

Savills Marketing Report

Former Rufford Colliery, Rufford Colliery Lane,
Rainworth, Nottinghamshire, NG21 0HR



Prepared For Harworth Estates

28th November 2012



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Introduction

Savills (L&P) Ltd (“Savills”) has been instructed by Harworth Estates (“Harworth”) to review the status of the former Rufford Colliery in the context of the Emerging Newark and Sherwood Local Plan.

This report demonstrates that the site is an available, suitable and deliverable employment site and should therefore be allocated within the Allocations and Development Management Development Plan Document (DPD).

Harworth and their planning consultants, RPS, have been in consultation with Newark and Sherwood District Council with regard to the suitability of the site for future employment development. Most recently, representations were submitted to the Council’s consultation on their Publication Allocations and Development Management DPD (representation reference DLE2409). We draw upon the previous points made as follows:

The Site

The Rufford Colliery site is the largest and most accessible development site within the Mansfield Fringe Area (“MFA”).

The Rufford Colliery site has a number of positives when seen in the context of the viability of competing sites. As a previously used site, there is already a well established access road with traffic controlled signals and direct links to the Mansfield/Ashfield Regeneration Route (MARR). We consider that having the necessary infrastructure already in place is a defining factor in the viability of any proposed employment site. The site also has its own water and electricity supply and an 11Kv electric substation which were used to supply the substantial needs of the former Colliery.

It is widely accepted that in the current economic climate the commercial development market is challenging, but given the site’s existing infrastructure we believe the Rufford Colliery site, subject to planning permission, is ready for redevelopment and will be attractive to occupiers given the availability of infrastructure and services and the certainty this provides.

It is worth noting that Harworth has over the past two years spent in excess of £100,000 on Rufford Colliery, clearing derelict buildings, removing old coal stocks and erecting new site gates. They have also cleared up the site considerably leaving a cleared, levelled site, much of which is covered by a concrete base. This considerable investment demonstrates their long term commitment to bringing the site back into economic use.



Competing Sites

Clipstone Colliery (Ref CL/MU/1)

We have undertaken a review of the above proposed allocation which is situated within the former mining settlement of Clipstone accessed off Mansfield Road.

We consider it is more appropriate to route substantial employment traffic from Rufford Colliery onto the MARR, than to route future employment traffic from Clipstone Colliery through Clipstone and Forest Town and subsequently onto the urban area of Mansfield, or via a B road, through the countryside and past Rufford Colliery to the MARR. We consider it is appropriate to point out that the majority of the coal that was extracted from the Clipstone Colliery was transported via a private road through to Rufford Colliery and onward via rail and road links.

Our concerns over the viability of this site for employment uses must be seen in the context of Newark and Sherwood District Council's Allocations and Development Management DPD Commercial Viability Assessment dated August 2012. Clipstone Colliery is seen as viable in the 5-10 and 10-15 year delivery period. We are concerned that the appraisal reflects a land value equating to c.£71,000 per net developable acre (see appendix 1). We consider this below market expectations and therefore a significant risk to delivering the site.

The value reflects that the site is being appraised on the 'Greenfield Development Scenario'¹ whereby an agricultural land value is used as the starting point. We would assume that the site's history would see it classified as 'Brownfield'. Using the 'Brownfield' appraisal assumptions (see appendix 2) the land value would increase by a third and bring it in line with market expectations. However, using the assumptions put forward this would produce a negative viability margin of £396,737 in the second delivery period (5-10 years) and a negative viability margin of £272,089 in the final delivery period (10-5 years). We suggest that the vendors are likely to review their value expectations in the final period and allow a small proportion of employment on the site.

Clipstone Colliery is shown as marginally unviable for residential development until the 10-15 year timescale. In contrast to the employment appraisal we consider the residential assumptions made by the Council's consultants to be reasonable, with a landowners return of c.£250,000 per net developable acre. Consequently a small shift in values or change in landowners attitude will make the site viable for housing in the short to medium term.

In terms of comparable evidence, in April 2011, a major housebuilder paid the equivalent of £408,000 per acre for a site for 194 units in Clipstone. The s.106 commuted sums had already been paid by the landowner but the housebuilder will still have to deliver 30% affordable housing. This demonstrates the desire to build housing in Clipstone.

Clipstone Colliery was not allocated for employment in the last Local Plan and no significant employment development has taken place in Clipstone despite an allocated site at Clipstone Drive. The allocation was subsequently surrendered in favour of a planning permission for 450 dwellings and only 1 hectare of B1 employment. The small element of B1 that was proposed as part of the wider Clipstone Drive site has now got a pending planning application on it for residential development.

We understand that the justification for the latest residential planning application is due to a lack of commercial interest in employment at that site. This supports the opinion that Clipstone is a secondary location for employers when they are looking for new premises balanced against perceived availability along better transport routes such as the MARR.

Our view therefore is that Clipstone Colliery is more viable for housing than employment and there should be less employment land allocated and more housing land in order to ensure delivery of the site within the plan period and secure the long term stewardship of the Listed buildings on site.

¹ Para 3.24 and 3.25 of Newark & Sherwood District Council Allocations & Development Management DPD Commercial Viability Assessment August 2012

Land West of Colliery Lane, Rainworth (Ref Ra/E/1)

We have undertaken a review of the above proposed allocation which is situated within the former mining settlement of Rainworth accessed currently accessed off Kirklington Road.

The land west of Colliery Lane in Rainworth is the other proposed employment allocation within the MFA. Permission was granted for commercial development in 2006 but the permission has since lapsed. We can only assume that there has been insufficient market demand throughout the last six years which has prevented the site being developed.

We note that the indicative plans show a new access being formed off the MARR, which is believed to be the most appropriate access for that type of use in that location. However, we do have concerns that the costs of forming a new access will be prohibitive given the marginal nature of speculative commercial development in the current market. The viability appraisals undertaken on behalf of Newark and Sherwood District Council show access being delivered over two distinct periods. In reality, a single access will be formed at the beginning of the development. Significant upfront infrastructure costs are likely to be a key barrier to this site being delivered.

The obvious level issues and undulating nature of the site also create further strains on the viability of the site. Significant re-grading works will be required to create development platforms at different levels. The site has also been classified as a 'Greenfield Development Scenario' for the land value benchmarking exercise. As the site has previously had consent for employment uses we believe that it should be reclassified as 'Brownfield' based on its alternative use value. We don't consider the vendors are going to be willing to sell the land for the equivalent of £61,000 per acre as proposed by the consultants on behalf of the Council given the inherent value of the land (see appendix 3). If the land was reclassified as 'Brownfield', based on the benchmark assumptions then the site becomes unviable with a negative viability in the order of £210,669 in the first delivery period and £236,281 in the second delivery period. This equates to a total negative viability margin for the whole site in the order of £446,950. This figure does not yet take into account the extra re-grading works and extra over access works that will be required.

A sensible solution would be to consider the land west of Colliery Lane as a potential housing allocation as this site is capable of being served from within Rainworth, where domestic traffic is more appropriate. The site is within the settlement boundary and it is therefore far more appropriate to allocate for housing. We would suggest that this is a preferable location for housing compared to the proposed housing allocation Ra/Ho/2, which is both outside the settlement boundary and located within the Greenbelt.

Both Taylor Wimpey and Davidsons Developments are currently building within Rainworth. We understand Taylor Wimpey bought their site in February 2010 and paid in the region of £235,000 per net developable acre. The site yielded 57 plots, of which 14 were affordable with a commuted s.106 payment in the region of £50,000. Davidsons site is on Kirklington Road, Rainworth is also delivering 25% affordable housing (27 units out of 107) but we are unaware of the price they paid.

Whilst the appraisals provided as evidence on behalf of the Council suggest that new sites within the MFA are unlikely to deliver affordable housing, there is clearly empirical evidence to suggest that housing sites are not only viable and deliverable but can accommodate affordable housing.

We understand that Taylor Wimpey has sold 27 houses in the past year, equating to 2.25 sales per month, or 0.56 sales per week. We would typically expect major housing sites in the current market within the East Midlands to deliver on average 2 sales per month and therefore we consider this to be an above average sales rate. This is surprising given that the wider Mansfield area is suffering from lower than average sales rates and we can therefore only consider that Rainworth is an attractive location to live. Based on the evidence of housing delivery in Rainworth and Clipstone over the past two years we find it difficult to understand how the council's evidence suggests that no sites are deliverable in the first delivery period, especially as the evidence suggests that affordable housing is being delivered on all these sites.

We believe the land west of Colliery Lane should be considered as a potential housing site as it is not deliverable as an employment site in the current market given the upfront infrastructure and servicing costs required.

Proposed Development at Rufford Colliery

Given that the Rufford Colliery has not yet been considered by the Council's viability consultants we have produced an appraisal broadly based on the assumptions presented by the consultants for the other employment sites in the MFA. We have sought to benchmark our site and prove deliverability through providing a residual development appraisal.

Therefore, on a desktop basis, we set out below the key assumptions in which our estimated value is based:

1. Mix of B1,B2 & B8 uses
2. Gross site area 12 hectares.
3. 42,000 sqm of employment space (35% coverage).
4. Sales values of £646 sqm average.
5. Build costs at £400 sqm
6. Professional Fees at 6% given the scale.
7. Stamp Duty at 4%.
8. Marketing costs, including legal and agents' fees at 2.5%.
9. Profit at 17.5% of GDV

Therefore, on a desktop, non-RICS Red Book basis, our opinion of value of the developable sales area of Rufford Colliery is in the region of **£106,000** per acre, or £3,140,984 for the total 12 hectare site. Our baseline appraisal is attached at Appendix 4.

At this level of land value Harworth consider the site to be immediately deliverable, subject to planning.

Summary of Landowner Return

The below table summarises the landowners return for the three sites and compares employment and residential returns. This highlights firstly that Rufford Colliery is more viable for employment uses and secondly suggests that the landowners of Clipstone Colliery and Land West of Colliery Lane are likely to pursue an alternative residential strategy.

Site	Area (acres)	Value £/acre	
		Employment	Residential
Clipstone Colliery, Clipstone	29.65	£71,000 ²	£250,000
Land West of Colliery Lane, Rainworth	13.6	£61,000	£235,000
Rufford Colliery, Rainworth	29.65	£106,000	-

² NB – Assumes future value growth and does not reflect brownfield nature of the site



Conclusion

We believe the land west of Colliery Lane, and the Clipstone Colliery are unviable in the plan period for employment related development when realistic landowner returns are assumed. These sites are more appropriate for housing development and will deliver land receipts in line with market expectations which will give the Council more certainty in terms of deliverability.

Our appraisal work demonstrates that 12 hectares of employment land at Rufford Colliery is viable. It is also available and suitable and therefore deliverable.

Therefore, a comprehensive solution for Rainworth could see it delivering both employment and housing as already proposed, but on sites that are more appropriate for the suggested uses. The comparable evidence of residential land values in Rainworth and the NPPF's presumption in favour of development is likely to ensure that market forces will deliver the land west of Colliery Lane for housing in the foreseeable future. The landowners will not sell for 'Greenfield' Land values for an employment use so it will either be delivered for housing or remain a vacant employment allocation for a number of years, probably past the plan period.

For the same reasons, being accessibility and appropriate land uses, we consider that the proposed mixed use allocation at Clipstone Colliery would deliver housing in the majority. We understand that there are several Listed elements to the former Clipstone Colliery and we believe that given the increased viability of housing development in the current market, this site will require as full a subsidy as possible in order to ensure deliverability within the plan period. A reduction in the amount of employment allocated at Clipstone is therefore going to make the site more deliverable.

Most of the employment element of the proposed Clipstone Colliery allocation could be turned over to Rufford Colliery and we believe that the Rufford Colliery is more than capable of satisfying the employment needs of the MFA over the Plan Period.

To this end, Harworth is currently drawing up plans for a new business park incorporating B1, B2 and B8 uses. We believe that as the site is available as proved by Harworth's previous representations, suitable given its previous historic use and most importantly, deliverable given its comprehensive existing infrastructure, the site is more than appropriate to be allocated for employment uses as part of the current Plan process.

Appendix 1: Clipstone Colliery Residual Appraisal



DEVELOPMENT TYPE	Mixed Use - Industrial & Retail
BASE LAND VALUE SCENARIO	Greenfield
DEVELOPMENT REF & LOCATION	CL/MU/1 Clipstone Colliery
DEVELOPMENT DETAILS	30,000 Sqm Total Floorspace

Development Value

Industrial	B1b B1c B2 B8	30000	sqm	769	£ per sqm	£23,062,200
Office	B1a		sqm	0	£ per sqm	£0
Food Retail	A1	450	sqm	1833	£ per sqm	£824,670
Other Retail	A 1 A2 A3 A4 A5		sqm	0	£ per sqm	£0
Residential Inst	C2		sqm	0	£ per sqm	£0
Hotels	C3		sqm	0	£ per sqm	£0
Community	D1		sqm	0	£ per sqm	£0
Leisure	D2		sqm	0	£ per sqm	£0
Agricultural			sqm	0	£ per sqm	£0
Sui Generis	Car Showroom		sqm	0	£ per sqm	£0
Sui Generis	Car Repairs		sqm	0	£ per sqm	£0

Development Value

£23,886,870

Development Costs

Land	Plot Ratio		Value			
Industrial	200%	60000	sqm	16.6	£ per sqm	£993,888
Office	200%	0	sqm	0.7	£ per sqm	£0
Food Retail	300%	0	sqm	157.8	£ per sqm	£0
Other Retail	150%	0	sqm	0.7	£ per sqm	£0
Residential Inst	150%	0	sqm	0.7	£ per sqm	£0
Hotels	200%	0	sqm	0.7	£ per sqm	£0
Community	150%	0	sqm	0.7	£ per sqm	£0
Leisure	300%	0	sqm	0.7	£ per sqm	£0
Agricultural	200%	0	sqm	1.8	£ per sqm	£0
Car Showroom	200%	0	sqm	0.7	£ per sqm	£0
Car Repairs	200%	0	sqm	0.7	£ per sqm	£0

Construction

	Gross/Net		Stamp Duty		CIL Rate	
Industrial	1.0	30000	sqm	476	£ per sqm	£14,280,000
Office	1.2	0	sqm	1511.3	£ per sqm	£0
Food Retail	1.0	450	sqm	714	£ per sqm	£321,300
Other Retail	1.0	0	sqm	523.6	£ per sqm	£0
Residential Inst	1.2	0	sqm	1237.6	£ per sqm	£0
Hotels	1.2	0	sqm	1856.4	£ per sqm	£0
Community	1.0	0	sqm	1927.8	£ per sqm	£0
Leisure	1.0	0	sqm	1761.2	£ per sqm	£0
Agricultural	1.0	0	sqm	499.8	£ per sqm	£0
Car Showroom	1.0	0	sqm	952	£ per sqm	£0
Car Repairs	1.0	0	sqm	523.6	£ per sqm	£0

Abnormal Costs		357000	£ sqm		£357,000	
Professional Fees @		8.0%	Build Cost		£1,168,104	
Legal Fees		0.5%	GDV		£119,434	
Statutory Fees		0.6%	Build Cost		£87,608	
Sales/Marketing Costs		2.0%	GDV		£477,737	
Contingencies		5.0%	Build Cost		£730,065	
Planning Obligations		0	£		£0	
CIL					£53,550	
Interest @	6.0%	12	Month Build	3	Mth Sale Void	£698,567
Arrangement Fee	1.0%		Cost		£186,284	
Development Profit		17.5%	of GDV		£4,180,202	

Total Cost

£23,693,495

VIABILITY MARGIN

£193,375

DEVELOPMENT TYPE	Mixed Use - Industrial & Retail
BASE LAND VALUE SCENARIO	Greenfield
DEVELOPMENT REF & LOCATION	CL/MU/1 Clipstone Colliery
DEVELOPMENT DETAILS	30,000 Sqm Total Floorspace

Development Value

Use Class	Code	Area (sqm)	Unit	Rate (£/sqm)	Total Value (£)
Industrial	B1b B1c B2 B8	30000	sqm	866	£25,969,200
Office	B1a		sqm	0	£0
Food Retail	A1		sqm	2064	£0
Other Retail	A 1 A2 A3 A4 A5		sqm	0	£0
Residential Inst	C2		sqm	0	£0
Hotels	C3		sqm	0	£0
Community	D1		sqm	0	£0
Leisure	D2		sqm	0	£0
Agricultural			sqm	0	£0
Sui Generis	Car Showroom		sqm	0	£0
Sui Generis	Car Repairs		sqm	0	£0

Development Value

£25,969,200

Development Costs

Land	Plot Ratio	Area (sqm)	Unit	Rate (£/sqm)	Total Value (£)
Industrial	200%	60000	sqm	18.7	£1,119,168
Office	200%	0	sqm	0.8	£0
Food Retail	300%	0	sqm	177.7	£0
Other Retail	150%	0	sqm	0.8	£0
Residential Inst	150%	0	sqm	0.8	£0
Hotels	200%	0	sqm	0.8	£0
Community	150%	0	sqm	0.8	£0
Leisure	300%	0	sqm	0.8	£0
Agricultural	200%	0	sqm	2.0	£0
Car Showroom	200%	0	sqm	0.8	£0
Car Repairs	200%	0	sqm	0.8	£0

Construction

Stamp Duty

4.0%

£44,767

	Gross/Net	Area (sqm)	Unit	Rate (£/sqm)	CIL Rate	Total Value (£)
Industrial	1.0	30000	sqm	536	£0	£16,080,000
Office	1.2	0	sqm	1701.8	£0	£0
Food Retail	1.0	0	sqm	804	£0	£0
Other Retail	1.0	0	sqm	589.6	£0	£0
Residential Inst	1.2	0	sqm	1393.6	£0	£0
Hotels	1.2	0	sqm	2090.4	£0	£0
Community	1.0	0	sqm	2170.8	£0	£0
Leisure	1.0	0	sqm	1983.2	£0	£0
Agricultural	1.0	0	sqm	562.8	£0	£0
Car Showroom	1.0	0	sqm	1072	£0	£0
Car Repairs	1.0	0	sqm	589.6	£0	£0

Abnormal Costs

Professional Fees @	8.0%	Build Cost	£1,286,400	
Legal Fees	0.5%	GDV	£129,846	
Statutory Fees	0.6%	Build Cost	£96,480	
Sales/Marketing Costs	2.0%	GDV	£519,384	
Contingencies	5.0%	Build Cost	£804,000	
Planning Obligations	0	£	£0	
CIL			£0	
Interest @	6.0%	12 Month Build	3 Mth Sale Void	£753,002
Arrangement Fee	1.0%	Cost	£200,800	
Development Profit	17.5%	of GDV	£4,544,610	
Total Cost			£25,578,457	

VIABILITY MARGIN

£390,743

Appendix 2: Newark and Sherwood Appraisal Assumptions



Assumptions

Mansfield Fringe

Sales Values Sqm

Industrial	B1b B1c B2 B8	646
Office	B1a	
Food Retail	A1	
Other Retail	A 1 A2 A3 A4 A5	
Residential Inst	C2	
Hotels	C3	
Community	D1	
Leisure	D2	
Agricultural		
Sui Generis	Car Showroom	
Sui Generis	Car Repairs	

Construction Costs Sqm

Industrial	400
Office	1270
Food Retail	770
Other Retail	440
Residential Inst	1040
Hotels	1560
Community	1620
Leisure	1480
Agricultural	420
Sui Generis	Car Showroom 800
Sui Generis	Car Repairs 440

Land Values per Sqm

	Greenfield	Brownfield	Recycled	Uplift
Industrial	13.9	22.2	22.2	60%
Office	0.6	8.9		
Food Retail	0.6	8.9		
Other Retail	0.6	8.9		
Residential Inst	0.6	8.9		
Hotels	0.6	8.9		
Community	0.6	8.9		
Leisure	0.6	8.9		
Agricultural	1.5	9.8	1.5	
Sui Generis	Car Showroom 0.6	8.9		
Sui Generis	Car Repairs 0.6	8.9		

Development Sample Unit Size & Land Plot Ratio

	Unit Size Sqm	Plot Ratio %	Gross:Net	Sample Development
Industrial	1000	200%	1	Factory Unit
Office	2000	200%	1.2	Office Building
Food Retail	3000	300%	1	Supermarket
General Retail	300	150%	1	Roadside Retail Unit
Residential Inst	4000	150%	1.2	Nursing Home
Hotels	3000	200%	1.2	Mid Range Hotel
Community	200	150%	1	Community Centre
Leisure	2500	300%	1	Bowling Alley
Agricultural	500	200%	1	Farm Store
Sui Generis	Car Showroom	200%	1	
Sui Generis	Car Repairs	200%	1	

Fees & Rates

Abnormal Costs		£ sqm
Professional Fees @	8.0%	Build Cost
Legal Fees	0.5%	GDV
Statutory Fees	0.6%	Build Cost
Sales/Marketing Costs	2.0%	GDV
Contingencies	5.0%	Build Cost
Planning Obligations		£
CIL		£ sqm
Interest @	6.0%	12 Month Build
Arrangement Fee	1.0%	Cost
Development Profit	17.5%	of GDV

5-10 YEAR ASSUMPTIONS

Value Factor	1.19
Costs Factor	1.19

Sales Values Sqm

Industrial	B1b B1c B2 B8	769
Office	B1a	0
Food Retail	A1	0
Other Retail	A 1 A2 A3 A4 A5	0
Residential Inst	C2	0
Hotels	C3	0
Community	D1	0
Leisure	D2	0
Agricultural		0
Sui Generis	Car Showroom	0
Sui Generis	Car Repairs	0

Construction Costs Sqm

Industrial	476
Office	1511
Food Retail	916
Other Retail	524
Residential Inst	1238
Hotels	1856
Community	1928
Leisure	1761
Agricultural	500
Sui Generis	Car Showroom 952
Sui Generis	Car Repairs 524

Land Values per Sqm

	Greenfield	Brownfield	Recycled
Industrial	16.6	26.4	26.4
Office	0.7	10.6	0.0
Food Retail	0.7	10.6	0.0
Other Retail	0.7	10.6	0.0
Residential Inst	0.7	10.6	0.0
Hotels	0.7	10.6	0.0
Community	0.7	10.6	0.0
Leisure	0.7	10.6	0.0
Agricultural	1.8	11.6	1.8
Sui Generis	Car Showroom 0.7	10.6	0.0
Sui Generis	Car Repairs 0.7	10.6	0.0

10-15 YEAR ASSUMPTIONS

Value Factor	1.34
Costs Factor	1.34

Sales Values Sqm

Industrial	B1b B1c B2 B8	866
Office	B1a	0
Food Retail	A1	0
Other Retail	A 1 A2 A3 A4 A5	0
Residential Inst	C2	0
Hotels	C3	0
Community	D1	0
Leisure	D2	0
Agricultural		0
Sui Generis	Car Showroom	0
Sui Generis	Car Repairs	0

Construction Costs Sqm

Industrial	536
Office	1702
Food Retail	1032
Other Retail	590
Residential Inst	1394
Hotels	2090
Community	2171
Leisure	1983
Agricultural	563
Sui Generis	Car Showroom 1072
Sui Generis	Car Repairs 590

Land Values per Sqm

	Greenfield	Brownfield	Recycled
Industrial	18.7	29.7	29.7
Office	0.8	11.9	0.0
Food Retail	0.8	11.9	0.0
Other Retail	0.8	11.9	0.0
Residential Inst	0.8	11.9	0.0
Hotels	0.8	11.9	0.0
Community	0.8	11.9	0.0
Leisure	0.8	11.9	0.0
Agricultural	2.0	13.1	2.0
Sui Generis	Car Showroom 0.8	11.9	0.0
Sui Generis	Car Repairs 0.8	11.9	0.0

Appendix 3: Land West of Colliery Lane, Rainworth Residual Appraisal



Commercial Viability Appraisal

0-5 Year Delivery

DEVELOPMENT TYPE	Industrial
BASE LAND VALUE SCENARIO	Greenfield
DEVELOPMENT REF & LOCATION	Ra/E/1 West of Colliery Lane
DEVELOPMENT DETAILS	13,750 Sqm Total Floorspace

Development Value

Development Type	Code	Area (sqm)	Value (£)	Value (£ per sqm)	Total Value (£)
Industrial	B1b B1c B2 B8	13750	646	£ per sqm	£8,882,500
Office	B1a	0	0	£ per sqm	£0
Food Retail	A1	0	0	£ per sqm	£0
Other Retail	A 1 A2 A3 A4 A5	0	0	£ per sqm	£0
Residential Inst	C2	0	0	£ per sqm	£0
Hotels	C3	0	0	£ per sqm	£0
Community	D1	0	0	£ per sqm	£0
Leisure	D2	0	0	£ per sqm	£0
Agricultural		0	0	£ per sqm	£0
Sui Generis	Car Showroom	0	0	£ per sqm	£0
Sui Generis	Car Repairs	0	0	£ per sqm	£0

Development Value

£8,882,500

Development Costs

Land	Plot Ratio	Area (sqm)	Value (£)	Value (£ per sqm)	Total Value (£)
Industrial	200%	27500	13.9	£ per sqm	£382,800
Office	200%	0	0.6	£ per sqm	£0
Food Retail	300%	0	0.6	£ per sqm	£0
Other Retail	150%	0	0.6	£ per sqm	£0
Residential Inst	150%	0	0.6	£ per sqm	£0
Hotels	200%	0	0.6	£ per sqm	£0
Community	150%	0	0.6	£ per sqm	£0
Leisure	300%	0	0.6	£ per sqm	£0
Agricultural	200%	0	1.5	£ per sqm	£0
Car Showroom	200%	0	0.6	£ per sqm	£0
Car Repairs	200%	0	0.6	£ per sqm	£0

Construction

Stamp Duty

3.0%

£11,484

Development Type	Gross/Net	Area (sqm)	Stamp Duty (£)	Stamp Duty (£ per sqm)	CIL Rate	Total Value (£)
Industrial	1.0	13750	400	£ per sqm	0	£5,500,000
Office	1.2	0	1270	£ per sqm	0	£0
Food Retail	1.0	0	770	£ per sqm	0	£0
Other Retail	1.0	0	440	£ per sqm	0	£0
Residential Inst	1.2	0	1040	£ per sqm	0	£0
Hotels	1.2	0	1560	£ per sqm	0	£0
Community	1.0	0	1620	£ per sqm	0	£0
Leisure	1.0	0	1480	£ per sqm	0	£0
Agricultural	1.0	0	420	£ per sqm	0	£0
Car Showroom	1.0	0	800	£ per sqm	0	£0
Car Repairs	1.0	0	440	£ per sqm	0	£0

Abnormal Costs

Professional Fees @	8.0%	Build Cost	£123,750
Legal Fees	0.5%	GDV	£44,413
Statutory Fees	0.6%	Build Cost	£33,000
Sales/Marketing Costs	2.0%	GDV	£177,650
Contingencies	5.0%	Build Cost	£275,000
Planning Obligations	0	£	£0
CIL			£0
Interest @	6.0%	12 Month Build	£262,054
Arrangement Fee	1.0%	Cost	£69,881
Development Profit	17.5%	of GDV	£1,554,438
Total Cost			£8,874,469

VIABILITY MARGIN

£8,031

DEVELOPMENT TYPE	Industrial
BASE LAND VALUE SCENARIO	Greenfield
DEVELOPMENT REF & LOCATION	Ra/E/1 West of Colliery Lane
DEVELOPMENT DETAILS	13,750 Sqm Total Floorspace

Development Value

Development Type	Code	Area (sqm)	Unit Value (£/sqm)	Total Value (£)
Industrial	B1b B1c B2 B8	13750	769	£10,570,175
Office	B1a	0	0	£0
Food Retail	A1	0	0	£0
Other Retail	A 1 A2 A3 A4 A5	0	0	£0
Residential Inst	C2	0	0	£0
Hotels	C3	0	0	£0
Community	D1	0	0	£0
Leisure	D2	0	0	£0
Agricultural		0	0	£0
Sui Generis	Car Showroom	0	0	£0
Sui Generis	Car Repairs	0	0	£0

Development Value

£10,570,175

Development Costs

Land	Plot Ratio	Area (sqm)	Unit Value (£/sqm)	Total Value (£)
Industrial	200%	27500	16.6	£455,532
Office	200%	0	0.7	£0
Food Retail	300%	0	0.7	£0
Other Retail	150%	0	0.7	£0
Residential Inst	150%	0	0.7	£0
Hotels	200%	0	0.7	£0
Community	150%	0	0.7	£0
Leisure	300%	0	0.7	£0
Agricultural	200%	0	1.8	£0
Car Showroom	200%	0	0.7	£0
Car Repairs	200%	0	0.7	£0

Construction

Construction	Gross/Net		Stamp Duty	CIL Rate		Total Value (£)
	Ratio	Area (sqm)		Rate (%)	Area (sqm)	
Industrial	1.0	13750	476	0	£6,545,000	
Office	1.2	0	1511.3	0	£0	
Food Retail	1.0	0	916.3	0	£0	
Other Retail	1.0	0	523.6	0	£0	
Residential Inst	1.2	0	1237.6	0	£0	
Hotels	1.2	0	1856.4	0	£0	
Community	1.0	0	1927.8	0	£0	
Leisure	1.0	0	1761.2	0	£0	
Agricultural	1.0	0	499.8	0	£0	
Car Showroom	1.0	0	952	0	£0	
Car Repairs	1.0	0	523.6	0	£0	

Abnormal Costs		0	£/sqm	£123,750
Professional Fees @	8.0%		Build Cost	£523,600
Legal Fees	0.5%		GDV	£52,851
Statutory Fees	0.6%		Build Cost	£39,270
Sales/Marketing Costs	2.0%		GDV	£211,404
Contingencies	5.0%		Build Cost	£327,250
Planning Obligations		0	£	£0
CIL				£0
Interest @	6.0%	12	Month Build	£310,962
Arrangement Fee	1.0%		Cost	£82,923
Development Profit		17.5%	of GDV	£1,849,781
Total Cost				£10,535,988

VIABILITY MARGIN

£34,187

Appendix 4: Rufford Colliery Residual Appraisal



Savills

Development Appraisal

Rufford Colliery

Baseline Assumptions Appraisal

Report Date: 29 November 2012

Prepared by Savills

Please note that the advice provided on values is informal and given purely as guidance. Our views on price are not intended as a formal valuation and should not be relied upon as such. They are given in the course of our estate agency role. No liability is given to any third party and the figures suggested are in accordance with Valuation Standard VS 1.1 of RICS Valuation Standards - Global and UK issued in March 2012. Any advice attached is not a formal ("Red Book") valuation, and neither Savills nor the author can accept any responsibility to any third party who may seek to rely upon it, as a whole, or any part as such.

APPRAISAL SUMMARY
Rufford Colliery
Baseline Assumptions Appraisal

SAVILLS

Summary Appraisal for Phase 1

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
B1, B2, B8	25	452,075	£60.01	£1,085,161	27,129,021

NET REALISATION

27,129,021

OUTLAY

ACQUISITION COSTS

Landowner's Return			3,140,984	(105,935 per acre)
Stamp Duty		4.00%	125,639	3,266,623

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
B1, B2, B8	452,075	£37.00	16,726,775	16,726,775
Contingency		3.00%	501,803	
Statutory/LA		0.60%	100,361	602,164

PROFESSIONAL FEES

Architect		1.50%	250,902	
Quantity Surveyor		1.00%	167,268	
Structural Engineer		1.00%	167,268	
Mech./Elec.Engineer		0.50%	83,634	
Project Manager		0.50%	83,634	
C.D. Manager		0.50%	83,634	836,339

MARKETING & LETTING

Marketing		1.00%	271,290	271,290
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DISPOSAL FEES

Sales Agent Fee		1.00%	271,290	
Sales Legal Fee		0.50%	135,645	406,935

Additional Costs

Arrangement Fee		1.00%	31,410	31,410
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FINANCE

Debit Rate 6.000% Credit Rate 0.000% (Nominal)				
Land			237,689	
Construction			2,216	
Total Finance Cost				239,904

TOTAL COSTS

22,381,441

PROFIT

4,747,580

Profit on Cost%	21.21%
Profit on GDV%	17.50%
Profit on NDV%	17.50%

IRR 57.25%

Profit Erosion (finance rate 6.000%) 3 yrs 3 mths

