position to realise this value in approximately 2.5 years when they exercise the break option.

It is rare that a legal opinion does not carry any risk and CDNL has indicated that they would seek to defend their position. There is the risk that the break option could be deemed unenforceable and commercial judgement is necessary. Should the break pass then CDNL will control the site until April 2164 and WNC's position will naturally become considerably weaker. It therefore makes commercial sense to offer CDNL a premium to agree to a surrender and provide certainty.

If a payment of 25% of the £881,501 is made to CDNL as a surrender premium this produces a rounded Market Value of £660,000. This reflects a discount rate of approximately 12% over the 2.5 years until the break can be exercised which we consider to be reasonable having regard to the nature of the site and risk profile.

Combined with the value of £23,670 for the former running track this produces a total value of £683,670, rounded to £685,000.

We are of the opinion that the current **Market Value** of the freehold interest of Land at Sixfields, Northampton, as at the 21st December 2021, subject to the leases detailed herein, for disposal purposes, is:

£685,000
(Six Hundred and Eighty Five Thousand Pounds)

We consider 12 months to exchange of contracts is a realistic period required to achieve this value.

Synergistic/Marriage Value

Whilst the above reflects the Market Value of the land if offered to the market, the land provides development potential for the adjacent owner, in acquiring the freehold interest.

At £900,000 per acre and assuming a 20% saving on the abnormal development costs the site value of £2,209,000 equates to £123,546 per acre net.

The developable area of the running track after allowing for the football stand and ancillary areas to the rear is approximately 3.61 acres. At £123,546 per acre a value of £446,001 is produced on an unencumbered freehold basis. The leases do not appear to permit development and the site can only be used for sports use including athletics so only has a very nominal value. The freehold is subject to a long lease at a peppercorn rent. The running track is not subject to the Homes England Clawback Deed.

The net developable area owned by NTFC is 1.243 acres after allowing for circulation space to the rear of the football stand with WNC owning the remaining 2.367 acres. If we adopt an existing use value of £10,000 per acre for the long leasehold interests this produces existing use values of £12,430 and £23,670 for the NTFC and WNC interests respectively. The CDNL leasehold interest essentially comprises a 9.5 year term commencing in April 2154 and the freehold interest generates a peppercorn income only. Accordingly we have attributed nil value to these interests. The Marriage Value is therefore £409,901.

Whilst it may be possible to sell and develop the various leasehold interest sensibly the value is driven from merging all three interests and creating an unencumbered, single freehold interest. Cooperation from all three owners is therefore required which split equally creates a Marriage Value share of £136,634 for each party. Combined with the above Market Value of £685,000 this produces a total premium of £821,634, rounded to £820,000.

It is rare that a legal opinion does not carry any risk and there is the risk that the break option could be deemed unenforceable. Should the break pass then CDNL will control the site until April 2164 and WNC's position will naturally become considerably weaker and lower value.

Assumptions

The following assumptions have been adopted in arriving at our opinions of value:

- That our understanding of the tenure position is correct and that West Northamptonshire Council will be able to exercise their break option in April 2024 and secure vacant possession of the main site.

11. ASSUMPTIONS, LIMITATIONS AND REGULATORY INFORMATION

Information

Any third party information supplied by the client, professional advisors, investigation agencies, Local Authorities, statutory bodies and other stated sources is accepted as being correct unless otherwise specified.

Development Proposals

For the purpose of this Report and Valuation we have assumed that any proposed works will be completed in accordance with the details provided, to a reasonable standard of workmanship and in accordance with relevant regulations.

Services

Unless otherwise stated we understand that all mains services are available to the property, including electricity, gas, water and mains drainage, although we have not made any enquiries of the respective service supply companies. We further assume that any of the services or associated controls or software are in working order and free from defect.

Condition

We have not carried out a building survey of the property as this was not within the scope of our instructions, nor have we inspected those parts of the property which are covered, unexposed or inaccessible, and for the purpose of this report, such parts have been assumed to be in good repair and condition.

We cannot express an opinion about, or advise upon the condition of un-inspected parts and this report should not be taken as making any implied representation or statement about such parts.

Further, we have not tested any of the drains or other services, and for the purpose of this valuation we have assumed that they are all operating satisfactorily and no allowances have been made for replacement or repair.

The property has been valued with due regard to its appropriate existing state of repair and condition, including reference to its age, nature of construction and functional obsolescence. We believe we have formed a general opinion of the state of repair of the property in so far as it is likely to affect our valuation.

It is assumed that normal periodic maintenance will be carried out to maintain the property in a state of repair fit for its present use.

It is assumed that the condition of the property at the date of valuation is identical to that found at the date of our inspection.

Plant and Machinery

Unless otherwise specified all items normally associated with the valuation of land and buildings are included in our valuations and reinstatement cost assessments (if provided), including:

Fixed space heating, domestic hot water systems, lighting and main services supplying these, sprinkler systems and associated equipment, water, electricity, gas and steam circuits not serving industrial or commercial premises, substation buildings, lifts and permanent structures including crane rails where forming an integral part of the building structure, fixed demountable partitions, suspended ceilings, carpets, drains, sewers and sewerage plants not primarily concerned with treating trade effluent, air conditioning except where part of a computer installation or primarily serving plant or machinery.

Unless otherwise specified the following items are excluded:

All items of processed plant and machinery, tooling and other equipment not primarily serving the building, cranes, hoists, conveyors, elevators, structures which are ancillary to, or form part of an item of process plant and machinery, sewerage plants primarily concerned with treating trade effluent, air conditioning where part of a computer installation or primarily serving plant and machinery, and water, electricity, gas, steam, and compressed air supplies and circuits serving industrial and commercial processes.

Unless otherwise specified, no allowance is made for the cost of repairing any damage caused by the removal from the premises of items of plant and machinery, fixtures and fittings.

In the case of petrol filling stations, hotels and other properties normally sold and valued as operational entities, all items of equipment normally associated with such a property are assumed to be owned and are included within the valuation unless otherwise specified.

Defective Premises Act 1972

Liabilities or obligations or any rights there under, whether prospective or accrued are not reflected in valuations unless actually specified.

Asbestos and Deleterious Materials

This material was regularly used from 1960s to 1980s. The cost of maintenance, alteration and repair of any building where asbestos is present can be significantly increased because of the need to take appropriate precautions under The Control of Asbestos Regulations 2012 (amended February 2016). This in turn may impact value.

Under the terms of these Regulations a Dutyholder is required to manage asbestos in non-domestic premises. Typically, this encompasses a positive obligation to assess the likelihood of asbestos containing materials (ACMs) being present at the premises. This can be achieved either by reference to bona fide statements confirming that ACMs were not incorporated into the construction of the building, or by commissioning an asbestos survey. The results of that survey would then be interpreted, acted upon and recorded in an Asbestos Management Plan. For the purpose of our report, we have assumed that, unless indicated to the contrary, a survey would not disclose any evidence of asbestos or deleterious materials in the construction of the subject, in circumstances where it is likely to have an effect on health or safety.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious materials have been used in the construction of the property, or have since been incorporated and we are, therefore, unable to report that the property is free from risk in this respect. For the purpose of this valuation we have assumed that such investigation would not disclose the presence of any such material to any significant extent.

Composite Panel Cladding

If the property has composite panel cladding, this may have implications for insurance depending on the type of panelling used; this may have an adverse impact on value. Our valuations, unless otherwise stated, assumes that if appropriate for the type of property being valued and not already provided, the property would obtain an appropriate EWS 1 form.

Many insurance companies are now requesting confirmation from the building owner/insured as to whether composite panels have been used and if so what make they are and whether they are approved for use by the Loss Prevention Council (LPC), it being virtually impossible to tell from external inspection only.

Unless advised to the contrary and addressed within our report our valuation assumes that that there are no issues with the type and nature of the panelling utilised and that the building is fully insurable on standard commercial terms.

Contamination

Unless otherwise stated herein, we have not been instructed to commission a formal audit in respect of the subject site in relation to the potential presence of contamination. Furthermore, our brief enquiries have provided no evidence that there is a significant risk of contamination affecting the property or neighbouring property which would affect our valuation.

We have not carried out, nor are we qualified to carry out an Environmental Audit. Our comments herein are therefore merely a guide and should not be relied upon. If you require confirmation of the position, we strongly recommend that an initial Environmental Audit is carried out.

If we have been provided with third party reports, we have accepted them as being correct.

We have assumed that any/all necessary decontamination works have been undertaken at the subject in its current and/or permitted use to be legally undertaken without contravention of any existing contamination related statute.

A purchaser in the market might, in practice, undertake further investigations than those undertaken by us. If those further investigations were to reveal contamination, then this might reduce the value/s now reported.

Where property has been redeveloped we have assumed that any necessary de-contamination works required for the proposed redevelopment of the subject have been undertaken.

Contaminative Invasive Species

Unless otherwise informed we have assumed that there is no presence of any contaminative invasive species.

Ground Conditions

Unless otherwise stated, we have not been provided with a site investigation or geographical or geophysical survey. We have therefore assumed the ground has sufficient load bearing strength to support the existing structures (and/or any other structure which may be erected in the future) without exorbitant or excessive costs. It is further assumed that there are no underground minerals, archaeological remains etc which may have a detrimental impact on value.

For the purpose of this advice we have assumed that the ground conditions are satisfactory for a traditional method of construction. We have also assumed that there are no contaminating or other deleterious materials present which may prevent the development of the site in a traditional method or at normal cost levels. Furthermore, we have assumed that the site is capable of being serviced at a reasonable cost level, and that there would be no exorbitant or excessive off site costs relating to matters such as drainage, infrastructural adaptations etc.

If we have confirmed herein that the subject is located in an area of past mining activity, we recommend your solicitors instigate a mining search to comment upon the incidence of mining related settlement and location of mine shafts.

Flooding

Flood Risk - the Environment Agency website uses indicative Flood Plain maps to provide a general overview of areas of land in natural flood plains and therefore potentially at risk of flooding from rivers or sea. The maps use the best information currently available, based on historical flood records and geographical models and indicate where flooding from rivers, streams, water courses or the sea is possible.

The information relating to the likelihood of flooding is the Environment Agency's assessment of the likelihood of flooding from rivers and the sea at any particular location, based on the presence and effect of all flood defences, predicted floor levels, and ground levels. The probability or likelihood of flooding is described as the chance that a location will flood in any one year.

Drainage – surface water run off flooding, known as 'pluvial' flooding, at times of prolonged, exceptionally heavy downpours of rain, is becoming increasingly frequent given surrounding drains and sewers are not always able to cope. It can be made worse in urban areas where the ground consists mostly of hard surfaces, such that the rain flows straight off rather than soaking away. Rising groundwater levels resulting from heavier rainfall and reduces abstractions can also present problems.

Town Planning

We have made informal enquiries of the local planning and highway authorities and the information provided is assumed to be correct.

Unless otherwise stated, all planning information has been given via web based enquiries of the Local Planning Authority. In the absence of further information, we have assumed that the uses being carried out in each of the properties is an authorised planning use and that the buildings have been erected with full planning permission.

No formal search has been instigated and if reassurance is required we recommend that verification be obtained from your solicitors that the position is correctly stated in our report, that the property is not adversely affected by local authority proposals or requirements and that there are no outstanding statutory notices.

We have assumed that the properties and their value are unaffected by any matters which will be revealed by a local search and replies to the usual enquiries or by any statutory notice and that neither the properties nor their condition nor their present or intended uses are or will be unlawful.

We trust that your solicitors will check this information by taking out a local search and again, we would be pleased to advise further upon receipt of the confirmation of these details.

We have assumed that each property has full unconditional consent for the stated use and development described within.

For reference, following the Planning and Compulsory Purchase Act 2004, the old plan-making system is replaced by Local Development Frameworks (LDF). The LDF is not a single document or plan; rather, it is a suite of documents that combine to form the development plan for the area. A principal Strategy Document, sets the overall planning policy approach, which is supported by various Development Plan Documents (DPDs) for specific issues, such as site allocation.

Rating

For reference the empty property rates for vacant commercial premises are 100% of the basic occupied business rate, after initial void periods have elapsed. For most properties, excluding industrial, the void period is 3 months. For industrial properties, the void period is 6 months.

Unless otherwise stated we have not investigated whether the property is subject to any transitional relief or phasing and are unable to comment in this respect.

Health and Safety Legislation

Our valuation assumes that, in so far as is relevant to the subject, the property complies with the requirements of the Office Shops and Railway Premises Act 1963 as well as any superseding statute. The Act provides for securing the health, safety and welfare of persons employed to work in office or shop premises and those employed to work in certain railway premises.

Fire Legislation

As from 1 October 2006 the Regulatory Reform (Fire Safety) Order 2005 came into force in England and Wales. This is now supplemented by the Fire Safety Act 2021. Under these regulations, Fire Certificates are no longer issued and existing certificates have been superseded by Risk Assessments. A Risk Assessment is required for all non-domestic properties, as well as tenanted domestic properties, and is to be carried out by a 'Responsible Person' as defined within the Order. The findings of any risk assessment must be recorded in writing where more than five or more persons are employed or the premises are licensed or there is an alterations notice.

The smoke and Carbon Monoxide Alarm (England) Regulations 2015 came into effect from 1 October 2015 requiring that landlords of residential property must provide (a) a smoke alarm on each storey of the premises on which there is a room used wholly or partly as living accommodation and (b) a carbon monoxide alarm in any room of the premises which is used wholly or partly as living accommodation and contains a solid fuel burning combustion appliance. A landlord has a responsibility to insure that the detectors are checked and in proper working order. It is assumed that the property is compliant in regard to the above regulations.

General Legislation

For the purpose of this report, we have assumed that the property complies with current fire regulations, building regulation controls, employment regulations, defective premises and health and safety legislation.

Discrimination

The Equality Act 2010 and subsequent updates, makes it unlawful for service providers to treat disabled people less favourably because they are disabled (unless there is a clear and fair reason) in relation to their access to their place of employment or education; their access to goods, services and facilities (although note that where private clubs are concerned, only those with 25 or more members are required to be compliant with the Act) and their access to the functions of public bodies.

Employers, educators and service providers must all make *reasonable* adjustments for disabled people to be able to access and use property they have a right or need to visit; this is not restricted to physical access.

Where a temporary or permanent physical feature makes it impossible, or unreasonably difficult, for disabled customers to make use of a service or place of education or work, the provider has to take reasonable measures to remove the feature; alter it so that it no longer has that effect; provide a reasonable means of avoiding the feature; or, provide a reasonable alternative method of making the service available to disabled people.

The test of reasonableness is about what is practical in the service provider's individual situation; what resources they might have (and the amount of any resources already spent on making adjustments); whether taking any particular measures would be effective in overcoming a particular difficulty; the extent to which it is practicable for the service provider to take the measures; the extent of any disruption which taking the measures would cause.

For the purpose of this report and valuation we have assumed that the property complies with the relevant requirements of the Equality Act 2010 ('the Act').

Sustainability

Investor and occupational decisions are increasingly being informed by a range of sustainability related metrics that are beginning to be developed and that can provide measures of some aspects of a property's sustainability characteristics, for example Energy Performance Certificates (EPCs) and BREEAM. Furthermore, industry benchmarking of sustainability performance is becoming more common place.

Characteristics that may be considered are land use, design and configuration, construction materials and services, location and accessibility, fiscal and legislative considerations and management and leasing issues. If, at the date of valuation, the market does not differentiate (in terms of demand), between a building that displays strong sustainability credentials and one that does not, there will be no impact on value.

Energy Performance Certificates

EPCs contain information about the energy performance of a building.

To meet the current EU Energy Performance of Buildings Directive, EPCs must be produced by the 'relevant person' prior to marketing for property transactions including the sale, rent or construction of all buildings, whether residential or commercial, with the exception of places of worship, buildings less than 50 sq m, industrial sites, workshops and non-residential agricultural buildings that do not use a lot of energy, and temporary buildings.

The 'relevant person' will be the vendor or prospective landlord as appropriate; where a tenant wishes to assign or sub-let its interest and the premises have common heating or air-conditioning services, the landlord of those constituent parts becomes the 'relevant person'.

Local Authority Trading Standards Officers have powers to levy fines for non-compliance. EPCs are valid for 10 years from the date of production and can be reused as many times as required within that period, provided that changes have not occurred to the property relating to, for example, layout or refurbishment.

DECs (Display Energy Certificates) - Since 9 July 2015 public buildings in the UK over 250m2 must display a Display Energy Certificate (DEC) prominently at all times. The aim of the Energy Performance of Buildings Directive is for the public to receive energy information about a building they are visiting. The Certificate provides information of a similar nature to an EPC but is an advisory document and thus not registered in the same way as an EPC.

Rental properties – when renting a property (including sub-letting and assignment, but excluding lease renewals, extensions or surrenders) to a new tenant, landlords are required to produce an EPC to the tenant and a tenant cannot legally move into the property until an EPC has been produced. Landlords are not required to produce an EPC to an existing tenant or if an existing lease is renewed or for dwellings in multiple occupation.

Properties for sale - sellers must obtain an EPC prior to marketing and provide a hard copy to the purchaser on completion.

Any commercial building over 50 sq m, needs a Commercial EPC. A CEPC must have been commissioned and then handed over as soon as was practicable if not available at the date of marketing/sale.

Our valuations assume that EPCs would be provided on sale in accordance with the aforementioned legislation however **we recommend that this is clarified by your legal advisors**.

Tenure

Unless otherwise stated, we have not inspected any documents of title and for the purposes of this valuation we have assumed that the subject interest is unencumbered and free from any unduly onerous or unusual easements, restrictions, outgoings, covenants or rights of way and that it is not affected by any local authority proposals. We recommend that your solicitors be instructed to verify the position.

Tenant Status

Unless otherwise stated, we have assumed that there are no arrears of rent, service charge or other relevant payments, or undisclosed breaches of covenant.

Furthermore, unless otherwise confirmed herein, we have not made status enquiries of the tenant company/ies and have assumed that all financially sound and capable of meeting their rental and other responsibilities under the lease terms.

Disclosure of New Build Incentives

Following an agreement between the Council of Mortgage Lenders (CML), the Home Builders Federation (HBF) and Homes in Scotland, from 1 September 2008 the developer/builder or selling agent is required to complete a 'CML Disclosure of Incentives Form' for each sale of a newly built home, including newly converted property yet to be occupied for the first time. The form includes all details of the sale price and an incentive included in the selling package, and is to be supplied to the Valuer on request.

Taxation and Grants

Value Added tax, taxation, grants and allowances, are not included in capital and rental values as, unless otherwise specified in the report, they are always stated on a basis exclusive of any VAT liability even though VAT will in certain cases be payable.

It is assumed for the purposes of valuation that any potential purchaser is able to reclaim VAT, unless otherwise stated. In particular, it should be noted that where a valuation has been made on a Depreciated Replacement Cost basis the Replacement Cost adopted is net of VAT unless otherwise stated.

Unless otherwise specified Lambert Smith Hampton will not take into account of any existing or potential liabilities arising for capital gains or other taxation or tax reliefs as a result of grants or capital allowances, available to a purchaser of the property.

Market Value (MV)

We have prepared our valuation on the basis of Market Value (MV) which is defined in accordance with the Royal Institution of Chartered Surveyors' Valuation Guidance Standards – Global Standards ("Red Book Global"):

"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."

Fair Value

1. The estimated price for the transfer of an asset or liability between identified knowledge and willing parties that reflects the respective interests of those parties (IVS 2013).
2. The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date (IFRS 13).

Depreciated Replacement Cost (DRC)

The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolesce and optimisation.

Operational Entities

The RICS advises that the most appropriate basis of valuation of properties normally sold as operational entities is Market Value as defined above. Such properties include public houses, hotels, holiday parks and other leisure uses, together with nursing homes, residential care homes, private hospital and petrol filling stations.

Our valuations reflect the following:

a. The market's perception of trading potential with an assumed ability on the part of the purchaser to renew existing license, consents, registrations and permits;

b. That the property is offered with vacant possession throughout, although in the case of nursing and residential care homes, subject to the contractual rights of the patients/residents occupying the home from time to time;

c. That trade fixtures, fittings, furniture, furnishings and equipment are included.

Our valuations also specifically assume, unless otherwise specified that the business will continue to operate at a level not significantly worse than that indicated to us.

Existing Use Value

The estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its Market Value to differ from that needed to replace the remaining service potential at least cost.

Market Rent

We have prepared an additional valuation on the basis of Market Rent (MR which is defined in accordance with the Royal Institution of Chartered Surveyors' Valuation Guidance Standards – Global Standards ("Red Book Global"):

"The estimated amount for which an interest in *real property* should be leased on the *Valuation Date* between a willing lessor and willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

Further, no allowance is made for any costs of sale or any liability for taxation, including VAT, which may arise on disposal.

Insurance

Insurance is usually arranged by clients (or their brokers) based on reinstatement cost assessments or occasionally on an indemnity basis and other methods of valuation are not appropriate. Therefore, in situations where advice is provided for insurance purposes, our methodology will be on a Reinstatement Cost Assessment basis.

Reinstatement Cost Assessment

The replacement figure stated for fire insurance purposes is a 'Day One' valuation and is given solely as a guide which may have to be varied and should not therefore be regarded as a formal valuation for insurance purposes. If a formal valuation for fire insurance purposes is required by our Building Consultancy department will be able to undertake this on your behalf as a separate instruction.

It is assumed that the policy is on an indemnity basis with a fully operative reinstatement clause and no special conditions. We have assumed an instantaneous basis of value and have had no regard to any variation in building costs subsequent to the date of our estimate.

No provision is included for trade fixtures and fittings, occupiers fit out items, Value Added Tax, nor for loss of rent, extra costs of working or other consequential loss, local authority requirements and party wall works. Further, the figure excludes any land remediation and special contaminated waste costs However, the figure is inclusive of professional fees, demolition and site clearance and is based on a building cost index.

Following the outcome of the legal case Bartoline v Royal and Sun Alliance Insurance plc and another 2006, our assessment will not include for cost liabilities arising from any environmental consequences, contamination or pollution. We recommend that you consult your Insurers in respect of any specialist cover required.

A Reinstatement cost assessment is our opinion of the likely cost of reinstating all the buildings, on the basis that:

a. The accommodation provided will be similar in construction, design and area to the existing buildings;

b. The works will be in compliance with conditions imposed by local Authorities in connection with the construction of the building;

c. Unless reported separately, allowances are made to cover the cost of necessary demolition and site clearance prior to rebuilding, external works such as hard standing, private roadways and fences and professional fees which would normally be incurred.

Unless otherwise stated the reinstatement cost does not include any allowances for:

a. Any loss of rent incurred during rebuilding;

b. Planning restrictions which a planning authority might impose;

c. Special foundations required for plant and machinery or due to adverse ground conditions;

d. Any plant, machinery, equipment, tanks, loose tools, office furniture and equipment (refer to the heading "Plant, Machinery, Fixtures and Fittings" for details of items normally included);

e. Any effect of inflation on building costs occurring after the valuation date;

f. VAT (except on professional fees) which normally be payable in addition.

Apportionment of Value

Apportionments provided between buildings, land and plant and machinery are normally depreciation purposes only. In normal circumstances apportionments are not valuations and they should not be used for any other purpose unless specified in our report.

Future Useful Economic Life

Future useful economic life of buildings is normally assessed in bands of years, most frequently subject to a maximum of fifty years. This applies to freehold properties and to leasehold properties where the future life is less than the unexpired term of the lease. An average figure is usually provided for groups of buildings forming a single asset. The figures are appropriate for depreciation purposes only.

Compliance with Valuation Standards

Where applicable our valuations are defined in accordance with Royal Institution of Chartered Surveyors' Valuation Guidance Standards – Global Standards ("Red Book Global"), published by the Royal Institution of Chartered Surveyors ("RICS"), the Insurance Companies (Valuation of Assets) Regulations 1981, the Financial Conduct Authority (FCA) "Listing Rules" ("Source Book") and "City Code on Takeovers and Mergers" ("Blue Book") as amended and revised from time to time. Copies are available for inspection.

Total Valuation (Aggregation)

Where provided this is the aggregate of the value of each individual property. It is envisaged that properties would be marketed individually or in groups in a structured and planned basis over an appropriate period of time. If all properties were to be sold as a single lot, the realisation would not necessarily be the same as the total of the valuations. This assumption is not applicable to valuations made for taxation purposes.

Limitations and Liabilities

This Valuation Report is provided for the stated purpose and for the sole use of the named client. It is confidential to the client and their professional advisors and the Valuer accepts no responsibility whatsoever to any other person.

Neither the whole nor any part of this Valuation Report nor any reference hereto may be included in any published document, circular, or statement, or published in any way, without the Valuer's written approval of the form and context in which it may appear.

Such publication of, or reference to this valuation report may not be made unless it contains a sufficient contemporaneous reference to the Special Assumptions or departure(s) from the Royal Institution of Chartered Surveyors' Valuation Guidance Standards – Global Standards ("Red Book Global").

APPENDICES

APPENDIX 1: PLANNING REPORT

Sixfields Northampton Planning Report

NN5 5QA

Planning History:

Map Key	Reference	Address	Proposal	Decision
	N/2019/0410	Land to the north west and east of Sixfields Stadium, Edgar Mobbs Way	Siting of 2no containers, 2no generators and associated air conditioning equipment surrounded by 2.4-metre-high palisade fencing for use as a Data Centre (Use Class B8)	Approved 25/09/2019
	N/2019/0188	Site 1, Former Sixfields Autobreaks Tweed Road	Erection of a new depollution building, installation of new weighbridge, mobile storage containers/tanks, drainage infrastructure, 4.5 metre-high concrete panel wall and two storey office building (Part Retrospective)	Approved 15/03/2019
	N/2013/1048	Sixfields Stadium, Walter Tull Way	Part demolition of the East stand to provide addition of new seating terrace to increase seating capacity from 7653 to 10000, new conference and or banqueting hall with ancillary accommodation to include kitchen, service area and toilets, gymnasium and service core, office space, parking for 44 cars including 7 for disabled users, hard and soft landscaping area to include North and South piazza and provision of new access road off Edgar Mobbs Way.	Approved 28/11/2013
	N/2016/1511	Sixfields Stadium, Walter Tull Way	Erection of marquee at north stand car park	Approved 18/01/2017
	N/2014/0596	Land at Sixfields Stadium, Edgar Mobbs Way	Outline planning application for mixed use development of land adjacent to Sixfields Stadium to include single storey retail buildings (13,380sqm) single storey buildings for use within classes A3, A4 and A5 (695sqm) with associated car parking areas petrol filling station, residential development of up to 255 units comprising of 2-3 storey town houses and 4 storey apartment blocks. Extension at first floor level of the existing West stand to form a conference centre together with a linked 4 storey up to 100 bedroom hotel, landscaping and open space	In Progress

Northampton Borough Council Policy

Emerging West Northamptonshire Strategic Plan:

The West Northamptonshire Joint Planning Unit (JPU) is a partnership of Northampton Borough Council, Daventry District Council, South Northamptonshire Council, and Northamptonshire County Council.

The partner councils have now established a new Joint Planning and Infrastructure Board (JPIB) which will oversee the preparation of a new Strategic Plan for the West Northamptonshire area.

The new plan will follow on from the West Northamptonshire Joint Core Strategy, which needs updating to reflect revised national policies and changing local circumstances.

Current Planning Policy:

Most up to date:

- Northampton Local Plan Part 2
  > complement the JCS Local Plan Part 1
  > will replace Central Area Action Plan (2013) – site does not lie within this
  > It was submitted for examination on 4th February 2021 (Reg.22)

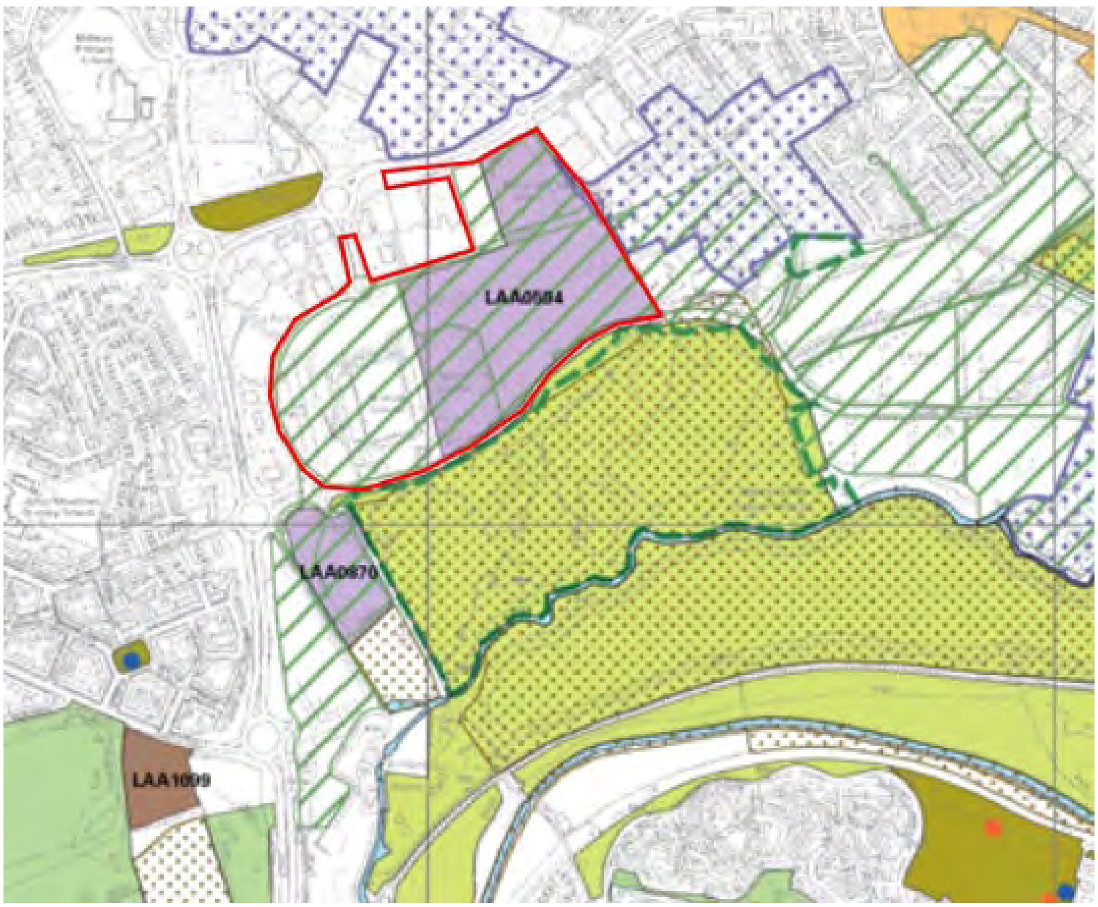
Submission Docs saved in folder:
NBC Local Plan Part 2 Submission Version – December 2020
Northampton Borough wide Policies Map

- Joint Core Strategy Local Plan Part 1
  > Doc
  > Review of policies

- Central Area Action Plan (2013)
  > will be replaced by Local Plan Part 2

-

Northampton Local Plan Part 2 Submission Version



Allocations on site:

Employment Allocation (Ref. LAA0594) – shaded purple on map above

Policy 18: Supporting New Employment Developments and Schemes Outside of Safeguarded Sites
To ensure a vibrant economy, proposals for new employment provision, outside of safeguarded employment sites, will be supported provided they meet the following criteria:

i. The site has been comprehensively assessed as being suitable for employment and the proposed uses and associated employment activities can be carried out without causing harm to residential amenity;
ii. The site can demonstrate good accessibility by walking, cycling and public transport

Policy 38: Development Allocations
Sites are allocated on the Policies Map for development. The Council will support developments and proposals on these allocated sites, provided that they meet the requirements set out in the development management policies within this Plan.

Ref. 0594 – Sixfields East in SAMLAA (June 2020)
> Deemed unsuitable for residential development, more suited to commercial uses.

Northampton Waterside Enterprise Zone – striped green on map above

The Enterprise Zone continues to provide opportunities for both new developments and expansion schemes.

Policy 17: Safeguarding Existing Employment Sites
- Safeguard all existing employment sites, including the Enterprise Zone, for employment use within the office, general industrial and warehousing and distribution sectors. Employment generating uses which are ancillary to/and or support the above employment sectors will also be supported if evidence associated with need is provided.
- Support the change of use to alternative non-employment-generating uses only if evidence can be provided to demonstrate that the existing use and other employment-generating uses are no longer viable. Evidence to be supplied includes details of marketing undertaken over a period of 6 - 12 months which shows that the site has been actively and extensively marketed for employment use and that no suitable interest has been expressed.

Allocations surrounding the site:

Area of Natural and Semi Natural Green Space – green on map above, neighbours site to the south

Policy 28: Providing Open Spaces
Natural and Semi Natural Green Space Planning Standards for New Development (doesn't specify just residential)
> 1.57ha per 1,000 population
> Maximum distance of provision from all parts of proposed development: 720m walk
> Reference Quality Standard to be Applied: NBC Assessment Framework

Local Wildlife Site (dotted brown on map above) / Local Nature Reserve (green dashed line on map above)

Policy 29: Supporting and Enhancing Biodiversity

1. Proposals will be expected to incorporate measures to enhance biodiversity within or around a development site, and to contribute to the consolidation the and development of local ecological networks, including beyond the borough's boundary.
2. Sites of local importance - Development affecting the Borough's Local Nature Reserves and Local Wildlife Sites will be expected to avoid causing adverse effects unless it can be demonstrated that the benefits of development clearly outweigh the harm.
3. All applicants are expected to assess the impacts of their proposals on biodiversity, including indirect impacts such as recreational activities, the cumulative impact of developments and any potential effects on functionally linked land to the respective site. Applicants will be required to undertake up to date, comprehensive ecological surveys in accordance with industry guidelines and standards.

Safeguarded Employment Areas to the east and north (see map above, purple dots)

Policy 17: Safeguarding Existing Employment Sites (see above)

Another allocated employment site to the south west of the site

Ref. 0870 – Sixfields Upton Way, also within the Enterprise Zone

Policy 18: Supporting New Employment Developments and Schemes Outside of Safeguarded Sites

Policy 38: Development Allocations

Northampton Local Plan Part 2 – General Policy on Housing / Employment

Chapter 7: Residential

West Northamptonshire Joint Core Strategy (JCS) established an OAN of 25,758 dwellings for Northampton between 2011-2029.

Policy S3 sets the housing requirement for Northampton Borough between 2011-2029 at about 18,870 dwellings. 7073 of these are set to be provided in SUEs allocated in the JCS.

By 1st April 2019 – 5,727 dwellings had been delivered, against a JCS requirement to allocate sufficient sites (allowing for windfall) to accommodate 8,157 new dwellings in Northampton by that time.
The number of dwellings delivered by 1st April 2019 falls some 2,430 units short of the delivery trajectory27 set out in the JCS

Delivery of housing at SUEs has been slow, and therefore not all housing allocated at SUEs will be completed by 1st April 2029.

Northampton's Five Year Housing Land Supply Assessment for April 2019 shows that Northampton has under delivered against the JCS target over the last five years, leading to concerns regarding the need for a 20% buffer to be added to the supply of deliverable sites.

However, first two Housing Delivery Tests concluded that Northampton Borough passed and therefore only needed a 5% buffer for the first 5 years.

An assessment of Northampton's five year housing land supply also confirmed that windfall sites of under 200 dwellings have the capacity to generate in the region of 300 dwellings per annum. This is a figure that has consistently been delivered over the last 10 years.

In formulating this local plan, the Council has undertaken a robust Land Availability Assessment. This detailed investigation concluded that the Council had sufficient supply to meet the requirement of about 18,870 net additional dwellings across the plan period to 2029.
> The housing assessment for Northampton Borough concluded that there is sufficient capacity to deliver 22,267 dwellings over the period 2011 to 2029 (this figure includes all planning approvals and commitments, a proportion of homes through the Sustainable Urban Extensions, windfalls and the housing capacity identified through the proposed Local Plan Part 2 developments) – JCS only requires delivery of 18,873 dwellings over the same period.

Annual Requirements
2019-2024 = 1,030 dwellings per year
2024/25 onwards = 1,609 dwellings per year

Policy 14 – Type and Mix of Housing
Mix
> Proposals for 10 or more new dwellings should demonstrate how the mix of tenure, type and size will reflect the Council's latest evidence for housing need and demand.
Self-build
> Sites of >100 dwellings should provide a proportion of serviced plots of land for self build
Specialist
> Council will support those that provide specialist accommodation that promotes independent living
> 4% of all new market dwellings and 8% affordable be constructed to Building Regulations Part M4(3) (Wheelchair user dwellings).

West Northamptonshire Joint Core Strategy Local Plan Part 1

> There was a review of its policies in December 2019, against the NPPF (2019) – comments made in this review are identified by each policy in blue.

Policies likely to be relevant:

Policy S1 – Distribution of Development
a) Development will be concentrated primarily in and adjoining the principal urban area of Northampton
In assessing the suitability of sites for development priority will be given to making best use of previously developed land and vacant and underused buildings in urban or other sustainable locations contributing to the achievement of a West Northamptonshire target of 30% of additional dwellings on previously developed land or through conversions

Policy S2 – Hierarchy of Centres
Northampton - Regional Town Centre

Policy S3 – Scale and Distribution of Housing Development

>Should continue to be used for the purposes of calculating 5 year land supply.

Provision will be made for about 42,620 net additional dwellings in the plan area during the plan period 2011-2029.

Northampton Borough to contribute most, at 18.870

Policy S4 – Northampton Related Development Area (the site lies within this)

Northampton's needs, both housing and employment, will be met primarily within Northampton's existing urban area and SUEs.

Policy S8 – Distribution of Jobs

1. Should be concentrated within the Principal Urban Area of Northampton through:

a) Renewal and regeneration of existing employment sites (Policy E1)

b) Industrial/mixed/office land within the Enterprise Zone

c) Industrial land

d) SUEs

Policy E1 – Existing Employment Areas

Site not allocated within JCS, but partly is within Local Plan Part 2.

Policy E2 – New Office Floorspace

Northampton:

Major office development (1000sqm gross or more) will be located in Northampton following a sequential approach comprising:

a) Sites allocated in the Northampton CAAP

b) Within town centre boundary

c) Edge of town centre

d) Other suitable office sites allocated in Northampton Related Development Area Local Plan 2 – east of site allocated (Ref. LAA0594)

Policy E3 – Technology Realm, SEMLEP Northampton Waterside Enterprise Zone

> The LPA will seek to negotiate a range of business unit sizes within the SEMLEP Northampton Waterside Enterprise Zone to enable and encourage the start-up and grow-on of businesses.

Policy H1 – Housing Density and Mix and Type of Dwellings

Housing developments must make the most effective use of land, considering:

a) location and setting of site

b) existing character and density of local area

c) accessibility to services and facilities

d) proximity to public transport routes

e) implications of density for affordability and viability

f) living conditions for future residents

g) impact on amenities of neighbouring properties

Policy H2 – Affordable Housing

> Proportions of AH remain valid, provisions likely to be reviewed as part of the West Northamptonshire Spatial Plan.

> Northampton Related Development Area – 35% AH on sites of 15 or more dwellings
> Should be an integral element of development, tenure should reflect local needs and demand
> Subject to viability

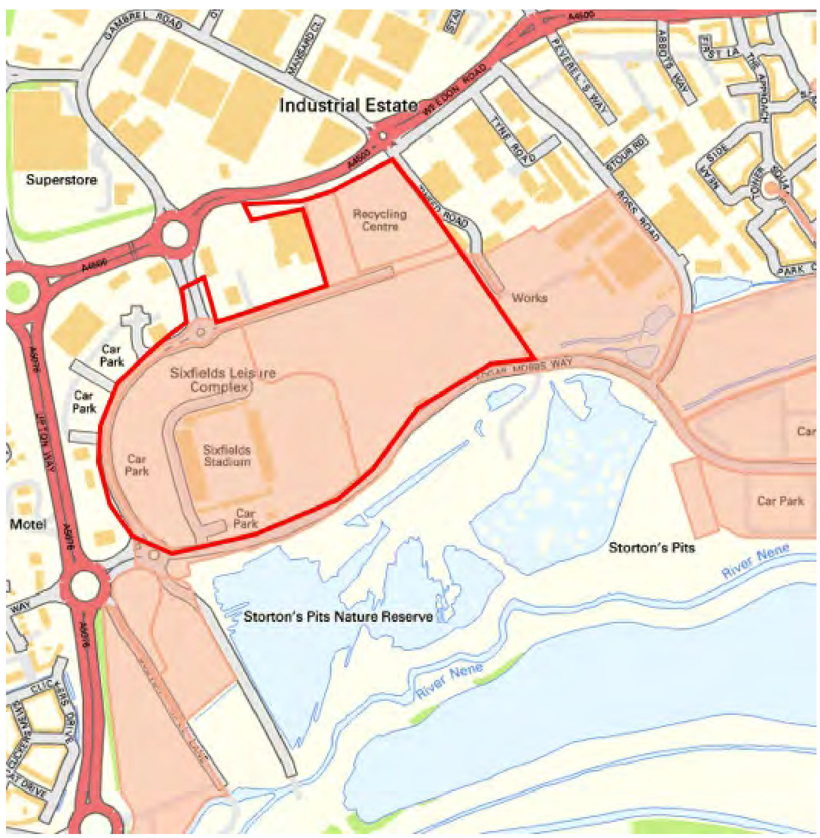
Policy BN1 – Green Infrastructure Connections
(Site is adjacent to River Nene corridor, as shown on habitat map below)
Green infrastructure corridors will be recognized for their important contribution for sense of place and conserved, managed and enhanced by:
1) incorporating into future development proposals
2) securing contributions from development

Policy BN2 – Biodiversity
> Development that has potential to harm sites of ecological importance will be subject to an ecological assessment and demonstrate how biodiversity would be conserved in construction and operation, how habitat conservation, enhancement and creation can be achieved through linking habitats, and how designated sites, protected species and priority habitats will be safeguarded.

Policy N1 – The Regeneration of Northampton
b) Housing development within the existing urban area through urban capacity infill and sustainable urban extensions.
c) Employment development by regeneration and redevelopment at existing employment sites and SEMLEP Northampton Waterside Enterprise Zone, with major office and service development focused on the central area. (See E1, E3)

Maps:

Enterprise Zone – peach
Site – red



Habitats:

Orange – Green Infrastructure Component Area B - Western Nene, Upton and Duston Mill
Green – Lowland Meadow Habitat Corridor
Red – site

Saved in Folder:

Parking Standards SPD (2019)

Planning Obligations Strategy SPD (2013)

PO1: General Approach to Planning Obligations
- Determined, taking into account viability, on a site by site basis

PO2: Thresholds for Providing Affordable Housing
- All developments of 15 dwellings or more are required to provide affordable housing at a minimum of 35%

PO4: Open space, Sport and Recreation (plus Appendix 1)
- For proposals of 15 dwellings or more, and determined to have an impact on existing provision, the deliver will be obligated to provide this either on site or elsewhere.

SITE NUMBER:		**LAA0594**
	SITE DETAILS	
Name of site	Sixfields East	
Site Address	Off Edgar Mobbs Way	
Parish Name	Not applicable	
Ward Name	St James	
Neighbourhood Forum	Not applicable	
Previously Developed Land	Yes	
Site Area	10.18 ha	
Yield	0	
Source of Submission	SHLAA2012	
Proposed Development	Employment	
Site availability (within 5 years/ 6-10 years/ 11-15 years)	Within 5 years	
Planning Status (eg planning approval/ development plan allocations)	N/2014/0664: Screening opinion request for up to 255 residential units, 3 retail buildings, a retail parade, hotel and extension to the west of the stadium N/2014/0696: Planning Committee resolved to approve in principle in December 2014 (mixed use incorporating single storey buildings for A3, A4. A5; petrol filling station, up to 255 dwellings and extension at first floor level of the existing west stand to form a conference centre together with a hotel	
Brownfield Register	Yes	
Site description and neighbouring uses	The site lies to the east of the football club, and is used as a training facility for the club. The northern section is currently used as a recycling centre	
Part vacant/ all vacant	No	
Land ownership (public/ private/ not known)	Public/ private	
General Heritage Matters	No	

Conservation Area	No
Listed Buildings (statutory)	No
Locally listed buildings	No
Tree Preservation Order	No
Scheduled Ancient Monuments	No
Registered Battlefields	No
Registered Parks and Gardens	No
Archaeology	Potential
Special Protection Area	No
Local Nature Reserve	Borders on to the Stortons Pits Local Nature Reserve
Local Wildlife Site	Borders on to a Local Wildlife Site
Open Space typology	No
Flooding	Flood Zone 1
Previous potentially contaminative use	Yes
Hazardous area	No
Public transport	Buses serve Weedon Road and Edgar Mobbs Way. The train station and Northgate Bus Station are location within 5km of the site
Strategic Highways Matters	Potential significant impact on the A43 and junction 15
Local Highways Matters	Potential significant impact on Edgar Mobbs Way, Weedon Road and the local network
Sustainability Appraisal	Significant positive effect likely on access to sustainable transport/ on economical growth and availability of jobs/ on renewable energy and greenhouse gas emission – sustainable transport/ on prioritise use of brownfield land Significant negative effect likely on avoid loss of greenfield land/ on avoid noise and odour and sterilisation of waste management sites Minor negative effect likely on proximity of designated sites/ on presence of brownfield land, derelict buildings and open space/ on flood risk from surface water/ on avoid land from instability

Local Plan Viability	The local plan viability assessment (Aspinall Verdi 2020) concluded that the policy for development allocations is viable
Any other observations	In the Enterprise Zone Issue of subsidence The site slopes quite steeply from north to south
RECOMMENDATION **Recommended for allocation for mixed use**	

LAA0594 - Sixfields East (area: 10.18 hectares)

APPENDIX 2: ECONOMIC AND MACRO PROPERTY MARKET COMMENTARY

UK MARKET MACRO

February 2022

LSH RESEARCH

UK ECONOMY & PROPERTY MARKET

Key economic indicators:

	Latest data	Capital Economics forecasts	
		2021	2022
GDP growth	1.0% (Q4 21)	7.5%	4.0%
CPI inflation	5.5% (Jan 22)	2.6%	6.0%
Unemployment rate	4.1% (Oct-Dec 21)	4.5%	4.0%

Omicron slows recovery

The Omicron wave caused the economic recovery to lose momentum towards the end of 2021, as consumers became cautious and firms were impacted by staff absences. Monthly GDP fell by 0.2% in December, due mainly to a 0.5% drop in services output. Across Q4 as a whole, growth was 1.0%, leaving quarterly GDP still 0.4% below the pre-pandemic peak. Annual GDP growth for 2021 was 7.5%, following a 9.4% decline in 2020.

Stronger growth as restrictions ease

Omicron continued to impact economic activity at the start of 2022, but the easing of COVID restrictions in all parts of the UK in late January has paved the way for stronger growth in the coming months. Timely indicators of activity, such as retail footfall and transport usage, started to recover by the middle of January, suggesting that December's fall in GDP will be quickly reversed. For 2022, consensus forecasts suggest that growth will be in the 4-5% range, with the main downside risk being the squeeze on household spending caused by high inflation.

Supply chain disruption may have peaked

The manufacturing and construction sectors were less affected by the Omicron wave than services, and Purchasing Managers Index (PMI) surveys indicate that both have seen output improve in early 2022. Some firms have reported an easing of supply delays, suggesting that the peak of the global supply chain crisis may have passed. Nonetheless, supply chains remain disrupted in the wake of the pandemic; and many analysts expect that the worst-hit industries will not fully return to normal until at least 2024. A potential conflict between Russia and Ukraine could create additional supply disruption, with these two countries being leading exporters of commodities, oil and gas.

Inflation to peak in April

CPI inflation rose to 5.5% in January 2022, the highest level since March 1992. While sharply rising energy prices have been a major driver of inflation over the last year, price increases have been broad-based; with items such as clothing, furniture and household goods all contributing to the increased cost of living. A further steep rise in inflation is expected in April, when household fuel bills will be impacted by a 54% increase in the Ofgem energy price cap.

Capital Economics forecasts that inflation will peak at close to 8% in April, but that it will subsequently fall back as the impact of high oil and gas prices fades. Nonetheless, inflation is set to remain significantly above the Bank of England's 2% target well into 2023. A conflict in Ukraine, which would be likely to push up oil and gas prices, is among the risks that could cause inflation to remain higher for longer than currently expected.

Base rate hikes ahead

Inflation concerns prompted the Bank's Monetary Policy Committee to increase the base rate by 25 basis points at both its December and February meetings, bringing it to 0.5%. Further increases appear to be inevitable in the coming months, with many analysts expecting that the base rate will end the year at 1.25%. Four of the MPC's nine members voted for an increase to 0.75% at its February meeting, suggesting that rate hikes may come sooner rather than later.

Labour market still tightening

The labour market has continued to tighten, with unemployment dropping to 4.1% in October-December 2021, down from a peak of 5.2% a year earlier. Job vacancies reached a record high of 1.3m in the three months to January 2022, albeit the rate at which vacancies are increasing has slowed following some very steep rises in 2021. The redundancy rate has resumed its downward trend after rising slightly around the end of the furlough scheme last September; dropping to a record low of 2.6 per thousand employees.

Despite the strength of the labour market, average real wages have fallen in recent months. Annual growth in average weekly earnings (excluding bonuses) was 4.3% in the three months to December; but this represented a 0.8% fall in real terms as inflation soared. Nonetheless, the risk of a wage-price spiral, fuelled by the tight labour market, is among the key concerns that will inform the Bank of England's upcoming interest rate decisions.

Retail sales rebound from Omicron

Retail sales volumes rebounded by 1.9% in January, after a fall of 4.0% in December, suggesting that the hit to activity caused by Omicron was relatively mild and short-lived. Footfall data indicates that retail activity has further strengthened in February, as consumers gain confidence following the end of Plan B COVID restrictions. However, the rising cost of living could increasingly impact retail sales as the year progresses. The online share of retail sales fell to 25.3% in January, its lowest level since March 2020; continuing a broad downward trend from a peak of 36.5% in February 2021.

Investment market ends 2021 with a bang

The UK property investment market ended 2021 on a high note, with £17.3bn of assets changing hands in Q4, making it the strongest quarter since Q2 2015. Annual volume for 2021 was £57.0bn, 40% above 2020's pandemic-impacted low and 6% ahead of the five-year annual average. The strong performance in Q4 was driven by a flurry of major deals, with 16 transactions of £200m-plus, the largest of which was the National Pension Service of Korea's £1.25bn purchase of 5 Broadgate in the City of London.

The industrial sector continued to take the headlines, with volume surging to an all-time high of £4.3bn in Q4, pushing the annual total for 2021 to £15.2bn, nearly double the previous record. Elsewhere, Q4's office volume of £6.5bn was the highest since Q3 2018, and 31% above the five-year average. Retail investment was a more modest £1.7bn, 9% above trend; but Q4 was marked by the return of an increased number of investors to the shopping centre segment, where volume reached a four-year high of £554m.

Total returns rise in Q4

According to MSCI's latest quarterly index, the all-property total return for Q4 2021 was 6.3%. This was the strongest quarterly performance since Q4 2009 and it took the annual return for 2021 to a seven-year high of 16.5%. Industrial ended the year extremely strongly, recording a quarterly total return of 12.4% in Q4, and a 12-month figure of 36.4%. All of the other major property sectors recorded increased total returns in Q4, with retail at 4.6%; offices at 2.0%; and residential at 3.3%. Retail's improved recent performance has been led by retail warehouses, which returned 8.0% in Q4 and 21.9% across 2021. Industrial and retail warehouses are expected to remain the top performing sectors in 2022, albeit returns are forecast to moderate from the stellar performance last year.

UK OFFICES

Q4 2021 MSCI data:

	Rental growth (%)		Capital growth (%)		Income return (%)		Initial yield (%)	
	3mth	12mth	3mth	12mth	3mth	12mth	Q3 20	Q3 21
West End offices	0.4	0.9	1.6	2.9	0.8	3.4	3.3	3.4
City offices	0.4	0.8	0.8	1.6	0.6	3.2	4.0	3.2
South East offices	0.6	0.9	1.0	0.9	1.0	4.4	4.5	4.3
Rest of UK offices	0.5	0.9	0.6	-0.5	1.2	4.7	4.9	4.8
ALL UK OFFICES	0.5	0.9	1.1	1.3	0.9	4.0	4.1	4.0
ALL PROPERTY	***1.2***	***1.8***	***5.2***	***11.5***	***1.0***	***4.5***	***4.7***	***4.4***

Back to the office

The return to normality is bringing the back to office life and, crucially, occupiers back to the market. According to Google's COVID-19 mobility analysis, UK workplace visitor levels are at their highest since the pandemic impacted in March 2020, standing 21% below the pre-pandemic norm as at mid-February 2022. The Omicron variant caused a slight blip in the recovery towards the end of the year, but since Plan B restrictions have been lifted the workplace visitor numbers bounced back. Nonetheless, with millions of office workers continuing to work from home for at least some of the working week, debate continues on whether attendance will ever return of pre-COVID norms.

Occupier activity gathers pace

At a collective level, UK-wide occupier market activity has continued to improve each quarter in 2021, following the record low take-up in 2020. While 2021 as a whole remained below trend, take-up in Q4 2021 reached pre-pandemic levels and even saw the second largest deal on record outside of London, with HMRC's 463,000 sq ft pre-let at Pilgrim's Quarter in Newcastle city centre.

Greater resilience in the regions in 2021

Of the main office sub-sectors, Central London offices has been hit harder than elsewhere in the UK, but Q4 2021 take-up surpassed the 10-year quarterly average for the first time since the onset of the pandemic. However, take-up for 2021 as a whole remained 25% below the 10-year average. The UK's key regional markets have been discernibly more active than central London, a result which arguably reflects the greater expense and high levels of rail commuting associated with the capital. Across the UK's Big Six regional markets combined, Q4 take-up of 1.9m sq ft was 8% above the ten-year quarterly average, while 2021's total of 6.2m sq ft was only 11% below trend. The same has been true of the South East market, where Q4 take-up of 1.1m sq ft sq ft was 11% above trend, taking the year as whole to 3.4m sq ft, 17% below the 10-year average.

Regions vs. London supply contrasts

With occupiers downsizing their requirements and some releasing 'grey' space, overall availability continues on an upward trajectory. However, generally speaking, supply across the key regional markets held broadly steady since the pandemic and, across the key markets combined, stands 40% below its cycle peak in 2012. This is in stark contrast with Central London, however, where total supply soared by 87% from Q1 2020 to its highest level since 2004 in Q2 2021, before plateauing more recently in the second half of 2021.

Rental growth

Prime rents have remained resilient since the crisis unfolded, with many locations actually witnessing growth during the past 12 months. Demand for grade A space, as some occupiers

returns 2021 reduce their footprint but commit to upgrading the quality of their accommodation, has seen record rents achieved in Birmingham, Bristol and Edinburgh. Following four successive quarterly falls in average UK office rents to Q1 2021, rental growth returned to positive territory over the next three quarters of 2021. UK offices recorded average rental growth of 0.5% in Q4, taking growth to 0.9% year-on-year. All of the key segments recorded positive growth in Q4, led by the South East, at 0.6%.

Investors target life sciences

Despite heightened uncertainty around offices in the wake of the pandemic, Q4 recorded robust investment volume of £6.5bn, 31% above the five-year quarterly average. However, this was boosted by the National Pension Service of Korea's massive £1.25bn purchase of 5 Broadgate, EC2, which propelled central London office volume to a three year high of £4.1bn in Q4. Office park volume hit a four year high of £1.1bn in Q4, underpinned by SEGRO's £425m (NIY 4.6%) purchase of Bath Road Central from AEW Europe. Reflecting strong interest in life sciences, two prominent deals in Q4 included ProLogis's £225m expansion funding at Cambridge Biomedical Campus; and GIC Real Estate's £160m expansion funding at Magdalen College's Oxford Science Park.

Capital values continues to rise

Average UK office capital values continued on an upward trajectory, rising 1.1% in Q4 and taking the annual growth in 2021 to 1.3%. However, more growth will be required to restore values to their pre-pandemic level, with average office values down 4.2% compared with two years ago. There were nonetheless notable contrasts between the key office segments. West End saw the strongest growth in Q4, with capital values rising by 1.6% in the quarter, while the Rest of UK segment recorded 0.6% growth.

Yields creep inward

MSCI's average net initial yield for UK offices has been broadly stable since the beginning of 2018. Since Q2 2021, the yield has very marginally hardened each quarter to stand at 3.9% in Q4, down from 4.1% 12 months prior.

Returns bounce back in 2021

UK office total returns rallied to 2.0% in Q4, the strongest quarterly outturn since Q4 2017. This took the annual total returns to 5.3% at the end of Q4, the highest since 2018. While returns increased across all segments in Q4, there was notable variance in performance between them. West End offices was the lead performer in Q4, with returns of 2.4% in the quarter, while City offices had the weakest outturn, with average returns of 1.4% in Q4.

Uncertain outlook

The most recent IPF Consensus Forecast (published in December 2021) anticipates UK office total returns will hit a modest 5.8% in 2022, a slight improvement on 2021. This is slightly lower than the All Property forecast total return of 7.4% in 2022, driven by Industrial and Retail Warehouse returns. However, with the nature of the recovery from the pandemic still uncertain, medium-term forecasts should be treated with caution.

UK RETAIL

Q4 2021 MSCI data:

	Rental growth (%)		Capital growth (%)		Income return (%)		Initial yield (%)	
	3mth	12mth	3mth	12mth	3mth	12mth	Q3 20	Q3 21
Standard retail – South East	-0.8	-3.6	1.1	1.5	1.0	4.1	4.1	4.0
Standard retail – Rest of UK	-0.4	-3.9	1.6	1.8	1.4	6.1	6.1	5.9
Shopping Centres	-0.1	-5.4	0.3	-11.0	1.6	6.4	6.1	6.7
Retail Warehouses	0.1	-1.5	6.4	14.1	1.5	6.9	6.8	6.5
ALL UK RETAIL	-0.2	-3.2	3.2	4.4	1.4	5.8	5.7	5.7
ALL PROPERTY	***1.2***	***1.8***	***5.2***	***11.5***	***1.0***	***4.5***	***4.7***	***4.4***

Retail open for business

COVID-related restrictions on retailers have largely been removed in all parts of the UK, although, as of mid-February, the wearing of face coverings was still mandatory in shops in Wales and Scotland. While Omicron negatively affected retail activity in late 2021 and early 2022, its impact was much more moderate than other major waves of the pandemic, with non-essential shops being able to remain open. Retailers will now be hoping that the year ahead is free from new restrictions, enabling a full year of recovery from the pandemic.

Retail sales volumes rebound

Retail sales volumes rebounded by 1.9% in January, after Omicron caused a 4.0% fall in December. There was a particularly strong improvement in sales volumes at household goods stores, which increased by 7.5%, driven primarily by furniture, lighting and electrical goods. However, there were areas of weakness within the retail market, with food store sales falling by 2.3% in January, the third successive monthly decrease; and clothing stores volumes down by 5.0%, possibly due to the January sales being less generous than usual. While the overall strength of retail sales in January suggests that the hit to activity caused by Omicron was relatively mild and short-lived, retail sales could be impacted in the months ahead by the squeeze on household incomes caused by high inflation.

Online sales recede from pandemic highs

Online sales as a proportion of all retailing fell to 25.3% in January, down from 27.0% in December and the lowest level since March 2020. A broad downward trend in online's market share has been observed since it reached a peak of 36.5% in February 2021, but it still remains comfortably above the pre-pandemic level of 19.8% in February 2020. While the pandemic has clearly accelerated consumers' adoption of ecommerce, the online share of overall retail sales could further moderate in the short term as shoppers gain confidence to return to physical stores, and town and city centre activity is boosted by increased office working.

Footfall steadily improving

After showing steady improvements in previous months, retail footfall fell back in December and January, due to the impact of the Omicron wave. According to Springboard data, the number of visits to retail locations in December was 18.6% down on the pre-pandemic level of 2019; and it was 20.8% down in January. However, the easing of Plan B COVID measures led to a significant improvement by the end of January; particularly in Central London where footfall increased by a quarter between the second and the fourth week of the month. Further improvements in footfall have been recorded in February, as the return of workers to the office gathers momentum

Retail failures slow

The rate of store closures slowed significantly in 2021, with the Centre for Retail Research reporting 19 major retail failures, affecting 5,214 stores and 26,274 employees. This was a considerable improvement on 2020, when a joint-record 54 major retailers went bust. The slowdown in retail failures partly reflects the success of government support measures aimed at supporting retailers; as well as the relative robustness of retail businesses that were able to survive during the early stages of the pandemic.

Vacancy rates may have peaked

Vacancy rates increased sharply during the pandemic, with the Local Data Company reporting that the overall retail and leisure vacancy rate rose from 12.1% in Q4 2019 to 14.5% in Q3 2021. However, the first sign that vacancies may have peaked came in Q4, when the overall vacancy rate fell slightly to 14.4%. By sector, the shopping centre vacancy rate remained highest, at 19.1% in Q4, but this was down from 19.4% in Q3. Meanwhile, the high street vacancy rate stood at 14.4%, while retail park vacancies were at 11.3%.

Rents still falling, but at a slower rate

According to MSCI data, UK retail rents continued to fall in 2021, but the rate of decline slowed as the year progressed. Average retail market rents dropped by 0.2% in Q4, taking the 12-month decline to 3.2%. The largest decrease in Q4 was for standard shops, with market rents falling by 1.2%. Notably, retail warehouses bucked the general downward trend, with rents seeing positive growth for the first time since Q1 2018, at 0.1%.

Retail investment recovering

Retail investment totalled £1.7bn in Q4, 9% above the five-year average, but 3% down on Q3. Annual volume for 2021 was £6.6bn, up 55% on the pandemic-driven low of 2020. The retail warehouse segment was a major driver of improved retail investment in 2021, with annual volume of £3.0bn, the highest total since 2015. However, Q4 provided clear evidence that investors are also increasingly pursuing value opportunities in the previously subdued shopping centre market. Volume of £554m was the strongest since Q2 2017, with the largest of Q4's 21 deals being LandSec's 25% share purchase of Bluewater, Dartford from LendLease for £172m.

High street and shopping centre yields stabilise

Prime high street and shopping centre yields remained broadly stable in 2021, after moving out significantly in 2020. Prime regional high street yields ended the year unchanged at 6.50%, while regionally dominant shopping centres were at 7.50%. Reflecting their relative resilience during the pandemic, retail warehouses and supermarkets both saw prime yield compression in 2021. Prime yields for open A1 retail parks hardened by 125 basis points during the year, to 5.50%; while supermarkets came in 50 basis points to 3.75%.

Capital growth masks sector variations

According to MSCI data, retail capital values increased by 4.0%, after falling sharply by 17.1% in 2020. However, there were huge variations between retail types in 2021; with double-digit growth in the retail warehouse (14.1%) and supermarket (10.2%) segments contrasted by continued falls in the capital values of shopping centre (-11.0%) and standard retail (-4.5%). Even so, shopping centre capital growth finally turned positive in Q4, by 0.3%, after 18 consecutive quarters of falling values.

Retail warehouses to remain strong in 2022

The most recent IPF Consensus Forecasts suggest that there will continue to be significant variations between the retail segments in 2022, albeit the differences between them will narrow. Retail warehouses are forecast to record a total return of 8.5% in 2022, compared with 3.2% for shopping centres and 4.3% for standard retail. Although total returns for shopping centres and standard retail are predicted to be positive in 2022, the IPF forecasts suggest that returns in both segments will be dragged down by negative capital growth.

UK INDUSTRIAL & LOGISTICS

Q4 2021 MSCI data:

	Rental growth (%)		Capital growth (%)		Income return (%)		Initial yield (%)	
	3mth	12mth	3mth	12mth	3mth	12mth	Q3 20	Q3 21
London & SE Industrial	4.2	9.9	12.7	33.7	0.8	3.6	3.9	3.4
Rest of UK Industrial	2.8	6.8	9.0	26.8	1.1	4.6	5.1	4.5
Distribution Warehouses	3.6	8.2	10.3	30.4	0.9	4.1	4.7	3.9
ALL UK INDUSTRIAL	3.6	8.7	11.4	31.2	0.9	4.0	4.3	3.7
ALL PROPERTY	***1.2***	***1.8***	***5.2***	***11.5***	***1.0***	***4.5***	***4.7***	***4.4***

2021 sets new record take-up

Following a phenomenal year for the UK industrial & logistics market in 2020, occupier activity continued at a relentless pace in 2021, with strong demand fuelled by accelerated structural changes triggered by the pandemic. For units of 50,000+ sq ft, UK-wide take-up reached a record high of 78.0m sq ft in 2021, up 29% on 2020's previous record and 43% above the five-year average. Q4 was the quietest period of the year, although take-up of 15.5m sq ft was still robust, standing 14% above the five-year quarterly average.

Amazon continues to drive demand

Retail and wholesale occupiers continued to be the most active in 2021, accounting for 39% of take-up. Amazon was as acquisitive as ever, behind 35 deals and represented 18% of UK-wide take-up. Strong demand emanated from a variety of other sources, including 3PLs and manufacturing occupiers, which each accounted for 18% of 2021 take-up. Reflecting the strength and breadth of demand across the UK, ten out of eleven UK regions saw above trend take-up in 2021, while six regions boasted record annual take-up.

Supply falls despite record development

Securing space has become a business-critical issue for many occupiers, but it remains challenging given the acute supply shortages in much of the country. For units over 50,000 sq ft, supply nose-dived by 26% over the course of 2021 to a record low of 52.3m sq ft. This is despite a marked development response since the onset of the pandemic. UK-wide levels of spec development under construction reached an all-time high of 20.7m sq ft at the end of 2021, up a staggering 80% on the previous peak 12 months before. Indeed, spec development under construction made up a striking 40% of total UK supply at the end of 2021.

Rents rocket

In contrast with other property sectors, the perfect storm of insatiable demand and record-low supply has driven upward pressure on rental levels. Prime rents for 50,000 sq ft units soared by a record average of 15% during 2021, while renal growth for secondary units increased by 16%. Of the 54 key locations that LSH tracks around the UK, 51 locations recorded increases in prime rents during 2021.

Record quarter and year for investment

Mirroring occupier market trends, investment activity surged to a record high in 2021. A new record £4.3bn of industrial assets changed hands in Q4 2021, pushing the total for 2021 to a colossal £15.2bn, almost double the previous record high of 2018. Distribution warehouses dominated the market once again in Q4, with volume of £2.8bn, although strong activity was also seen for multi-lets, with regional multi-let volume of £952m being 77% above average.

Yields sharpen further

Reflecting a huge weight of money targeting the sector and strong rental growth prospects, pricing continues to soar. Notional yields across the whole spectrum of the industrial market compressed to new all-time lows during 2021. Yields for long indexed-leased distribution warehouses hardened by 50bps to circa 3.25%, while strong rental growth drove yields for prime South East multi-let estates down to circa 3.75%. While yields sharpened across the board, yields for prime regional multi-lets continue to offer the most value, at circa 4.50%.

Furthermore, assets are changing hands at yields once unthinkable in the industrial market, thanks in large part to the rapid escalation of rental tones in many parts of the country, especially within the M25. This is especially clear in and around London, where, notably, GLP's £54m purchase of 12 Waxlow Road, Park Royal commanded a record low NIY of 1.07%, reflecting huge reversionary potential of the asset.

Values continue to rise sharply

According to MSCI, average industrial capital growth recorded its strongest quarterly increase on record, at an impressive 11.4% in Q4. Each of the industrial sub-sectors rebounded to a similar extent in Q4, led by South East Industrials which recorded average capital growth of 12.7%. Over the 12-month period, average capital growth for UK industrials was 31.2%, again led by South East industrials at 33.7%.

Industrial continues to significantly outperform

Unlike other sectors, industrial has performed very strongly throughout the pandemic, outperforming all sectors by a distance. According to MSCI, UK industrial returns hit 12.4% in Q4, the strongest quarterly outturn on record. This took UK industrial's annual total return to a phenomenal 36.4% at end of Q4, compared with 10.4% for UK offices and 5.3% for UK retail.

Industrial forecast to outperform

The most recent IPF Consensus Forecast (published in December 2021) anticipates industrial to continue to outperform the wider market over 2022, albeit to a more modest extent than in 2020. Over the period to 2025, average annual industrial returns are forecast at 10.0% per annum compared with 7.1% per annum for All Property.

UK LIVING SECTORS

Q4 2021 MSCI data:

	Rental growth (%)		Capital growth (%)		Income return (%)		Initial yield (%)	
	3mth	12mth	3mth	12mth	3mth	12mth	Q3 20	Q3 21
Healthcare	0.0	0.3	1.9	3.9	1.3	5.4	5.0	5.3
Hotels	0.2	0.5	1.8	3.6	0.9	3.9	4.1	3.9
Residential	0.0	0.5	2.3	6.0	0.9	3.6	3.9	3.7
ALL PROPERTY	***1.2***	***1.8***	***5.2***	***11.5***	***1.0***	***4.5***	***4.7***	***4.4***

Living sectors on the mend

The living sectors are recovering from the pandemic with varying degrees of strength. The Omicron wave has had a much smaller impact on performance than previous major waves of COVID-19, but new challenges have emerged; such as rising inflation, which is adding significantly to operational costs in many sectors.

Investment recovering from COVID slump

Investment in the living sectors improved in 2021, with £12.5bn transacted. While this was only 5% above the 2020 volume, that year had been boosted by a record first quarter, before activity slumped in the wake of the pandemic. Across 2021 as a whole, student property was the most active of the living subsectors; with several large portfolio transactions, mostly completed in first three quarters of the year, taking volume to £3.5bn. However, Q4 was dominated by the PRS/BtR and hotel sectors, both of which recorded their strongest post-COVID quarterly volumes. The PRS/BtR sector saw volume reach £1.5bn in Q4 2021, its highest level since Q1 2019, with the largest deal being Greystar Real Estate's acquisition of a minority stake in Fizzy Living for £400m. The hotel sector saw volume top £1bn for the first time since Q1 2020, primarily due to Henderson Park's £550m purchase of 12 Hilton-branded hotels.

Hotel market starts its recovery

Hotel occupancy rates improved significantly in the second half of 2021, after operations were significantly hampered by lockdown restrictions earlier in the year. According to STR data, national occupancy rates hovered around the 70% mark between August and November, and were about 10 percentage points lower than would normally be expected at these times of the year. However, the Omicron wave caused occupancy to drop back below 60% in December.

There remain significant variations between UK cities, with leisure-driven markets such as Brighton, Bournemouth and Plymouth outperforming larger cities dependent on international and business travel such as London, Birmingham and Manchester. However, the corporate market is expected to make a stronger recovery in 2022, as business confidence improves and more in-person meetings and events are arranged. A large volume of new completions could impact hotel market performance in the year ahead, with STR estimating that 21,000 new rooms are due to open, more than any year since 2012. It may still be at least two years before national hotel occupancy rates return to pre-COVID levels.

Student property in demand

Strong confidence in the student property sector was demonstrated by a string of major portfolio transactions in 2021, which took annual volume to £3.5bn. This included one of the year's largest deals across all sectors, which saw Scape Living and iQ Student Accommodation acquire the 11-property GCP Student Living portfolio for £969m. A further major transaction has been completed in Q1 2022, with Greystar purchasing five assets in London, Manchester and Coventry for £388m. Student property operators report that occupancy rates and rent collection have returned close to pre-pandemic levels, after taking a hit in the 2020/21 academic year. The Unite Group, for example, reports that occupancy in its properties in 2021/22 is 94%; compared with 88% in 2020/21 and 98% in 2019/20. Future demand prospects appear positive, with UCAS data showing that the number of students applying to UK universities in the 2021 cycle reached a record high. While there has been a significant drop in the number of EU students applying to UK universities post-Brexit, this has been more than outweighed by a large increase in the number of non-EU student applications, particularly from China.

Healthcare investment subdued

Healthcare property investment was subdued in 2021, with £854m transacted, a similar volume to 2020. Despite this, the sector continues to attract interest from investors seeking long income assets, and the demographic drivers of healthcare demand support an attractive long-term investment case. Occupancy levels in the healthcare sector were negatively impacted by COVID-19 in the 2020/21 financial year, but most operators are now reporting that occupancy is improving, while still remaining below pre-pandemic levels. The healthcare sector has continued to record positive capital growth, with MSCI recording that values rose by 3.9% in 2021.

PRS/BtR sector very active in Q4

PRS/BtR assets attracted £3.4bn of investment in 2021. The year ended strongly with £1.5bn transacted in Q4, the highest quarterly volume since Q1 2019. The largest deal of Q4 was Greystar Real Estate's £400m acquisition of a minority stake in Fizzy Living, but volume was also boosted by a series of additional £100m-plus transactions, mostly in Greater London and the South East. The sector continues to offer development and investment opportunities due to a shortage of rental stock across the UK. Supply appears to further contracted in 2021, as some mortgaged landlords took opportunities to crystallise gains and sell out of the sector. Residential capital values held up strongly during the pandemic, and rose by 6.0% over the course of 2021, according to MSCI.

Downward pressure on yields

Prime yields hardened across the living sectors in the second half of 2021, bringing them back close to pre-pandemic levels in most market segments. Prime yields for budget hotels (excl. London), student accommodation and healthcare property all ended 2021 at 4.25%. Strong investor demand could put further downward pressure on yields in the year ahead.

RESIDENTIAL

The table below provides a summary of the residential market based on data sets published by four different sources:

House Price Index	Current Month	Average House Price	Monthly Performance	Annual Performance to End of Current Month
Land Registry	August 2021	£264,244	+2.9%	+10.6%
Halifax	September 2021	£267,587	+1.7%	+7.4%
Nationwide	September 2021	£248,742	+0.1%	+10.0%
Rightmove (based on asking prices)	September 2021	£338,642	+0.3%	+5.8%

Research by Halifax continues to report house price growth with the latest increases adding on average £4,400 to the cost of a home, which now stands at a record £267,500. The last minute rush to purchase prior to the withdrawal of the Stamp Duty holiday on 30 September may have played its part in this, however, it is interesting to note that in Scotland and Wales where the equivalent tax breaks ended at an earlier date, momentum has continued with both nations outperforming the UK average.

Nationwide reported a similar story although with more modest month-on-month growth. Their data estimates that UK house prices are approximately 13% higher than pre-pandemic levels. The rapid rise in prices leads to affordability being stretched with household earnings increasing at a far slower rate. Nationwide suggests that the average first-time buyer deposit is 113% of gross earnings.

Housing market activity recovered strongly in the second half of 2020 with mortgage approvals at an all-time high by the end of the year. The rebound in house prices and activity can largely be attributed to pent up demand coming through from the first Lockdown period, together with the Stamp Duty holiday and record low interest rates. There is still a lack of supply in the market, and this is unlikely to change in the short term, with those looking to relocate further away from City centres having moved late last year/early this year to get the benefit of the stamp duty holiday.

The stamp duty holiday in England and Northern Ireland ended on the 30 June 2021, with only a minor benefit remaining available until the end of September. The help to buy scheme changed in April 2021 and now applies to first time buyers only with price caps for the regions. The Government have also introduced the new 95% mortgage scheme for first time buyers with a number of lenders, particularly the High Street banks, having introduced products. The stamp duty holiday and 'Help-to-Buy Scheme' have helped to support the market and in the case of the stamp duty holiday, some comment it brought about an artificial spike. The end and material change to these initiatives will undoubtedly have had a downward impact on the market albeit the new 95% mortgage should help to soften the impact. General view is that the market for houses will hold up well and demonstrate price growth whereas the market for flats, particularly small units with no outside space, will be harder to sell and the market could stagnate.

APPENDIX 3: COST PLAN

NORTHAMPTON COUNTY COUNCIL
SIXFIELDS DEVELOPMENT APPRAISAL - POTENTIAL CONSTRUCTION COSTS

SUMMARY

	Option 1	Option 2	Option 3	Option 4	Option 5
Upper Plateaux trade retail approx 146,000ft2	✗	✗	✗	✓	✗
Upper plateaux trade retail approx 80,500ft2	✓	✓	✓	✗	✗
Upper plateaux trade retail 85,000ft2	✗	✗	✗	✗	✓
Lower Plateaux Residential	✓	✗	✗	✗	✓
Lower Plateaux trade retail and small industrial	✗	✓	✗	✗	✗
Lower Plateaux mid size Industrial	✗	✗	✓	✓	✗
Existing recycle centre & car park removed	✗	✗	✗	✓	✗

All figures in £m	Option 1 Trade and residential £	Option 2 Trade £	Option 3 Trade and industrial £	Option 4 Retail/Trade & Industrial £	Option 5 85,000tf2 upper Plateaux £
Enabling works (Whole site)	10.03	10.03	10.03	10.03	10.03
Enabling works (Upper Plateaux North)	excluded	excluded	excluded	1.92	excluded
Upper Plateaux trade counter/retail	14.60	14.60	14.60	14.60	16.32
Upper Plateaux North trade counter/retail	excluded	excluded	excluded	14.01	excluded
Lower plateau Generic residential	52.99	excluded	excluded	excluded	52.99
Lower Plateaux trade counter/small industrial	excluded	23.41	excluded	excluded	excluded
Lower Plateaux Industrial	excluded	excluded	19.07	19.07	excluded
Total	**77.62**	**48.04**	**43.70**	**59.63**	**79.34**
Remove existing waste recycling centre	excluded	excluded	excluded	0.70	excluded
Relocation costs of existing waste recycling centre	excluded	excluded	excluded	excluded	excluded
	77.62	**48.04**	**43.70**	**60.33**	**79.34**

It is not clear if the enabling costs from the previous contractor costs include for removal of the eisting car park and waste recycling centre on the upper plateaux North.

All costs include associated external works
All costs include design fees of the contractor and client construction related design fees
No mezzanines in industrial or trade counter units
All costs current to 3rd qtr 2021
Enabling works based on previous figures adjusted for inflation and omission of waste recycling areas
VAT Excluded

All enabling works priced as per previous quote updated for inflation in accordance with BCIS and appotitioned acoss sites on a m2 site area basis

Costs for relocation of the existing waste recycling centre have been

For the purposes of sensitivity analsis we consider that the above construction costs could reasonably vary from -9% to +15%

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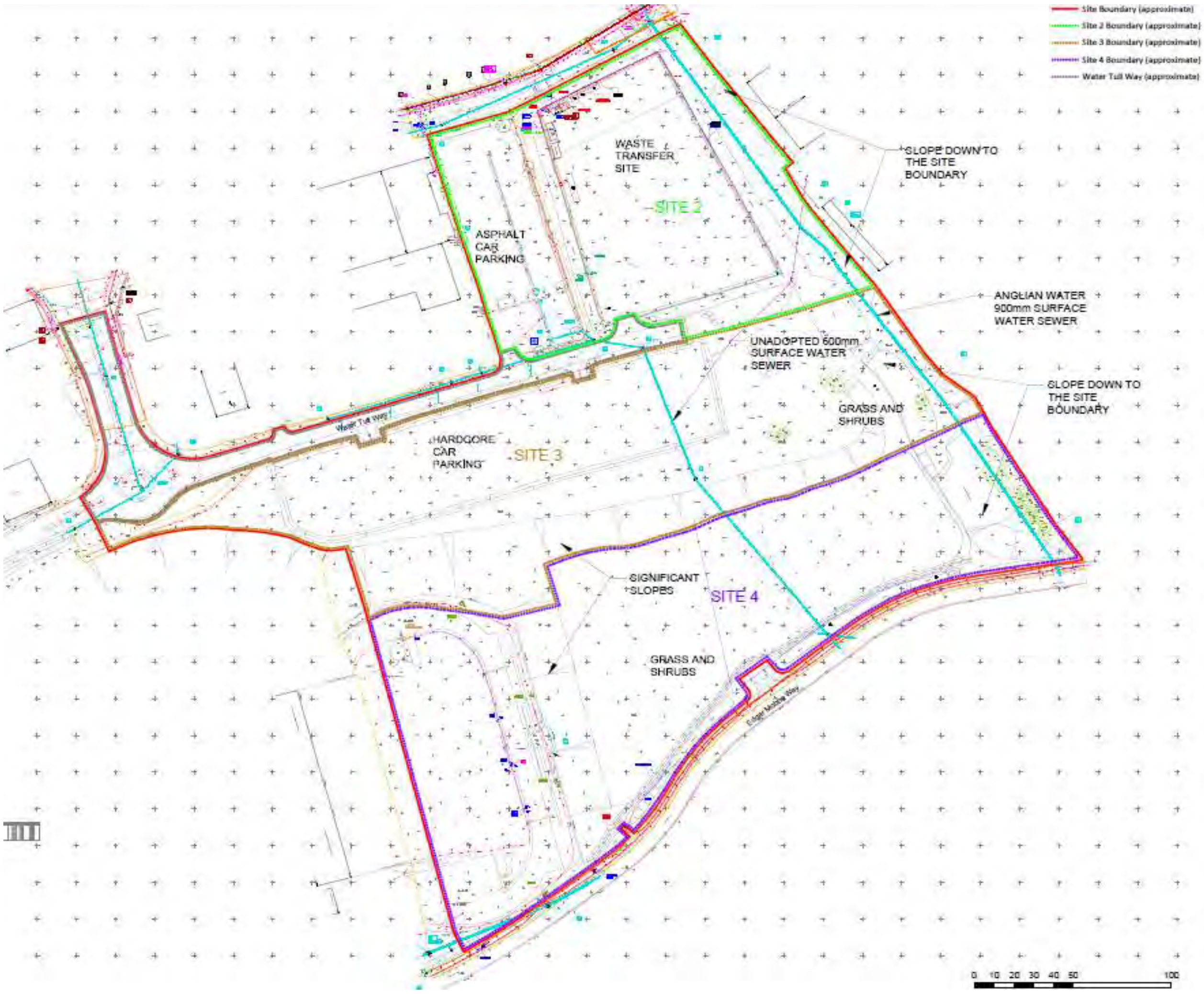
OVERALL SITE PLAN - SITE WORKS TO FORM UPPER & LOWER PLATEAUX



Contingency		£	£ (rounded)
All as per previous quote updated to current costs for 3rd qtr 2021			
All costs include contractors preliminaries Overheads and Profit			
Walter Tulley Way		1,260,000	
Upper site		5,230,000	
Adjust upper site to exclude Ashpalt car park & waste transfer site		(1,920,000)	
Lower site		4,270,000	
Total Enabling works based on updated cost of previous quote			8,840,000
Client construction related professional fees including planning on D&B basis	8%		710,000
Additional risk allowance against enabling works	5%		480,000
Total £			10,030,000

Additional Cost of removing Waste recycling centre and site enabling works	
Removal works	1,920,000
Enabling works	702,000
Total £	2,622,000

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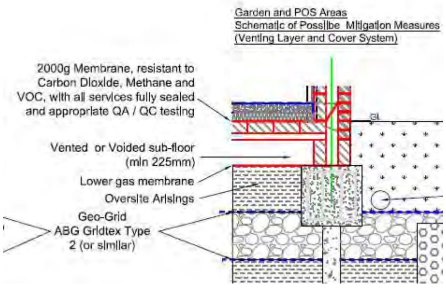
OVERALL SITE PLAN - LOWER PLATEAUX - RESIDENTIAL

The apartment and external works layout above has been ignored
and we have used generic rates only at this stage

APARTMENTS				£	£ (rounded)
Our estimate for generic apartments is:-					
Apartments inclg prelims & contractor design	25750	m²	1730	44,547,500	
Apartment costs based on 4 to 5 storey benchmark apartments include piling with framed construction, adjusted for scale, location and to 2nd Qtr 2021					
				Total standard buiding works (rounded)	44,550,000

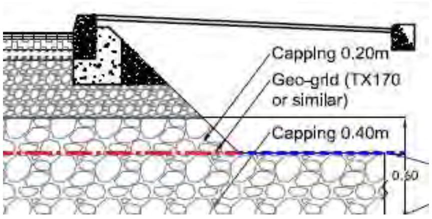


Ground slab adjustments:-					
Suspended floor slab eo ground bearing slab (beam and block with screed - to be confirmed)	6100	m²	25	152,500	
Additional ground beams (to be confirmed)	1017	m	14	14,238	
Lower gas membrane	6100	m²	6	36,600	
Vent equipment	6100	m²	5	30,500	
Upper gas membrane	6100	m²	10	61,000	
Preliminaries on above	10%			29,484	
Contractor Design	5%			16,216	
Overheads and profit	5%			17,027	
				Total Ground slab adjustments (rounded)	360,000

External works

Car parking and roads	8837	m²	75	662,775	
Footways	2250	m²	35	78,750	
Foul drainage, including protection	1	Item		152,800	
Storm drainage based on one gulley every 240m2 of paved area including protection	1	Item		171,870	
Stormwater attenuation (resi only)	1	Item		23,375	
Surface treatments other areas (including bank)	31613	m²	45	1,422,585	
External lighting	1	Item		204,000	
Utility trenches and ducts	510	m	160	81,600	
Preliminaries on external works	10%			350,000	
OH&P on external works	5%			157,000	
					3,310,000
Utility connections	309	Nr	2500	772,500	
s106 allowance	1	Item	100000	100,000	
					880,000

Hard pavings additional enabling works



Geogrid TX170 in lieu of Geogrid ABG Gridtex	11087	m²	10	110,870	
200mm Capping of granular imported material	11087	m²	8	88,696	
Preliminaries on above	9%			17,961	
Contractor Design	5%			10,876	
Overheads and profit	5%			11,420	
					240,000
			Sub total £		49,340,000
Client construction related professional fees including planning on D&B basis	8%				3,950,000
			Total £		52,510,000
inflation 2nd qtr 2021 to 3rd qtr 2021	1.009119				52,990,000

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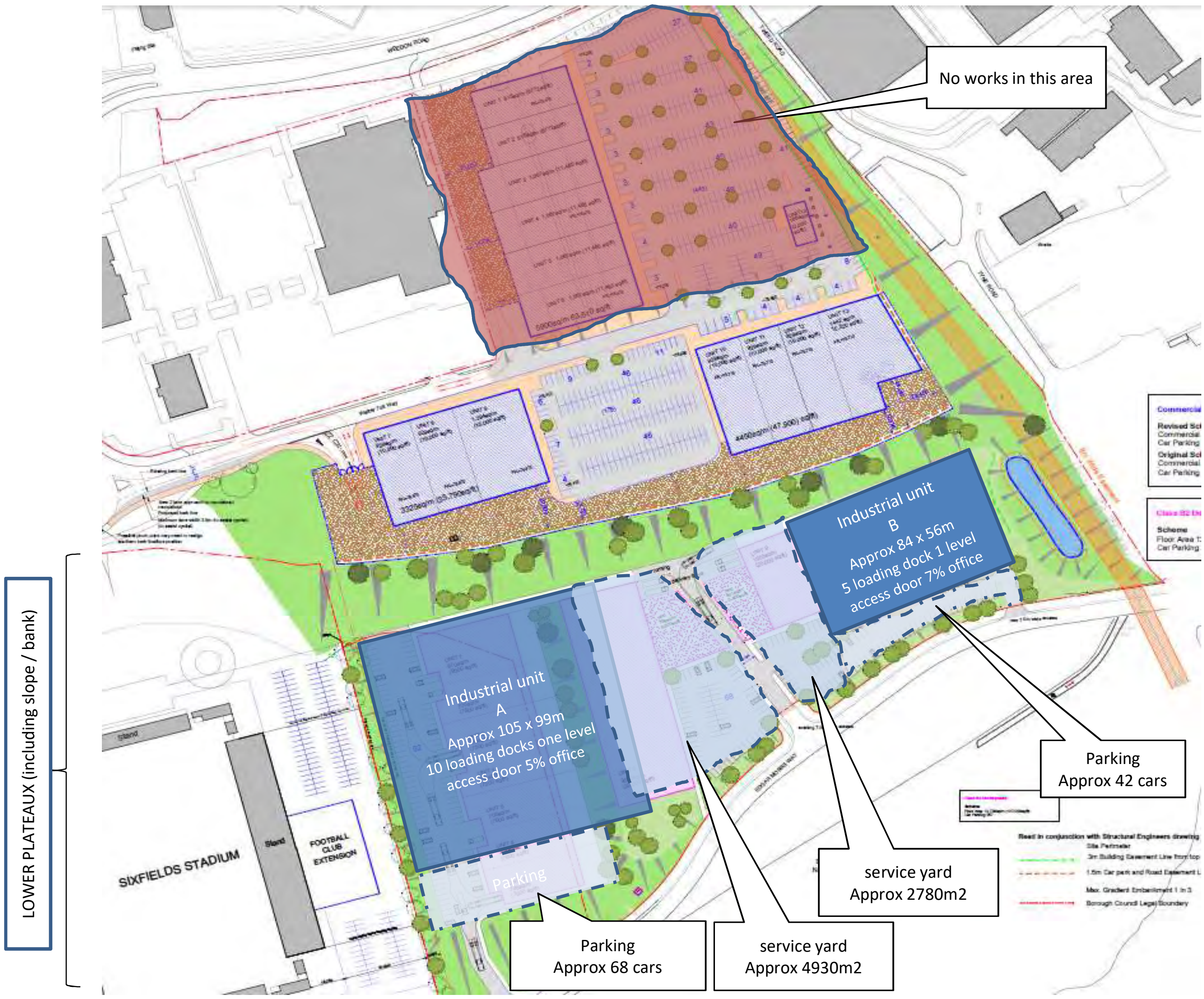
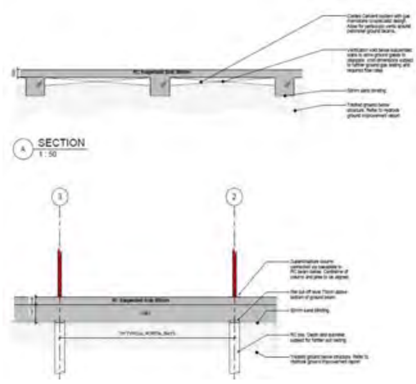
OVERALL SITE PLAN - LOWER PLATEAUX - INDUSTRIAL



INDUSTRIAL				£	£ (rounded)
Industrial units, standard portal frame, built up metal cladding industrial units including loading docks, office, piled foundations, ground improvement allowance, (additional granular fill) gas membrane, preliminaries and contractor design costs. 15% rooflights and 10% PV to roof. No internal fit out to warehouse areas					
Unit A including 10 loading docks and 5% office	10,655.00	m²	670	7,138,850	
Unit B including 5 loading docks and 7% office	4,934.00	m²	870	4,292,580	
				Total standard buiding works (rounded)	11,440,000



Ground slab adjustments:-					
Extra over ground bearing slab for suspended slab based on 17.5m pileson 7 x5m grid with ground beeams	15,329	m²	95	1,456,255	
Vented floor slab Cordex system	15,329	m²	38	582,502	
Gas membrane	15,329	m²	10	153,290	
Preliminaries on above	9%			197,284	
Contractor Design	5%			119,467	
Overheads and profit	5%			125,440	
	Total Ground slab adjustments (rounded)				2,640,000
External Works including preliminaries and contractor design				3,040,000	
Utility connections - allowance	2	Nr	50000	100,000	
s106 allowance	1	Item	100000	100,000	
					3,240,000
Hard pavings additional enabling works					
Geogrid TX170 in lieu of Geogrid ABG Gridtex	14,492	m²	10	144,920	
200mm Capping of granular imported material	14,492	m²	8	115,936	
Preliminaries on above	9%			32,477	
Contractor Design	5%			19,667	
Overheads and profit	5%			20,650	
					340,000
				Sub total £	17,660,000
Client construction related professional fees including planning on D&B basis	7.0%				1,240,000
				Total £	18,900,000
inflation 2nd qtr 2021 to 3rd qtr 2021	1.009119				19,070,000

OVERALL SITE PLAN - UPPER PLATEAUX - TRADE COUNTER

TRADE COUNTER UNITS UPPER PLATEAUX				£	£ (rounded)
Industrial style units, standard portal frame, composite metal claddingone level access door per unit, welfare facilities, piled foundations, ground improvement allowance, (additional granular fill) gas membrane, preliminaries and contractor design costs. 15% rooflights and 10% PV to roof. No internal fit out retail areas no floor finish to welfare other than WCs					
Unit 7	929	m²	1345	1,249,505	
Unit 8	929	m²	1345	1,249,505	
Unit 9	1394	m²	1070	1,491,580	
Unit 10	929	m²	1345	1,249,505	
Unit 11	929	m²	1345	1,249,505	
Unit 12	929	m²	1345	1,249,505	
Unit 13	1442	m²	1070	1,542,940	
Total	7481	(80527ft2)			
		Total standard buiding works (rounded)			9,290,000
Ground slab adjustments:-					
Extra over ground bearing slab for suspended slab based on 17.5m piles on 7 x 5m grid with ground beeams	7,481.00	m²	112.00	837,872	
+ve extraction from under vented floor slab	7,481.00	m²	45.00	336,645	
Gas membrane	7,481.00	m²	1.00	7,481	
Preliminaries on above	9%			106,380	
Contractor Design	5%			64,419	

Overheads and profit	5%			67,640	
	Total Ground slab adjustments (rounded)				1,430,000
External Works including preliminaries and contractor design				2,250,000	
Utility connections - allowance	7	Nr	8000	56,000	
s106 allowance	1	Item	100000	100,000	
					2,406,000
Hard pavings additional enabling works					
Geogrid TX170 in lieu of Geogrid ABG Gridtex	14,880	m²	10	148,800	
200mm Capping of granular imported material	14,880	m²	8	119,040	
Preliminaries on above	9%			24,106	
Contractor Design	5%			14,597	
Overheads and profit	5%			15,327	
					330,000
			Sub total £		13,456,000
Client construction related professional fees including planning on D&B basis	7.5%				1,010,000
			Total £		14,466,000
inflation 2nd qtr 2021 to 3rd qtr 2021	1.009119				14,600,000

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OVERALL SITE PLAN - LOWER PLATEAUX - TRADE COUNTER/SMALL INDUSTRIAL

TRADE COUNTER UNITS LOWER PLATEAUX				£	£ (rounded)
Industrial style trade counter units, standard portal frame, composite metal cladding one level access door per unit, welfare facilities, piled foundations, ground improvement allowance, (additional granular fill) gas membrane, preliminaries and contractor design costs. 15% rooflights and 10% PV to roof. No internal fit out retail areas no floor finish to welfare other than WCs					
Unit 1 Trade counter	870	m²	1345	1,170,150	
Unit 2	706	m²	1345	949,570	
Unit 3	706	m²	1345	949,570	
Unit 4	706	m²	1345	949,570	
Unit 5	706	m²	1345	949,570	
Unit 6	706	m²	1345	949,570	
Unit 7	706	m²	1345	949,570	
Industrial units, standard portal frame, built up metal cladding industrial units including loading docks, office, piled foundations, ground improvement allowance, (additional granular fill) gas membrane, preliminaries and contractor design costs. 15% rooflights and 10% PV to roof. No internal fit out to warehouse areas					
Unit 8 small industrial (7% office, 4 loading docks)	3530	m²	1455	5,136,150	
Unit 9 (7% office, 2 loading docks)	1858	m²	950	1,765,100	
Unit 10 (7% office, 2 loading docks)	1858	m²	950	1,765,100	
	Total standard buiding works (rounded)				15,540,000
Ground slab adjustments:-					
Extra over ground bearing slab for suspended slab based on 17.5m piles on 7 x 5m grid with ground beeams	12,352.00	m²	112.00	1,383,424	
+ve extraction from under vented floor slab	12,352.00	m²	45.00	555,840	
Gas membrane	12,352.00	m²	1.00	12,352	
Preliminaries on above	9%			175,645	
Contractor Design	5%			106,363	
Overheads and profit	5%			111,681	
	Total Ground slab adjustments (rounded)				2,350,000
External Works including preliminaries and contractor design				3,000,000	
Utility connections - allowance	7	Nr	8000	56,000	
	3	Nr	25000	75,000	
s106 allowance	1	Item	100000	100,000	
					3,231,000
Hard pavings additional enabling works					
Geogrid TX170 in lieu of Geogrid ABG Gridtex	15,795	m²	10	157,950	
200mm Capping of granular imported material	15,795	m²	8	126,360	
Preliminaries on above	12%			34,117	
Contractor Design	5%			15,921	
Overheads and profit	5%			16,717	
					360,000
				Sub total £	21,481,000
Client construction related professional fees including planning on D&B basis	8.0%				1,720,000
				Total £	23,201,000
inflation 2nd qtr 2021 to 3rd qtr 2021	1.009119				23,410,000

OVERALL SITE PLAN - UPPER PLATEAUX - NORTH PLOT

TRADE COUNTER UNITS UPPER PLATEAUX - NORTH PLOT				£	£ (rounded)
Industrial style units, standard portal frame, composite metal claddingone level access door per unit, welfare facilities, piled foundations, ground improvement allowance, (additional granular fill) gas membrane, preliminaries and contractor design costs. 15% rooflights and 10% PV to roof. No internal fit out retail areas no floor finish to welfare other than WCs					
Unit 1	815	m²	1435	1,169,525	
Unit 2	815	m²	1435	1,169,525	
Unit 3	1067	m²	1435	1,531,145	
Unit 4	1067	m²	1435	1,531,145	
Unit 5	1067	m²	1435	1,531,145	
Unit 6	1067	m²	1435	1,531,145	
Unit 13	186	m²	1700	316,200	
Total standard buiding works (rounded)					8,780,000
Ground slab adjustments:-					
Extra over ground bearing slab for suspended slab based on 17.5m piles on 7 x 5m grid with ground beeams	6,084.00	m²	112.00	681,408	
+ve extraction from under vented floor slab	6,084.00	m²	45.00	273,780	
Gas membrane	6,084.00	m²	1.00	6,084	
Preliminaries on above	9%			86,514	
Contractor Design	5%			52,389	

Overheads and profit	5%			55,009	
	Total Ground slab adjustments (rounded)				1,160,000
External Works including preliminaries and contractor design				2,500,000	
Utility connections - allowance	7	Nr	8000	56,000	
s106 allowance	1	Item	100000	100,000	
					2,656,000
Hard pavings additional enabling works					
Geogrid TX170 in lieu of Geogrid ABG Gridtex	14,501	m²	10	145,010	
200mm Capping of granular imported material	14,501	m²	8	116,008	
Preliminaries on above	9%			23,492	
Contractor Design	5%			14,225	
Overheads and profit	5%			14,937	
					320,000
				Sub total £	12,916,000
Client construction related professional fees including planning on D&B basis	7.5%				970,000
				Total £	13,886,000
inflation 2nd qtr 2021 to 3rd qtr 2021	1.009119				14,010,000

OVERALL SITE PLAN - UPPER PLATEAUX - 85,000ft2 only

TRADE COUNTER UNITS UPPER PLATEAUX				£	£ (rounded)
Industrial style units, standard portal frame, composite metal claddingone level access door per unit, welfare facilities, piled foundations, ground improvement allowance, (additional granular fill) gas membrane, preliminaries and contractor design costs. 15% rooflights and 10% PV to roof. No internal fit out retail areas no floor finish to welfare other than WCs					
Unit 7	929	m²	1435	1,333,115	
Unit 8	929	m²	1435	1,333,115	
Unit 9a	929	m²	1435	1,333,115	
Unit 9b	881	m²	1435	1,264,235	
Unit 10	929	m²	1435	1,333,115	
Unit 11	929	m²	1435	1,333,115	
Unit 12	929	m²	1435	1,333,115	
Unit 13	1442	m²	1070	1,542,940	
Total	7897	(85005ft2)			
	Total standard buiding works (rounded)				10,810,000
Ground slab adjustments:-					
Extra over ground bearing slab for suspended slab based on 17.5m piles on 7 x 5m grid with ground beeams	7,897.00	m²	112.00	884,464	
+ve extraction from under vented floor slab	7,897.00	m²	45.00	355,365	
Gas membrane	7,897.00	m²	1.00	7,897	
Preliminaries on above	9%			112,295	
Contractor Design	5%			68,001	
Overheads and profit	5%			71,401	

				Total Ground slab adjustments (rounded)		1,500,000
External Works including preliminaries and contractor design					2,250,000	
Utility connections - allowance	7	Nr	8000		56,000	
s106 allowance	1	Item	100000		100,000	
						2,406,000
Hard pavings additional enabling works						
Geogrid TX170 in lieu of Geogrid ABG Gridtex	14,880	m²	10		148,800	
200mm Capping of granular imported material	14,880	m²	8		119,040	
Preliminaries on above	9%				24,106	
Contractor Design	5%				14,597	
Overheads and profit	5%				15,327	
						330,000
				Sub total £		15,046,000
Client construction related professional fees including planning on D&B basis	7.5%					1,130,000
				Total £		16,176,000
inflation 2nd qtr 2021 to 3rd qtr 2021	1.009119					16,320,000

APPENDIX 4: STRUCTURAL ENGINEERING FEASIBILITY REPORT

AXIOM STRUCTURES

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Property: **Sixfields,**
Northampton,
NN5 5QA

Client: **Lambert Smith Hampton**

Report: **Structural Engineering Feasibility Report**

Axiom Structures Limited
Registered in England and
Wales No. 9447111

AXIOM
STRUCTURES

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4.0 Structural Design 5
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1.0 Introduction

We were asked by Lambert Smith Hampton to prepare a structural engineering report regarding the feasibility and proposed types of foundation structure that would be required for the redevelopment of the Sixfields site.

It is currently proposed that the new buildings will consist primarily of industrial and retail warehouses formed from long span steel portal frames. The site layouts and indicative structural foundation drawings have been included as part of the Appendix of this report and should be used for preliminary costing purposes.

This report has been based on the information issued by Lambert Smith Hampton, which has included site plans and a detailed Soil Investigation and remedial works report prepared by Hydrock Consultants Limited. This has allowed for the existing ground conditions to be reviewed and preliminary foundation designs to be put forward.

This report is confidential for use by Lambert Smith Hampton only and is limited to use for the purposes noted. The report is not to be relied upon by third parties.

2.0 Client Brief

Two options are proposed for the redevelopment of the site and used in the foundation design assessment. These are listed below:

Option 1

Retains the household waste recycling centre with the upper plateau accommodating 80,500 sq ft of trade counter/industrial development with the lower plateau accommodating two distribution warehouse units extending to 114,690 sq ft and 53,110 sq ft respectively.

Option 2

Assumes that the household waste recycling centre is retained with the upper plateau again accommodating 80,500 sq ft of trade counter/industrial development with the lower plateau accommodating 132,925 sq ft of industrial/trade counter development.

The site plans and preliminary structural framing for each of the buildings are shown within sketch “21077-ASL-SK-01 P1”, which is included in the Appendix.

3.0 Ground Conditions

The ground conditions vary across the site, however, the general sequence encountered is as follows. Construction Made Ground up to 1.8m thick underlain by a stiffer 'Cap' Made Ground, consisting primarily of clay with varying proportions of sand and gravel. Landfill Waste Made Ground to a depth of around 12.3 bgl. This Landfill Waste consists of domestic refuse, commercial and industrial waste, demolition waste and general construction rubble. No engineered lining was observed at the base of the landfill and the landfill is in direct contact with the underlying soils.

During the soil investigation, it was noted that obstructions were encountered within the trial pits and boreholes during excavation. Asbestos Containing Materials were encountered within trial pits in the Made Ground.

Excavations are likely to be unstable (especially in the Landfill Waste Made Ground) and given the variable nature of the soils, random and sudden falls should be expected from the faces of near vertically sided excavations put down at the site. Temporary trench support, or battering of excavation sides, is likely to be required for all excavations that are to be left open for any length of time, and will definitely be required where man entry is required.

Historical groundwater monitoring of boreholes shows highly variable groundwater levels (from between 0.2m to 11.47m bgl). Groundwater monitoring carried out between May to August 2016 confirms this, with groundwater levels varying from 0.32m to 8.0m bgl. The Contractor should consider sump pumping to deal with anticipated flows of groundwater during construction, which will be dependent on the time of year that the build is carried out.

Any water pumped from excavations will need to be passed via settlement tanks (and possibly be treated) before being discharged to the sewer. Discharge consents will also be required.

A cut and fill exercise will be required to provide a level development platform. The design of an earthworks strategy (and associated ground improvement strategy) will also need to take into account the significant cost of waste disposal and remediation proposals to deal with the soil contamination and elevated ground gas concentrations.

Due to elevated concentrations of carbon dioxide and methane, entry to excavations should be limited and excavations should be monitored using gas monitoring equipment by a competent person.

Due to the presence of landfill materials, shallow foundations on the existing strata will not be feasible and will be susceptible to ground movement. It is proposed that all new foundations will be piled foundations.

The chemical analysis results undertaken on soil samples recovered from the site, indicate the following Design Sulphate Classes and Aggressive Chemical Environment of Concrete (ACEC). These have been taken into consideration while specifying suitable concrete grades for the substructure works in our performance specification document.

- DS1 / AC1 (DC1) for the Alluvium, River Terrace Deposits, Northampton Sand Formation and Glacial Lacustrine Deposits
- DS3 / AC3 (DC3) for the General Made Ground
- DS4 / AC4 (DC4) for the Whitby Mudstone Formation
- DS5 / AC5m (DC5) for the Landfill Waste Made Ground

The site contains a moderate to high risk of ground gases (high concentrations but low flows), which will require further testing as the project goes forward. It is advised that gas membranes

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and ventilation systems will need to be considered. This may result in suspended slabs being required for the ground floors.

Refer to Hydrock SI Report Ref: R/161099/002 for details of soil investigation.

4.0 Structural Design

Each of the warehouse units will be formed using long-span steel portal frames. The height to the eaves varies from 8-12m, with bays spaced at 7m along the length of the building. The typical span of the portal frames is around 20-25m, with the columns bearing down on the foundations below. The roof and wall cladding systems will be supported directly off the primary steelwork and can be easily configured to meet the Client's requirements. Stability of the frames will be provided by the combination of portal frames with horizontal and vertical bracing.

Due to the presence of ground gases, the ground floor slab must be suspended to allow for these gases to be ventilated below the structure. The ground floor slab will be subject to high loading and has been designed based on the following load combinations:

Load Case	UDL	Point Load	Remark
Load Case1	37.5 kN/m^2	-	
Load Case 2	-	Single point load 75 kN	
Load Case 3 Load from Storage Rack	UDL from pallet stored directly on floor = 10 kN/m2	Two point loads- Each of 30 kN	Distance between point loads = 300mm Loaded area for each load = 100mmx100mm
Load case4 Fork lift load for Fork lift type FL3	-	Two point loads Each of 31.5 kN	Distance between loads = 1m Loaded area for each load 200mmx200mm Dynamic factor Pneumatic tyres = 1.4 Solid tyres = 2

Figure 1: Industrial Unit Slab loadings

This has resulted in a 300mm thick RC suspended slab being required, which is supported off a series of 1000mm deep by 750mm wide RC ground beams that bear down on to regularly spaced piles. The design of the RC slab has been based on a maximum pile spacing of 5m. We have allowed for 450mm diameter piles, with the minimum width of the ground beam being 300mm wider than the pile diameter.

We believe piles are the only suitable foundation solution due to the existing soils being very poor quality due to the presence of the landfill. Hydrock Consulting Limited have put forward a series of remediation measures to improve the quality of the ground for low loads but we believe that the higher loads of the structure can only be supported off the good ground that is located below the Landfill Made Ground. The soil report states that the base of the Landfill Made Ground is at around 12.5m below ground level, so we would advise that the piles extend to around 5m

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beyond this level to account for variation is depth across the site and to ensure good bearing. Note that the final design of the piles is the responsibility of the Piling Contractor.

We would estimate the reinforcement densities of the suspended ground slab to be 250 kg/m^3 and 230 kg/m^3 for the reinforced concrete beams.

An indicative structural arrangement has been shown in drawing 21077-ASL-ZZ-00-DR-S-0100. This framing can be replicated for all structures within the proposed development.

APPENDIX

STRUCTURAL COLUMN SCHEDULE		
REF	SIZE	COMMENTS
C1	SIZE TBC	

STRUCTURAL FOUNDATION SCHEDULE		
REF	SIZE	COMMENTS
GB1	750x1000 dp	

Preliminary Reinforcement Densities:

Slabs = 250kN/m³
Beams = 230 kN/m³

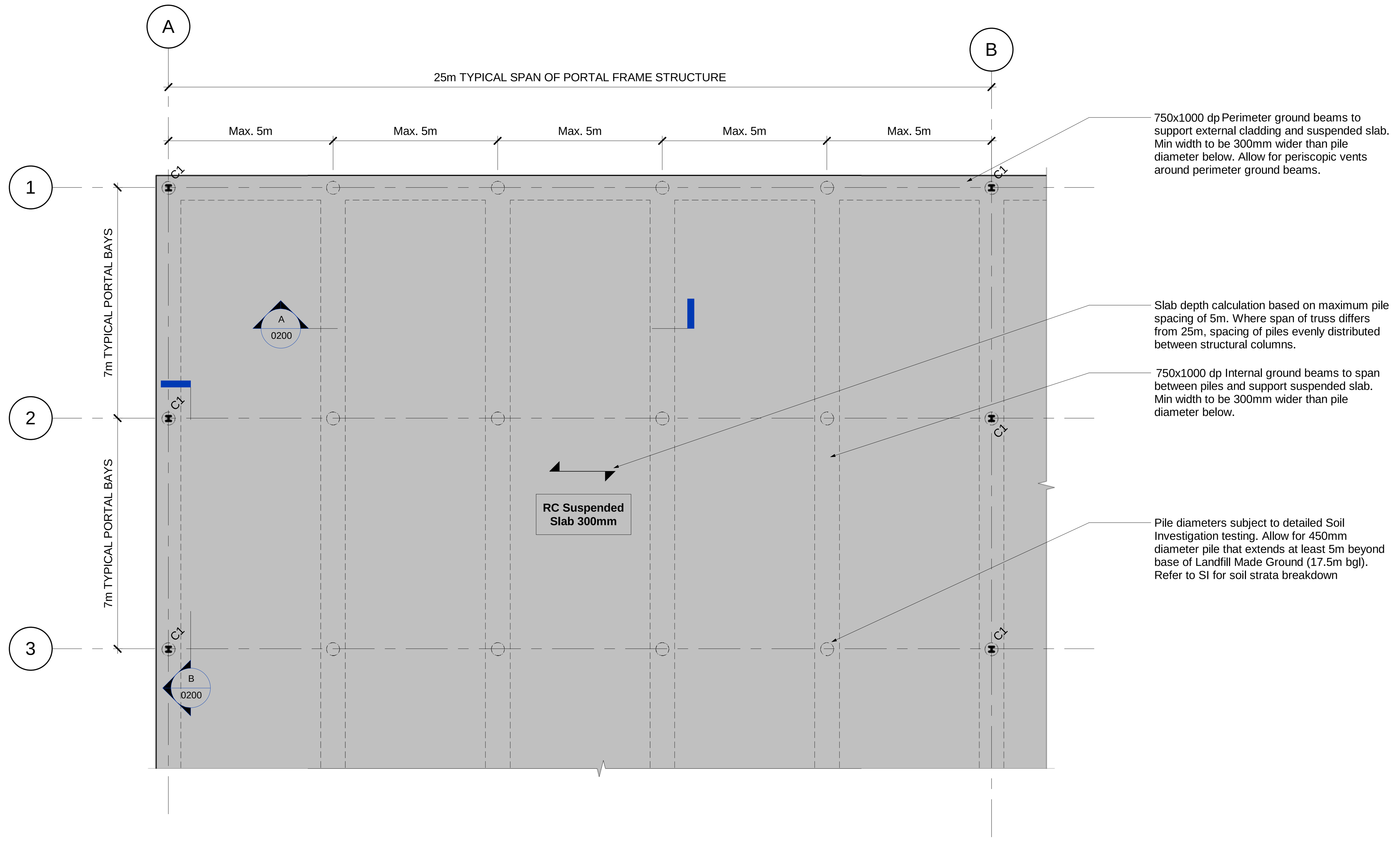
NOTES:
1. If in doubt, please ask.
2. Do not scale this drawing. Any discrepancies are to be reported to the engineer immediately.
3. All dimensions in millimetres, unless noted otherwise.
4. All dimensions and levels are to be checked on site by the contractor prior to preparing any working drawings or commencing on site.
5. The contractor must ensure and will be held responsible for the overall stability of the building/structure/excavation at all stages of the work.
6. All work by the contractor must be carried out in such a way that all requirements under the health and safety at work act are satisfied.
7. All work is to be carried out in compliance with the requirements of the relevant statutory authorities and regulations.
8. **To be read in conjunction with General Notes Drg.No.** 21077 -ASL-ZZ-XX-DR-S-0002.

LEGEND (SUPERSTRUCTURE)

New Reinforced Concrete

New Steel Column

Two way spanning 300mm thk RC slab of normal weight concrete slab.



GROUND FLOOR PLAN
1 : 100

NOTE:
This arrangement is applicable to all portal frame structures. Where the dimensions of the frame differ from those shown below, the number of piles is to be increased accordingly, with the maximum distance being limited to that shown in the drawing.
The drawing is for costing purposes only and is subject to further detailed design and soil testing.

ALL SERVICE PENETRATIONS ARE TO BE FORMED APPROXIMATELY AT THE MID-SPAN AND MID-DEPTH OF THE RC BEAM. THE CONTRACTOR SHOULD ALLOW SUITABLE COSTS TO COORDINATE AND FORM THE OPENINGS

IMPORTANT CDM/H&S NOTE
The designers highlight the significant Residual Health and Safety risks that have not been eliminated from the designs. These significant Residual Risks are identified below. This note refers to significant residual risks as defined in CDM legislation. Other health and safety risks associated with construction activities may be present.

- Ensure that ground improvement techniques are undertaken to the soil in line with Hydrock Consultants Limited reports prior to commencement of piling.
- Ensure adequate allowance for piling mat

Rev	Date	Amendments	By	Chkd
P1	16.07.21	Preliminary	JA	RN

PRELIMINARY

AXIOM STRUCTURES
+44 (0)20 3637 2751
office@axiom-structures.co.uk
www.axiom-structures.co.uk

Client:
LAMBERT SMITH HAMPTON

Project:
SIXFIELDS, NORTHAMPTON

Drawing title:
GROUND FLOOR PLAN

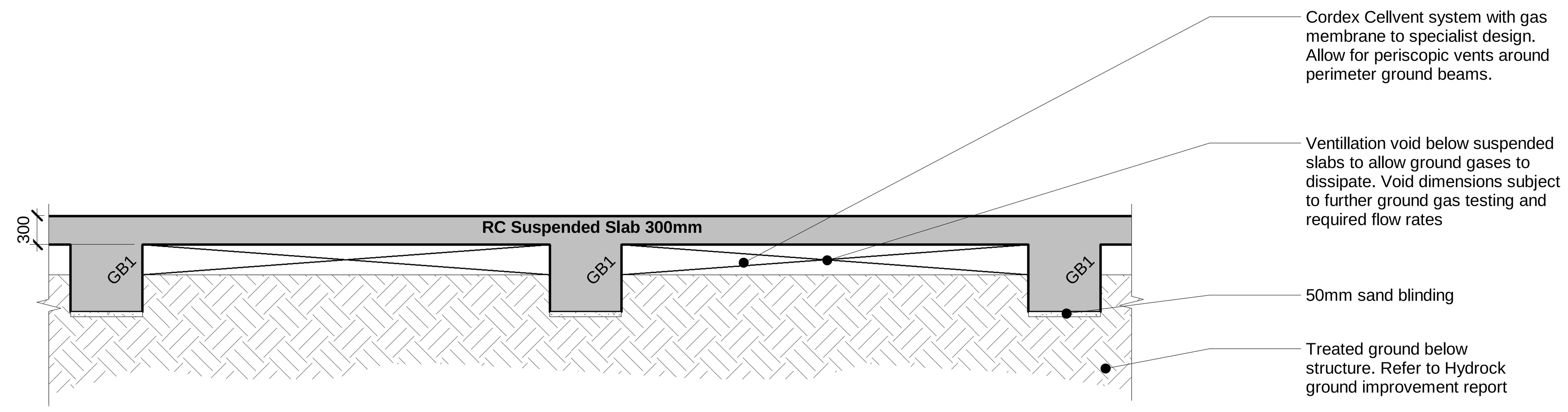
Date: MM/YYYY	Scale at A1: **As indicated**	Scale at A3:
Drawn by: **JA**	Designed by: **RN**	Chk'd by: **AB**

PROJECT	ORIGINATOR	ZONE	LEVEL	TYPE	ROLE	NUMBER	REVISION
21077	ASL	ZZ	00	DR	S	0100	P1

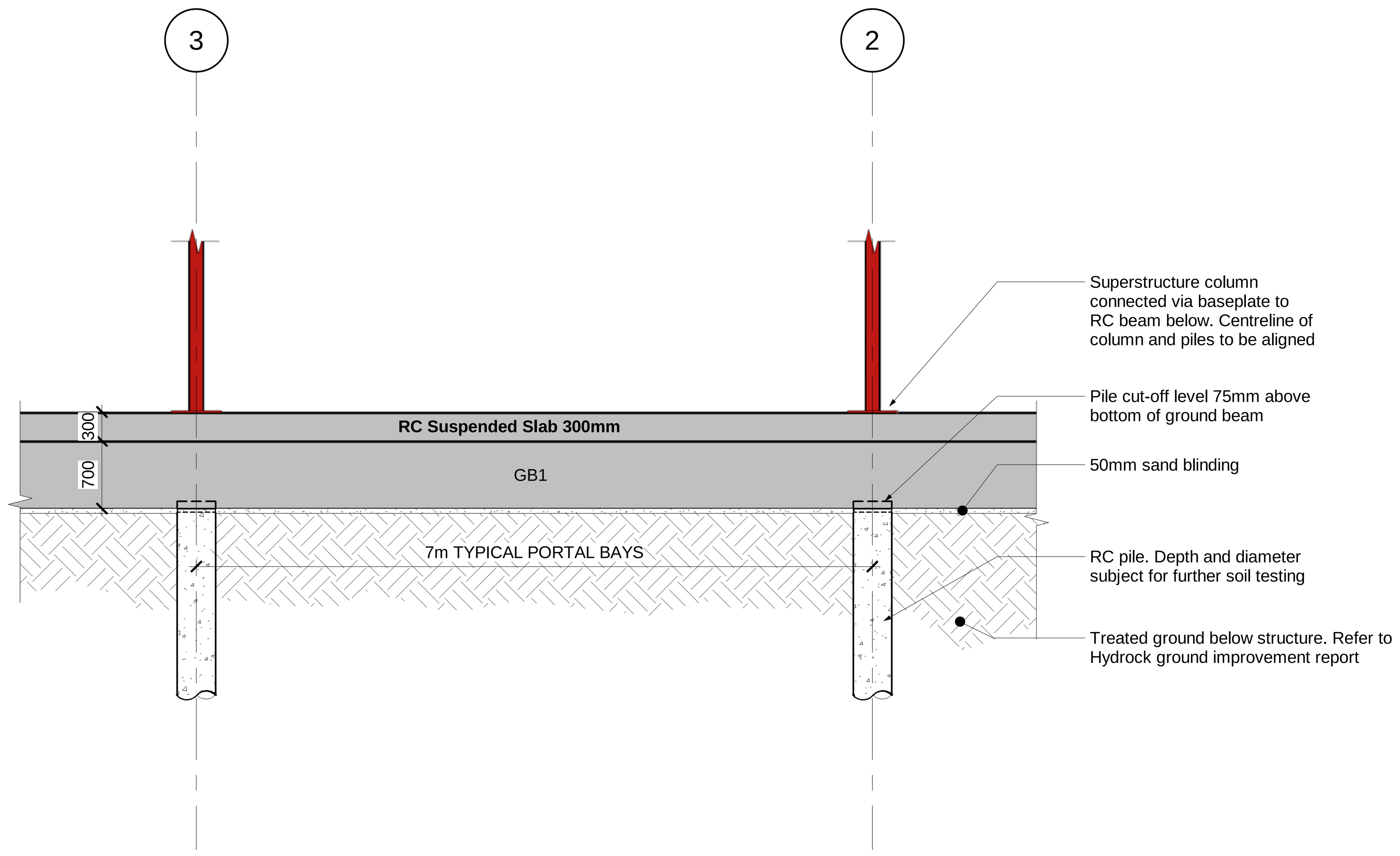
Drawing file path & name: T:\projects Axiom\2021\21077 Sixfields\Axiom Structures\BIM\WIP\21077-ASL-ZZ-ZZ-M3-S-0000_Sixfields_2021.rvt
Xreference file path :
User and Plot Date : 16/07/2021 15:51:27

NOTES:

1. If in doubt, please ask.
2. Do not scale this drawing. Any discrepancies are to be reported to the engineer immediately.
3. All dimensions in millimetres, unless noted otherwise.
4. All dimensions and levels are to be checked on site by the contractor prior to preparing any working drawings or commencing on site.
5. The contractor must ensure and will be held responsible for the overall stability of the building/structure/excavation at all stages of the work.
6. All work by the contractor must be carried out in such a way that all requirements under the health and safety at work act are satisfied.
7. All work is to be carried out in compliance with the requirements of the relevant statutory authorities and regulations.
8. **To be read in conjunction with General Notes Drg.No.** 21077 -ASL-ZZ-XX-DR-S-0002.



A SECTION
1 : 50



B SECTION
1 : 50

Rev	Date	Amendments	By	Chkd
P1	16.07.21	Preliminary	JA	RN

PRELIMINARY

AXIOM STRUCTURES
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Client:
LAMBERT SMITH HAMPTON

Project:
SIXFIELDS, NORTHAMPTON

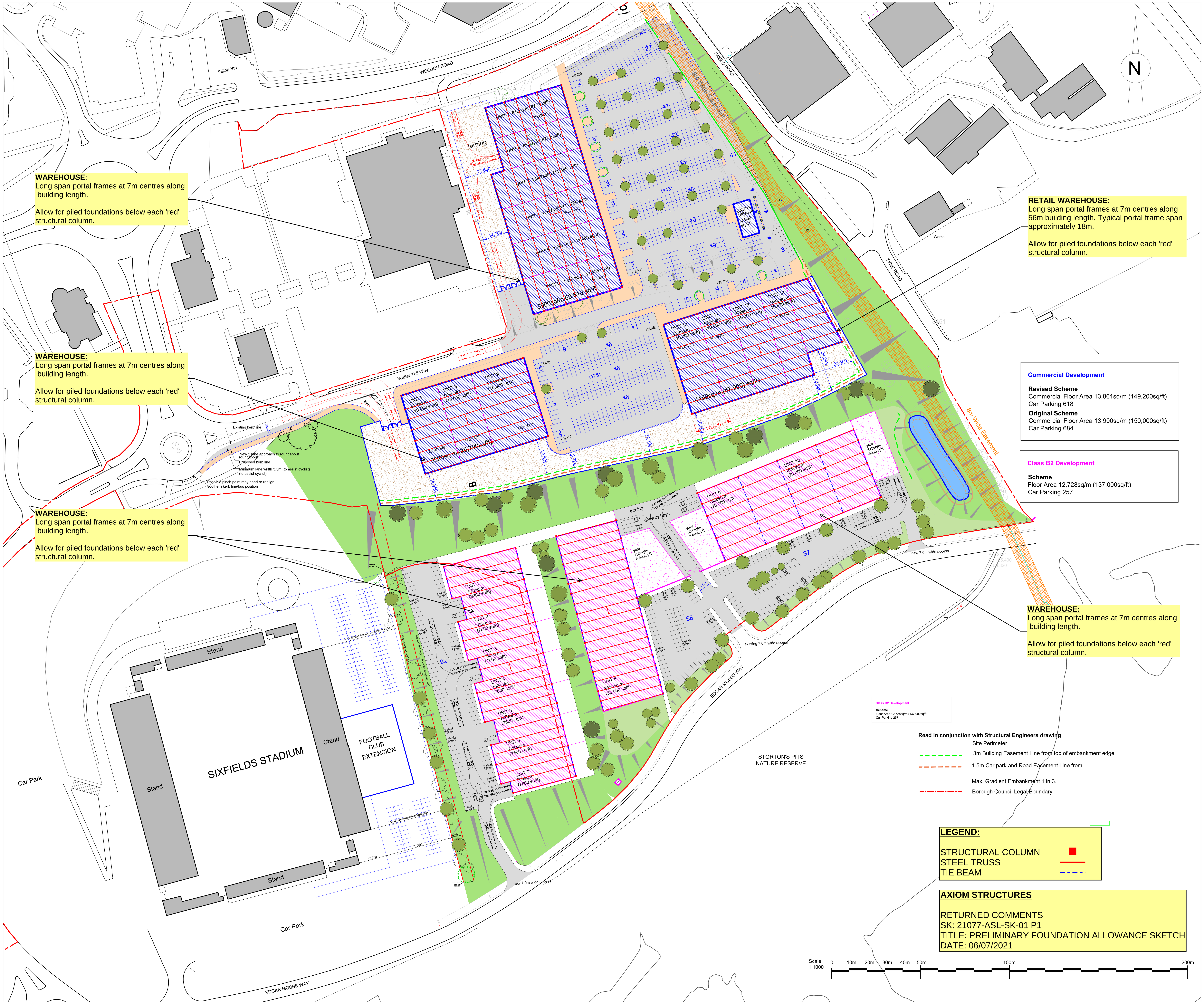
Drawing title:
SECTIONS 1

Date: MM/YYYY	Scale at A1: 1 : 50	Scale at A3:
Drawn by: JA	Designed by: RN	Chk'd by: AB

PROJECT	ORIGINATOR	ZONE	LEVEL	TYPE	ROLE	NUMBER	REVISION
21077	- ASL -	ZZ	- ZZ -	DR -	S -	0200 -	P1

Drawing file path & name: T:\projects Axiom\2021\21077 Sixfields\Axiom Structures\BIM\WIP\21077-ASL-ZZ-ZZ-M3-S-0000_Sixfields_2021.rvt
Xreference file path :
User and Plot Date : 16/07/2021 15:52:05

OPTION 1 - 'RETAIL' WAREHOUSES

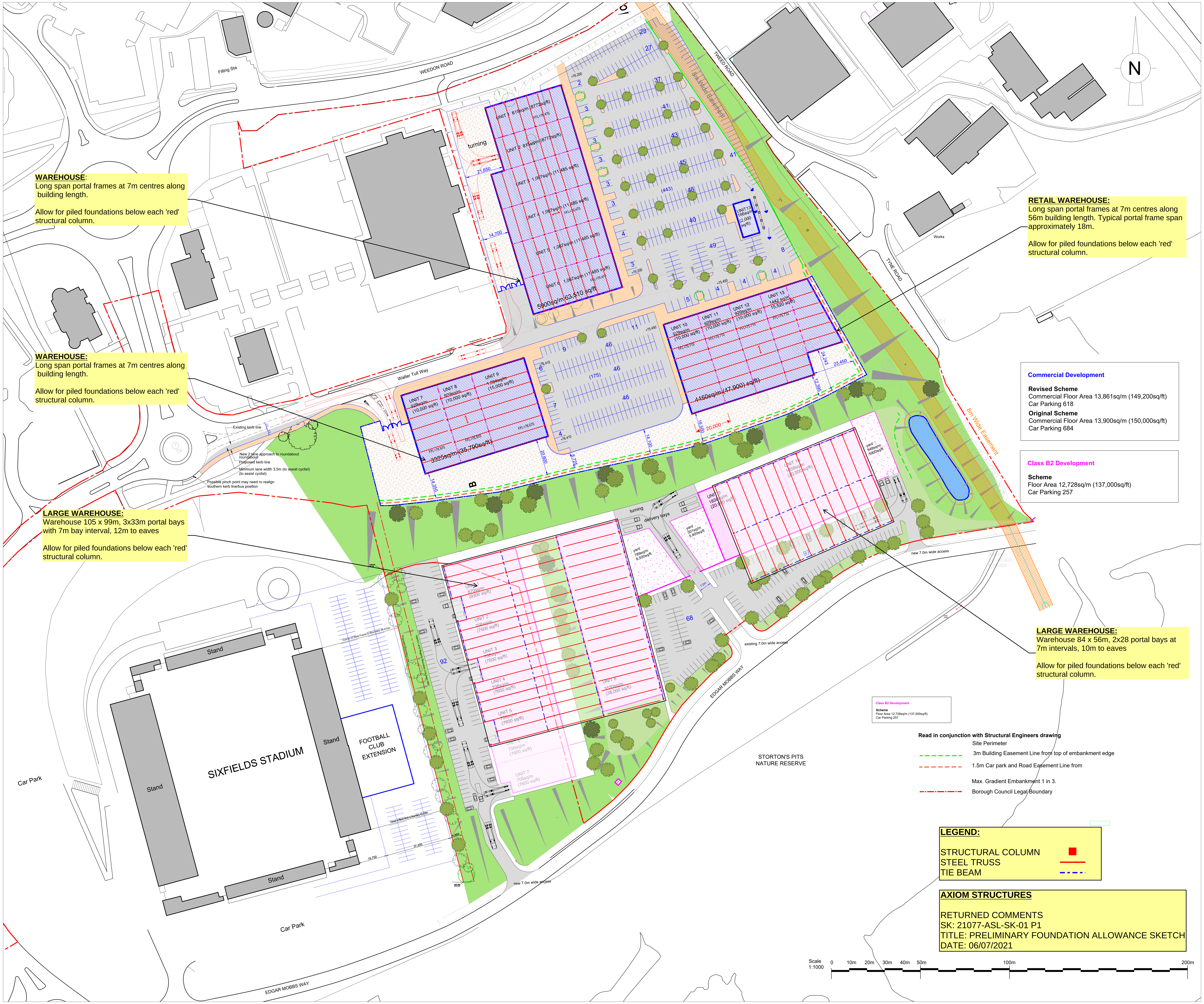


Revision C - Road widening added to Walter Tull Road & pond length/size increased to suit Class B 15July16
Revision B - Landscape added 11July16
Revision A - Revised Class B layout 9July16

Client: Northampton Borough Council
Drawn: ASR
Project: Sixfields Residential Development
Date: June 2015
Drawing: Master Plan Layout inc Class B
Scale: 1:1000@A1
Drawing No. 2015/93/107
Revision: C

Stimpson Walton Bond
Chartered Architects
CDM Principal Designer
59 York Road Northampton NN1 5QL
Telephone:(01604) 633155
E mail: swbarchitects@btconnect.com
Web: www.stimpsonwaltonbond.com

OPTION 2 - LARGE, INDUSTRIAL WAREHOUSES



LEGEND:

STRUCTURAL COLUMN
STEEL TRUSS
TIE BEAM

AXIOM STRUCTURES

RETURNED COMMENTS
SK: 21077-ASL-SK-01 P1
TITLE: PRELIMINARY FOUNDATION ALLOWANCE SKETCH
DATE: 06/07/2021

Revision C - Road widening added to Walter Tull Road & pond length/size increased to suit Class B 15July16
Revision B - Landscape added 11July16
Revision A - Revised Class B layout 9July16

Client: Northampton Borough Council
Project: Sixfields Residential Development
Drawing: Master Plan Layout inc Class B
Drawn: ASR
Date: June 2015
Scale: 1:1000@A1
Drawing No. 2015/93/107
Revision: C

Stimpson Walton Bond
Chartered Architects
CDM Principal Designer
59 York Road Northampton NN1 5QL Telephone:(01604) 633155
E mail: swbarchitects@btconnect.com Web: www.stimpsonwaltonbond.com

APPENDIX 5: LETTER OF ACKNOWLEDGEMENT AND LSH TERMS OF ENGAGEMENT

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Lambert Smith Hampton
Interchange Place
Edmund Street
Birmingham
B3 2TA

15 December 2021

West Northamptonshire Council
1 Angel Square
Angel Street
Northampton
NN1 1ED

For the attention of: James Aldridge BSc (Hons) MRICS, Group Asset Manager

Our Ref: MDW

Dear Sirs

PROPERTY LAND AT SIXFIELDS NORTHAMPTON (THE "PROPERTY")

Thank you for your verbal instructions to provide valuation advice in respect of the above in the above development property for disposal purposes. Our valuation will be undertaken in in accordance with the Royal Institution of Chartered Surveyors' Valuation Guidance Standards – Global Standards ("Red Book Global").

We set out the basis of our instruction as follows:

1. You have instructed us to value the property for disposal purposes.

2. We must draw to your attention our enclosed Terms of Engagement for Valuation Services which, together with this Engagement Letter, form the Agreement between us regarding the work we are to undertake, the circumstances in which fees and expenses will be payable and details of our respective duties.

3. The valuation is to be of the freehold interest and on the basis of Market Value (the definition of which is attached). All values will be stated in £GBP.

4. You require a valuation subject to the existing leases.

5. We have agreed that we shall rely upon the following information for the purpose of reporting to you:

- Copy ground leases.
- Copy leases.
- Factual Ground Investigation Report dated October 2016 prepared by Ian Farmer Associates (1998) Limited.
- Outline Enablement Requirements for Sites 2, 3 and 4, Sixfields, dated 28 June 2016 prepared by Hydrock Consultants Limited.
- Ground Investigation Desk Study prepared by Hydrock Consulting Limited dated December 2016.
- LSH Cost Plan
- Axiom Structures Structural Engineering Feasibility Report
- LSH Planning Report

6. The valuation is required as soon as possible. The valuation date will be the date of our report. The Valuation will be carried out by Mark Weller BSc (Hons) MRICS, Director, a RICS Registered Valuer who will be acting as an External Valuer. We confirm this Valuer will act with independence, integrity and objectivity, and has sufficient current local and national knowledge of the particular asset type at its particular market as well as the skills, qualifications, experience and understanding necessary to undertake the valuation competently. He will sign the report on behalf of Lambert Smith Hampton.

7. As part of the disposal process LSH were instructed by West Northamptonshire Council to provide viability, planning and cost consultancy advice in respect of the subject site. Prior to this, we had no involvement with the property within the last two years. We therefore consider ourselves to be free of any conflict of interest in providing this advice for you.

8. Our agreed fee for providing you with our valuation report is £1,500 plus VAT and will be paid by West Northamptonshire Council. We shall charge VAT at the statutory rate on all fees. VAT will be calculated with reference to the level prevailing at the date of our invoice.

   Our fees will be payable on issue of our valuation report.

9. So that our site inspection may be undertaken as safely as possible please provide the Valuer, by return, any information on known or potential hazards at the subject site as well as any existing requirements for safe access on site. For example, are you aware of whether any damaged or hazardous asbestos is present, whether there are any stability, structural, access to heights, lighting, gas or electrical safety issues? Are you aware of any equipment or substances on site which may create a risk?

10. Please note that any reproduction or public reference to the valuation or report will require our prior written consent.

11. We must draw to your attention that our compliance with the RICS Valuation – Global Guidance Standards may be subject to monitoring under the Royal Institution of Chartered Surveyors conduct and disciplinary regulations.

12. We confirm that the Valuation Division of Lambert Smith Hampton has a Quality Management System which complies with ISO 9001:2015.

13. In the event of any ambiguity or conflict between any of the documents comprising the Agreement, this Engagement Letter shall take precedence over any of the other Terms.

14. We are happy to consider your Solicitor’s Report on Title prepared in connection with the proposed facility as part of this instruction. If, however the Report on Title is delayed and is received in excess of three months from the date of our valuation report we will charge an additional fee on a time spent basis.

15. Our Valuation Report will be provided for the above-stated purpose and for the sole use of the named Client. It will remain confidential to the Client and his professional advisers and the Valuer accepts no responsibility whatsoever to any other person. Neither the whole nor any part of the Valuation Report nor any reference thereto may be included in any published document, circular, or statement, or published in any way, without the Valuer's written approval of the form and context in which it may appear. Such publication of, or reference to the valuation report may not be made unless it contains a sufficient contemporaneous reference to any Special Assumptions or departures from the Red Book confirmed therein. We refer you to Condition 9 of the attached Terms of Engagement for Valuation Services.

16. This instruction may be terminated by either party upon 30 days’ notice to the other. If the instruction is terminated by either party, we will be entitled to fees and expenses on the basis set out in the Terms of Engagement.

17. We are committed to providing a high level of service. In the event that you have any concerns about any aspect of our work please do not hesitate to contact me. Details of our complaints procedure are available on request.

If this letter does not correctly set out your instructions to us please advise me by return. Please note that in the event either party notifies in writing of any subsequent amendments to these instructions, the other party's continued involvement will be deemed as having accepted those amendments.

Yours faithfully

M. Weller

Mark Weller BSc (Hons) MRICS
RICS Registered Valuer
Director
For and on behalf of
LAMBERT SMITH HAMPTON

DDI +44 (0)121 237 2359
Mobile +44 (0)7702 883493
Email mweller@lsh.co.uk

encl. Terms of Engagement for Valuation Services

Royal Institution of Chartered Surveyors Valuation – Global Guidance Standards

Bases of Value

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

Terms of Engagement for Valuation Services

1. INTERPRETATION

(i) In these Terms:

"Agreement" means the agreement between the Client and LSH for carrying out the Service, incorporating the Terms and the Engagement Letter.

"Client" means the person to whom LSH is to provide services in accordance with the Terms and includes the person to whom the Engagement Letter is addressed.

“Data Protection Laws” all applicable data protection and privacy legislation in force from time to time in the UK including without limitation the Data Protection Act 2018 (and regulations made thereunder) (“DPA 2018”); the UK GDPR (as defined in section 3(10) and as supplemented by section 205(4) of the DPA 2018); the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended.

"Director" means any person whose title includes the word 'director' whether or not a statutory director.

"Engagement Letter" means the letter or proposal document sent out by LSH to the Client setting out the basis on which it will carry out the Service.

"Expert Witness Terms" means the terms and conditions which, in addition to the Terms of Engagement letter, govern the provision of the Expert Witness Services (as defined within the Expert Witness Terms of Engagement).

“Fee” means the fee for the Service as set out in the Engagement Letter or as otherwise agreed in writing between LSH and the Client, plus any expenses or other amounts properly due under this Agreement.

"LSH" means Lambert Smith Hampton Group Limited whose registered office is at United Kingdom House, 180 Oxford Street, London W1D 1NN and any company which is in the same group of companies as that company.

"LSH Report" means the written advice and report(s) provided to the Client by LSH under this Agreement.

"Property" means the property identified in the Engagement Letter and any agreed variation to the Engagement Letter.

"RICS" means the Royal Institution of Chartered Surveyors.

"Service" means the service to be performed or procured by LSH under the Agreement including, where applicable, any Expert Witness Services (as defined in the Expert Witness Terms).

"Terms" means the terms and conditions set out in this document and includes the Expert Witness Terms and any other terms and conditions set out in the Engagement Letter or any other letter or document from LSH accompanying, supplementing or varying the Terms.

"Valuation Standards" means the RICS Valuation Guidance Standards as set out within the RICS Red Book - Global

(ii) In these Terms:

(a) A reference to "writing" includes electronic mail.

(b) A reference to any provision of a statute or regulation shall be construed as a reference to that provision as it is in force at the relevant time taking account of any amendment, re-enactment, extension or repeal.

(c) Except where the context otherwise requires, words denoting the singular include the plural and vice versa, words denoting any gender include all genders and any reference to a "person" includes an individual, firm, corporation and/or other legal entity.

(d) References to a numbered condition are to that condition in these Terms.

(e) The headings are for convenience only and shall not affect the interpretation of these Terms.

2. GENERAL

(i) The Agreement shall be made when the Client receives a copy of the Terms or gives instructions to LSH, whichever shall be the later, and shall be subject to the Terms, which shall also apply to all or any part of the Service carried out prior to such date.

(ii) LSH shall perform all Services on the basis of the Agreement only, which shall apply to the exclusion of any other terms and conditions which the Client may seek to impose or incorporate, or which are implied by trade, custom, practice or course of dealing.

(iii) No variation of:

(a) the Terms shall be binding unless previously agreed in writing by a statutory director of LSH (as identified on Companies House from time to time);

(b) The Engagement Letter shall be binding unless previously agreed in writing by a Director of LSH,

and in entering into the Agreement the Client acknowledges that it has not relied on any statement, promise or representation which has not been confirmed in writing by a Director of LSH.

(iv) In the event of any ambiguity or conflict between any of the documents comprising the Agreement, the Engagement Letter shall take precedence over any of the other Terms.

(v) Nothing in the Agreement shall confer or purport to confer on any third party any benefit or right to enforce any terms of the Agreement. No term of the Agreement shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to the Agreement, although this shall not affect any right or remedy of any third party which exists or is available other than under such Act.

(vi) LSH's duties under the Agreement shall be limited to those set out in the Terms.

(vii) LSH shall be entitled to accept and act on any instruction given to LSH by any person who is an employee of, or advisor to, the Client.

(viii) If any provision of the Terms shall become or be declared illegal, invalid or unenforceable for any reason such provision shall be divisible, and shall be deemed to be deleted, from the Terms.

(ix) The Client shall provide its authority, instructions or information required to LSH promptly.

(x) It is a condition of the Client's agreement with LSH that (save where and to the extent that LSH instructs independent experts, consultants or other third parties on the Client's behalf) the duties and responsibilities owed to the Client are solely and exclusively those of LSH and that no employee of LSH shall owe the Client any personal duty of care or be liable to the Client for any loss or damage howsoever arising as a consequence of the acts or omissions of such employee (including negligent acts or omissions) save and to the extent that such loss or damage is caused by the fraud, dishonesty, wilful misconduct or unauthorised conduct on the part of such employee.

3. SERVICE

LSH shall seek to provide a service such as would be expected of a national firm of consultant surveyors in a proper professional manner and shall perform the Service with reasonable care and skill.

The Service shall, however, be provided on the basis that:

(i) LSH reserves the right to carry out instructions in accordance with such procedures, principles or methodologies as LSH deems to be appropriate. Where appropriate, LSH shall comply with the relevant Practice Statements and Guidance Notes published by the RICS and measurements shall be undertaken in accordance with the relevant Code of Measuring Practice published by the RICS.

(ii) Estimates of times for performance of all or any part of the Service have been made upon the basis of information available to LSH at the time and are approximate only so that LSH shall not be bound by any such estimate.

(iii) LSH may, if it considers it appropriate, secure performance of any or all Services by instructing one or more other persons (whether as sub-contractor or in any other capacity) upon such terms as LSH considers appropriate. In circumstances where LSH secures the performance of another person, no additional fee shall be payable by the Client in the absence of prior agreement to such additional fee but the Client shall be liable to pay all Fees as if all Services had been performed by LSH.

(iv) The Client shall provide LSH (or ensure that LSH is provided) with details of any other consultants or contractors appointed or to be appointed by the Client relevant to the Service.

(v) If LSH are instructed to act as an "independent valuer", then the meaning and understanding of the term independent valuer shall be that LSH will exercise independence, integrity and objectivity when undertaking the Service in accordance with the Valuation Standards, but LSH shall not (unless otherwise agreed in writing with the Client prior to the relevant instruction) be under any obligation (express or implied) to conform to any statutory or regulatory requirements associated with use of the term "independent valuer" (other than to the extent that such requirements cannot lawfully be excluded by agreement of the parties), or the Client's own definition or understanding of the term.

(vi) LSH shall not be liable to the Client for the non-performance or delay in the performance of any of its obligations hereunder due to events or circumstances outside its reasonable control. Upon the occurrence of such an event, LSH shall immediately notify the Client with as much detail as possible and keep it updated of continuing developments. Once the event is removed or ended LSH shall perform its obligations unless this Agreement has been terminated in accordance with Condition 11ii)(a).

4. THE PROPERTY

(i) **Information**

The Client warrants represents and undertakes to LSH that (save as specifically notified to LSH by the Client in writing):

(a) LSH shall be entitled to rely upon information and documents provided by or on behalf of the Client including those relating to matters such as Health & Safety, the Asbestos Register, energy performance and details of tenure, tenancies, use, contamination, building costs, costs of development, town planning consents and building regulation consents, historic or projected future trading accounts and the like as being, to the best of the Client's knowledge, information and belief, accurate and not misleading (either on their face or by inference or omission) and the Client shall advise LSH and shall instruct any advisor to inform LSH in the event that the Client and/or any advisor receives notice or becomes in any other way aware that any information given to LSH is or may be misleading or inaccurate.

(b) It shall provide legible true copies of any relevant documents reasonably required by LSH.

(c) It shall make arrangements for the inspection of or attendance at the Property by LSH on reasonable notice in order to carry out the Service.

(d) If the Client instructs LSH to re-value the Property without inspection LSH will assume that no material changes to the physical attributes of the Property and the area in which it is situated have occurred and the Client has provided information of changes in rental income from investment properties and any other material changes to the non-physical attributes of each property such as lease terms, planning consents, statutory notices etc.

(e) if the Client instructs LSH to undertake a critical review of a valuation prepared by another valuer and if LSH agrees in writing to do so then the Client shall undertake to provide LSH with full details of the first valuer's instructions so that LSH is in possession of all of the facts and information including the terms of instruction, circumstances and reasons for the first instruction so that LSH are able to undertake a critical review and the Client shall not publicise, discuss with third parties or refer to any critical review carried out by LSH in any documents or circular or otherwise without the express authority from LSH in writing.

(ii) **Assumptions**

Except where disclosed to LSH in writing, LSH shall be entitled to assume the following as appropriate:

(a) Opinions of value shall be provided on the basis of "Market Value" or "Market Rent" as defined in the Practice Statements and Guidance Notes published by the RICS and in accordance with the Valuation Standards unless otherwise agreed in writing between LSH and the Client and, unless specifically notified by the Client to LSH and agreed in writing by LSH, LSH shall not be under any obligation to identify or take into account any marketing constraint such as if the Property cannot be freely or adequately exposed to the market or if the Property is subject to an inherent defect or constraint whether or not such circumstance or constraint is actual, anticipated or hypothetical and LSH shall not be required to take into account any time limit for disposal without adequate explanation from the client of the reasons for such a constraint.

(b) There are no tenant's improvements which would materially affect LSH's opinion of the value of the Property unless otherwise advised. LSH shall not take account of any item in the nature of the tenant's fixtures and fittings, improvements, plant equipment, and machinery and LSH may (without any obligation to do so) make any reasonable assumptions to identify if any fixtures and fittings are part of the Property and which would pass, with the Property, on reversion, back to the landlord or on any sale and that all such tenant's improvements or fixtures and fittings have all necessary consents and are not subject to any onerous conditions.

(c) There are no restrictive covenants encumbrances or unduly onerous or unusual easements, restrictions, outgoings or conditions attaching to the Property or unusual terms in any relevant documentation or notices or procedures (including compulsory purchase orders) served, issued or threatened or any other matters whatsoever full information about which have not been supplied and brought to LSH's attention in writing and which would materially affect LSH's opinion of the value of the Property and that the Property has good marketable title.

(d) The Property complies with all relevant statutory requirements including building safety and fire regulations.

(e) The Property has the benefit of all necessary full planning consent or established use rights and building regulations approval and all or any work has been carried out fully in compliance with those consents.

(f) No dangerous or harmful materials or techniques have been used in the construction of the Property or its subsequent alteration, extension or refurbishment and the Property is not contaminated or potentially contaminated or subject to environmental hazards. Unless specifically instructed, LSH shall not undertake any investigation into the past or present uses of either the Property or any adjoining or nearby land to establish whether there is any potential for contamination from these uses and shall assume that none exists.

(g) LSH may rely on all data provided to it, or stated on any publicly available websites, in respect of any EPC affecting the property. LSH shall be under no obligation to establish if any EPC is accurate or current. In the event that no EPC is available LSH shall assume that the Property meets the minimum requirements of the legislation and that there will be no adverse impact on value and marketability.

(h) The Property (including, without limitation, all means of access and egress, which shall be assumed to be freely available, to and from the same and all plant and/or machinery or substances located in or at the Property and provided for the use of any person) has been properly maintained and is in good repair and condition and that any obligation concerning repair, maintenance, decoration or reinstatement have been complied with in accordance with all and any necessary statutory or other regulations and requirements and, without prejudice to the generality of the foregoing, is safe and without risks to health. LSH may at its discretion reflect any readily apparent defects or items of disrepair noted during its inspection in valuations but the Client shall not rely on this to assume either that the Property is free from defect or that LSH have in any way quantified the extent of any repair;

(i) There are no facts known to the Client which ought to be brought to the attention of LSH to enable it to ensure that access to the Property by any person is safe and without risks to health.

(j) LSH's Report shall reflect the state reached in construction and the company's costs at the date of valuation, having regard to the obligations of parties involved in the development only to the extent that any costs or estimates which have been prepared by the Client's professional advisors are made available to LSH and LSH shall not be liable for any error or inaccuracy arising directly or indirectly from such information and shall not be under any duty to advise concerning the accuracy or relevance of such information:

(1) Except where specifically stated otherwise, LSH shall assume that the Property is subject to normal outgoings and that where relevant any tenant(s) are responsible for repairs, the cost of insurance and payment of rates and other usual outgoings, either directly or by means of service charge provisions.

(2) Unless specifically requested, LSH shall not make enquiries as to the financial standing of actual or prospective tenants although LSH shall reflect the general market's perception of a tenant's status in its valuation. LSH shall assume, unless advised in writing, that tenants are capable of meeting their financial obligations under the lease terms and that there are no arrears of rent, service charge or other relevant payments or undisclosed breaches of covenants.

(3) In the valuation of portfolios LSH shall value each Property separately and not as part of the portfolio. Accordingly, LSH shall make no allowance, either positive or negative, in the aggregate value reported to reflect the possibility of the whole of the portfolio being put on the market at any one time.

(iii) LSH shall be entitled to make such special assumptions ("**Special Assumptions**") as are necessary to provide the Client with the opinions of value requested by the Client. Any Special Assumptions made shall be agreed with the Client and set out in the Engagement Letter and shall be stated in the LSH Report.

(iv) **Limitations**

Unless otherwise stated in the Engagement Letter:

(a) LSH shall not be responsible for making any local search or other enquiries of local or any other authorities including HMLR, including town planning enquiries or investigation of title regarding the Property, which shall be the Client's sole responsibility, and LSH may rely on any such information provided by the Client or the Client's advisors without further enquiry. If LSH shall make oral or other enquiries regarding the Property to third parties, the results of such enquiries shall not be relied on by the Client.

(b) Subject to agreement of the terms of any subsequent instruction, LSH shall not be responsible for making any structural or site survey or audit of the Property such as may be required under applicable law without limitation under the Equality Act 2010 or the Control of Asbestos Regulations 2012 or for testing any services to or on the Property, including the availability of broadband or other communications or information technology infrastructures.

(c) Any advice, approval or representation made by LSH or any person on behalf of LSH regarding the legal meaning or effect of any lease or contract shall not be relied on by the Client and such advice shall be limited to matters upon which it is suitable for a Chartered Surveyor to advise and shall not constitute advice regarding legal interpretation or drafting issues. Unless otherwise agreed in writing between the LSH and the Client, LSH shall not be obliged to advise upon the interpretation or drafting of any draft agreements, leases or other legal or technical documents.

(d) LSH shall not be responsible for advising in respect of, or effecting the service of, any notice required to be given under statute, regulation or under the provisions of any contract or lease or otherwise and shall not be liable for advice, interpretation or compliance with any time periods or other provisions under statute, regulation (including the Civil Procedure Rules from time to time) or provided for in any contract or lease including any notice of appeal or for making payments or carrying out any other actions in accordance with such time periods.

(e) LSH shall exclude and shall not be required to take into account any work in progress stock in trade and shall not be required to take into account or be responsible for the interpretation of accounts, turnover figures or other financial or information relating to trade.

(f) No allowance shall be made for any liability for payment of Corporation Tax, Capital Gains Tax, Stamp Duty Land Tax or any other tax applicable on development or disposal, deemed or otherwise. Any prices and/or rentals stated shall be deemed to be exclusive of Value Added Tax.

(g) Whilst LSH will endeavour to treat all information which is relevant to the Client's instruction as confidential, LSH may at its sole discretion provide any information to other professionals or third parties as is usual practice and, in any event, LSH may be required to provide such information to a court, or tribunal or to the other party in any proceedings.

(h) LSH shall not be under any duty to carry out conflict checks in relation to any third party (such as related companies) other than the Client or any other relevant party notified in writing by the Client to LSH.

(i) Valuations shall not reflect any element of marriage value or special purchaser value which could possibly be realised by a merger of interests or by sale to an owner or occupier of an adjoining property, other than in so far as this would be reflected in offers made in the open market by prospective purchasers other than the purchaser with a special interest unless LSH shall make a Special Assumption in this regard.

(j) All valuations are given without adjustment for capital based government grants received, or potentially receivable, at the date of valuation or at some future date.

(k) LSH's valuations shall be reported in pounds GBP. Overseas properties shall be reported in the appropriate local currency and represent LSH's opinion of the realisable value in the country of origin computed in accordance with local practice, with no allowance made for the transfer of funds in the UK.

(l) Unless the Client specifically commissions a formal survey with relevant obligations and LSH accepts such instruction on agreed terms, LSH shall not be under any obligation to take into account any aspect arising from the condition of the Property including any benefit or liability in respect of dilapidations and no advice or representation concerning the condition of the Property shall be relied on by the Client or any third party.

(m) Unless the Client shall specifically commission a formal management arrangement with relevant obligations and LSH accept such instruction on terms to be agreed, the Client shall remain responsible for the insurance of the Property and for notifying its insurers should the Property become vacant. LSH shall not be responsible for the management, security or deterioration of the Property or, for any other like matter or loss however caused. If the keys for the Property are held by LSH then the Client shall be deemed to have given authority to LSH to supply keys to any persons who wish to inspect the Property or carry out works or inspections at the Property and LSH shall accept no responsibility for the action of such persons. The Client shall effect and maintain full insurance cover against any claim that may be made by LSH or any representative or employee of LSH or by any third party in respect of any loss, damage or injury however caused arising directly or indirectly under or in respect of the Agreement.

(n) LSH shall not be under any obligation to arrange for any investigations to be carried out to determine whether or not any deleterious or hazardous materials have been used in construction of the buildings or have since been incorporated and LSH shall not therefore, be in a position to report that the Property is free from risk in this respect. Unless LSH are advised by the Client in writing, and subject to LSH's sole discretion, LSH's valuations shall be made on the assumption that such investigations would not disclose the presence of any such materials to any significant extent but this shall not be relied on by the Client as any indication that the Property is free from risk.

(o) LSH shall not be under any obligation to carry out or commission a site investigation or geographical or geophysical survey in order to determine the suitability of ground conditions and services, nor shall LSH undertake archaeological, ecological or environmental surveys. Unless otherwise advised LSH assume, but can give no assurances, that the ground has sufficient load bearing strength for the existing structures or any structures proposed or considered. Where development is contemplated, LSH assume that no extraordinary expenses or delays will be incurred during the construction period, due to any adverse ground conditions or archaeological matters.

5. TERMS OF PAYMENT

(i) Unless otherwise stated in the Engagement Letter the Client shall be liable to pay LSH its Fee at intervals to be determined by LSH or on completion of the Service, at LSH's discretion. Payments are due on issue of the invoice and the final dates for payment by the Client shall be the date of issue of the invoice.

(ii) LSH shall be entitled to submit accounts for the expenses element of the Fees at the time when incurred or ordered by LSH and such accounts shall be payable by the Client whether or not the Client withdraws its instructions. Accounts for expenses are due for settlement on presentation. Alternatively LSH may arrange for the suppliers to invoice the Client directly for services supplied.

(iii) VAT will be payable where applicable at the prevailing rate on all Fees.

(iv) LSH reserves the right to charge the Client interest (both before and after any judgement) on any unpaid invoice at the rate of 3% per annum above the base lending rate of the Bank of Scotland calculated on a daily basis from the date of its invoice up to and including the date of settlement in full.

(v) If any sum due to LSH from the Client remains unpaid for more than 30 days after the date of the invoice LSH shall be entitled to suspend all further work for the Client until the outstanding sum is paid to LSH in full. In these circumstances LSH shall not be liable for any delays, losses or expenses resulting from such suspension.

(vi) The Client shall not withhold any payment after the final date for payment of any sum due under this Agreement unless in relation to a bona fide dispute of which notice is provided to LSH in writing by the Client not less than seven days before the final date specifying the amounts to be withheld and the reasonable grounds for withholding payment or, if there is more than one ground, each ground and the amount attributable to it.

(vii) Unless otherwise stated in the Engagement Letter and subject to Condition 5vi), all amounts due under this Agreement by the Client shall be made without set-off, deduction, withholding or counterclaim (other than any deduction or withholding of tax as required by law).

(viii) Where there are two or more clients in the case of a joint or multiple instruction, invoices for an appropriate share of any Fees as determined in LSH's sole discretion may be issued by LSH to all clients or any client simultaneously or otherwise, and each client shall be jointly and severally liable for the full amount of LSH's Fees in the event that payment is not received from one or more clients.

(ix) The Client may, with the prior written consent of LSH, appoint a third party nominee to satisfy the Client's obligations under this Condition 5 (an "**Appointed Payor**"). Appointment of an Appointed Payor shall not discharge any obligation of the Client's under this Agreement, provided that payment by the Appointed Payor of any sums owed by the Client to LSH in accordance with this Condition shall be good and valid discharge of the Client's obligations to pay such sums.

6. FEES AND EXPENSES

(i) LSH shall charge the Fees In the event of a change in the scope of the Service or LSH being required to carry out additional Services, LSH reserves the right to charge an additional Fee.

(ii) The Client shall also be responsible for all fees and expenses incurred or ordered in respect of the Property, which may include without limitation advertising, brochure production, printing of particulars, photography, mailing, digital marketing expenses, administration, Anti-Money Laundering checks, on site representation, sign boards, travelling, mileage, messenger delivery and copying of documents and plans. Expenses shall be passed on to the Client at gross cost unless otherwise stated in the Engagement Letter. LSH shall be entitled to retain any discounts or commissions which are available or paid to LSH in order to offset administrative expenses. A copy of LSH's rates where applicable shall be made available upon request, such rates being subject to amendment from time to time by LSH on written notice.

(iii) If, in connection with the service, the resolution of a dispute with a third party is referred to an adjudicator, arbitrator, expert, mediator, court or tribunal, all costs in connection with such referral shall be the sole liability of the Client and shall either be paid directly by the Client or be recharged to the Client as an expense and the Client shall indemnify LSH in respect of any liability or loss in such matters.

(iv) Unless specifically provided for in the Terms or accompanying letter or as otherwise agreed in writing between LSH and the Client the Fees do not include remuneration for acting as an expert witness, for which service a separate fee shall be required and the Expert Witness Terms shall apply.

7. INTELLECTUAL PROPERTY

(i) Ownership of any rights in any information, documents or other material provided by the Client to LSH in relation to the Property or Services shall remain the property of the Client ('**Client Material'**) and the Client hereby grants to LSH a perpetual royalty free, worldwide, irrevocable licence to use, copy, adapt and modify such Client Material for the purposes of performing the Services and for the purposes of advertising or promoting LSH and its business.

(ii) Ownership of all rights in materials, know-how, developments, reports, forecasts, drawings, accounts and other documents created and/or originated by LSH, its employees or agents, in relation to or arising out of the Services, shall as between LSH and the Client belong to LSH.

(iii) LSH shall grant the Client a royalty free licence to use the LSH Report in accordance with this Agreement. The Client may not use the whole, or any part of the LSH Report, or any reference to it in any published document, circular or statement, without LSH's written approval of the form and context in which it shall appear. Such approval is required whether or not LSH is referred to by name and whether or not the reports are combined with others.

(iv) If at any time the Client is in default of payment of Fees, LSH may suspend the Client's licence to the LSH Report. At LSH's discretion, the licence may be resumed on receipt of all outstanding amounts.

8. INDEMNITY

The Client shall indemnify and keep indemnified LSH from and against all and any liability, losses, damages, penalties, fines, costs and expenses (including legal costs and expenses) suffered or incurred by LSH arising out of or by virtue of:

(i) The breach by the Client of any of its obligations under the Terms;

(ii) The Client's instructions to LSH other than any losses, damages, costs and expenses arising by virtue of the wilful default of LSH or its employees or agents; or

(iii) Any allegation that the Property (including without limitation the means of access to or egress from the same or any plant or substances in such premises provided for the use of any person) were not safe or posed a risk to health except where LSH had been notified in writing of all facts necessary to bring to the attention of LSH such fact(s).

9. LIMITATION AND LIABILITY

(i) Nothing in this Agreement shall limit LSH's liability for death and/or personal injury caused by the negligence of LSH or its employees, fraud or fraudulent misrepresentation, or any other liability to the extent that such liability cannot be limited in accordance with applicable law.

(ii) **Subject to Condition 9i) above, in respect of this Agreement, the aggregate liability of LSH to the Client whether arising from tort (including negligence), breach of contract, breach of statutory duty or howsoever otherwise arising shall be limited to five million pounds sterling (£5,000,000.00).**

(iii) Subject to Condition 9i) above, LSH shall not be liable for any claim to the extent that such claim is or can be characterised as a claim for (or arising from):

(a) Loss of revenue or profits;

(b) Loss of business opportunity or loss of contracts;

(c) Loss of goodwill or injury to reputation; or

(d) Anticipated savings,

(in each case whether arising directly or indirectly from any breach of this Agreement by LSH); or

(e) for any indirect, consequential or special loss or damage.

(iv) In the event of the Client engaging LSH together with other advisers, service providers and/or suppliers engaged by the Client or any other third party in relation to the Project, LSH's liability shall, without prejudice to the limitations contained in Condition 9 and subject always to Condition 9i), be limited to that proportion of any loss or damage suffered by the Client as it would be just and equitable for LSH to bear having regard to LSH's responsibility for it and on the basis that all other advisers, service providers and/or suppliers shall be deemed to have paid such proportion of the relevant loss or damage suffered by the Client which is just and equitable for them to have paid having regard to the extent of their respective responsibilities.

(v) The LSH Report is provided solely for the purpose of the Service and to the Client. Should the Client disclose any part of the LSH Report to any third party the Client shall notify such third party in advance of the disclosure and in writing that LSH does not owe a duty of care to such third party. The Client shall indemnify LSH and hold LSH harmless against all liabilities, costs, expenses, damages and losses suffered or incurred by LSH arising out of or in connection with such disclosure by the Client.

(vi) In the event of a proposal to place any loan secured over the Property in a syndicate, the Client must (i) notify LSH of such proposal, ii) disclose the identity of the parties participating in the syndicate to LSH, and iii) obtain LSH's written consent (which may be subject to the inclusion of alternative or additional terms) for such parties to rely on any of LSH's valuations, reports and/or any other advice or information resulting from the Client's instruction.

(vii) All risks and/or liabilities in relation to toxic mould, deleterious materials, contamination, radon gas, HAC or calcium chloride shall remain with the Client and the Client shall take such steps as it deems necessary to insure against or otherwise address such risks and liabilities.

(viii) LSH is not qualified to and will not provide any advice or services in connection with asbestos. The Client acknowledges that all risks relating to asbestos howsoever arising remain with the Client who shall take such steps as it deems necessary to address such risks. If appropriate the Client will arrange for the appointment by the Client of specialist asbestos consultants.

(ix) LSH will not advise on capital allowances in performance of the Services and will not be liable for any liability, losses, damages, penalties, fines, costs and expenses suffered or incurred by the Client or any other Third Party in respect of capital allowances. Insofar as LSH are liable for any capital allowances incurred as a result of the performance of the Services the indemnity set out in Condition 8 shall apply.

10. REINSTATEMENT COST ESTIMATES

In the event that the Client requires an estimate of the cost of reinstating any building or structure, for insurance purposes the following terms shall apply:

(i) The Reinstatement Cost assessment is an estimate provided on an informal basis only and should not be relied upon for the purposes of placing insurance cover on the property. Should a Reinstatement Cost Assessment be required to enable an insurance policy to be placed, LSH Building Consultancy Division must be separately instructed to undertake such an assessment.

(ii) The Reinstatement Cost assessed for insurance purposes shall be a "Day One" valuation and shall not include an allowance for inflation and or design/procurement periods etc.

(iii) LSH shall assume that the policy is on an indemnity basis with a fully operative reinstatement clause, no special conditions, an instantaneous basis of value and shall have no regard to any variation in building costs subsequent to the date of LSH's informal assessment. LSH's assessment will be based on the assumption that the reconstruction of any premises, to provide similar or new accommodation, will be permitted by the appropriate authorities with no undue restrictions.

(iv) LSH will exclude tenant fit-out and or fixtures and fittings, Value Added Tax, loss of rent, extra costs of working or other consequential losses, local authority requirements and party wall works. Further, LSH's assessment shall exclude any land remediation and special contaminated waste costs. However, the figure will be inclusive of professional fees, demolition and site clearance.

(v) LSH shall assume that VAT is chargeable on professional fees and building works to new and existing premises.

(vi) LSH will not carry out a structural survey and LSH's assessment will be prepared on the assumption that ground conditions will not give rise to the need for any specialist or unduly expensive constructional techniques (specialist foundations etc) unless LSH is otherwise advised by the Client. In addition, the removal of hazardous materials, if any, shall be excluded from the informal assessment.

11. TERMINATION OF INSTRUCTIONS

(i) The instruction from the Client to LSH may be terminated by the Client by giving not less than 30 days' notice in writing to LSH whereupon LSH shall be entitled to charge (at LSH's option):

(a) A fair and reasonable proportion of the full Fee which would have been payable if the work had been carried through to a conclusion and as if LSH had become entitled to payment in accordance with conditions 5 and 6 above, or

(b) A reasonable sum for all the work undertaken up to and including the date of termination based on quantum meruit; or

(c) The Fees as LSH are entitled to under Conditions 5 and 6 to include in each case any expenses already incurred (each a "**Contracted Fee**"),.

(ii) The instruction from the Client to LSH may be terminated by LSH on the following terms by giving not less than 30 days' notice in writing:

(a) If, as a result of circumstances outside the reasonable control of either party, it becomes unfeasible to perform the Services within a reasonable period. In these circumstances the Client shall pay to LSH all Fees by way of the **Contracted Fee**, or a fee for all work which has been done up to and including the date of termination on a quantum meruit basis where early termination of this Agreement deprives LSH of entitlement (or the opportunity to become entitled) to a Contracted Fee; or

(b) If the Client has made it impossible to complete the instruction within a reasonable period or has not made payment by the due date of any sum payable by the Client to LSH. In these circumstances the Client shall pay to LSH the full Fee which would have been charged as if the work had been carried through to a conclusion (plus any expenses already incurred).

(iii) Any outstanding Fees due to LSH shall be paid in full by the Client on or before the expiry of the notice period for termination of instructions. For the avoidance of doubt in the event of termination of instructions, whether by LSH or by the Client, LSH shall not be liable to repay the Client any Fees previously paid by the Client to LSH.

(iv) Where any Fees are to be charged on a quantum meruit basis such Fees shall be calculated by reference to LSH's hourly charges from time to time, details of which are available from LSH on request.

(v) Notwithstanding the provisions of Conditions i) and ii) above, LSH shall be entitled to terminate an instruction from a client without notice, if required to do so for statutory regulatory reasons.

12. REGULATION AND COMPLAINTS

(i) LSH is regulated by RICS for the provision of surveying services. This means we agree to uphold the RICS Rules of Conduct for Firms and all other applicable mandatory professional practice requirements of RICS, which can be found at www.rics.org. As an RICS regulated firm we have committed to cooperating with RICS in ensuring compliance with its standards. The firm's nominated RICS Responsible Principal is Massimo Marcovecchio , Chief Operating Officer, United Kingdom House, 180 Oxford Street, London, W1D 1NN or email mmarcovecchio@lsh.co.uk

(ii) LSH aims to carry out any instructions received from the Client in an efficient and professional manner. LSH, therefore, hopes that the Client will not find cause for complaint but recognises that in an isolated circumstance there may be complaints. These should be addressed initially to the Head of the LSH office dealing with the instruction.

(iii) LSH adopts the complaints handling procedures that are required by the RICS, a copy of our Complaints Handling Procedure may be obtained from our National Head of Standards and Practice, United Kingdom House, 180 Oxford Street, London, W1D 1NN or email NHSP@lsh.co.uk.

13. ASSIGNMENT

(i) LSH may assign the Agreement without the consent of the Client.

(ii) The Agreement is not assignable by the Client without the prior written consent of LSH.

14. DATA PROTECTION

(i) We collect and process your personal information. All information will be processed in accordance with the applicable Data Protection Laws

(ii) Full details of how we process your information can be found on our website http://www.lsh.co.uk/privacy-policy. Printed copies of our privacy notice are available on request.

(iii) You may change your communication preferences or withdraw from any further communications from us by contacting us at privacy@lsh.co.uk

(iv) Where we receive personal data from any prospective purchaser or tenant of the Property, we shall only use that data for the purposes of your instructions and shall comply with Data Protection Laws. The Client warrants that where it or its appointed third parties or advisors provide such data to LSH, it has or shall procure that all necessary notices and consents are in place to enable the lawful transfer to LSH in accordance with Data Protection Laws.

15. MONEY LAUNDERING REGULATIONS

(i) **Money laundering reporting**

(a) Much of LSH's work falls into the regulated sector under the Proceeds of Crime Act and Sanctions and Anti-Money Laundering Act 2018 and, as such, we are required to report all knowledge or suspicion (or reasonable grounds for knowledge or suspicion) that a criminal offence giving rise to any direct or indirect benefit from criminal conduct has been committed. Failure to report such knowledge or suspicion would be a criminal offence. This duty to report exists regardless of whether the suspected offence has been, or is about to be, committed by a client or by a third party.

(b) If as part of our normal work LSH obtain knowledge or suspicion (or reasonable grounds for knowledge or suspicion) that such offences have been committed we are required to make a report to the National Crime Agency or OFSI. It is not our practice to discuss the existence or otherwise of any reports with you or with anyone else, because of the restrictions imposed on us by the tipping off provisions of the anti-money laundering legislation.

(c) LSH shall not be liable for any liabilities of the Client or third parties arising out of its regulatory obligations to report.

16. ETHICS

(i) Each party shall:

(a) Comply with all applicable law relating to anti-bribery, anti-facilitation of tax evasion and anti-slavery including without limitation the Bribery Act 2010, the Criminal Finances Act 2017 and the Modern Slavery Act 2015 ("**Relevant Requirements**");

(b) Have and maintain in place throughout the term of this Agreement its own policies and procedures, including without limitation adequate procedures under the Bribery Act 2010 and reasonable prevention procedures under the Criminal Finances Act 2017 to ensure compliance with the Relevant Requirements, and enforce them where appropriate; and

(c) Promptly report to the other party any: (i) breach, or potential breach, of the Relevant Requirements (ii) actual or suspected slavery or human trafficking in a supply chain which has any connection with this Agreement, or (iii) request or demand for any undue or suspicious financial or other advantage of any kind received by it in connection with the performance of its obligations under this Agreement, or (ii) request or demand from a third party to facilitate the evasion of tax within the meaning of Part 3 of the Criminal Finance Act 2017 in connection with the performance of the complying Party's obligations under this Agreement.

17. GOVERNING LAW AND JURISDICTION

The Terms, and the Agreement of which they form part, shall be governed by and construed in all respects in accordance with English Law and the parties irrevocably and unconditionally submit to the exclusive jurisdiction of the English Courts in relation to any dispute or proceedings arising out of, or in connection with, the Terms or any such Agreement but without prejudice to LSH's right to take proceedings in any other jurisdiction in order to enforce payment of any sums owed to LSH.

October 2021

APPENDIX 6: RESIDUAL APPRAISALS

Sixfields - Option 1

Development Appraisal
Lambert Smith Hampton
10 August 2021

APPRAISAL SUMMARY — LAMBERT SMITH HAMPTON

Sixfields - Option 1

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE

Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**	
Residential	1	239,477	270.00	64,658,790	64,658,790	

Rental Area Summary	**Units**	**ft²**	**Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Trade Counter Units	1	80,525	9.00	724,725	724,725	724,725
Totals	**1**	**80,525**			**724,725**	**724,725**

Investment Valuation					
Trade Counter Units					
Market Rent	724,725	YP @	5.5000%	18.1818	
(0yrs 6mths Rent Free)		PV 0yrs 6mths @	5.5000%	0.9736	12,828,749
					12,828,749

GROSS DEVELOPMENT VALUE			**77,487,539**
Purchaser's Costs	6.80%	(816,812)	
			(816,812)
NET DEVELOPMENT VALUE			**76,670,728**
NET REALISATION			**76,670,728**

OUTLAY

ACQUISITION COSTS				
Residualised Price (Negative land)			(20,615,099)	
				(20,615,099)
CONSTRUCTION COSTS				
Construction	**ft²**	**Rate ft²**	**Cost**	
Trade Counter Units	80,525 ft²	181.31 pf²	14,600,000	
Residential	277,173 ft²	191.18 pf²	52,990,000	
Totals	**357,698 ft²**		**67,590,000**	**67,590,000**
Enabling Works			10,030,000	
				10,030,000
Section 106 Costs				
CIL			1,679,673	
				1,679,673
MARKETING & LETTING				
Marketing		1.00%	646,588	
Marketing			20,000	
Letting Agent Fee		15.00%	108,709	
Letting Legal Fee		5.00%	36,236	
				811,533
DISPOSAL FEES				
Sales Agent Fee		1.00%	766,707	
Sales Legal Fee		0.50%	383,354	
				1,150,061
FINANCE				
Debit Rate 6.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				527,062
TOTAL COSTS				**61,173,229**
PROFIT				
				15,497,498

Performance Measures

Profit on Cost%	25.33%
Profit on GDV%	20.00%
Profit on NDV%	20.21%
Development Yield% (on Rent)	1.18%
Equivalent Yield% (Nominal)	5.50%
Equivalent Yield% (True)	5.69%

Sixfields - Option 1

IRR	N/A
Rent Cover	21 yrs 5 mths
Profit Erosion (finance rate 6.000%)	3 yrs 9 mths

Sixfields - Option 1

Table of Land Cost and Profit on GDV%

Rent: Yield 5.0000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£10,974,353	£15,550,969	£20,234,663	£25,063,635	£29,959,386
8.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
-0.25 pf²	£10,704,625	£15,277,507	£19,962,395	£24,791,383	£29,687,974
8.75 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 pf²	£10,434,898	£15,004,045	£19,690,445	£24,519,366	£29,416,953
9.00 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.25 pf²	£10,166,450	£14,730,584	£19,418,630	£24,248,137	£29,146,375
9.25 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.50 pf²	£9,899,012	£14,457,122	£19,147,090	£23,977,812	£28,876,413
9.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
Rent: Yield 5.2500%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£11,427,567	£16,010,943	£20,692,274	£25,521,686	£30,417,135
8.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
-0.25 pf²	£11,171,169	£15,750,700	£20,433,465	£25,262,564	£30,157,786
8.75 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 pf²	£10,914,772	£15,490,570	£20,174,656	£25,003,699	£29,899,678
9.00 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.25 pf²	£10,658,374	£15,230,623	£19,915,899	£24,744,907	£29,641,759
9.25 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.50 pf²	£10,401,977	£14,970,676	£19,657,405	£24,486,402	£29,384,197
9.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
Rent: Yield 5.5000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£11,841,204	£16,429,930	£21,108,909	£25,938,695	£30,835,133
8.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
-0.25 pf²	£11,595,702	£16,181,155	£20,861,840	£25,691,512	£30,587,417
8.75 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 pf²	£11,350,983	£15,933,210	£20,615,099	£25,444,474	£30,339,716
9.00 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.25 pf²	£11,106,702	£15,685,266	£20,368,524	£25,197,621	£30,093,086
9.25 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.50 pf²	£10,862,422	£15,437,503	£20,121,950	£24,951,064	£29,847,251
9.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
Rent: Yield 5.7500%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£12,219,203	£16,813,599	£21,491,331	£26,319,446	£31,217,213
8.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
-0.25 pf²	£11,984,819	£16,575,699	£21,254,174	£26,083,460	£30,980,275
8.75 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 pf²	£11,750,435	£16,337,800	£21,017,629	£25,847,475	£30,743,764
9.00 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.25 pf²	£11,516,051	£16,100,711	£20,781,862	£25,611,490	£30,507,272
9.25 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.50 pf²	£11,282,790	£15,863,995	£20,546,396	£25,375,746	£30,270,895
9.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
Rent: Yield 6.0000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£12,565,915	£17,165,263	£21,842,406	£26,668,914	£31,567,895
8.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
-0.25 pf²	£12,341,476	£16,937,706	£21,615,290	£26,442,714	£31,341,098
8.75 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 pf²	£12,117,282	£16,710,150	£21,388,309	£26,216,992	£31,114,308
9.00 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.25 pf²	£11,893,088	£16,482,593	£21,161,467	£25,991,271	£30,887,917
9.25 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.50 pf²	£11,668,894	£16,255,076	£20,935,678	£25,765,550	£30,661,712
9.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%

Sensitivity Analysis : Assumptions for Calculation

Construction: Rate pf²
Original Values are varied by Steps of 7.500%.

Heading	Phase	Rate	No. of Steps
Residential	1	£191.18	2 Up & Down
Trade Counter Units	2	£181.31	2 Up & Down

Sixfields - Option 1

Rent: Rate pf²
Original Values are varied in Fixed Steps of £0.25

Heading	Phase	Rate	No. of Steps
Trade Counter Units	2	£9.00	2 Up & Down

Rent: Yield
Original Values are varied in Fixed Steps of 0.25%

Heading	Phase	Cap. Rate	No. of Steps
Trade Counter Units	2	5.5000%	2 Up & Down

Sixfields - Option 2

Development Appraisal
Lambert Smith Hampton
10 August 2021

APPRAISAL SUMMARY — LAMBERT SMITH HAMPTON

Sixfields - Option 2

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE						
Rental Area Summary	**Units**	**ft²**	**Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Lower Plateau Trade Counter	1	132,925	9.00	1,196,325	1,196,325	1,196,325
Trade Counter Units	1	80,525	9.00	724,725	724,725	724,725
Totals	**2**	**213,450**			**1,921,050**	**1,921,050**
Investment Valuation						
Lower Plateau Trade Counter						
Market Rent	1,196,325	YP @	5.5000%	18.1818		
(0yrs 6mths Rent Free)		PV 0yrs 6mths @	5.5000%	0.9736	21,176,796	
Trade Counter Units						
Market Rent	724,725	YP @	5.5000%	18.1818		
(0yrs 6mths Rent Free)		PV 0yrs 6mths @	5.5000%	0.9736	12,828,749	
					34,005,546	
GROSS DEVELOPMENT VALUE				**34,005,546**		
Purchaser's Costs		6.80%	(2,165,147)			
				(2,165,147)		
NET DEVELOPMENT VALUE				**31,840,399**		
NET REALISATION				**31,840,399**		
OUTLAY						
ACQUISITION COSTS						
Residualised Price (Negative land)			(23,017,024)			
				(23,017,024)		
CONSTRUCTION COSTS						
Construction	**ft²**	**Rate ft²**	**Cost**			
Lower Plateau Trade Counter	132,925 ft²	176.11 pf²	23,410,000			
Trade Counter Units	80,525 ft²	181.31 pf²	14,600,000			
Totals	**213,450 ft²**		**38,010,000**	**38,010,000**		
Enabling Works			10,030,000			
				10,030,000		
MARKETING & LETTING						
Marketing			50,000			
Letting Agent Fee		15.00%	288,158			
Letting Legal Fee		5.00%	96,053			
				434,210		
DISPOSAL FEES						
Sales Agent Fee		1.00%	318,404			
Sales Legal Fee		0.50%	159,202			
				477,606		
FINANCE						
Debit Rate 6.000%, Credit Rate 0.000% (Nominal)						
Total Finance Cost				1,654,914		
TOTAL COSTS				**27,589,705**		
PROFIT						
				4,250,693		
Performance Measures						
Profit on Cost%		15.41%				
Profit on GDV%		12.50%				
Profit on NDV%		13.35%				
Development Yield% (on Rent)		6.96%				
Equivalent Yield% (Nominal)		5.50%				
Equivalent Yield% (True)		5.69%				
IRR		N/A				

Sixfields - Option 2

Rent Cover	2 yrs 3 mths
Profit Erosion (finance rate 6.000%)	2 yrs 5 mths

Sixfields - Option 2

Table of Land Cost and Profit on GDV%

Rent: Yield 5.0000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf² 8.50 pf²	£16,333,358 12.500%	£19,144,692 12.500%	£21,963,509 12.500%	£24,784,923 12.500%	£27,612,866 12.500%
-0.25 pf² 8.75 pf²	£15,581,251 12.500%	£18,389,518 12.500%	£21,207,666 12.500%	£24,026,473 12.500%	£26,853,234 12.500%
0.00 pf² 9.00 pf²	£14,829,157 12.500%	£17,637,418 12.500%	£20,451,817 12.500%	£23,270,631 12.500%	£26,093,613 12.500%
+0.25 pf² 9.25 pf²	£14,080,654 12.500%	£16,885,318 12.500%	£19,695,974 12.500%	£22,514,789 12.500%	£25,334,004 12.500%
+0.50 pf² 9.50 pf²	£13,332,257 12.500%	£16,133,212 12.500%	£18,941,478 12.500%	£21,758,945 12.500%	£24,577,754 12.500%
Rent: Yield 5.2500%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf² 8.50 pf²	£17,596,155 12.500%	£20,413,781 12.500%	£23,232,589 12.500%	£26,060,349 12.500%	£28,888,294 12.500%
-0.25 pf² 8.75 pf²	£16,881,196 12.500%	£19,695,258 12.500%	£22,514,072 12.500%	£25,338,234 12.500%	£28,166,186 12.500%
0.00 pf² 9.00 pf²	£16,166,235 12.500%	£18,976,742 12.500%	£21,795,556 12.500%	£24,616,133 12.500%	£27,444,071 12.500%
+0.25 pf² 9.25 pf²	£15,451,269 12.500%	£18,259,538 12.500%	£21,077,038 12.500%	£23,895,846 12.500%	£26,721,952 12.500%
+0.50 pf² 9.50 pf²	£14,736,668 12.500%	£17,544,579 12.500%	£20,358,514 12.500%	£23,177,330 12.500%	£25,999,846 12.500%
Rent: Yield 5.5000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf² 8.50 pf²	£18,748,574 12.500%	£21,567,391 12.500%	£24,391,798 12.500%	£27,219,734 12.500%	£30,047,671 12.500%
-0.25 pf² 8.75 pf²	£18,063,993 12.500%	£20,882,804 12.500%	£23,703,779 12.500%	£26,531,721 12.500%	£29,359,662 12.500%
0.00 pf² 9.00 pf²	£17,381,658 12.500%	£20,198,215 12.500%	£23,017,024 12.500%	£25,843,703 12.500%	£28,671,652 12.500%
+0.25 pf² 9.25 pf²	£16,700,461 12.500%	£19,513,621 12.500%	£22,332,438 12.500%	£25,155,692 12.500%	£27,983,642 12.500%
+0.50 pf² 9.50 pf²	£16,019,261 12.500%	£18,829,039 12.500%	£21,647,851 12.500%	£24,467,692 12.500%	£27,295,626 12.500%
Rent: Yield 5.7500%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf² 8.50 pf²	£19,801,784 12.500%	£22,622,319 12.500%	£25,450,260 12.500%	£28,278,200 12.500%	£31,110,392 12.500%
-0.25 pf² 8.75 pf²	£19,148,169 12.500%	£21,966,981 12.500%	£24,793,374 12.500%	£27,621,322 12.500%	£30,450,258 12.500%
0.00 pf² 9.00 pf²	£18,494,554 12.500%	£21,313,371 12.500%	£24,136,493 12.500%	£26,964,444 12.500%	£29,792,381 12.500%
+0.25 pf² 9.25 pf²	£17,840,954 12.500%	£20,659,761 12.500%	£23,479,624 12.500%	£26,307,560 12.500%	£29,135,503 12.500%
+0.50 pf² 9.50 pf²	£17,190,541 12.500%	£20,006,146 12.500%	£22,824,957 12.500%	£25,650,672 12.500%	£28,478,625 12.500%
Rent: Yield 6.0000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf² 8.50 pf²	£20,767,127 12.500%	£23,592,483 12.500%	£26,420,433 12.500%	£29,249,948 12.500%	£32,085,364 12.500%
-0.25 pf² 8.75 pf²	£20,141,909 12.500%	£22,964,140 12.500%	£25,792,088 12.500%	£28,620,026 12.500%	£31,453,910 12.500%
0.00 pf² 9.00 pf²	£19,516,690 12.500%	£22,335,807 12.500%	£25,163,739 12.500%	£27,991,682 12.500%	£30,822,444 12.500%
+0.25 pf² 9.25 pf²	£18,891,466 12.500%	£21,710,280 12.500%	£24,535,401 12.500%	£27,363,338 12.500%	£30,191,275 12.500%
+0.50 pf² 9.50 pf²	£18,266,248 12.500%	£21,085,063 12.500%	£23,907,046 12.500%	£26,734,993 12.500%	£29,562,931 12.500%

Sensitivity Analysis : Assumptions for Calculation

Construction: Rate pf²
Original Values are varied by Steps of 7.500%.

Heading	Phase	Rate	No. of Steps
Lower Plateau Trade Counter	1	£176.11	2 Up & Down
Trade Counter Units	2	£181.31	2 Up & Down

Sixfields - Option 2

Rent: Rate pf²
Original Values are varied in Fixed Steps of £0.25

Heading	Phase	Rate	No. of Steps
Lower Plateau Trade Counter	1	£9.00	2 Up & Down
Trade Counter Units	2	£9.00	2 Up & Down

Rent: Yield
Original Values are varied in Fixed Steps of 0.25%

Heading	Phase	Cap. Rate	No. of Steps
Lower Plateau Trade Counter	1	5.5000%	2 Up & Down
Trade Counter Units	2	5.5000%	2 Up & Down

Sixfields - Option 3

Development Appraisal
Lambert Smith Hampton
10 August 2021

APPRAISAL SUMMARY — LAMBERT SMITH HAMPTON

Sixfields - Option 3

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE

Rental Area Summary	**Units**	**ft²**	**Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Lower Plateau Warehouse	1	114,690	7.25	831,503	831,503	831,503
Lower Plateau Warehouse	1	53,110	7.75	411,603	411,603	411,603
Upper Plateau Trade Counter Units	1	80,525	9.00	724,725	724,725	724,725
Totals	**3**	**248,325**			**1,967,830**	**1,967,830**

Investment Valuation					
Lower Plateau Warehouse					
Market Rent	831,503	YP @	5.0000%	20.0000	
(1yr Rent Free)		PV 1yr @	5.0000%	0.9524	15,838,143
Lower Plateau Warehouse					
Market Rent	411,603	YP @	5.0000%	20.0000	
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	5.0000%	0.9641	7,936,263
Upper Plateau Trade Counter Units					
Market Rent	724,725	YP @	5.5000%	18.1818	
(0yrs 6mths Rent Free)		PV 0yrs 6mths @	5.5000%	0.9736	12,828,749
					36,603,155

GROSS DEVELOPMENT VALUE			**36,603,155**
Purchaser's Costs	6.80%	(2,330,538)	
			(2,330,538)
NET DEVELOPMENT VALUE			**34,272,617**
NET REALISATION			**34,272,617**

OUTLAY

ACQUISITION COSTS				
Residualised Price (Negative land)			(16,855,982)	
				(16,855,982)
CONSTRUCTION COSTS				
Construction	**ft²**	**Rate ft²**	**Cost**	
Lower Plateau Warehouse	114,690 ft²	113.65 pf²	13,034,519	
Lower Plateau Warehouse	53,110 ft²	113.64 pf²	6,035,420	
Upper Plateau Trade Counter Units	80,525 ft²	181.31 pf²	14,600,000	
Totals	**248,325 ft²**		**33,669,939**	**33,669,939**
Enabling Works			10,030,000	
				10,030,000
MARKETING & LETTING				
Marketing			50,000	
Letting Agent Fee		15.00%	295,175	
Letting Legal Fee		5.00%	98,392	
				443,566
DISPOSAL FEES				
Sales Agent Fee		1.00%	342,726	
Sales Legal Fee		0.50%	171,363	
				514,089
FINANCE				
Debit Rate 6.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				1,895,610
TOTAL COSTS				**29,697,223**
PROFIT				
				4,575,394

Performance Measures	
Profit on Cost%	15.41%
Profit on GDV%	12.50%
Profit on NDV%	13.35%
Development Yield% (on Rent)	6.63%

Sixfields - Option 3

Equivalent Yield% (Nominal)	5.17%
Equivalent Yield% (True)	5.34%
IRR	N/A
Rent Cover	2 yrs 4 mths
Profit Erosion (finance rate 6.000%)	2 yrs 5 mths

Sixfields - Option 3

Table of Land Cost and Profit on GDV%

Rent: Yield 4.5000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£10,787,344 12.500%	£13,257,922 12.500%	£15,738,706 12.500%	£18,226,321 12.500%	£20,720,549 12.500%
-0.25 pf²	£9,872,621 12.500%	£12,333,951 12.500%	£14,811,145 12.500%	£17,297,775 12.500%	£19,787,382 12.500%
0.00 pf²	£8,963,458 12.500%	£11,414,382 12.500%	£13,887,173 12.500%	£16,369,224 12.500%	£18,856,836 12.500%
+0.25 pf²	£8,059,158 12.500%	£10,496,038 12.500%	£12,963,194 12.500%	£15,440,681 12.500%	£17,928,290 12.500%
+0.50 pf²	£7,159,650 12.500%	£9,583,425 12.500%	£12,041,416 12.500%	£14,516,421 12.500%	£16,999,741 12.500%

Rent: Yield 4.7500%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£12,237,273 12.500%	£14,714,859 12.500%	£17,202,468 12.500%	£19,694,631 12.500%	£22,191,593 12.500%
-0.25 pf²	£11,366,455 12.500%	£13,839,924 12.500%	£16,323,593 12.500%	£18,811,397 12.500%	£21,308,345 12.500%
0.00 pf²	£10,497,016 12.500%	£12,965,376 12.500%	£15,444,714 12.500%	£17,932,329 12.500%	£20,425,090 12.500%
+0.25 pf²	£9,633,097 12.500%	£12,091,854 12.500%	£14,568,029 12.500%	£17,053,455 12.500%	£19,541,852 12.500%
+0.50 pf²	£8,773,581 12.500%	£11,221,656 12.500%	£13,693,484 12.500%	£16,174,575 12.500%	£18,662,190 12.500%

Rent: Yield 5.0000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£13,552,368 12.500%	£16,036,463 12.500%	£18,525,865 12.500%	£21,022,822 12.500%	£23,519,802 12.500%
-0.25 pf²	£12,722,427 12.500%	£15,202,411 12.500%	£17,690,026 12.500%	£20,184,622 12.500%	£22,681,572 12.500%
0.00 pf²	£11,893,586 12.500%	£14,369,689 12.500%	£16,855,982 12.500%	£19,346,424 12.500%	£21,843,383 12.500%
+0.25 pf²	£11,067,772 12.500%	£13,539,752 12.500%	£16,021,933 12.500%	£18,509,545 12.500%	£21,005,184 12.500%
+0.50 pf²	£10,243,981 12.500%	£12,709,810 12.500%	£15,187,889 12.500%	£17,675,500 12.500%	£20,166,983 12.500%

Rent: Yield 5.2500%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£14,748,059 12.500%	£17,235,674 12.500%	£19,731,046 12.500%	£22,227,998 12.500%	£24,731,004 12.500%
-0.25 pf²	£13,956,195 12.500%	£16,442,290 12.500%	£18,933,706 12.500%	£21,430,667 12.500%	£23,929,678 12.500%
0.00 pf²	£13,166,718 12.500%	£15,648,901 12.500%	£18,136,513 12.500%	£20,633,334 12.500%	£23,130,284 12.500%
+0.25 pf²	£12,377,238 12.500%	£14,855,517 12.500%	£17,343,129 12.500%	£19,835,994 12.500%	£22,332,953 12.500%
+0.50 pf²	£11,590,373 12.500%	£14,064,960 12.500%	£16,549,744 12.500%	£19,038,667 12.500%	£21,535,621 12.500%

Rent: Yield 5.5000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£15,841,138 12.500%	£18,332,598 12.500%	£20,829,558 12.500%	£23,329,957 12.500%	£25,835,004 12.500%
-0.25 pf²	£15,084,796 12.500%	£17,572,509 12.500%	£20,069,458 12.500%	£22,566,408 12.500%	£25,071,095 12.500%
0.00 pf²	£14,328,463 12.500%	£16,816,072 12.500%	£19,309,351 12.500%	£21,806,308 12.500%	£24,307,193 12.500%
+0.25 pf²	£13,575,525 12.500%	£16,059,734 12.500%	£18,549,252 12.500%	£21,046,209 12.500%	£23,543,306 12.500%
+0.50 pf²	£12,822,910 12.500%	£15,303,391 12.500%	£17,791,006 12.500%	£20,286,105 12.500%	£22,783,059 12.500%

Sensitivity Analysis : Assumptions for Calculation

Construction: Rate pf²
Original Values are varied by Steps of 7.500%.

Heading	Phase	Rate	No. of Steps
Lower Plateau Warehouse	1	£113.65	2 Up & Down
Lower Plateau Warehouse	1	£113.64	2 Up & Down
Upper Plateau Trade Counter Units	2	£181.31	2 Up & Down

Sixfields - Option 3

Rent: Rate pf²
Original Values are varied in Fixed Steps of £0.25

Heading	Phase	Rate	No. of Steps
Lower Plateau Warehouse	1	£7.25	2 Up & Down
Lower Plateau Warehouse	1	£7.75	2 Up & Down
Upper Plateau Trade Counter Units	2	£9.00	2 Up & Down

Rent: Yield
Original Values are varied in Fixed Steps of 0.25%

Heading	Phase	Cap. Rate	No. of Steps
Lower Plateau Warehouse	1	5.0000%	2 Up & Down
Lower Plateau Warehouse	1	5.0000%	2 Up & Down
Upper Plateau Trade Counter Units	2	5.5000%	2 Up & Down

Sixfields - Option 4

Development Appraisal
Lambert Smith Hampton
28 September 2021

APPRAISAL SUMMARY — LAMBERT SMITH HAMPTON

Sixfields - Option 4

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE

Rental Area Summary	**Units**	**ft²**	**Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**
Lower Plateau Warehouse	1	114,690	7.25	831,503	831,503
Lower Plateau Warehouse	1	53,110	7.75	411,603	411,603
Retail	1	146,000	15.00	2,190,000	2,190,000
Totals	**3**	**313,800**			**3,433,105**

Investment Valuation					
Lower Plateau Warehouse					
Market Rent	831,503	YP @	5.0000%	20.0000	
(1yr Rent Free)		PV 1yr @	5.0000%	0.9524	15,838,143
Lower Plateau Warehouse					
Market Rent	411,603	YP @	5.0000%	20.0000	
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	5.0000%	0.9641	7,936,263
Retail					
Market Rent	2,190,000	YP @	8.0000%	12.5000	
(2yrs Rent Free)		PV 2yrs @	8.0000%	0.8573	23,469,650
					47,244,056

GROSS DEVELOPMENT VALUE				**47,244,056**
Purchaser's Costs		6.80%	(3,008,048)	
				(3,008,048)
NET DEVELOPMENT VALUE				**44,236,007**
NET REALISATION				**44,236,007**

OUTLAY

ACQUISITION COSTS				
Residualised Price (Negative land)			(28,958,101)	
				(28,958,101)
CONSTRUCTION COSTS				
Construction	**ft²**	**Rate ft²**	**Cost**	
Lower Plateau Warehouse	114,690 ft²	113.65 pf²	13,034,519	
Lower Plateau Warehouse	53,110 ft²	113.64 pf²	6,035,420	
Retail	146,000 ft²	195.96 pf²	28,610,000	
Totals	**313,800 ft²**		**47,679,939**	**47,679,939**
Enabling Works			12,650,000	
				12,650,000
Section 106 Costs				
CIL			1,769,695	
				1,769,695
MARKETING & LETTING				
Marketing			80,000	
Letting Agent Fee		15.00%	514,966	
Letting Legal Fee		5.00%	171,655	
				766,621
DISPOSAL FEES				
Sales Agent Fee		1.00%	442,360	
Sales Legal Fee		0.50%	221,180	
				663,540
FINANCE				
Debit Rate 6.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				2,577,704
TOTAL COSTS				**37,149,399**
PROFIT				
				7,086,608

Sixfields - Option 4

Performance Measures

Profit on Cost%	19.08%
Profit on GDV%	15.00%
Profit on NDV%	16.02%
Development Yield% (on Rent)	9.24%
Equivalent Yield% (Nominal)	6.57%
Equivalent Yield% (True)	6.85%
IRR	N/A
Rent Cover	2 yrs 1 mth
Profit Erosion (finance rate 6.000%)	2 yrs 11 mths

Initial
MRV
831,503
411,603
2,190,000
3,433,105

Sixfields - Option 4

Table of Land Cost and Profit on Cost%

Rent: Yield 4.5000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£20,615,593	£24,100,757	£27,596,762	£31,099,096	£34,611,183
	19.076%	19.076%	19.076%	19.076%	19.076%
-0.25 pf²	£19,714,349	£23,195,004	£26,686,539	£30,187,392	£33,696,418
	19.076%	19.076%	19.076%	19.076%	19.076%
0.00 pf²	£18,813,116	£22,289,268	£25,777,692	£29,277,159	£32,781,668
	19.076%	19.076%	19.076%	19.076%	19.076%
+0.25 pf²	£17,915,724	£21,386,575	£24,871,948	£28,366,923	£31,867,782
	19.076%	19.076%	19.076%	19.076%	19.076%
+0.50 pf²	£17,018,942	£20,485,332	£23,966,195	£27,456,705	£30,957,555
	19.076%	19.076%	19.076%	19.076%	19.076%
Rent: Yield 4.7500%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£22,176,297	£25,667,635	£29,168,489	£32,678,623	£36,191,068
	19.076%	19.076%	19.076%	19.076%	19.076%
-0.25 pf²	£21,315,845	£24,804,268	£28,303,763	£31,809,603	£35,321,700
	19.076%	19.076%	19.076%	19.076%	19.076%
0.00 pf²	£20,459,421	£23,943,804	£27,439,031	£30,940,584	£34,452,667
	19.076%	19.076%	19.076%	19.076%	19.076%
+0.25 pf²	£19,603,233	£23,083,333	£26,574,317	£30,075,170	£33,583,637
	19.076%	19.076%	19.076%	19.076%	19.076%
+0.50 pf²	£18,747,059	£22,222,880	£25,711,304	£29,210,442	£32,714,619
	19.076%	19.076%	19.076%	19.076%	19.076%
Rent: Yield 5.0000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£23,605,630	£27,104,035	£30,610,083	£34,122,182	£37,641,827
	19.076%	19.076%	19.076%	19.076%	19.076%
-0.25 pf²	£22,786,287	£26,280,634	£29,782,598	£33,294,686	£36,810,202
	19.076%	19.076%	19.076%	19.076%	19.076%
0.00 pf²	£21,966,947	£25,457,248	£28,958,101	£32,467,187	£35,979,290
	19.076%	19.076%	19.076%	19.076%	19.076%
+0.25 pf²	£21,148,213	£24,636,042	£28,134,702	£31,639,703	£35,151,798
	19.076%	19.076%	19.076%	19.076%	19.076%
+0.50 pf²	£20,332,952	£23,816,702	£27,311,301	£30,812,219	£34,324,300
	19.076%	19.076%	19.076%	19.076%	19.076%
Rent: Yield 5.2500%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£24,921,625	£28,423,002	£31,935,090	£35,451,346	£38,973,437
	19.076%	19.076%	19.076%	19.076%	19.076%
-0.25 pf²	£24,135,954	£27,636,803	£31,145,514	£34,657,813	£38,179,918
	19.076%	19.076%	19.076%	19.076%	19.076%
0.00 pf²	£23,353,961	£26,851,118	£30,355,911	£33,868,009	£37,386,385
	19.076%	19.076%	19.076%	19.076%	19.076%
+0.25 pf²	£22,572,146	£26,065,436	£29,566,330	£33,078,413	£36,592,851
	19.076%	19.076%	19.076%	19.076%	19.076%
+0.50 pf²	£21,790,340	£25,279,766	£28,780,616	£32,288,821	£35,800,924
	19.076%	19.076%	19.076%	19.076%	19.076%
Rent: Yield 5.5000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£26,136,546	£29,643,973	£33,156,303	£36,678,408	£40,200,923
	19.076%	19.076%	19.076%	19.076%	19.076%
-0.25 pf²	£25,385,424	£28,889,108	£32,401,204	£35,919,785	£39,441,882
	19.076%	19.076%	19.076%	19.076%	19.076%
0.00 pf²	£24,634,316	£28,135,170	£31,646,345	£35,161,162	£38,683,267
	19.076%	19.076%	19.076%	19.076%	19.076%
+0.25 pf²	£23,884,268	£27,384,055	£30,891,492	£34,403,594	£37,924,645
	19.076%	19.076%	19.076%	19.076%	19.076%
+0.50 pf²	£23,136,853	£26,632,934	£30,136,646	£33,648,740	£37,166,022
	19.076%	19.076%	19.076%	19.076%	19.076%

Sensitivity Analysis : Assumptions for Calculation

Construction: Rate pf²

Original Values are varied by Steps of 7.500%.

Heading	Phase	Rate	No. of Steps

Sixfields - Option 4

Lower Plateau Warehouse	1	£113.65	2 Up & Down
Lower Plateau Warehouse	1	£113.64	2 Up & Down
Retail	2	£195.96	2 Up & Down

Rent: Rate pf²
Original Values are varied in Fixed Steps of £0.25

Heading	Phase	Rate	No. of Steps
Lower Plateau Warehouse	1	£7.25	2 Up & Down
Lower Plateau Warehouse	1	£7.75	2 Up & Down
Retail	2	£15.00	2 Up & Down

Rent: Yield
Original Values are varied in Fixed Steps of 0.25%

Heading	Phase	Cap. Rate	No. of Steps
Lower Plateau Warehouse	1	5.0000%	2 Up & Down
Lower Plateau Warehouse	1	5.0000%	2 Up & Down
Retail	2	8.0000%	2 Up & Down

Sixfields - Option 5

Development Appraisal
Lambert Smith Hampton
28 September 2021

APPRAISAL SUMMARY	LAMBERT SMITH HAMPTON

Sixfields - Option 5

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE					
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**
Residential	1	239,477	270.00	64,658,790	64,658,790
Rental Area Summary				**Initial**	**Net Rent**
	Units	**ft²**	**Rate ft²**	**MRV/Unit**	**at Sale**
Upper Plateau Retail Warehouse	1	85,000	15.00	1,275,000	1,275,000
Totals	**1**	**85,000**			**1,275,000**
Investment Valuation					
Upper Plateau Retail Warehouse					
Market Rent	1,275,000	YP @	8.0000%	12.5000	
(2yrs Rent Free)		PV 2yrs @	8.0000%	0.8573	13,663,837
					13,663,837
GROSS DEVELOPMENT VALUE				**78,322,627**	
Purchaser's Costs		6.80%	(869,982)		
				(869,982)	
NET DEVELOPMENT VALUE				**77,452,645**	
NET REALISATION				**77,452,645**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price (Negative land)			(23,468,859)		
				(23,468,859)	
CONSTRUCTION COSTS					
Construction	**ft²**	**Rate ft²**	**Cost**		
Upper Plateau Retail Warehouse	85,000 ft²	192.00 pf²	16,320,000		
Residential	277,173 ft²	191.18 pf²	52,990,000		
Totals	**362,173 ft²**		**69,310,000**	**69,310,000**	
Enabling Works			10,030,000		
				10,030,000	
Section 106 Costs					
CIL			1,679,673		
CIL			1,030,322		
				2,709,995	
MARKETING & LETTING					
Marketing		1.00%	646,588		
Marketing			30,000		
Letting Agent Fee		15.00%	191,250		
Letting Legal Fee		5.00%	63,750		
				931,588	
DISPOSAL FEES					
Sales Agent Fee		1.00%	774,526		
Sales Legal Fee		0.50%	387,263		
				1,161,790	
FINANCE					
Debit Rate 6.000%, Credit Rate 0.000% (Nominal)					
Total Finance Cost				1,113,619	
TOTAL COSTS				**61,788,133**	
PROFIT					
				15,664,513	
Performance Measures					
Profit on Cost%		25.35%			
Profit on GDV%		20.00%			
Profit on NDV%		20.22%			

Sixfields - Option 5

Development Yield% (on Rent)	2.06%
Equivalent Yield% (Nominal)	8.00%
Equivalent Yield% (True)	8.42%
IRR	N/A
Rent Cover	12 yrs 3 mths
Profit Erosion (finance rate 6.000%)	3 yrs 10 mths

Sixfields - Option 5

Initial
MRV
1,275,000
1,275,000

Sixfields - Option 5

Table of Land Cost and Profit on GDV%

Rent: Yield 7.5000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£13,519,991	£18,277,482	£23,097,437	£27,982,445	£32,946,881
14.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
-0.25 pf²	£13,367,951	£18,123,209	£22,940,906	£27,823,373	£32,787,794
14.75 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 pf²	£13,215,958	£17,968,937	£22,784,516	£27,664,328	£32,628,889
15.00 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.25 pf²	£13,064,456	£17,814,664	£22,628,129	£27,505,464	£32,470,316
15.25 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.50 pf²	£12,913,219	£17,660,392	£22,471,743	£27,347,556	£32,312,177
15.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
Rent: Yield 7.7500%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£13,852,089	£18,615,453	£23,439,143	£28,329,803	£33,294,699
14.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
-0.25 pf²	£13,705,627	£18,466,250	£23,288,448	£28,176,563	£33,141,310
14.75 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 pf²	£13,559,164	£18,317,202	£23,137,753	£28,023,477	£32,988,018
15.00 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.25 pf²	£13,412,803	£18,168,734	£22,987,066	£27,870,392	£32,834,870
15.25 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.50 pf²	£13,266,528	£18,020,266	£22,836,560	£27,717,306	£32,681,901
15.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
Rent: Yield 8.0000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£14,163,320	£18,932,439	£23,759,212	£28,656,392	£33,621,081
14.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
-0.25 pf²	£14,022,059	£18,788,615	£23,614,036	£28,507,987	£33,473,083
14.75 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 pf²	£13,880,960	£18,644,875	£23,468,859	£28,360,093	£33,325,116
15.00 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.25 pf²	£13,739,861	£18,501,135	£23,323,683	£28,212,432	£33,177,316
15.25 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.50 pf²	£13,598,762	£18,357,397	£23,178,506	£28,064,953	£33,029,599
15.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
Rent: Yield 8.2500%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£14,456,720	£19,230,240	£24,061,038	£28,963,883	£33,929,310
14.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
-0.25 pf²	£14,319,981	£19,091,450	£23,920,348	£28,820,589	£33,785,669
14.75 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 pf²	£14,183,243	£18,952,660	£23,779,661	£28,677,315	£33,642,110
15.00 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.25 pf²	£14,046,916	£18,813,948	£23,639,622	£28,534,205	£33,499,289
15.25 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.50 pf²	£13,910,851	£18,675,336	£23,499,625	£28,391,451	£33,356,604
15.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
Rent: Yield 8.5000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£14,732,608	£19,510,266	£24,344,937	£29,253,057	£34,219,510
14.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
-0.25 pf²	£14,600,626	£19,376,304	£24,209,114	£29,114,748	£34,080,735
14.75 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 pf²	£14,468,644	£19,242,343	£24,073,317	£28,976,439	£33,941,961
15.00 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.25 pf²	£14,336,662	£19,108,381	£23,937,521	£28,838,131	£33,803,310
15.25 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.50 pf²	£14,204,680	£18,974,419	£23,801,726	£28,699,825	£33,664,729
15.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%

Sensitivity Analysis : Assumptions for Calculation

Construction: Rate pf²
Original Values are varied by Steps of 7.500%.

Heading	Phase	Rate	No. of Steps

Sixfields - Option 5

Residential	1	£191.18	2 Up & Down
Upper Plateau Retail Warehouse	2	£192.00	2 Up & Down

Rent: Rate pf²
Original Values are varied in Fixed Steps of £0.25

Heading	Phase	Rate	No. of Steps
Upper Plateau Retail Warehouse	2	£15.00	2 Up & Down

Rent: Yield
Original Values are varied in Fixed Steps of 0.25%

Heading	Phase	Cap. Rate	No. of Steps
Upper Plateau Retail Warehouse	2	8.0000%	2 Up & Down