



Homes
England

Date: 6 March 2025

Our Ref: RFI4999

Tel: 0300 1234 500

Email: infogov@homesengland.gov.uk

[REDACTED]
By Email Only

Dear [REDACTED]

RE: Request for Information – RFI4999

Thank you for your request for information which was processed in accordance with the Freedom of Information Act 2000 (FOIA).

You requested the following information:

Please provide full details of the land purchase / transaction / grant you have recently given for the purchase of land between Bayham Road and Frant Road on the edge of Royal Tunbridge Wells. Part of the land previously had the "Town Flowers" business operating on it and is the land south of Dukes Drive, Tunbridge Wells.

The information I require in electronic form submitted to the email address above please is:-

- 1) Details of the land Homes England have purchased / provided a grant on here please (site maps / OS maps showing the sites you have purchased)**
- 2) The amount paid or grant given for this land**
- 3) The detailed information behind the reasons for the purchase of this land - this includes but is not limited to:-**
 - The papers issued to the investment committee / Board setting out the reasons for, and benefits of the investment**
 - Minutes taken of this decision**
 - The appraisal papers and report that presumably were developed to inform the board of this investment.**

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- Any further or linked investments Homes England are considering in and around the above site including the rugby pitch re-location investment.

Response

We can confirm that we do hold some of the requested information. We will address each of your questions in turn below.

- 1) Details of the land Homes England have purchased / provided a grant on here please (site maps / OS maps showing the sites you have purchased)**
- 2) The amount paid or grant given for this land**

We can confirm that there was no grant provided for the purchase of land between Bayham Road and Frant Road on the edge of Royal Tunbridge Wells.

In relation to further details of the land, we can inform you that we do hold the information that you have requested. However, we rely on section 22, exemption where information is intended for future publication under the FOIA.

The full text of the legislation can be found on the following link and we have quoted section 22 below for ease.

<https://www.legislation.gov.uk/ukpga/2000/36/section/22>

Section 22 - Information intended for future publication.

(1) Information is exempt information if:

- (a) the information is held by the public authority with a view to its publication, by the authority or any other person, at some future date (whether determined or not),
- (b) the information was already held with a view to such publication at the time when the request for information was made, and
- (c) it is reasonable in all the circumstances that the information should be withheld from disclosure until the date referred to in paragraph (a).





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(2) The duty to confirm or deny does not arise if, or to the extent that, compliance with section 1(1)(a) would involve the disclosure of any information (whether or not already recorded) which falls within subsection (1).

Section 22 is a qualified exemption. This means that in order to withhold information under this exemption, we must consider the public interest in disclosure.

Public Interest Test – Factors in favour of disclosure

- Homes England is compliant with the government agenda of transparency and recognises the benefit of publishing the information, particularly when it concerns how Homes England undertakes its work.

Public Interest Test – Factors in favour of non-disclosure

- The information will be publicly available at HM Land Registry once the sale registration is complete. It is reasonable that a public authority does not divert resources where the information is readily available to the public. To disclose information via FOIA that is available at Land Registry would increase the likelihood of future requests being made under FOIA for similar publicly available information. This would divert resources away from requests for information that would not otherwise already be in the public domain. This would cause detriment to Homes England's ability to promptly deal with requests under FOIA.

Therefore, after careful consideration we have concluded that at this time, the balance of the public interest favours the non-disclosure.

Advice and Assistance

In compliance with the Section 45 Code of Practice (paragraph 14) and to offer advice and assistance under section 16 of the FOIA we can advise that the information will be available via the following link:

<https://www.gov.uk/get-information-about-property-and-land>. The title number for the site in your request is ESX326059. The application has been registered and is currently 'pending'.

3) The detailed information behind the reasons for the purchase of this land - this includes but is not limited to:-

- The papers issued to the investment committee / Board setting out the reasons for, and benefits of the investment

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- **The appraisal papers and report that presumably were developed to inform the board of this investment.**
- **Minutes taken of this decision**

We can inform you that we do hold the information that you have requested. Please see enclosed Annex A which contains a copy of the G2 approval paper which comprises of the requested information. Please also find enclosed Annex B, which contains a copy of the meeting minutes relating to the decision on the proposed acquisition of the land in scope of your request. However, we rely on Section 22, Section 40(2), Section 42 and Section 43(2) of the FOIA to withhold some of the information from disclosure.

We have also redacted information as “out of scope” as it does not relate to the requested information.

Section 22 - Information intended for future publication.

(1) Information is exempt information if:

- (a) the information is held by the public authority with a view to its publication, by the authority or any other person, at some future date (whether determined or not),
- (b) the information was already held with a view to such publication at the time when the request for information was made, and
- (c) it is reasonable in all the circumstances that the information should be withheld from disclosure until the date referred to in paragraph (a).

(2) The duty to confirm or deny does not arise if, or to the extent that, compliance with section 1(1)(a) would involve the disclosure of any information (whether or not already recorded) which falls within subsection (1).

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<https://www.legislation.gov.uk/ukpga/2000/36/section/22>

Public Interest Test – Factors in favour of disclosure

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Public Interest Test – Factors in favour of non-disclosure

- The information held by Homes England that falls in scope of this request will be published when Homes England once the acquisition of the site in this request is complete. It is reasonable that a public authority does not divert resources where the information is readily available to the public. To disclose information via FOIA that is available at Land Registry would increase the likelihood of future requests being made under FOIA for similar publicly available information. This would divert resources away from requests for information that would not otherwise already be in the public domain. This would cause detriment to Homes England's ability to promptly deal with requests under FOIA. Therefore, after careful consideration we have concluded that at this time, the balance of the public interest favours the non-disclosure.

Section 40 – Personal information

We have redacted information on the grounds that it constitutes third party personal data and therefore engages section 40(2) of the FOIA.

To disclose personal data, such as names, contact details, addresses, email addresses and personal opinions could lead to the identification of third parties and would breach one or more of the data protection principles.

Section 40 is an absolute exemption which means that we do not need to consider the public interest in disclosure. Once it is established that the information is personal data of a third party and release would breach one or more of the data protection principles, then the exemption is engaged.

The full text in the legislation can be found on the following link:

<https://www.legislation.gov.uk/ukpga/2000/36/section/40>

Section 42 – Legal Professional Privilege

Under section 42(1) of the FOIA Homes England is not obliged to disclose information that constitutes advice given under legal professional privilege (LPP) which protects confidential communications between lawyers and clients which is a fundamental principle of English law.





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Section 42 is a qualified exemption. This means that once we have decided that the exemption is engaged, Homes England must carry out a public interest test to assess whether it is in the wider public interest for the information to be disclosed.

Arguments in favour of disclosure:

- Homes England acknowledges there is a general public interest in promoting accountability, transparency, public understanding and involvement in how Homes England undertakes its work and how it spends public money.

Arguments in favour of withholding:

- Homes England believes that there is a strong argument to withhold the correspondence held in order to safeguard full and frank legal advice, which in turn is fundamental to the administration of justice.

Having considered the arguments for and against disclosure of the information, we have concluded that at this time, the balance of the public interest favours non-disclosure.

The full text in the legislation can be found on the following link:

<https://www.legislation.gov.uk/ukpga/2000/36/section/42>

Section 43 - Commercial interests

Under section 43(2) Homes England is not obliged to disclose information that would, or would be likely to, prejudice the commercial interests of any party.

The information requested relating to the approval paper in relation to the investment at the requested site engages section 43(2) of the FOIA as it is commercial in nature and its release would be likely to prejudice the commercial interests of Homes England and other interested parties to the information.

Homes England has identified that the information requested, if released, would be likely to prejudice the ability of Homes England and the third parties to effectively manage ongoing negotiations at this site.

Section 43 is a qualified exemption. This means that once we have decided that the exemption is engaged, Homes England must carry out a public interest test to assess whether or not it is in the wider public interest for the information to be disclosed.

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Arguments in favour of disclosure:

- Homes England acknowledges there is a general public interest in promoting accountability, transparency, public understanding and involvement in how Homes England undertakes its work and how it spends public money; and
- Homes England acknowledge there is some local public interest in the future development at Tunbridge Wells and the potential plans for the site.

Arguments in favour of withholding:

- Homes England is responsible for ensuring that a significant amount of public money is allocated to partners effectively and in a way that best ensures value for money and ensures deliverability. The deliberations undertaken by Homes England in the withheld information detail internal decision-making processes in relation to an ongoing acquisition of a site between Homes England and a third party. Disclosure would be likely to prejudice the ability of decision makers to make impartial judgements about ongoing contractual negotiations without fear of external scrutiny and undue pressure. This would not be in the public interest as it would be likely to prejudice our position in the market as the government's housing accelerator and effectively manage the public funds entrusted to us;
- Releasing the information could also reveal financial information of the third party which may in turn affect their commercial interests. The consequences of releasing data that is part of a wider ongoing matter would be likely to damage our relationships with partners and put other potential funding jeopardy and affect Homes England's ability to deliver against its objectives in our strategic plan;
- Some of the information is still subject to approval and conditions contained within not yet finalised. The consequences of releasing data that is part of wider ongoing proposals could damage our relationships with partners and put potential negotiations and planning at risk. This would not be in the public interest as this could put potential homes in jeopardy and would be likely to undermine Homes England's position and ability to deliver against its objectives and targets in our Strategic Plan;
- The report sets out criteria in relation to milestones and targets, delivery and operational obligations, performance criteria, and information relating to payments/repayments. We have considered whether or not we can separate any information from the commercial information but consider that this represents a 'golden thread' throughout the information, and it is therefore not possible to separate any information from the commercial information. Therefore, it is commercial in nature as it relates to commercial activity and would not be in the public interest to disclose;





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- Disclosure is likely to be prejudicial to the commercial interests of both the Agency and third parties as there is reasonable expectation that such advice provided to Homes England would not be disclosed and would not then potentially be relied upon by other parties;
- It is also our view that disclosure of this report could be detrimental concerning future requests for copies of internal reports. If the wider public is provided with such commercial information, it could be used to exploit information for profit or other gain;
- Disclosure of internal approval decisions would be likely to have a 'chilling effect' on Homes England's ability to progress with both current and future decisions and discussions regarding acquisition of land. As previously stated, these discussions are currently ongoing and in relation to a live process. To disclose the information would be likely to result in a loss of frankness and candour in relation to continuing decisions about a large amount of public money and would damage the quality of these discussions. This would be likely to lead to poorer decision making which would directly affect spending of public money and decision making in relation to significant infrastructure works that will impact a large number of people. It is vital that the quality of these decisions is as robust as possible to ensure these decisions are made effectively and in the public interest; and
- Homes England has been unable to identify a wider public interest in disclosing the information requested.

Having considered the arguments for and against disclosure of the information, we have concluded that at this time, the balance of the public interest favours non-disclosure.

The full text of the legislation can be found on the following link:

<https://www.legislation.gov.uk/ukpga/2000/36/section/43>

- Any further or linked investments Homes England are considering in and around the above site including the rugby pitch re-location investment.

We can confirm that there are no further investments that Homes England are currently considering in and around the above site.

Right to Appeal

If you are not happy with the information that has been provided or the way in which your request has been handled, you may request an internal review. You can request an internal review by writing to Homes England via the details below, quoting the reference number at the top of this letter.

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Information Governance Team

Homes England

The Lumen

2nd Floor

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Newcastle upon Tyne

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United Kingdom

Your request for review must be made in writing, explain why you wish to appeal, and be received within 40 working days of the date of this response. Failure to meet this criteria may lead to your request being refused.

Upon receipt, your request for review will be passed to an independent party not involved in your original request. We aim to issue a response within 20 working days.

You may also complain to the Information Commissioner's Office (ICO) however, the Information Commissioner does usually expect the internal review procedure to be exhausted in the first instance.

The Information Commissioner's details can be found via the following link:

<https://ico.org.uk/>

Please note that the contents of your request and this response are also subject to the Freedom of Information Act 2000. Homes England may be required to disclose your request and our response accordingly.

Yours sincerely,

The Information Governance Team
For Homes England

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The Housing and Regeneration Agency

Local Development Management Team

G2 Paper

Date of meeting: 11 July 2024

Item name: Land at Bayham Road, Tunbridge
Wells



OFFICIAL

The Housing and Regeneration Agency

I confirm that the report and annexes comprise the complete and sole matters for which approval is recommended and that this is in accordance with the Agency's relevant policies, procedures and programme criteria.

Position	Name	Supported	Date
Head of Acquisitions South	s. 40(2)	Y	26/06/2024
AD Acquisitions South	s. 40(2)	Y	Select Date
Head of Planning & Enabling	s. 40(2)		Select Date
Head of Disposals	s. 40(2)		Select Date
Head of Masterplanning	s. 40(2)		Select Date
Asst Dir Engineering & Infrastructure	s. 40(2)		Select Date
Head of Valuation	s. 40(2)		Select Date
Head of Legal	s. 40(2)		Select Date
Head of Procurement	s. 40(2)		Select Date
Head of Development Risk	s. 40(2)		Select Date
Head of Economics	s. 40(2)		Select Date
Head of Finance	s. 40(2)		Select Date

Executive Summary

1. LDMT are asked to support the proposed acquisition of land south west of Bayham Road, Tunbridge Wells from s. 40(2) (Draft Allocation FR2) for £s. 22 and £s. 43 of SDLT and a payment of £s. 43 to be paid to the Leroy Trust for the release of the restriction on title. A planning budget contribution is requested of £s. 43 and disposal costs of £s. 43 together with estates budget of £s. 43. Allowing for existing due diligence budget of £s. 43 this provides an overall project budget of £s. 43.
2. LDMT are also asked to support the proposal to enter into a conditional on planning sale to Esquire Developments (Esquire) to promote the land as part of a wider planning application for around 163 new homes and a relocated Tunbridge Wells Rugby Club incorporating the basis of planning collaboration through an accompanying G4 paper.
3. Esquire have been securing a site assembly to enable a comprehensive development of the adjoining rugby club, its relocation to an alternative site, and the combined development with the s. 40(2). The landowner however is now seeking a single upfront payment which is outside of Esquire's funding ability. The land now forms one parcel of a series of adjacent proposed allocations across the southern fringe of Tunbridge Wells in the draft Wealden plan which is currently out for consultation.
4. Esquire have approached Homes England initially through (Levelling up Home Building Fund) LUHBF and then through the Acquisitions team to acquire the land and sell conditional on planning enabling the land to be promoted for a more comprehensive extension to the south of Tunbridge Wells. s. 43
5. It is proposed that a planning contribution of £s. 43 will be made to the planning costs which will be led by Esquire and supported by the Homes England team. In the event planning for the wider scheme is proving too difficult within the timescales, the developer will bring forward a planning application for the land in isolation, in isolation the subject site would deliver circa 102 homes.
6. The intervention using LAF funding seeks to support an SME in housing delivery in an area of low affordability and very low levels of housing delivery in unlocking the wider area for development in line with the draft local plan.
7. Homes England's involvement is supported by Wealden District Council (WDC).

APPROVAL	Gateway 2	PCS No	31282
SCHEME	Land SW Bayham Road, Tunbridge Wells	PROGRAMME	LAF
RESPONSIBLE OFFICER	s. 40(2)	TEAM/REGION	Acquisitions / South

Council

Wealden District Council

Size

5.1 ha

Units

163

Affordability Ratio

11.5

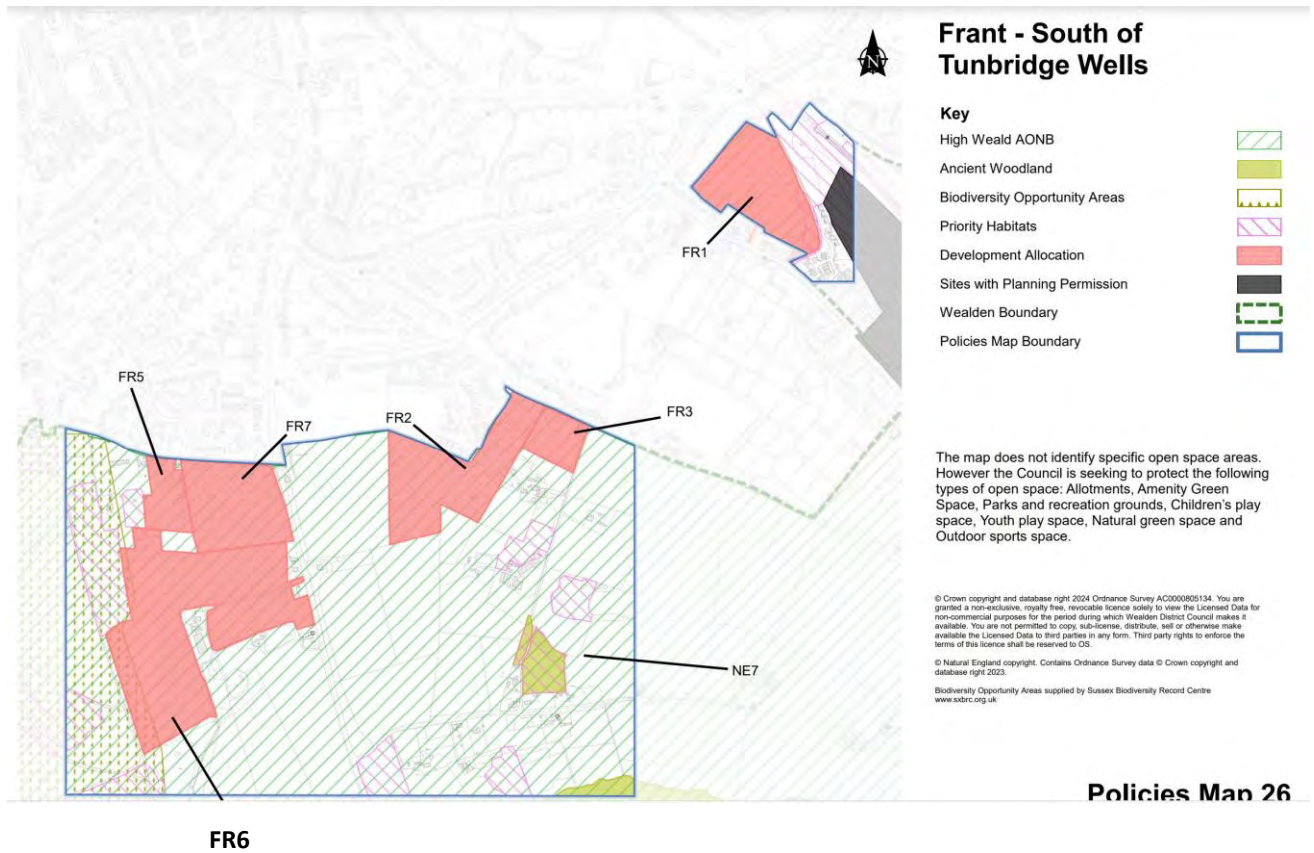
BCR

NPSV is £1.3 million which is equivalent to a BCR above 4

Location

Tunbridge Wells, East Sussex





Draft masterplan

Recommendation

LDMT is asked to endorse the approval of the following to the National Director for Acquisitions under their delegation:

8. The acquisition of the freehold interest of the land edged blue above for s. 22 plus SDLT of up to £s. 43 and a payment of £s. 43 to be paid to the Leroy Trust for the release of their restriction on the title.
9. In addition total post acquisition budget to include £s. 43 as contribution to planning costs, holding costs of £s. 43 and disposal costs £s. 43
10. An overall budget of £s. 43 (including existing due diligence budget of £s. 43
11. A leaseback to s. 40(2) on a Farm Business Tenancy at £s. 43 per annum while planning is obtained to mitigate holding costs.
12. To enter into an agreement with Tunbridge Wells Rugby Football Club Limited, Esquire Developments Ltd, s. 40(2), s. 40(2) and s. 40(2) and s. 40(2) (as trustee of the John Lewis Leroy Will Trust) for :
 - a. the immediate removal of the restriction on title from the s. 40(2) title, and payment by the Homes England to the beneficiary of that restriction (Leroy Trust) of £s. 43 upon completion of the application to remove the restriction at Land Registry; and
 - b. conditional on planning being granted for the wider scheme, the release of various covenants and obligations in relation to restrictions and overage and payment of compensation for such release by the Purchaser. A deed of adherence will also be entered into my Homes England with the Leroy Trust should planning not be forthcoming and the long stop with Esquire is reached.
13. To enter into a simultaneous conditional on planning agreement for sale to Esquire as set out in the accompanying G4.

SUBJECT TO THE FOLLOWING CONDITIONS:

14. Agreeing terms of planning collaboration with the Head of Planning and Enabling setting out HE involvement in the planning process and an agreed planning strategy.
15. That the Head of Legal services confirms they are in receipt of satisfactory advice from leading Counsel confirming the terms of disposals are in compliance with the Agency's statutory duties.

To **NOTE:**

16. Out of Scope

History of Approvals

Forum	Date and reference	Outcome (including conditions)
s. 40(2) Assistant Director – Acquisitions and Partnering	6/6/23	G0 approval for due dillience

<p>§. 40(2)</p> <p><i>On behalf of National Acquisitions Director</i></p>	<p>13/9/23</p>	<p><i>G1 approval for due diligence</i></p>
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Background

17. Land at Bayham Road, Tunbridge Wells is a 5.1ha greenfield site on the southern edge of Tunbridge Wells, Kent but the land lies in the district of Wealden, East Sussex and the High Weald National Landscape. Part of the land is currently occupied by a flower growing business owned by the owners §. 40(2)
18. The land has recently been allocated in the Wealden draft Reg 18 Local Plan for 100 new homes (FR2).
19. Esquire Developments Ltd (Esquire), a local SME housebuilder, have been seeking to promote the site as part of a more comprehensive development of the adjacent Tunbridge Wells Rugby Football Club (TWRFC). They have secured terms for Options over the Rugby club and a relocation site at nearby Chase Farm. Neither the TWRFC or Chase Farm sites have been identified as draft allocations in the Wealden emerging Local Plan. Esquire have however submitted representations to promote the wider land
20. The relocation of the rugby facilities unlocks a total site equating to about 8.7 ha. The Bayham Road land (the 'Site') equates to about 5.1 ha, yielding a potential total residential development opportunity of approximately 14.1 ha (c. 163 homes). Esquire have been promoting the opportunity since 2020 and have also resolved terms for a number of complex title issues with third parties including restrictions and overages which require settling prior to pursuing development, the details of these are set out in 'Legal' section below.
21. These matters require a number of upfront payments to be made and terms for an Option of the site had been agreed, however the landowners §. 40(2) changed their position to require an upfront unconditional on planning freehold sale only.
22. Esquire, as an SME, together with the other financial requirements of the site, do not have the capital and cannot borrow to acquire the land. Through the relationship with the Development Finance team, Homes England were approached by Esquire to consider if LAF could be used to help unlock the site by resolving the market power and co-ordination issues that were causing a barrier to delivery, as there is no market appetite for upfront land payment given its value and the landowner is not interested in deferred terms.
23. The other parties are also unwilling to complete the final agreements with Esquire while the §. 40(2) land is not secured given the vendors position has changed during the discussions. Unless the freehold of the land can be secured and back to back arrangements can be put in place with Esquire, the other parties will not contract to remove the restrictions which impact both the §. 40(2) land and the rugby club land, preventing residential development across the whole (subject to planning).
24. Following advice from Montagu Evans, Homes England have been able to agree a price with §. 40(2) for the unconditional purchase of the site, which is supported by the valuers and a Red Book Valuation. Terms have also been agreed with the Leroy Trust for the removal of a restriction on the land and an onward sale terms conditional on planning to Esquire so the land can be brought forward as part of the overall more comprehensive development.

25. The other parties are satisfied that Homes England's acquisition of the land provides the certainty of support that is needed to bring forward the overall scheme and will simultaneously enter into an all parties agreement ensuring the land becomes unencumbered for development.
26. The recent draft Wealden local plan supports the delivery of housing to the south of Tunbridge Wells which includes the s. 40(2) land and land to the west of the rugby club but excludes the rugby club itself. A pre-application submission has been made to Wealden council which is expected to be supported in principle subject to the resolution of a number of issues. Pre-app discussions have also been undertaken with Sport England and Tunbridge Wells council as the rugby club land also lies partially within Tunbridge Wells local authority area. The promotion of the wider scheme is complex, however this is mitigated by the ability to bring forward the site in isolation, although this would not have the benefits of east/west connectivity, landscaping, utilities connections, distribution of BNG and the wider placemaking benefits.
27. This is an area of high unaffordability and the development would bring forward policy compliant affordable housing of 35%.

28. s. 43

29. s. 43

30. s. 43

Strategic Case

31. Acquisition of this Site has the opportunity to unlock a comprehensive southern expansion to Tunbridge Wells.
32. Bayham Road is an important housing site for the council as WDC latest statement on housing land supply only demonstrates 3.83 years of housing land supply which equates to 5,513 dwellings against a requirement of 7,200 dwellings.
33. The acquisitions team have been working with colleagues in Investment Development Finance on this proposal. Development Finance have confirmed they are supportive of the proposed acquisition and are happy with the deal concept as a whole.
34. The sale to Esquire is conditional on them demonstrating development finance is in place to deliver the proposed development, this could although does not need to come from Homes England. Collaboration between Acquisitions & Development Finance has enabled a draft sightings paper to map out a part

debt/part recycled development cashflow, which provides indicative confirmation (subject to due diligence) that Homes England can support the SME to deliver the scheme if needed, but this would not be taken further until planning consent is closer to be obtained.

35. Investments are aware of the need to consider the cumulative nature of the agency's investment if that is the likely scenario.

36. The project supports the following Homes England Strategic Objectives:

Objective	Outcome	KPI
SO1 Vibrant and Successful Places	Mixed use places that create value and benefit local communities	5. Social value per pound of investment
SO2 Homes people need	More land available for new homes and barriers to development removed	6. Number of housing completions directly supported, 7. Total housing capacity unlocked, 8. Households supported into home ownership
SO3 Housing and Regeneration Sector that Works for Everyone	More diverse sector More private sector investment in housing and regeneration	9. Share of supported completions by low and medium volume housebuilders 11. Total value of private sector funds leveraged through Home's England's support
SO4 High Quality homes well designed places	Integrated neighbourhoods with access to nature and amenities facilitated by walking, cycling and public transport Distinctive places that reflect local character Streets, public space and blue and green infrastructure that are designed for people to use, easy to navigate and have a well considered relationship between public and private space	12. Share of supported schemes that meet or exceed the agreed standards for design quality (in line with Building for a Healthy Life)

37. The key Market failure here is a co-ordination failure between the various parties involved in the landholdings now forming part of the proposed draft Wealden plan. While the site is viable the upfront payment demanded by the landowner is limiting to the market and therefore this also provides market power issues, even for larger housebuilders. Wider placemaking opportunities would be lost if the land comes forward on a more piecemeal basis, but given the interconnectivity of title issues there is a risk no development would come forward without a party intervening to unlock the s. 40(2) land.

38. Homes England and Esquire have secured the terms necessary to unlock the stand off to ensure the land is unencumbered for development, the third parties will not complete the necessary agreements until the s. 40(2) land is secured.

Commercial Case

S. 43

S. 43

S. 43

S. 43

S. 43

S. 43

S. 43

S. 43

Key Delivery Milestones	Completion Date
Conditional Agreement for Purchase	S. 43
Complete Acquisition	
(Submit planning application) by Esquire	
Secure planning permission and agree overage payment (if relevant)	
Housing Start on Site	
Housing (delivery first completion)	



Engagement

79. Early consideration of social value will also be important and shall be influenced by the community engagement strategy. A strong social value strategy could also engender a sense of positivity, which will be important to reflect the re-provided sports facilities ensuring these are more widely available to the community. To justify development on the current TWRFC land there will need to be a significant improvement to the reprovision of Rugby Club facilities, and potential wider community benefits to offset against major development in the National Landscape – particularly given neither TWRFC or Chase Farm have been identified to date as draft allocations in the emerging Local Plan.

Management Case

80. Project management will be undertaken in accordance with Homes England standard approach. Post acquisition the project will be managed by Planning and Enabling, with the final Disposal executed through the Disposal team.

Financial Case

81. A Red Book Valuation is being undertaken by Montagu Evans supporting a market value of ~~£s. 43~~ reflecting the current planning status of the site.
82. On the assumption of obtaining planning consent for 102 homes on the site, a day one price of ~~£s. 43~~ has been agreed with Esquire for which Montagu Evans have also provided a supporting appraisal for the disposal receipt.
83. The project is to be funded through the Land Assembly Fund. The budget holder has **confirmed** budget is available to support the anticipated profile.

Spend - Approval Sought (£)	CDEL	RDEL	TOTAL
Investment Required	s. 43		
Of which:			
Acquisition Price	s. 22		
SDLT	s. 43		
Planning			
Disposal costs			
Third party land payment			
Holding costs			
Due Diligence/Legal			
Total			
Anticipated receipts			
Total Gross Receipts	s. 43		

Net Cost / (Surplus)	s. 43
Total Gross Project Recoverability	

Economic Case



S. 43

Annexes

1. Photos
2. Risk Assessment (Risk register)
3. Market and Valuation
4. Legal
5. Masterplanning and Planning
6. Technical
7. Estate Management
8. Disposal Strategy
9. Management and Finance
10. Economics
11. Draft Legal Subsidy advice
12. HoT – Esquire
13. HoT – Montelius
14. Red Book Valuation
15. Appraisal
16. Disposal appraisal
17. Worked indexation example
18. Draft legal title report

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Annex 1 – Photo Slide Pack

SCHEME	Land at Bayan Road, Tunbridge Wells	DATE	
RESPONSIBLE OFFICER	s. 40(2)	PCS No	31282











Annex 3 – Market & Valuation



SCHEME	Land at Bayham Road, Tunbridge Wells	DATE	11/07/2024
RESPONSIBLE OFFICER	s. 40(2)	PCS No	31282

1. Background

Land at Bayham Road, Tunbridge Wells is a 5.1ha greenfield site on the southern edge of Tunbridge Wells, Kent but the land lies in the district of Wealden, East Sussex and the High Weald National Landscape. Part of the land is currently occupied by a flower growing business owned by the owners s. 40(2).

The Site forms an irregular shape, which in total extends to some 5.1 hectares (12.60 acres). It comprises open green space with residential gardens of a Cala development to the north-west, Tunbridge Wells Rugby Football Club to the south-west, Bayham Road to the north and farmland generally occupying the southern and eastern boundaries. Town Court Farm is positioned to the east.

Vehicular access to the Site is provided off Bayham Road (B216g) on the north-eastern side of the Site. The Site benefits from a draft allocation for c. 100 units in the emerging Wealden Local Plan (Regulation 18) allowing the opportunity for development to be brought forward, subject to planning permission being obtained.

2. Local Market Assessment

The Southeast market has witnessed negative 6.9% growth over the 12 months to February 2024, this marks a continuation of the negative growth seen in the market since 2022: with the market witnessing 3.9% in the 12 months to December 2023. House prices overall in the Southeast are currently (as of February 2024, latest data available) at an average of £373,117, with detached properties having an average price of £654,786, followed by semi-detached £407,200, terraced £315,984, and flats/maisonettes £218,515 (source: Land Registry).

Wealden District market has also seen negative growth over the 12 months to February 2024, with houses prices recorded 7.6% down as recorded by the Land Registry. Though the Site is located within the Wealden District Council, its close proximity to Royal Tunbridge Wells, means it benefits from the uplift in prices associated with this town and the local authority of Tunbridge Wells.

House prices overall in Tunbridge Wells are currently at an average of £418,589, which is slightly higher than the average for Wealden District (£402,719).

We have summarised below average sale prices for different property types in Tunbridge Wells in February 2024 and have compared this to that witnessed in the wider Southeast region and England.

PROPERTY TYPE	TUNBRIDGE WELLS AVERAGE SALE PRICE	SOUTHEAST AVERAGE SALE PRICE	ENGLAND AVERAGE SALE PRICE
Flats	£259,156	£218,515	£247,756
Terraced	£373,946	£315,984	£244,475
Semi-detached	£452,651	£407,200	£287,858
Detached	£807,818	£654,786	£462,719

Wealden District

Tunbridge Wells has a higher average price for each housing type in comparison to that seen across the country, suggesting that this location, like the wider County of Kent is one of the more affluent areas in England.

In respect of Tunbridge Wells new build values versus existing properties the dynamic is starkly different, albeit a lag in the data, which is from November 2023 as opposed to February 2024 for the previous statistics.

PROPERTY TYPE	AVERAGE SALE PRICE (NOVEMBER 2023)	ANNUAL HOUSE PRICE CHANGE
Existing	£449,235	-7.9%
New Build	£440,050	1.4%

The table above illustrates the continued robust performance of new build properties which despite falls in the wider market, new build stock continues to perform well and in fact is comfortably outperforming the wider existing stock market. In light of the new build development proposed on the Site this is reassuring particularly in a market with limited housing supply.

Royal Tunbridge Wells

Looking specifically at house prices in Royal Tunbridge Wells, properties have sold for an overall average price of £565,580 over the last year (source: Rightmove). This is higher than the average of £418,589 across Tunbridge Wells borough, illustrating the strength of this micro location in comparison to some lower value locations within the borough. Over the last year, the majority of sales in Royal Tunbridge Wells were flats, selling for an average of £315,555. Semi-detached properties sold for an average of £514,482, with detached properties averaging £1,007,462. We set out below a residential 'heatmap' of property values in the Royal Tunbridge Wells area. Red represents the highest value residential sub-markets within a town, yellow medium value and blue low value submarkets. The map demonstrates that residential dwellings within southern parts of Royal Tunbridge Wells sit towards the upper value bracket for the area; achieving higher values than more northern parts of Royal Tunbridge Wells and nearby Frant, Crowborough and Eridge Green but lower than Bells Yew Green and Park Corner.

3. The Proposed Scheme

The proposed scheme across the Site comprises a predominantly housing-led scheme of 102 units with the provision of policy compliant affordable housing at 35%. The subject Site forms part of a wider masterplan development proposed by Esquire Developments who are also seeking to develop on the neighbouring rugby club site after providing a relocation facility for the club

4. Red Book Valuation

The Red Book Valuation has been prepared by Montagu Evans. This has been reviewed by the Head of Valuation who has endorsed the assumptions (Section 5) as reasonably reflecting the local market conditions. The residual land value has been identified as **£s. 43**.

5. Red Book Valuation Assumptions

Unit Type	Tenu re	Number	%	Size	Sal es Val ue	Bui ld Cos t	Notes/assumpti ons
1 Bed Flat (AH)		8		538			
2 Bed house (AH)		11		874			
3 Bed house (AH)		17		1,131			
3 Bed house (Market)		40		1,131- 1,436	£5.43		
4 Bed house (Market)		20		1,433- 1,850	£5.43		
5 Bed house (Market)		6		1,968 - 2,524	£5.43		
Build Cost							Notes/assumpti ons
External works/ local infrastru cture							
Profession al fees		8%					
Contingen cy		5%					
Abnormal Costs		£5.43					
S106		£5,000 per unit					
CIL		£2,496,7 70					
Fees							Notes/assumpti ons
Marketing		5,000 per private plot					

The Housing and Regeneration Agency

Sales agent		£1,500 per private plot					
Legal		£750 per private plot					
Purchasers Costs							Notes/assumptions
Sales		Private	Affordable	Finance			Notes/assumptions
Agent Fee							
Legal Fee							
Tax on fees							
		%	%	%			
Sales							Notes/assumptions
Units Per outlet pa							
No of Outlets							
Private Sales pa (all outlets)							

6. Comparable Evidence

BERKELEY HOMES – HOLLYFIELDS, ROYAL TUNBRIDGE WELLS, TN2 5BW

Hollyfields, a development by Berkeley Homes is a collection of mix 1 to 3 bedroom apartments and 2-to-4-bedroom homes totalling 235 dwellings. It is located 1.5 miles east of the subject Site in Royal Tunbridge Wells, 1.4 miles from Tunbridge Wells station.

All homes feature high specification kitchens and bathrooms, generous living and dining areas and private gardens with landscaping.



New build house sales evidence has been collated between April 2020 and June 2022 onwards reflecting prices between **£550,000 to £1,135,000** or a blended average capital value of **£486 per sq. ft.**

PROPERTY TYPE	AVERAGE PRICE	AVERAGE SIZE (SQ. FT.)	AVERAGE PRICE PSF
Detached	£870,275	1,760	£495
Semi-detached	£687,712	1,440	£478
Terraced	£573,450	1,209	£474
Flats	£450,000	767	£586

In addition to the above which provides a summary of values across the sales period of the scheme, the evidence below comprises properties that have been sold from the beginning of 2022 up until the beginning of 2023 reflecting an average of **£550 per sq ft.** These sale prices illustrate pricing has improved over the same period of time with significant house price inflation taking place since 2020 when a lot of the sales exchanged. The evidence collated also shows average units, are slightly smaller than the subject Site, which therefore may command a slight premium over and above the values achievable on the subject Site due to quantum.

ADDRESS	DATE	PROPERTY TYPE	PRICE	SIZE SQ FT	PRICE PSF
9, Seymour Drive, TN2 5GP	16/01/2023	Detached	£642,510	1,162	£553
37, Seymour Drive, TN2 5GP	26/09/2022	Detached	£597,800	1,001	£597
35, Seymour Drive, TN2 5GP	26/09/2022	Detached	£590,000	1,001	£589
15, Hockbury Crescent, TN2 5GN	27/07/2022	Detached	£1,132,000	2,411	£470

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30, Seymour Drive, TN2 5GP	21/07/2022	Semi-detached	£642,625	1,227	£524
18, Seymour Drive, TN2 5GP	21/07/2022	Detached	£877,100	1,475	£595
28, Seymour Drive, TN2 5GP	20/07/2022	Semi-detached	£645,937	1,227	£526
17, Hockbury Crescent, TN2 5GN	18/07/2022	Detached	£1,070,000	2,260	£473
12, Seymour Drive, TN2 5GP	07/07/2022	Semi-detached	£672,702	1,152	£584
8, Seymour Drive, TN2 5GP	07/07/2022	Semi-detached	£583,100	1,001	£582
21, Hockbury Crescent, TN2 5GN	05/07/2022	Semi-detached	£628,670	1,227	£512
32, Seymour Drive, TN2 5GP	30/06/2022	Detached	£689,500	1,152	£599
19, Hockbury Crescent, TN2 5GN	30/06/2022	Detached	£1,154,000	2,260	£511
26, Seymour Drive, TN2 5GP	30/06/2022	Detached	£674,500	1,152	£586
24, Seymour Drive, TN2 5GP	30/06/2022	Semi-detached	£538,100	1,001	£538
20, Seymour Drive, TN2 5GP	30/06/2022	Detached	£877,100	1,475	£595
25, Hockbury Crescent, TN2 5GN	27/06/2022	Semi-detached	£641,500	1,227	£523
27, Hockbury Crescent, TN2 5GN	27/06/2022	Semi-detached	£628,670	1,227	£512
10, Seymour Drive, TN2 5GP	01/06/2022	Semi-detached	£665,900	1,162	£573

Given the proximity to the subject Site and similar unit sizes, we believe the average price per sq ft for private dwellings at the subject Site will be aligned to this development generally speaking, whilst also accounting for current market conditions with there being some cooling of the market since 2021-2022.

COUNTRYSIDE – GEORGE SMART, TUNBRIDGE WELLS, TN2 5FN

George Smart Close offers both housing and flatted sales evidence in a location just 0.7 miles east of the subject Site. Bought forward by Countryside, the development consists of 49 homes. The scheme benefits from a semi-rural situation just 1.5 miles from Tunbridge Wells High Street and adjacent to the High Weald Area of Outstanding Natural Beauty.



The Housing and Regeneration Agency

The development comprises a collection of 2- bedroom apartments and 3, 4 and 5-bedroom houses. The properties have been finished to a satisfactory specification internally and externally with private gardens and parking.

The scheme is now fully sold and new build sales evidence between June 2020 and February 2022 reflects prices between **£350,000 to £950,000** or **£446 per sq ft**. We have summarised the new build sales information for different property types;

PROPERTY TYPE	AVERAGE PRICE	AVERAGE SIZE (SQ. FT.)	AVERAGE PRICE PSF
Detached	£816,847	1,945	£420
Semi-detached	£583,333	1,263	£462
Terraced	£539,833	1,152	£469
Flats	£351,818	798	£441

Despite the similarity in location, we expect the homes at the subject Site to be delivered to a superior specification than George Smart Close. On this basis, we expect the price per sq ft to be higher at the subject Site.

THE LANES, KNIGHTS WOOD, ROYAL TUNBRIDGE WELLS, TN2 3UW

The Lanes is the latest development within the larger Knights Wood scheme located on the outskirts of Royal Tunbridge Wells, approximately 5 miles north-east of the subject site. It comprises of c.69 homes, a collection of two- and three-bedroom houses.

The development has been completed to a high interior standard with external features including gardens, and garages or private parking. The development benefits from additional amenities that have been developed alongside including a new primary school and a village square with local shops. Connection to London is via the High Brooms train station located 1 mile from the comparable. Direct trains run to London Bridge and Charring Cross taking just over 1 hour.



ADDRESS	DATE	PROPERTY TYPE	PRICE	SIZE SQ FT	PRICE PSF
10 Coppice Close, TN2 3YS	26/02/2021	Semi-detached	£510,000	1,076	£474
16 Monarch Gardens, TN2 3JP	26/03/2021	Detached	£495,000	1,022	£484
1 Monarch Gardens, TN2 3JP	05/03/2021	Semi-detached	£489,000	1,033	£473
20 Monarch Gardens, TN2 3JP	26/03/2021	Semi-detached	£495,000	1,022	£484
6 Coppice Close, TN2 3YS	14/10/2022	Terraced (resold)	£408,500	753	£542
11 Coppice Close, TN2 3YS	26/02/2021	Semi-detached	£514,000	1,076	£477
11 Monarch Gardens, TN2 3JP	30/04/2021	Semi-detached	£495,000	1,033	£479
14, Golding Road, TN2 3FP	31/10/2023	Semi-detached (resold)	£585,000	1,259	£465
8 Golding Road, TN2 3FP	03/10/2023	Semi-detached (resold)	£602,000	1,185	£508
1, The Avenue, TN2 3FJ	26/05/2023	Detached	£680,000	1,808	£376
4, Bramling Avenue, TN2 3YG	19/01/2023	Semi-detached	£520,000	1,205	£432
5, The Avenue, TN2 3FJ	16/12/2022	Detached	£650,000	1,786	£364
14, Bramling Crescent, TN2 3YG	30/06/2022	Semi-detached	£520,000	1,205	£432

The Housing and Regeneration Agency

This scheme by Dandara provides similarities in respect of proximity to a station and accessibility to neighbouring towns as well as connection to London. However, The Lanes occupies a less desirable micro-location adjacent to commercial warehousing and we are of the opinion that the subject site would be delivered to a higher specification. As such, we expect the prices at the subject site to be slightly higher on a per sq ft basis. We have also seen resale values on this development which have still held strong prices in excess of £500psf, emphasising the desirability of Royal Tunbridge Wells.

BELLWAY HOMES – OAKLEY PARK, EDENBRIDGE, TN8 6GA

Oakley Park is a new build development of 300 homes and apartments located in the town of Edenbridge, Sevenoaks. Developed by Bellway Homes, this development is situated 12.5 miles north-west of the subject Site. The development contains a collection of 1- and 2-bedroom apartments and 2, 3, 4 and 5 bedroom houses.



The scheme is finished to a high specification with garages and landscaped green areas across the development.

The scheme has reached completion, and we understand that sales prices from June 2021 range from **£479,995 to £659,995** for three to five-bedroom houses.

While Edenbridge is further from the centre of Tunbridge Wells, it is an established market town with amenities and two train stations, Edenbridge and Edenbridge Town which provide regular direct connections to neighbouring towns as well as to London Bridge within 56 minutes. We expect this development to achieve slightly lower capital values than the subject Site due to the more rural location.

REDCLIFFE PLACE, ROYAL TUNBRIDGE WELLS, TN2 5LR

Redcliffe Place is a 2021 retirement development located on the outskirts of Royal Tunbridge Wells, adjacent to the Tunbridge Wells Rugby Football Club and approximately 0.75 miles west of the subject site. It comprises of c.26 homes, a collection of two bedroom houses and two and three-bedroom apartments. Each house features a terrace, balcony and private garden and the apartments also offer a terrace or balcony. It is marketed by Beechcroft.



The development has been completed to a high interior standard with external features including gardens, lifts to most apartments, private parking and an Estate Manager for security purposes. A 25-minute walk into the Royal Tunbridge Wells or Forest Road Bus Stop is located outside offering a frequent service to the Town Centre.

The scheme is now fully sold and new build sales evidence from 2021 reflect prices between **£640,000 to £670,000** or **£558 per sq ft**. We have summarised the new build sales information for similar property types, which illustrates a premium for retirement use in this location;

ADDRESS	DATE	PRICE	SIZE SQ FT	PRICE PSF
12 Redcliffe Place, TN2 5GQ	Apr 21	£660,000	1,173	£563
10 Redcliffe Place, TN2 5GQ	Aug 21	£650,000	1,173	£554
9 Redcliffe Place, TN2 5GQ	Apr 21	£660,000	1,173	£563
8 Redcliffe Place, TN2 5GQ	Mar 21	£640,000	1,173	£546

ADDRESS	DATE	PRICE	SIZE SQ FT	PRICE PSF
5 Redcliffe Place, TN2 5GQ	Jun 21	£670,000	1,173	£571

MILLER'S MEADOW, SANDHURST, CRANBROOK, TN18 5JL

Miller's Meadow is a development by Clarendon Homes comprising ten houses including an element of affordable housing. Miller's Meadows is situated to the outskirts of the village of Sandhurst, approximately 16 miles to the south of the Site. The private units comprise of two, three and four bedroom semi-detached and detached houses, including some bungalow units. All of the three and four bedroom units benefit from garages/car ports, and we understand that the units have been finished to a good specification.



We summarise the achieved sale prices below.

REF	UNIT TYPE	AREA (SQ FT)	SOLD PRICE	PRICE PSF
7	Detached	1,203	£600,000	£499
9	Detached	1,186	£550,000	£464
10	Semi Detached	848	£450,000	£531
11	Semi Detached	848	£450,000	£531
12	Detached	1,133	£550,000	£485
13	Detached	2,074	£895,995	£432
14	Detached	1,889	£875,000	£463
15	Detached	1,465	£650,000	£444
Average (EPSF)				£481

It is worth noting that the average house size (1,331 sq ft) from the sales above sits below the average houses at the subject (1,469 sq ft). The smaller, detached/semi-detached executive home nature of Miller's Meadow is also likely to drive sales values. To this end, Miller's Meadow is finished to a good specification with homes equipped with garages and good-sized gardens. Miller's Meadow does not benefit from the uplift in prices associated with Royal Tunbridge Wells. We anticipate given that Royal Tunbridge Wells is a stronger location that the houses at the subject Site will be therefore achieve a premium on those at Miller's Meadow.

ASPECT WOOD, FLIMWELL, WADHURST, EAST SUSSEX, TN5 7FE

Aspect Wood by Quantum is situated 10.5 miles south-west of the subject Site and comprises 29 three to five bedroom houses. The village of Flimwell is surrounded by Area of Natural Beauty but provides limited local amenities. The closest station, Etchingham, is located 4.5 miles to the south. Aspect Wood is situated adjacent to the A21 and owing to the proximity and likely noise disturbance we would expect this to have a deflationary impact on sales values.

We summarise below the sale prices achieved between August 2020 and April 2021.



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REF	UNIT TYPE	AREA (SQ FT)	DATE	SOLD PRICE	PRICE PSF
17	Detached	1,991	Apr-21	£630,000	£316
16	Semi Detached	1,335	Apr-21	£430,000	£322
19	Semi Detached	1,109	Mar-21	£359,950	£325
10	Semi Detached	1,335	Jan-21	£450,000	£337
12	Semi Detached	1,335	Dec-20	£450,000	£337
14	Semi Detached	1,335	Dec-20	£450,000	£337
23	Semi Detached	1,109	Nov-20	£358,950	£324
9	Semi Detached	1,335	Nov-20	£440,000	£330
11	Semi Detached	1,335	Nov-20	£450,000	£337
13	Semi Detached	1,335	Sep-20	£450,000	£337
22	Semi Detached	1,109	Aug-20	£359,950	£325
Average (£PSF)					£329

7. Land Appraisal

A receipt appraisal has been conducted which shows a receipt of £s. 43 on deferred terms, this is supported by the valuation team.

- 1) Day 1 MV of £s. 40(2) Land - £s. 43 (including £s. 43 Leroy Trust sum)
- 2) Day 1 MV of £s. 40(2) Land with Planning Permission - £s. 43 (no Leroy Payment which aligns with the proposed Esquire Purchase Price).

The differences in these appraisal can be summarised as follows:

- Profit in from £s. 43 to £s. 43 on GDV
- Planning £s. 43 down to £s. 43 allowance
- Prof fees £s. 43 down to £s. 43
- Preconstruction reduced from 24 months to 9 months

Annex 7 – Estate Management



SCHEME	Land SW Bayham Road, Tunbridge Wells	DATE	11 July 2024
RESPONSIBLE OFFICER	s. 40(2)	PCS No	31282

1. Approach

The site (edged blue below) is essentially a green field piece of land with a small florist business operating from part of the site. All the structures on site are temporary.

I have provided two forecasts, one assumes we will lease back the whole site to the vendor, possibly using a farm business tenancy if this is deemed suitable. The second assumes vacant possession. Option one would have very little for us to do other than manage the tenant (via an agent) and undertake a tree safety survey. Should we have to manage the site with vacant possession we would need to undertake a lot more work which would of course have higher holding costs.

Land Ownership Plan



2. Timing

It has been assumed that the site will be held for a 4 year period.

3. Costs

Option 1 – Lease Back

Year 1 -s. 43
Year 2 -s. 43
Year 3 -s. 43

Option 2 – Vacant Possession

Year 1 -s. 43
Year 2 -s. 43
Year 3 -s. 43

Annex 8 – Delivery & Disposal Strategy



SCHEME	Land SW Bayham Road, Tunbridge Wells	DATE	11/07/2024
RESPONSIBLE OFFICER	s. 40(2)	PCS No	31282

1. Background

1. Land at Bayham Road, Tunbridge Wells is a 5.1ha greenfield site on the southern edge of Tunbridge Wells, Kent but the land lies in the district of Wealden, East Sussex and the High Weald National Landscape. Part of the land is currently occupied by a flower growing business owned by the owners s. 40(2).
2. The land has recently been allocated in the Wealden draft Reg 18 Local Plan for 100 new homes (FR2).
3. Esquire Developments Ltd (Esquire), a local SME housebuilder, have been seeking to promote the site as part of a more comprehensive development of the adjacent Tunbridge Wells Rugby Football Club. They have secured terms for Options over the Rugby club and a relocation site at nearby Chase Farm.
4. The relocation of the rugby facilities unlocks a total site equating to about 8.7 ha. The Bayham Road land (the 'Site') equates to about 5.1 ha, yielding a potential total residential development opportunity of approximately 14.1 ha (c. 163 homes). Esquire have been promoting the opportunity since 2020 and have also resolved terms for a number of complex title issues with third parties including restrictions and overages which require settling prior to pursuing development, the details of these are set out in 'Legal' section below.
5. These matters require a number of upfront payments to be made and terms for an Option of the site had been agreed, however the landowner s. 40(2) changed their position to require an upfront unconditional on planning freehold sale only.
6. Esquire, as an SME, together with the other financial requirements of the site, do not have the capital and cannot borrow to acquire the land. Through the Development Finance team, Homes England were approached to consider if LAF could be used to help unlock the site by resolving the market power and co-ordination issues that were causing a barrier to delivery, as it is unlikely anyone would pay for the land upfront given its value and the landowner is not interested in deferred terms.
7. The other parties are unwilling to enter into the final agreements with Esquire while the s. 40(2) land is not secured given the vendors position has changed during the discussions. Unless the freehold of the land can be secured and back to back arrangements can be put in place with Esquire, the other parties will not contract to remove the restrictions which impact both the s. 40(2) land and the rugby club land, preventing residential development across the whole (subject to planning).
8. Following advice from Montagu Evans, Homes England have been able to agree a price with s. 40(2) for the unconditional purchase of the site, which is supported by the valuers and a Red Book Valuation is being prepared. Terms have also been agreed with the Leroy Trust for the removal of a restriction on the land and an onward sale conditional on planning to Esquire so the land can be brought forward as to be brought forward as part of the overall more comprehensive development.

9. The other parties are satisfied that Homes England's acquisition of the land provides the certainty of support that is needed to bring forward the overall scheme and will simultaneously enter into the necessary deeds of release ensuring the land becomes unencumbered for development.
10. The recent draft Wealden local plan supports the delivery of housing on the site, which includes land to the west of the rugby club but excludes the rugby club itself. A pre-application submission has been made to Wealden council which is expected to be supported in principle subject to the resolution of a number of issues. Pre-app discussions are also awaited with Sport England and Tunbridge Wells council. The promotion of the wider scheme is complex, however this is mitigated by the ability to bring forward the site in isolation, although this would not have the benefits of east/west connectivity, landscaping, utilities connections, distribution of BNG and the wider placemaking benefits.
11. This is an area of high unaffordability and the development would bring forward policy compliant affordable housing of 35%.

12. s. 43

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13. s. 43

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14. s. 43

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S. 43

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S. 43

4. Milestones

29. The below deliver milestones have been agreed with Planning and Enabling and reflect reasonable timescales for the project.

Key Delivery Milestones	Completion Date
Conditional Agreement for Purchase	S. 43
Complete Acquisition	
(Submit planning application) by Esquire	
Secure planning permission and agree overage payment (if relevant)	
Housing Start on Site	
Housing (delivery first completion)	

Annex 10 – Economics



SCHEME	Land at Bayham Road, Tunbridge Wells	DATE	26/06/2024
RESPONSIBLE OFFICER		PCS No	31282

1. Options

The Hierarchy of Intervention tool was used to discuss appropriate interventions with the Homes England project team.

	Option	Shortlist (Y / N)	Description of option / rationale for shortlisting / dismissing
1	Business As Usual	Y	As per the preferred option but with a 10 year delay. Whilst the landowners have no immediate incentive to sell the site, s. 40(2) [REDACTED] and may re-consider their stance regarding an unconditional sale.
2	Preferred Option	Y	Homes England acquires the site unconditional on planning but subject to securing a clean title. Homes England will then enter a sales agreement with the developer, subject to planning consent. Should the developer fail to secure planning for the wider scheme, they will bring the Land at Bayham Road site forward in isolation, without relocating the rugby club facilities. We consider this as the main scenario for the economic analysis.
3	Land at Bayham Road + Tunbridge Wells Rugby Football Club	N	As per the preferred option but assuming that the developer obtains planning for the wider residential development scheme of the Land at Bayham Road site and the adjacent Tunbridge Wells Rugby Football Club. Not appraised due to a lack of time.
4	Acquisition + LUHBF loan	N	As per Option 3 (wider development scheme) but assuming that the developer will also access loan funding through LUHBF to finance the rugby club relocation. Not appraised due to a lack of time.
6	Brokerage	N	Not a viable intervention option. The developer has been trying to promote the site since 2020 without success, including through a Homes England led roundtable with the landowner. The landowner is persistent that completing the deed of release at the same time as selling their land

			(unconditional on planning) is necessary to provide them with a clean exit and release them from any future obligations.
7	Loan funding through LUHBF for site acquisition	N	Not a viable intervention option. The developer initially approached Homes England through the Levelling Up Home Building Fund (LUHBF). However, Homes England does not have suitable loan or grant programmes to fund the acquisition of a site.

2. Appraisal Summary Table

The preferred option achieves an adjusted NPSV of **£s. 43**, indicating that the scheme will provide ‘Very high’ VfM. A Benefit Cost Ratio has not been calculated as the scheme has no net costs with public sector receipts exceeding public sector costs.

The social value of the shortlisted intervention options are presented below. The options are presented on a marginal basis, i.e. the costs and benefits on top of those delivered in the BAU.

	Business As Usual	Preferred Option
	Gross	Marginal
Benefits (adjusted, present values)	£s. 43	
Net costs (present values)		
Benefit cost ratio (adjusted)		
Net Present Social Value (adjusted)		

The AST shows that the preferred option achieves the LAF BCR hurdle rate of at least 1.5.

3. Significant non-monetised benefits, switching values

There are not considered to be significant non-monetised benefits associated with the preferred option.

4. Sensitivity analysis

The key assumptions in the cost benefit analysis are tested:

Preferred Option	Benefit Cost Ratio	Net Present Social Value
20% optimism bias on receipts	£s. 43	
40% optimism bias on Homes England costs ¹		

5 year delay in BAU	s. 43
No significant real growth in LVU	
5% real growth p.a. in LVU	

¹ The HE Reference Class Forecasting Tool has been used to estimate optimism bias for the preferred option at 10% based on Pmean. For the sensitivity test we use P80 (i.e., we would expect this risk allowance to be sufficient 80% of the time based on performance of similar projects) resulting in an OB of 40%. We have not tested lower OB as there are no net costs in the central case.

The scenarios tested show that the central case is sensitive to changes in key assumptions.

- **Public sector receipts.** If receipts are £s. 43 lower than currently forecasted, then the BCR drops below 1.5. Note that this would imply that Homes England sells the site for less than the acquisition price. Disposal receipts need to be at least £s. 43 in today’s prices for the project to deliver a positive net present social value/BCR above 1.5.
- **Public sector costs.** If Homes England’s costs go up by 40% (£s. 43), the BCR drops below 1.5.
- **Business as usual.** If the market could deliver the site after a 5 year rather than a 10 year delay, the project delivers poor Value for Money with a negative net present social value.
- **Future value of land.** The central scenario assumes that the future value of land increases in line with real GDP growth, following DLUHC appraisal guidance. If it increases instead by 5% per year in real terms, net present social value will be negative. If there is no significant increase over the appraisal period, net present social value remains positive and increases to £s. 43.

5. Value for Money judgement

The preferred option demonstrates ‘very high’ Value for Money (VfM) based on an adjusted Net Present Social Value (NPSV) of £s. 43. A Benefit Cost Ratio has not been calculated as net costs are negative with public sector receipts exceeding public sector costs. The analysis shows that the judgement is sensitive to changes in the assumptions. There needs to be confidence in the strength of the market failure (i.e., that the site would not be developed within at least the next 5 years without Homes England’s intervention), that Homes England would receive at least £s. 43 in disposal receipts in today’s prices and that annual increases in the future value of land do not outperform real GDP growth.

6. Inputs and Assumptions

The following inputs and assumptions have informed the VfM assessment:

- **Outputs.** Under the preferred option, 102 homes, of which 36 social rent properties, from s. 43 to s. 43. Under the BAU, outputs as per the preferred option but delayed by 10 years.
- **Public sector costs and receipts.** Under the preferred option, total public sector costs of £s. 43 comprising £s. 43 land acquisition costs (inclusive of £s. 43 SDLT), £s. 43m planning costs, £s. 43 disposal costs, £s. 43 holding costs and £s. 43 in other costs.

- Public sector receipts.** Under the preferred option, total public sector receipts of £s. 43, covering £1s. 43 land receipts and £s. 43 SDLT. The land value increases from £s. 43 at acquisition to £s. 43 at disposal, reflecting changes in planning risk. The disposal appraisal assumes that once planning is in place, the preconstruction period will be shorter (s. 43), resulting in reduced finance costs (£s. 43 vs £s. 43). Moreover, planning costs will be lower (£s. 43 saving) and the developer will require a lower profit margin (s. 43 vs s. 43 on GDV).
- Land Value Uplift (LVU).** LVU of £s. 43 per new home. This is based on a Future Use Value (FUV) of £s. 43 based on the residual land value appraisal for the scheme. The appraisal adjusts the GDV of the scheme to 100% market homes and excludes SDLT as per Homes England guidance. Existing Use Value (EUV) of £s. 43 based on a site size of 5.1ha and agricultural land value of £s. 43 £/ha.
- Displacement.** Displacement of 12% for the Preferred Option and BAU as per DLUHC appraisal guidance. Total additionality of benefits is 11%.
- Optimism bias.** Optimism bias of 10% on public sector costs based on the Pmean value at Business Case stage from Reference Class Forecasting analysis. Optimism bias of 10% on receipts consistent with standard practice.
- Amenity disbenefits.** Under the preferred option and BAU, disbenefits associated with the loss of greenfield land, valued at s. 43 per hectare (extensive agriculture) and a site size of 5.1ha. Disbenefits are assumed to accrue in line with housing delivery, with associated land being lost one year prior to housing delivery.



FINAL HEADS OF TERMS 24th June 2024

Land SW of Bayham Road, Tunbridge Wells

SUBJECT TO CONTRACT

1	Purchaser	<p>Esquire Developments Limited ("Esquire")</p> <p>Address: Studio 3 The Old Laundry Green Street Green Road Longfield Kent DA2 8EB</p> <p>FAO: s. 40(2) Tel: s. 40(2) Email: s. 40(2) @esquiredevelopments.com</p>
2	Purchaser's Solicitor	<p>Name: s. 40(2)</p> <p>Contact Details; Tel: s. 40(2) Mob: s. 40(2) Email: s. 40(2) @keystonelaw.co.uk</p>
3	Vendor	<p>Homes England</p> <p>FAO: s. 40(2) Address: TBC Tel: s. 40(2) Mob: s. 40(2) Email: s. 40(2) homesengland.gov.uk</p>
4	Vendor's Solicitors	<p>Name: s. 40(2) Company: Browne Jacobsen 15th Floor 103 Colmore Row Birmingham B3 3AG</p> <p>Contact Details; Tel: s. 40(2) Email: s. 40(2) @brownejacobson.com</p>
5	The Property	The freehold land included within Land Registry Titles ESX326059 as shown edged yellow on plan one below
6	Background	The Purchaser intends to bring forward a scheme of development for housing on the Property and adjoining land owned by Tunbridge Wells RFC ("TWRFC") (as shown edged yellow on plan two below), and the relocation of TWRFC to the Chase Farm site following the construction of a new facility at that site.



		The Vendor has agreed to the terms in these heads of terms, subject to contract, to help facilitate that development scheme which might not otherwise come forward.
6	Exchange	<p>The following three documents shall all exchange simultaneously</p> <p>(i) <u>Vendor's agreement to acquire the Property</u></p> <p>The Property is currently in the ownership of s. 40(2) ("the s. 40(2)").</p> <p>The Vendor will acquire the Property (if deemed in its sole discretion to be an acceptable proposition, and subject to internal and treasury approvals).</p> <p>The Vendor's contract to purchase the Property from the s. 40(2) ("the s. 40(2) Contract") will be conditional on the restriction on the title registered on 4 February 1999 first being withdrawn or otherwise removed from the register of title.</p> <p>The s. 40(2) Contract will also provide for the assignment of the benefit of the 2015 deed of adherence given by TWRFC to the s. 40(2) on completion.</p> <p>(ii) <u>Agreement for release of overages and restrictions ("All Parties Agreement to Release")</u></p> <p>Simultaneously with exchange of the s. 40(2) Contract, a conditional (on planning for the Wider Scheme (see below)) agreement shall be completed between (1) Tunbridge Wells RFC (2) the Purchaser (3) the s. 40(2) (4) s. 40(2) (5) the Leroy Trust and (6) the Vendor. This agreement shall provide for:</p> <ol style="list-style-type: none"> the immediate removal of the restriction on title from the s. 40(2) title, and payment by the Vendor to the beneficiary of that restriction (Leroy Trust) of £s. 43 upon completion of the application to remove the restriction at Land Registry; and conditional on planning being granted for the wider scheme (see below), the release of various covenants and obligations in relation to restrictions and overage and payment of compensation for such release by the Purchaser. <p>The Purchaser is to finalise the terms of this agreement with the other parties, subject to approval by the Vendor.</p> <p>(iii) <u>Agreement for sale and purchase of the Property between the Vendor and the Purchaser</u></p> <p>The principal terms of this agreement are set out in the next section 7 below.</p> <p>Completion pursuant to this agreement will be conditional on the satisfaction of the following conditions precedent:</p> <ol style="list-style-type: none"> the purchase of the Property by the Vendor; planning; demonstration by the Purchaser to the reasonable satisfaction of the Vendor that it has sufficient funding;



		<div><div>i.</div><div>in the event the Purchaser obtains a planning consent for the whole development scheme (on the Property, the TWRFC land and at the Chase Farm site), to carry out and complete the whole of that scheme of development (including land acquisition costs) and to meet all of the Purchaser's other obligations under All Parties Agreement to Release;</div><div>ii.</div><div>in the event the Purchase is able to obtain a planning consent relating to the Property only, to carry out and complete the purchase and development of the Property.</div></div>
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S. 43

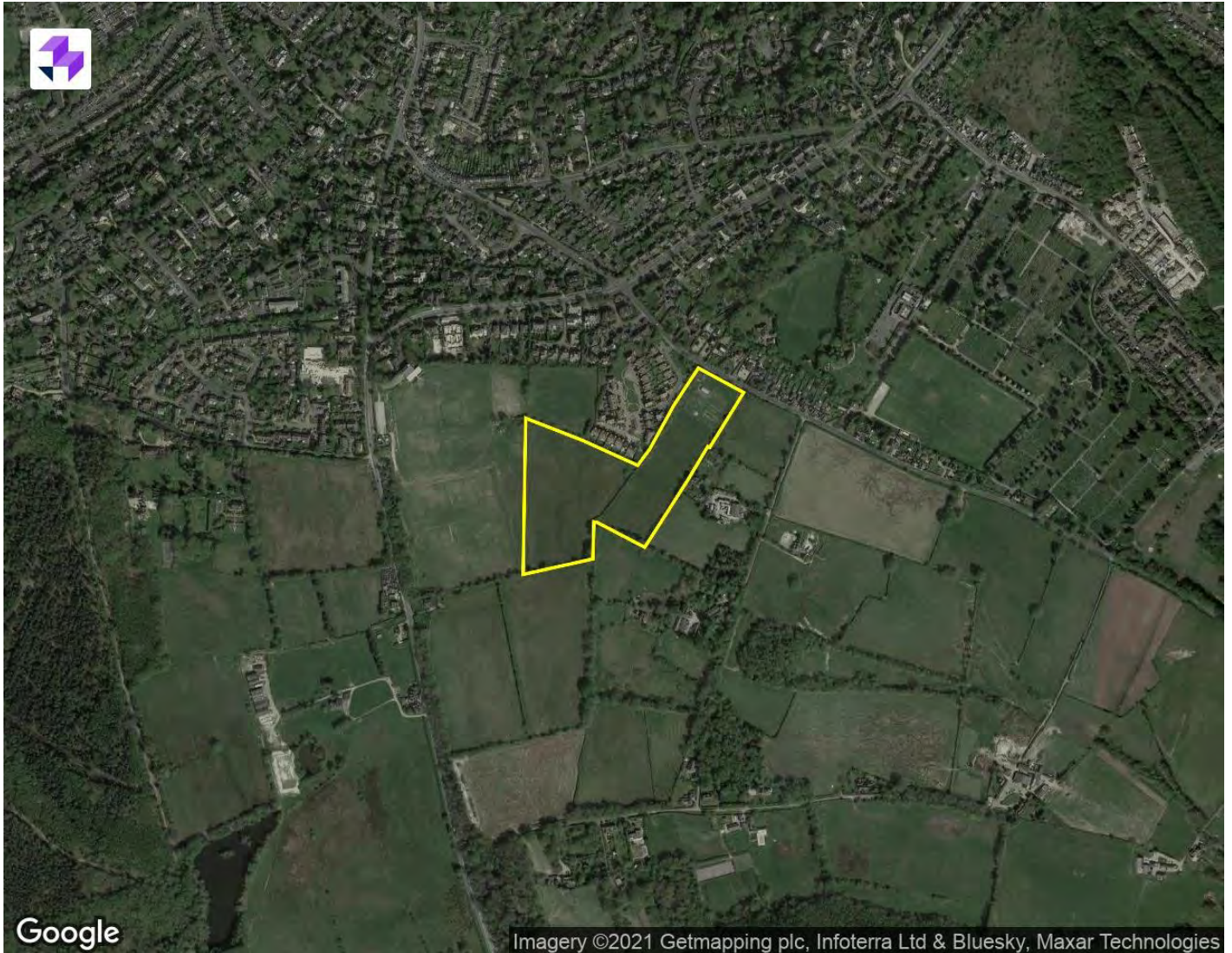


s. 43

9	Homes England Development Finance	The Purchaser may apply for Development Finance through the Homes England Levelling Up Home Building Fund which Homes England shall consider on its merits.
14	Target Dates	<p>Homes England Approvals – s. 43</p> <p>Homes England exchange conditional contract for acquisition – s. 43</p> <p>Exchange of conditional sale and purchase agreement – s. 43</p> <p>Conditional agreement for Deed of release – s. 43</p> <p>Removal of restriction by Land Registry – s. 43</p> <p>Homes England complete acquisition – s. 43</p> <p>Planning Application – s. 43</p> <p>Planning Permission – s. 43</p> <p>Freehold Transfer – s. 43</p> <p>Housebuilding Start on Site – s. 43</p> <p>Housebuilding first completion – 13 months from start on site</p>
15	Costs	<p>Both parties to cover their own legal and professional costs in relation to entering the Conditional Contract.</p> <p>Homes England to cover its own costs in relation to the s. 40(2) Contract.</p>
16	General conditions	<ul style="list-style-type: none"> • Homes England approvals and procurement and subsidy sign off for the transaction structure • Homes England review of all existing options and proposals regarding release/variation of restrictive covenants grant of easements to facilitate wider development • Esquire board approval • Homes England attendance / representation at key planning stakeholder meetings / engagements. To be subject to the planning collaboration arrangements



Plan One





Plan Two





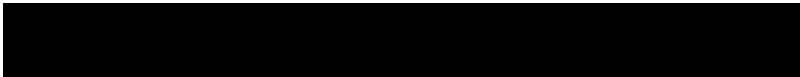
HEADS OF TERMS
Land South West of Bayham Road, Tunbridge Wells
SUBJECT TO CONTRACT

1	Purchaser	<p>Homes & Communities Agency (Trading as Homes England)</p> <p>Address: One Friargate Coventry CV1 2GN</p> <p>FAO: s. 40(2) Tel: s. 40(2) Email: s. 40(2) homesengland.gov.uk</p>
2	Purchaser Solicitor	<p>Name: s. 40(2)</p> <p>Browne Jacobsen 15th Floor 103 Colmore Row Birmingham B3 3AG</p> <p>m s. 40(2) t s. 40(2)</p>
3	Vendor	<p>s. 40(2)</p> <p>s. 40(2)</p> <p>s. 40(2)</p> <p>s. 40(2)</p> <p>Tel: s. 40(2) Email: s. 40(2)@mycourts.co.uk</p>
4	Vendors Solicitors	<p>Name: s. 40(2)</p> <p>Company: Sharratts (London) LLP 1 The Old Yard, Tunbridge Wells, TN16 1JP.</p> <p>Contact Details; Tel: s. 40(2) Email: s. 40(2)@sharratts-london.co.uk</p>
5	The Property	Freehold land and associated rights restrictions and benefits within Land Registry Titles ESX326059 as shown outlined in red on the plan below.
6	Conditions	<p>Homes England will acquire the Property subject to the conditions below:</p> <ul style="list-style-type: none"> • Contract • Completion of Legal and Technical due diligence including an intrusive investigation into ground conditions. • A supporting Red Book Valuation from our valuers • Homes England internal Approvals • A leaseback to the Vendor under a Farm Business Tenancy or a contracted out business tenancy (depending on the activities to be carried out on the Property) for continued operation of the flower and vegetable growing business with break clauses related to the



Homes England

		<p>commencement of works on site following the granting of planning consent and access for the purpose of surveys and site investigations (separate heads of terms to be provided)</p> <ul style="list-style-type: none"> • Completion of satisfactory Know Your Customer checks (KYC) on all landowners and parties associated with sale • Homes England entering into an agreement with Esquire Developments Ltd with regard to delivery of the overall housing scheme, relocation of the rugby club and the simultaneous release of all beneficial rights, overages and restrictive covenants currently included within the various titles forming the entirety of the proposed masterplan area. This includes titles ESX233248, K234950, ESX326059. • A clean and unencumbered title for the purposes of the intended development. • The Vendor will covenant with the Purchaser and Esquire to provide all reasonable assistance in relation to the withdrawal or cancellation of the restriction registered at entry 2 of the proprietorship register of title ESX233248.
7	Price	£s. 43 s. 43 plus VAT if applicable
8	Completion	Completion to take place by s. 43
9	Costs	The Purchaser to provide an undertaking to pay the Vendor's reasonable legal costs up to £s. 43 exclusive of VAT payable on exchange or in the event the Purchaser withdraws.



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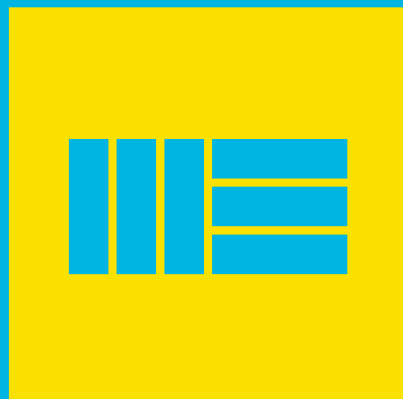
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LAND ON THE SOUTH- WEST SIDE OF BAYHAM ROAD, TUNBRIDGE WELLS, KENT, TN2 5HU

RED BOOK VALUATION

13 JUNE 2024



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APPENDICES

APPENDIX 1 – LOCATION PLAN

APPENDIX 2 – SITE PLAN

APPENDIX 3 – PHOTOS

APPENDIX 4 - ABNORMAL COSTS SUMMARY

APPENDIX 5 – RESIDUAL APPRAISAL

APPENDIX 6 – ALL PARTIES AGREEMENT

APPENDIX 7 – HEADS OF TERMS

ANNEXE 1 – ADVICE NOTE

1.0 EXECUTIVE SUMMARY

PROPERTY ADDRESS:	Land on the south-west side of Bayham Road, Tunbridge Wells, Kent, TN2 5HU
VALUATION DATE:	13 th June 2024
PURPOSE OF THE VALUATION:	<p>The valuation has been prepared for Homes England's own internal purposes who are considering an acquisition of the Site. This Red Book valuation has therefore been provided to assess the Market Value and appropriate purchase price for the Site.</p> <p>The acquisition will then form part of a wider transaction whereby Homes England enters into a conditional contract with a local developer Esquire whom upon grant of planning permission will acquire the Site from Homes England.</p>
LOCATION:	<p>The Site is located on the southern edge of Royal Tunbridge Wells, approximately 1.4 miles from the town centre. Royal Tunbridge Wells is an affluent town in the south-east of England which benefits from a situation in the High Weald Area of Outstanding Natural Beauty and 30 miles southeast of Central London. Tonbridge and Sevenoaks lie to the North, Hastings and Eastbourne lie to the south. The Site is located approximately 1.1 miles from Tunbridge Wells Train Station which provides direct journeys to London Charing Cross with an average time of 54 minutes.</p>
DESCRIPTION:	<p>The Site forms an irregular shape, which in total extends to some 5.1 hectares (12.60 acres). It comprises open green space with residential gardens of a Cala development to the north-west, Tunbridge Wells Rugby Football Club to the south-west, Bayham Road to the north and farmland generally occupying the southern and eastern boundaries. Town Court Farm is positioned to the east.</p> <p>Vehicular access to the Site is provided off Bayham Road (B2169) on the north-eastern side of the Site.</p> <p>The Site benefits from a draft allocation for c. 100 units in the emerging Wealden Local Plan (Regulation 18) allowing the opportunity for development to be brought forward, subject to planning permission being obtained.</p> <p>The proposed scheme across the Site comprises a predominantly housing-led scheme of 102 units with the provision of policy compliant affordable housing at 35%. The subject Site forms part of a wider masterplan development proposed by Esquire Developments who are also seeking to develop on the neighbouring rugby club site after providing a relocation facility for the club.</p>

TOWN PLANNING:	<p>The Site falls within the jurisdiction of Wealden District Council.</p> <p>Whilst the Site does not benefit from planning permission, as mentioned above, the Site benefits from a draft allocation in the emerging Wealden Local Plan (Regulation 18).</p> <p>The Consultation on the Draft Local Plan is currently underway with reviews to take place from May 2024 onwards. The subject Site forms one of the proposed site allocations and development management policies which have been identified of which Land off Bayham Road (Site A) (100 dwellings), being the subject Site as well as Land off Bayham Road referred to as FR3 within the Draft Local Plan (Site B) (30 dwellings) having also been identified, with the latter site forming the adjacent ownership. Both allocations can be seen in proposed development allocation plan shown on page 20 of this Report.</p> <p>Prior to the draft allocation, the Site is referenced under 755/1610 in the SHELAA for 105 units across the 5.05 ha (LPA's measurement) site with 3.50 ha being the Net Developable Area (NDA), reflecting 69.3% gross to net. This equates to a density of 30 dwellings per hectare (dph).</p> <p>We understand that Esquire Developments have informed Homes England that they are of the opinion that the NDA is 4.10 ha against a 5.10 ha gross area, reflecting a gross to net ratio of 80%.</p> <p>Based on the above and the Site's potential suitability for 30 dph we set out the number of units that could be deliverable:</p> <ul style="list-style-type: none"> • 3.50 ha = 105 units • 4.10 ha = 123 units <p>Based upon the above and given the micro location is typified by larger dwelling houses, a lower quantum of development of 102 units is proposed on the Site and is anticipated to be capable of being delivered in isolation on the Site.</p>
TENURE:	<p>We understand that the Site is currently held freehold under title number ESX326059</p>
ACCESS:	<p>The access to the site is from Bayham Road (B2169). This is an existing access by way of a gate which is in use by the existing plant nursery business on the Site. There is good visibility splays in order to deliver a bell mouth junction into the proposed scheme.</p>
PLANNING RISK:	<p>It is considered that whilst the Site does not have planning permission the planning risk is reduced for residential-led development given that it benefits from a draft allocation within the Emerging Local Plan. However planning risk still remains which is appropriately reflected within the valuation which factors in the time, costs and risks associated with achieving a consent on the Site.</p> <p>In summary despite no planning permission being in place the Site benefits from a draft allocation as part of the Wealden Local Plan (Regulation 18).</p>

ABNORMAL COSTS:	Tibbalds Campbell Reith (TCR) have been instructed by Homes England to undertake technical due diligence on the Site and provide an informed estimate as to the level of abnormal costs required to deliver a proposed scheme for the Site. Following detailed investigations into the Site and a potential scheme which could be delivered on the Site, TCR have estimated an abnormal cost budget of approximately £s. 43 (including contingency) which across a total development of 102 units reflects approximately £s. 43 per plot.
MARKET VALUE:	We are of the opinion that the Market Value of the Site based upon a freehold acquisition, as at the date of valuation is in the sum of; £s. 43
MARKET VALUE SPECIAL ASSUMPTION OF PLANNING PERMISSION:	We are of the opinion that the Market Value of the Site based upon a freehold acquisition and on the Special Assumption of planning permission being in place for a 102 unit scheme, as at the date of valuation is in the sum of; £s. 43
PURCHASE PRICE:	We understand an unconditional purchase price has been agreed between the vendor s. 40(a) and Homes England for a sum of £s. 43 with at the point of exchanging with the vendor, Homes England will make an additional payment of £s. 43 to the Leroy Trust which is included as a development cost within the residual land value appraisal. As such we consider an acquisition price at this level to be reflective of Market Value.

NB - This executive summary is provided for convenient cross reference, however, must be read in conjunction with the remainder of the report; important issues may not be referenced within the summary and detailed consideration should be given to all areas of the full report.

2.0

INTRODUCTION

INTRODUCTION

PROPERTY ADDRESS: LAND ON THE SOUTH-WEST SIDE OF BAYHAM ROAD, ROYAL TUNBRIDGE WELLS, KENT, TN2 5HU

We thank you for your recent instructions with regard to the above Site; in accordance with these instructions and our standard terms of business we have valued the freehold interest in the Site and prepared this report on the following agreed basis:

Addressee & Reliance:	This report is for the sole benefit of Homes England ("the Client").
Property Address:	Land on the south-west side of Bayham Road, Royal Tunbridge Wells, Kent, TN2 5HU (the "Property")
Instruction and Purpose of Valuation:	The valuation has been prepared for the Client's own internal purposes who are considering acquiring the Site.
Interest to be Valued:	The freehold interest in the Site.
Basis of Valuation:	<p>Our valuation has been prepared in accordance with the RICS Valuation – Global Standards (2022) ["The Red Book"] published by the Royal Institution of Chartered Surveyors.</p> <p>This report is subject to, and should be read in conjunction with, the attached General Terms of Business and Supplemental Terms of Business for Appointment of Valuers, copies of which are at Appendix 1. This report, together with the Appendices and Annexes must be read together.</p>
Valuations Requested:	<ol style="list-style-type: none"> 1. Market Value of the Site. 2. Market Value Special Assumption of Planning Permission being in place
Valuation Date:	13 th June 2024
Purchasers and other Costs:	No allowance has been made for any expenses of realisation, nor taxation (including VAT) which might arise in the event of a disposal, and the Property has been considered free and clear of all mortgages or other charges which may be secured thereon.
Disclosure of Material Involvement:	In preparing this valuation we have acted as external valuers, subject to any disclosures made to you. We are not aware of any conflict of interest arising from undertaking this instruction, and hence we consider ourselves to be independent in terms of reporting to you.
Valuer Responsible for Valuation:	<p>The report and valuation have been prepared by s. 40(2) MRICS Partner, with a peer review by s. 40(2) MRICS, a Partner of the firm.</p> <p>We confirm that the personnel responsible for this valuation are qualified for the purpose of the valuation in accordance with the RICS Valuation Standards and are RICS Registered Valuers.</p>

Assumptions:

We have made a number of assumptions, largely in relation to the nature of the development that is likely to be brought forward on the Site in the preparation of our valuation, and these are clearly stated within our report.

Agreed Extent of our Investigations:

The Site was inspected in October 2023 as part of initial valuation due diligence on the Site by s. 40(2) MRICS together with s. 40(2) MRICS, Senior Surveyor who also assisted with the drafting of this report.

By agreement with you, the scope of due diligence undertaken by us in providing this valuation report to you has been limited in certain areas. The extent of the due diligence enquiries we have undertaken and the source of information we have relied upon for the purposes of our valuations are stated in the relevant sections of our report below.

Nature and Sources of Information:

The following information and documentation has been provided to us and this has been relied upon by us in the preparation of our valuation, unless stated otherwise in our report:

- Land Ownership plan
- Title Plan and Register
- Red Line Plan
- Heads of Terms for proposed acquisition
- Indicative Accommodation schedule provided by Esquire
- Esquire presentation to Homes England on the TWRFC proposals.
- Abnormal Cost Summary Sheet prepared by Tibbalds Campbell Reith

We have assumed this information to be correct and have further assumed that no material information has been withheld. Should your solicitors find this to be different, you should contact us immediately to allow us to reconsider our findings.

You agree to provide us with any information that will affect our valuation, and our valuation is prepared on the basis that there are no material omissions.

Statutory Enquiries:

We have carried out informal enquiries with regard to Rateable Value, flood risk and certain environmental issues. This information has been obtained from verbal discussions or the internet and is provided without liability on behalf of the statutory bodies. Although we have assumed this to be complete and correct for our valuations, we advise that it is formally checked and clarified by your legal advisers and Technical Due Diligence advisors.

Insurance and Liability:

We confirm that Montagu Evans LLP holds appropriate Professional Indemnity Insurance to a report such as this. A copy of this cover can be provided on request, if required.

Within the frames of reference as agreed above, we set out below our findings with regards to the Site.

3.0 SITE OVERVIEW

SITE OVERVIEW

LOCATION

The Site occupies a prominent position on the southern periphery of Royal Tunbridge Wells, located approximately 1.4 miles away from the heart of the town centre. Royal Tunbridge Wells is an affluent town in the south-east of England which benefits from a situation in the High Weald Area of Outstanding Natural Beauty and direct train services to London Charing Cross is under one hour.

The Site is also located a short distance from the A26 which runs from south-east London to Hastings intersecting both the M25 and M26 at Junction 5, near Sevenoaks. This accessibility facilitates greater ease for professionals and results in the area being attractive for professionals commuting to Central London. Several good schools add to the location's appeal for families too.

Moreover, the site is located within the Wealden District of East Sussex. Its strategic location is on the northern edge of High Weald Area of Outstanding Natural Beauty, offering a scenic backdrop of rolling hills, woodlands and streams offering leisure pursuits and rural appeal.

The Site lies within a well-established residential neighbourhood comprising large, detached properties in a traditional suburban arrangement. Properties typically have front gardens with off-street parking, garages, and larger gardens at the rear. The size and scale of local development is consistent with buildings typically either two or three storeys in height. New developments in the area have sought to reflect the established bulk, scale and massing of existing housing stock with an emphasis towards accommodating suitable housing for families.

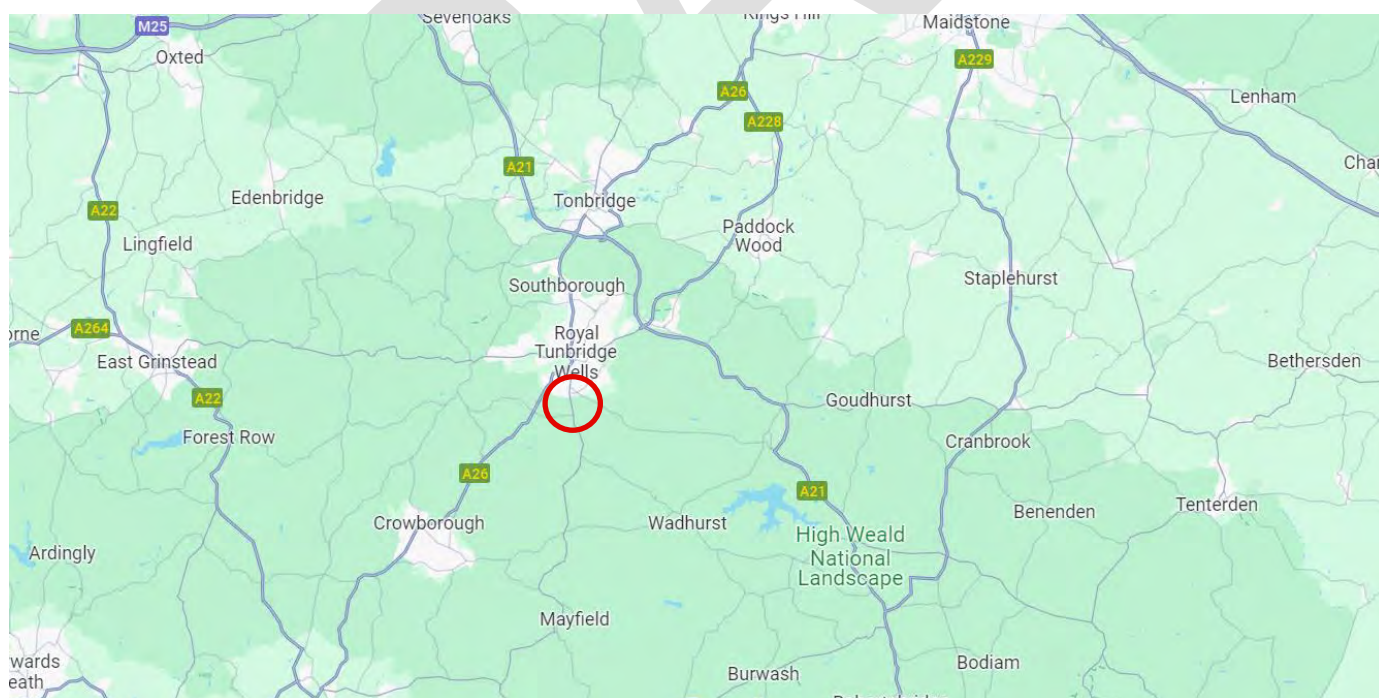


Figure 1: Location Map

A location plan of the Site is attached at **Appendix 1**.

SITUATION

The Site is located immediately to the south-west of Bayham Road (B2169) which provides the only existing access to the Site by way of a gated farm access.

The Site comprises an irregular shaped site e. In total the land extends to some 5.1 hectares (12.60 acres) and comprises of open green space.

A poly tunnel, and fertile land for growing arable crops is in most north-eastern of the site, with the rest of the site being laid to pastureland. The topography of the site has its lowest levels towards the south and rising at the northern section of the site (less than 5 metres). Vehicular access is provided off Bayham Road (B2169) by way of gated farm access. This access is in the most north-eastern part of the Site.

The Site is bounded by Bayham Road to the north, which is a well-established residential neighbourhood comprising large, semi-detached and detached properties with large gardens alongside one side of the road. Residential gardens and units of a recently built (2016) Cala development are to the north-west, Tunbridge Wells Rugby Football Club to the south-west, and farmland generally occupying the southern and eastern boundaries. Town Court Farm is positioned to the east which has several farm buildings, a detached house, and a waste management service business operating from it.

COMMUNICATIONS

The Site is located approximately 1.1 miles from Tunbridge Wells Railway Station. The station is served by Southeastern and provides direct journeys to London Charing Cross with an average time of 57 minutes and fastest journey in as little as 44 minutes. There are usually around 72 trains running this route making Royal Tunbridge Wells a popular commuter location. The line also provides links to Hastings 46 minutes. Frant Train Station is located 1.6 miles southeast of the site. Hourly trains run to London and Hastings from here as part of the Southeastern Line. Public transport amenities include a bus stop on Forest Road, a short walk to the west of the Site which serves routes 51, 1066, U19.

Royal Tunbridge Wells benefits from good connectivity by road with the Site situated minutes away from the A26 which as mentioned above links the outskirts of London to Hastings as well as the M25 and M26.

PROPERTY DESCRIPTION

THE SITE

The subject Site comprises an irregular shaped site extending to 5.1 ha which can be split across two distinct areas:

- Upper Field (adjacent to access road, and where access is provided from Bayham Road)
- Lower Field (adjacent to Tunbridge Wells Rugby Football Club)

The plan below illustrates the two distinct parcels with the red line indicating the hedgerow which broadly separates the two parcels.

The land currently comprises of small garden nursery used by the vendor for horticultural, with the remainder of the land comprising grazing and pasture grassland, which is overgrown in parts. The Site is bound on each site by a hedgerow boundary.



Figure 2: Site Location (with red line indicating Upper Field and Lower Field)

Upper Field

The Upper Field parcel is situated adjacent to Bayham Road (B2169) to the North. It comprises a mixture of fertile land and pastureland extending to c.2.24 hectares (5.54 acres). Access through a gate is provided at the most north-easterly point of this field. The land is bounded by residential gardens and units of a recently built (2016) Cala development to the north-west and farmland generally occupying the southern and eastern boundaries. Town Court Farm is positioned to the east which has several farm buildings, and a detached house.

Lower Field

The Lower Field parcel adjoins the Upper Field parcel at its most easterly boundary. It comprises pastureland, extending to c.2.81 (6.94 acres). The land is bounded by residential gardens and units of a recently built (2016) Cala development to the north, Tunbridge Wells Rugby Football Club to north and west, and farmland generally occupying the southern and eastern boundaries.

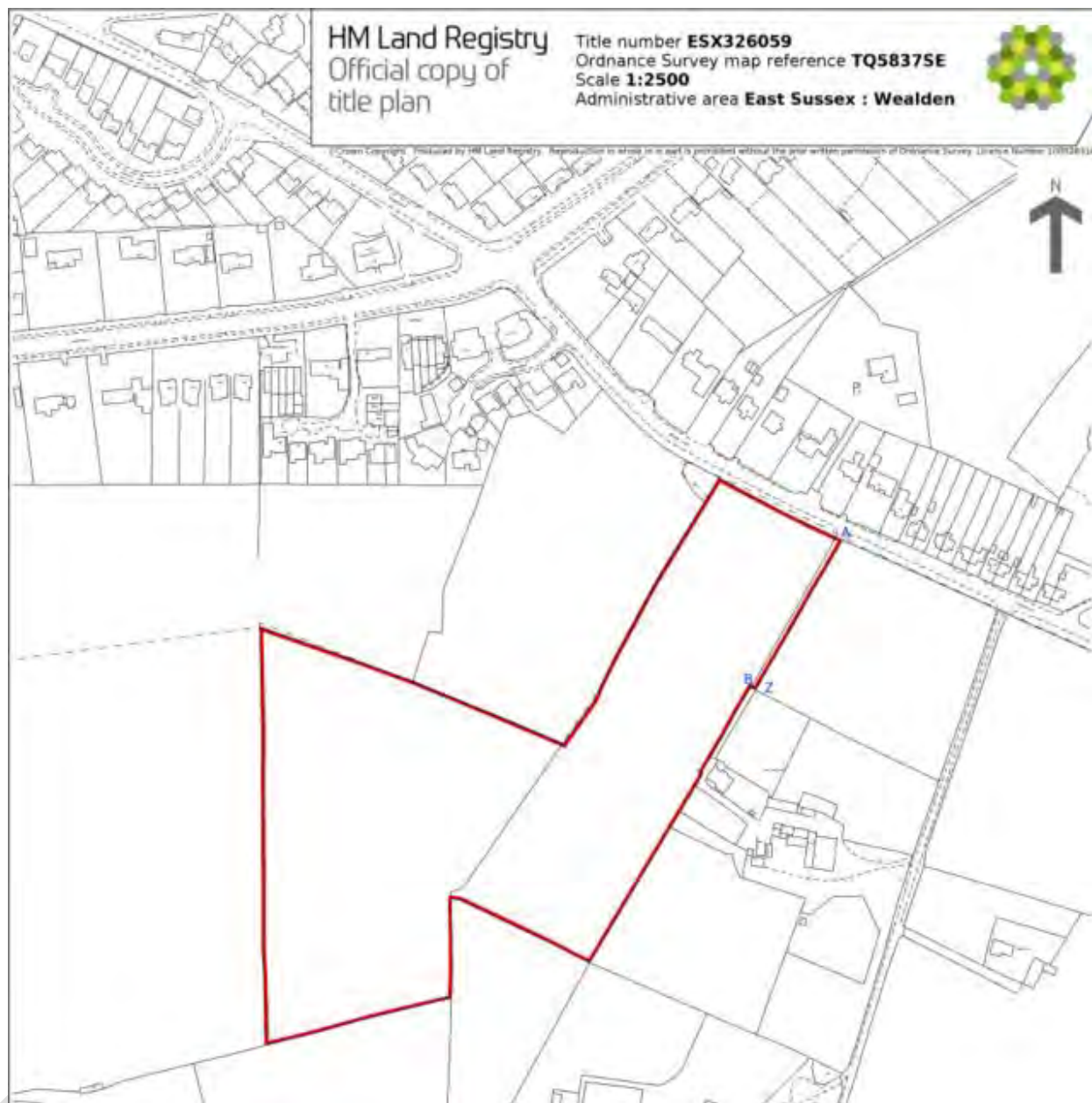


Figure 3: HM Land Registry

The illustration from HM Land Registry also provides evidence of the two parcel boundaries which the Property comprises.

A Site Plan is attached at **Appendix 2**.

PROPOSED DEVELOPMENT

In summary, the proposed scheme across the Site as prepared by Esquire as part of their wider masterplan development suggests a development of 102 units can be brought forward on the subject Site also referred to as the **s. 40(2)** land. The scheme comprises a mix of housing type and unit sizes. In total, there will be 102 units, with 66 of these being private tenure units and the remaining 36 being affordable housing tenures.

The 66 private units will comprise of 3 Bed terraced, semi-detached, and detached houses, 4 bed detached houses and 5 bed detached houses. Whilst the 36 affordable units will comprise of 1 bed flats, as well as 2 and 3 bed houses. The illustrative masterplan including the neighbouring land can be seen below. Our valuation looks at the subject Site in isolation based upon the layout of the subject Site having a capacity for 102 units.

The size and scale of local development is consistent with buildings typically either two or three storeys in height. New developments in the area have sought to reflect the established bulk, scale, and massing of existing housing stock with an emphasis towards accommodating suitable housing for families. We consider the proposed scheme aligns with the local area and existing housing stock.



Figure 4: Esquire Masterplan Extract

We provide a summary of the accommodation schedules below:

Private Housing

UNIT TYPE	AVERAGE SQ FT PER UNIT	TOTAL UNITS	TOTAL SQFT (NSA)	TOTAL SQFT (GIA)
3 Bed – Terraced	1,131	6	6,786	6,786
3 Bed – Detached	1,182	4	4,728	4,728
3 Bed – Detached (mixture)	1,219	14	17,066	17,066
3 Bed – Detached	1,324	3	3,972	3,972
3 Bed - Detached	1,357	1	1,357	1,357
3 Bed – Detached (mixture)	1,397	7	9,779	9,779
3 Bed - Detached	1,436	5	7,180	7,180
4 Bed - Detached	1,433	6	8,598	8,598
4 Bed – Detached	1,551	1	1,551	1,551
4 Bed - Detached	1,595	5	7,975	7,975
4 Bed- Detached	1,639	6	9,834	9,834
4 Bed - Detached	1,850	2	3,700	3,700
5 Bed - Detached	1,968	2	3,936	3,936
5 Bed - Detached	2,299	1	2,299	2,299
5 Bed - Detached	2,524	3	7,572	7,572
Sub Total / Average	1594	66	96,333	96,333

Affordable Housing

UNIT TYPE	AVERAGE SQ FT PER UNIT	TOTAL UNITS	TOTAL SQFT (NSA)	TOTAL SQFT (GIA)
1 Bed Flats	538	8	4,304	4,950
2 Bed Houses	874	11	9,614	9,614
3 Bed Houses	1,131	17	19,227	19,227
Sub Total / Average	848	36	33,145	33,791

Overall

TOTAL / AVERAGE	1,469	102	129,478	130,124
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SERVICES

We have not undertaken a test of the Site's services but assume that all mains' services are available to the Site including electricity, gas, water and mains drainage.

The Site is greenfield in nature and as such will require extensive servicing costs in order to facilitate development on the Site.

As part of the Technical Due Diligence being provided to Homes England by Tibbalds Campbell Reith, a review of the services available has been undertaken. Within their cost budget an allowance has been made for future points of connections and runs, together with diversions. Therefore our valuation takes account of improvements required to services in order to facilitate a residential development on the Site.

DELETERIOUS MATERIALS

We have not been made aware of the presence of any deleterious materials and so have not made any adjustment to our valuation in this regard.

We have not seen an asbestos register for the Site and have made no particular allowance in this regard. There is a duty on those responsible for the maintenance of properties to assess whether there is any asbestos in the premises and, depending on its condition, either remove it or manage it; the liability for this will generally be vested with the tenants. We would recommend your solicitors investigate the existence of an asbestos audit and your building surveyors review the document.

We would highlight that the surrounding area is predominantly residential, and arable. We therefore consider the risk of any such materials being present to be low.

PHOTOGRAPHS

Photographs taken during an inspection of the Site are attached at **Appendix 3**.

4.0

STATUTORY ENQUIRIES

STATUTORY ENQUIRIES

PLANNING CONTEXT

LOCAL PLANNING OVERVIEW

The Site falls within the planning jurisdiction of Wealden District Council (WDC).

The Development Plan

The Development Plan for Wealden comprises the following documents:

- 'Saved' Policies of the adopted Wealden Local Plan (1998);
- Wealden Core Strategy Local Plan (2013);
- The Affordable Housing Delivery Local Plan (Adopted May 2016);

Other relevant documents include:

- Draft Local Plan
- Strategic Housing and Economic Land Availability Assessment (SHELAA)

Other material considerations in this context include:

- National Planning Policy Framework (2012);
- High Weald AONB Housing Design Guide (2019);
- High Weald AONB Management Plan 2019 – 2024 (2019);
- Strategic Housing and Economic Land Availability Assessment (SHELAA) (2020);
- Affordable Housing Delivery Local Plan (2016)
- Affordable Housing SPD (2006); and

SHELAA

The Site is referenced under 755/1610 in the SHELAA for 105 units across the 5.05 ha (LPA's measurement) site with 3.50 ha being the Net Developable Area (NDA), reflecting 69.3% gross to net. This equates to a density of 30 dwellings per hectare (dph).

We understand that Esquire Developments who are promoting a wider masterplan across the Site and neighbouring land have informed Homes England that they are of the opinion that the NDA is 4.10 ha against a 5.10 ha gross area, reflecting a gross to net ratio of 80%.

Based on the above and the Site's potential suitability for 30 dph we set out the number of units that could be deliverable:

- 3.50 ha = 105 units
- 4.10 ha = 123 units

The above potential capacity therefore aligns with the proposals for a development of 102 units on the Site, noting the development will comprise of larger family houses which are typically developed over a lower density given their larger plot size.

Neighbourhood Plan

Frant Parish Council submitted a Neighbourhood Area Application to designate the whole of the Parish. This designation was confirmed on 25th April 2017. However, the relevant Neighbourhood Plan does not appear to have progressed since that time. It has not been reviewed; therefore it does not meet paragraph 14(a) of the NPPF and as such the presumption in favour of development involving the provision of housing applies.

Draft Local Plan

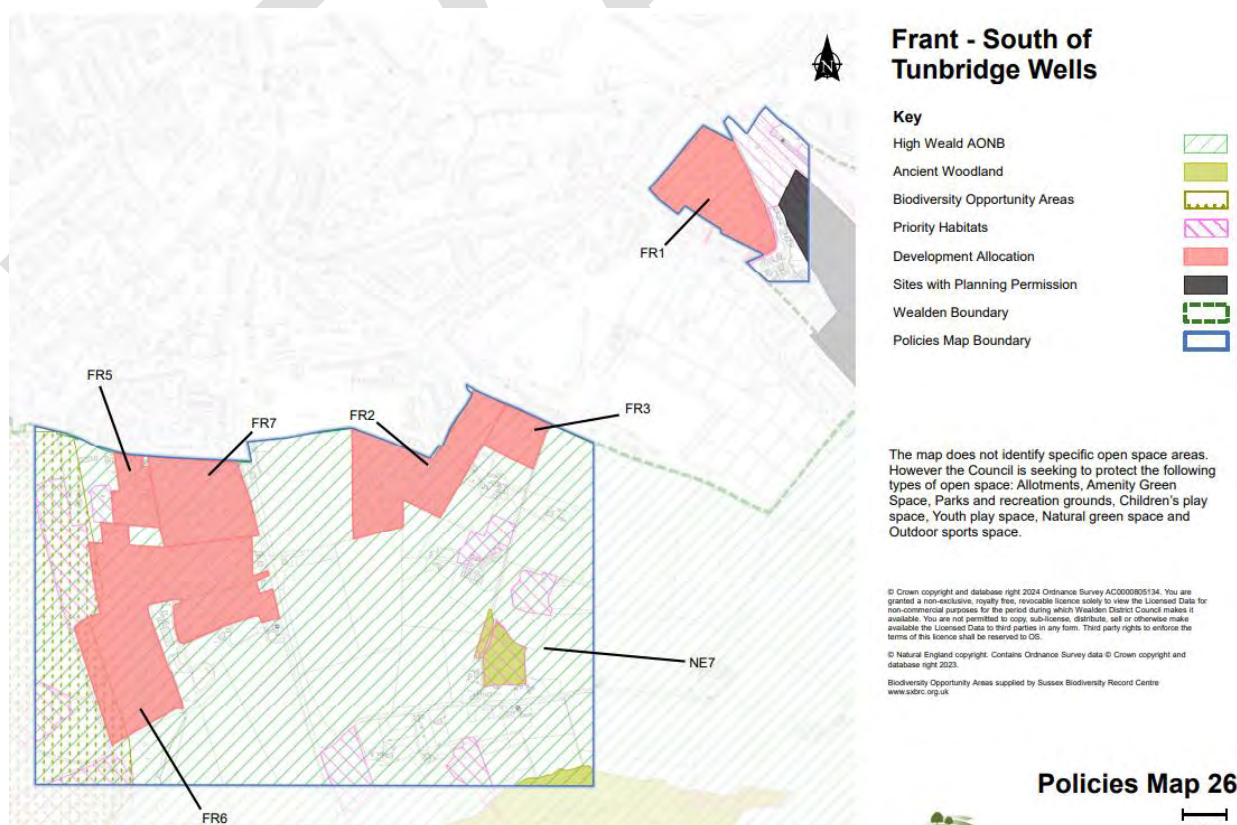
Wealden District Council is currently in the process of preparing an emerging Local Plan, which is intended to cover the period to 2040.

In April 2021, the Council published a Local Plan Early Engagement Document along with an Engagement Strategy, and since a new Statement of Community Involvement was adopted by the Council in January 2022. This document provides a clear indication of the methods of engagement it will use in the Local Plan progress.

An Extraordinary Full Council meeting took place on 8th February 2024 to consider the approval of the Wealden Draft Local Plan Regulation 18 document and other accompanying documents. Following the meeting, it was agreed for the Authority's latest draft local plan to go out to consultation.

Regulation 18 public consultation on the Draft Local Plan is currently underway with reviews to take place May 2024. Tunbridge Wells is identified as the primary category of settlement. Given that this falls outside of the District, it identifies as the relevant settlement 'Edge of Tunbridge Wells in Wealden District'. On that basis this Site is located adjacent to one of the most sustainable locations for growth in the area (as highlighted by the role of Tunbridge Wells in the settlement hierarchy).

As part of the draft local plan evidence base which is currently under consultation the Site was identified within the Frant District of Wealden as set out below marked FR2 as a proposed development allocation.



The plan above clearly shows FR2 being the subject Site along with FR3 (Site B), an adjacent land holding as being identified as a development allocation.

Within the Full Draft Local Plan document, further context is provided in respect of FR2 with it being identified for approximately 100 units.

FR1	Land at Benhall Mill Road, Tunbridge Wells	Frant	Tunbridge Wells	60
FR2	Land off Bayham Road (Site A), Tunbridge Wells	Frant	Tunbridge Wells	100
FR3	Land off Bayham Road (Site B), Tunbridge Wells	Frant	Tunbridge Wells	30
FR4	Land between Court Lodge and Bells Yew Green Industrial Estate, B2169, Bells Yew Green	Frant	Bells Yew Green	20
FR5	Land at Whinlatter, St Mark's Road, Tunbridge Wells	Frant	Tunbridge Wells	7
FR6	Pinewood Farm, Frant Road, Tunbridge Wells	Frant	Tunbridge Wells	170
FR7	Land to the west of Frant Road, Tunbridge Wells	Frant	Tunbridge Wells	90
UA1	Land east of Bottle	Unilever	Unilever	200

In summary, the Site therefore currently benefits from a draft allocation in the emerging Wealden Local Plan (Regulation 18). The Consultation on the Draft Local Plan is currently underway with reviews to take place May 2024 onwards. Proposed site allocations and development management policies have been identified of which Land off Bayham Road (Site A) (100 dwellings) and Land off Bayham Road (Site B) (30 dwellings) have been identified.

In taking account of the current planning status within our valuation of the Site, we would comment as follows.

Whilst draft allocation is 100 units, the Council have stated 105 units previously in respect of potential capacity the Site could take as part of the SHELAA. The proposed scheme that has been put forward totals 102 units which reflects marginally under the policy level of density (30 dph) and were therefore content a scheme of 102 units is appropriate and capable of being delivered on the Site, subject to planning. Whilst risk remains collectively on the planning position given the Site only benefits from a draft allocation, this risk is reflected within the valuation through costs, time and risk associated with obtaining a planning permission for 102 units.

PLANNING HISTORY

We detail below relevant historical planning applications relating to the subject site:

Reference	Description	Date	Status
WD/2014/8016/AA	Substitution of Plot 17 as approved under reference 13/03301/REM.	02/10/2014	Approved (No Objections) (October 2014)

02/02494/ADJ	Article 10 Consultation - Renewal of change of use of agricultural land to use as sports pitch for school use	18/10/2002	Objections (Unknown) (November 2002)
WD/2002/2154/FT	Renewal of approval WD/00/0442/F for change of use of agricultural land to use as sports pitch for school use.	16/09/2002	Conditional Approval (December 2002)
WD/00/0442/F	Change of use of agricultural land to use as sports pitch for school use.	02/03/2000	Approved (September 2000)

Affordable Housing:

Should any residential development be forthcoming on the Site, the council would require affordable housing to be provided on-site. A policy compliant level of 35% would be sought as in line with Policy AFH1: Affordable Housing in Affordable Housing Delivery Local Plan (2016). It states that affordable housing provision should incorporate a mix of tenures and that development sites of 50 dwellings or more should provide a split of 40% social rented accommodation, 40% affordable rent and 20% intermediate rent.

Community Infrastructure Levy (CIL)

In respect of statutory payments required in bringing forward development at the subject Site, a requirement to agree a Section 106 Agreement and Community Infrastructure Levy (CIL) payment will be required.

Wealden District Council published a CIL Charging Schedule with effect from November 2015 and the subject Site is identified as being liable for CIL. Specifically, the Site sits within the council's 'residential higher band' reflecting its geographical superiority as a location. As of January 2024, new residential development is liable for £s. 43 per sq. m.

On this basis, we have included a CIL contribution of £s. 43 for the subject proposals total private floor area of 96,333 sq. ft (GIA). We note that proposals can be subject to CIL relief whereby existing buildings have been occupied for 6 months within the last 3 years, however, there is no existing building located on the subject Site and as such this does not apply. We would comment that our figure is an estimate, and we reserve the right to amend our valuation accordingly if further information comes available.

Abnormal Costs

Tibbalds Campbell Reith (TCR) have been instructed by Homes England to undertake technical due diligence on the Site and provide an informed estimate as to the level of abnormal costs required to deliver the proposed scheme on the Site. Following detailed investigations undertaken on the Site to date as well as consulting with the Esquire Developments who are promoting a wider masterplan, they have estimated an abnormal cost budget of £s. 43 (including contingency) which reflects approximately £s. 43 per plot across a proposed 102 unit development. A copy of TCR abnormal cost schedule is attached at **Appendix 4**. Contingency is applied at varying cost levels to particularly cost items depending on perceived risk/cost over-run, which we have highlighted in brackets against each item.

We summarise below the categories included within their budget and allowances that have been made.

- Highways and Access including primary site access improvements and abnormal onsite roads - £s. 43 (Contingency 5-15%)
- Ground Conditions in respect of earthworks - £s. 43
- Drainage including SUDS and capacity upgrades - £s. 43

- Utilities including future points of connections and diversions - £s. 43
- Ecology / Landscape including installation of bird and bat boxes, additional green infrastructure/public open space, public access and recreational areas as well as offsite biodiversity net gain provision in the form of credits - £s. 43
- Historic Environment in respect of geophysical survey and archaeological watching briefs - £s. 43

The above totals £s. 43 inclusive of contingency and an abnormal sum of this level has been allowed for as a cost within the appraisal. Abnormal Costs at this level reflect a capital sum of c.£s. 43 per plot (overall) are based upon our experience are broadly in the middle of an estimated cost range, but that is a product of the site specific conditions, and some significant abnormal such as the abnormal on-site road and the high cost of BNG credits.

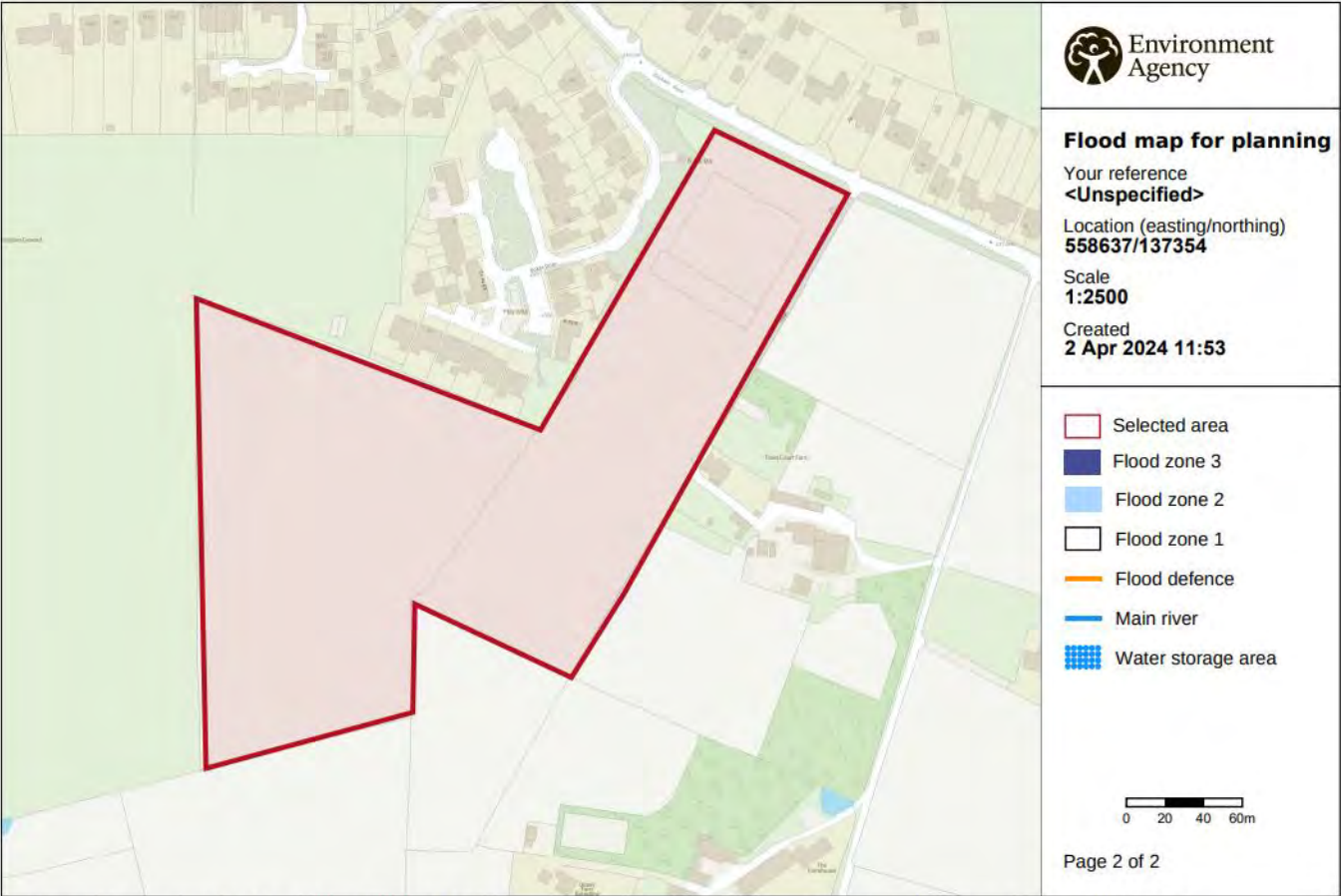
ENVIRONMENTAL ISSUES

Being beyond the scope of your instructions, we have not conducted any further investigation into contamination at either the Site or surrounding area. We confirm that we have also not conducted any investigations into any adjoining or neighbouring sites to assess whether contamination may exist and as such we cannot provide any opinion on the likelihood or risk of there being any in situ or migrating contamination at the Site.

POTENTIAL FLOODING

FLOOD RISK

From undertaking online enquires with the Environment Agency, we can confirm that the Site lies in an area registered as being within Flood Zone 1. Flood Zone 1 is defined as having less than 1 in 1,000 annual probability of river or sea flooding (i.e. very low risk flooding). We have noted below the flood map extract, with the Site indicated by the red site boundary:



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VAT AND CAPITAL ALLOWANCES

We are not aware of the position with regard to any Capital Allowances available for the Site. We have valued the Site on the assumption that these will not make any material difference.

In respect of VAT, we understand that the Site is not elected for VAT and consequently VAT is not chargeable on the land.

STAMP DUTY

Non-residential Stamp Duty at the rate of 0% on the first £150,000, 2% on the next £100,000 and 5% on any amount above £250,000 will be charged on a sale of the Site. We have taken account of this within our assessment of the Market Value of the Site.

5.0

LEGAL INTEREST

LEGAL INTEREST

TENURE

The Site is currently held freehold under title number ESX326059 by s. 40(2) the vendor.

We have been provided with an initial report on title prepared by Browne Jacobson dated April 2024 which outlines a small number of points for consideration by Homes England ahead of purchasing the Site which are summarised below in respect of those which may impact future development use on the Site, and/or the valuation of the Site.

- There are unknown rights granted over the Property, as such there is a need to ascertain those rights and any impact on potential development.
- Rights of access benefitting the neighbouring land which relates to a former access road on the north east perimeter. Specifically the freehold owner of the subject Site is required to meet a 50% share of the cost of maintaining and repairing this access. We understand that this access track is now over-grown and rarely used with no previous cost liabilities.
- Gas Main within the access road which will need to be considered amongst any development.
- There is no adopted water mains or drains shown on the searches, but there is the potential for a private supply to currently run through the site which may need to be a consideration of any future development.

The draft report on title initially concludes that subject to clarifying the above further with the sellers' solicitors the Property will be free from any major defects or issues affecting the proposed residential use on the Property.

We would however request that a full report on title is provided for us to review, and we therefore reserve the right to amend our valuation accordingly following sight of the report on title.

We understand that there are various covenants relating to the Site and the surrounding land interests, which form part of a wider sale and purchase agreement between Homes England and Esquire, the developer. As part of the transaction to acquire the Site from s. 40(2) a sum of £s. 43 is to be paid to the Leroy Trust for the immediate removal of the restriction on title from the s. 40(2) title, and payment by the Vendor to the beneficiary of that restriction that sum of £s. 43 upon completion of the application to remove the restriction at Land Registry. We would refer you to **Appendix 6** which sets out within the All Parties Agreement further detail around this restriction to be removed as well as the other covenants relating to the Site which includes beneficiary overage provisions.

TENANCIES

We understand that the Site will be acquired with the benefit of full vacant possession.

6.0

MARKET COMMENTARY

MARKET COMMENTARY

6.1 ECONOMIC OVERVIEW

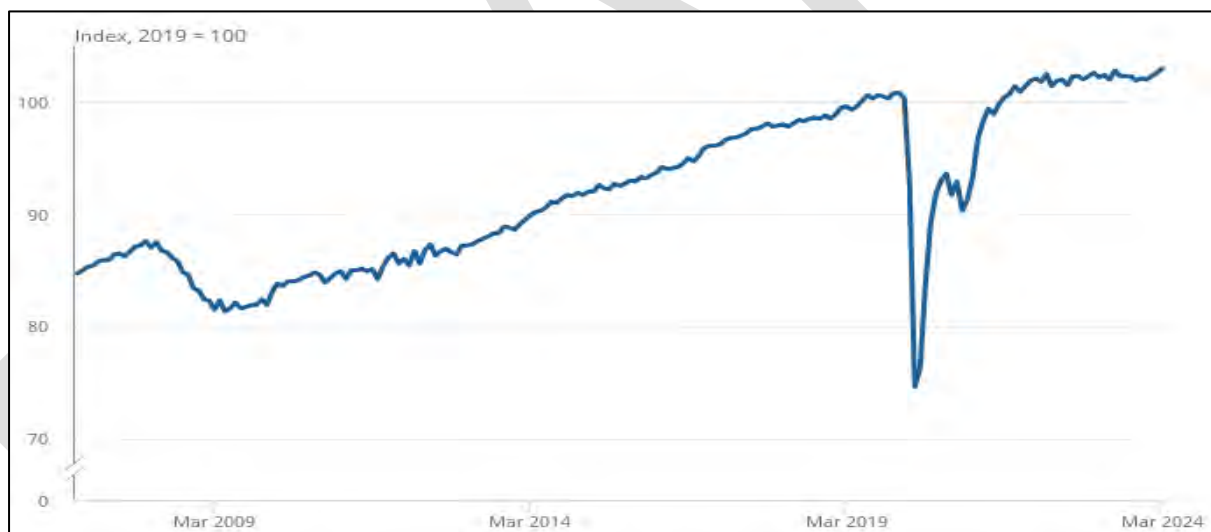
GDP AND INFLATION

UK GDP is estimated to have grown by 0.4% in March 2024, following a growth of 0.2% in February 2024. Real gross domestic product (GDP) is estimated to have grown by 0.6% in the three months to March 2024, compared with the three months to December 2023, the fastest rate for two years. The UK fell into recession at the end of last year after shrinking for two three-month periods in a row. However, stronger than expected growth at the start of the year saw the UK emerge from recession.

We summarise the main sector contributions in March 2024 below:

- Services output grew by 0.5% in March 2024, following growth of 0.3% in February 2024, and has grown by 0.7% in the three months to March 2024.
- Production output grew by 0.2% in March 2024, following growth of 1.0% in February 2024, and grew by 0.8% in the three months to March 2024.
- Construction output fell by 0.4% in March 2024, following a fall of 2.0% in February 2024, and fell by 0.9% in the three months to March 2024.

UK GDP



(Source: ONS)

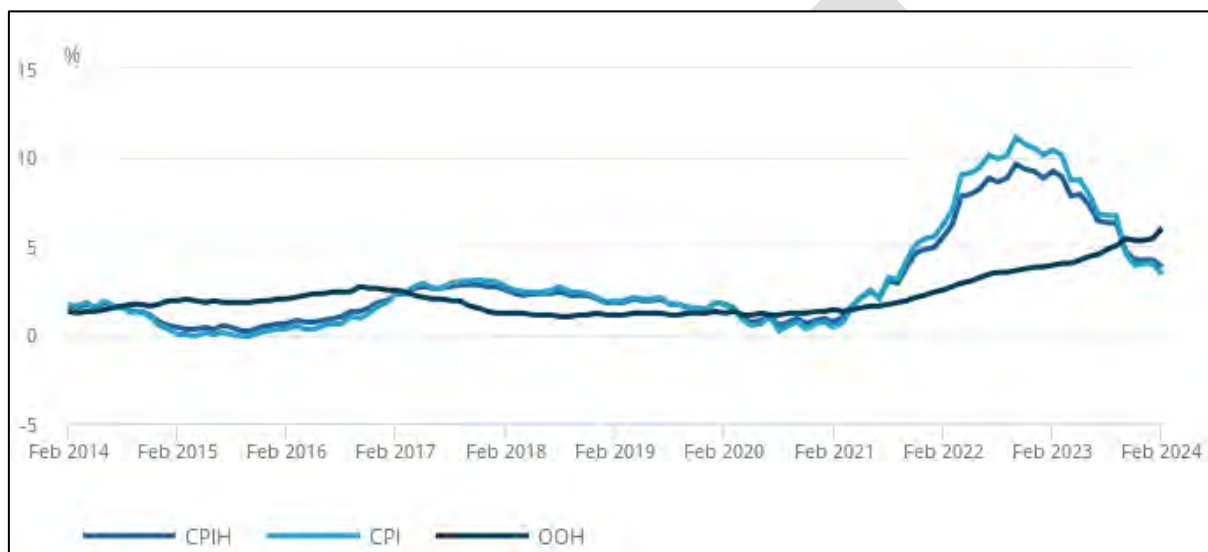
The expansion early this year was driven by 'widespread growth' in the dominant service sector, where output ticked up 0.7% during the quarter, after dipping late last year. According to projections from the Monetary Policy Committee, the Bank of England now expects UK GDP to grow 0.5% this year, double the pace it forecast in February.

CPI rose by 3.2% in the 12 months to March 2024, down from 3.4% in February, rather than the 3.1% analysts had forecast. Although the Bank of England now believe that inflation will return to the target level of 2% within a matter of months.

Core CPI (excluding energy, food, alcohol and tobacco) rose by 4.2% in the 12 months to March 2024, down from 4.5% in February. The CPI goods annual rate slowed from 1.1% to 0.8%, while the CPI services annual rate eased slightly from 6.1% to 6.0%.

As of May 2024, the Bank of England decided to keep interest rates unchanged at 5.25%. This decision marks the sixth consecutive time the rate has been held steady, reflecting the Committee's ongoing assessment of the UK's economic landscape. The Bank of England boss has said it needs to "see more evidence" that price rises have slowed further before cutting interest rates, however was "optimistic that things are moving in the right direction". It paves the way for an interest rate cut as early as June, however, August or September seem to be the most likely timing.

UK Inflation



(Source: ONS)

UNEMPLOYMENT AND CONSUMER CONFIDENCE

In the latest period (January to March 2024) the employment rate remained below estimates of a year ago and down in the latest quarter, standing at 74.5%.

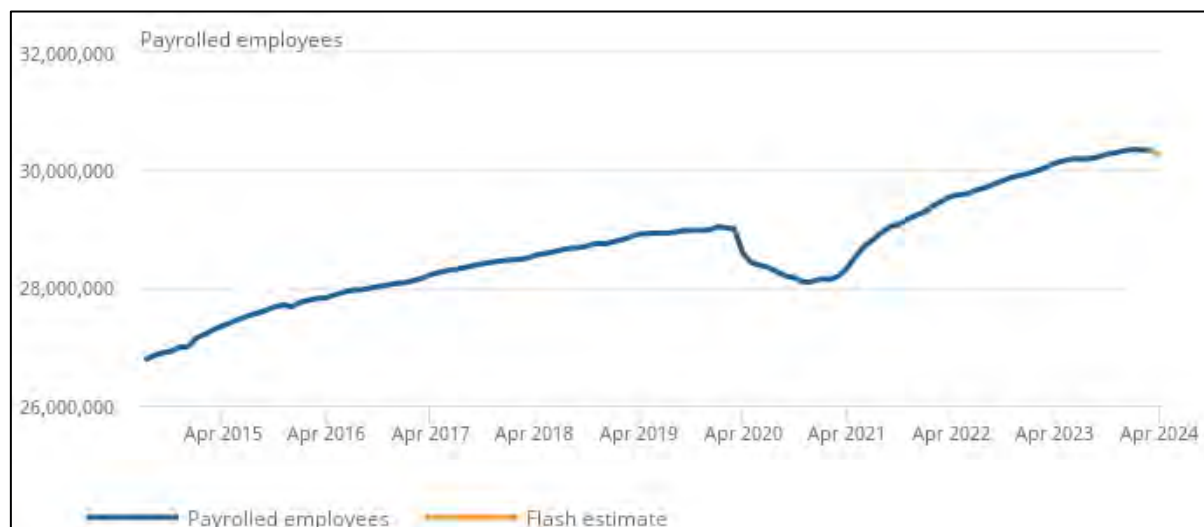
The unemployment rate increased to 4.3%, the highest since May to July last year. The number of vacancies also slowed meaning more unemployed people are competing for the same jobs.

The number of payroll employees in the UK for April 2024 decreased by 85,000 (0.3%) on the month however increased by 129,000 (0.4%) on the year, to 30.2 million.

The number of job vacancies from February to April 2024 in the UK fell by 26,000 on the quarter to 898,000. Vacancies fell on the quarter for the 22nd consecutive period, however, remains above pre-coronavirus (Covid-19) pandemic levels. This reflects the uncertainty across industries, as survey respondents continue to cite economic pressures as a factor in holding back on recruitment.

Growth in average total pay (including bonuses) was 5.7% and growth in regular pay (excluding bonuses) was 6.0% in January to March 2024. It had been expected to slow to 5.9% between January and March 2024. Taking inflation into account, wages rose by 2.4%, with real pay growth remaining at its highest level in over two years.

Payrolled Employees



(Source: ONS)

UK consumer confidence has been improving in recent months, falling from -22 in December 2023 to -17 in May 2024. This has been driven by a jump in the outlook for personal finances (+5) and a boost in the view of the wider economy in the coming year (+4). There has however been a slight dip in the major purchase measure (-1), reinforcing the fact that the cost-of-living crisis is still a concern. However, due to the latest drop in headline inflation, and the prospect of interest rate cuts in due course, the trend is positive, following a long period of consumer confidence stasis. Overall, consumers are clearly sensing that conditions are improving, and this result anticipates further growth in confidence in months to come (source: GfK).

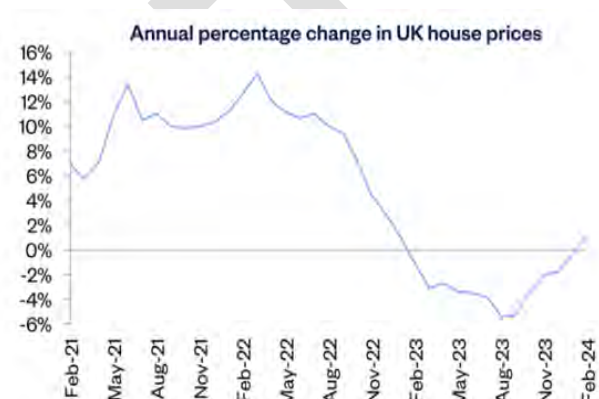
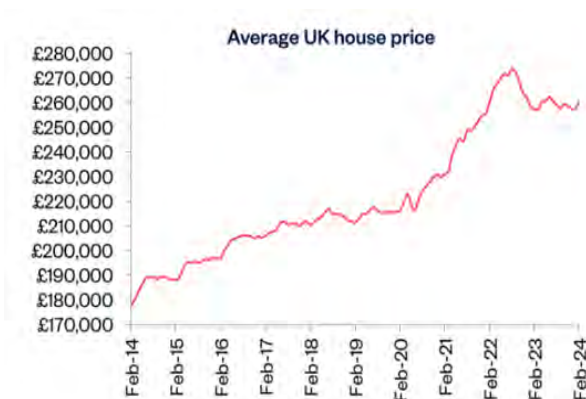
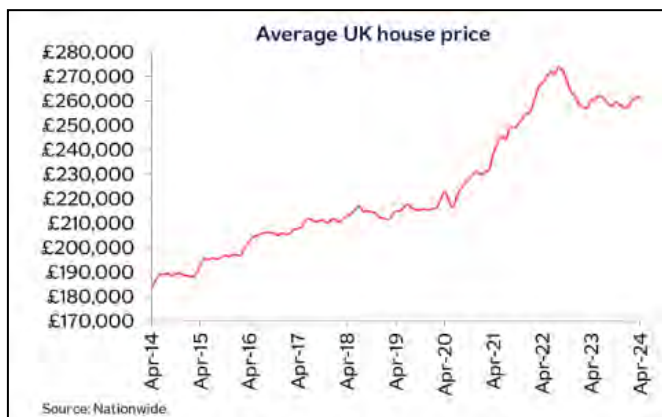
6.2 HOUSING MARKET

UK house prices fell by 0.4% in April, after taking account of seasonal effects. This resulted in a slowing in the annual rate of house price growth to 0.6% in April, from 1.6% the previous month.

The slowdown likely reflects the ongoing affordability pressures, with longer term interest rates rising in recent months, reversing the steep fall seen around the turn of the year. House prices are now around 4% below the all-time highs recorded in the summer of 2022, after taking account of seasonal effects.

Recent research carried out by Censurwide found that nearly half of prospective first-time buyers (those looking to buy in the next five years) have delayed their plans over the past year. The most commonly cited reason for delaying their purchase is that house prices are too high (53%), with 41% saying that higher mortgage costs were preventing them from buying. 55% of respondents said that they would be willing to buy in another part of the country where house prices are cheaper, or where they could buy a bigger property.

Buying a property in a less expensive area appears to be the most common compromise that prospective buyers will make. Around a third (32%) said they would consider a smaller property than they wanted, while 28% would go for a property that needed work doing. Amongst recent first-time buyers (those who have bought their first home in the last five years), 38% said they ended up compromising on the property they purchased. Among this group, nearly 40% bought a property to do up (rather than 'turn key' ready) while 34% bought in a different area.



(Source: Nationwide)

6.3 DEVELOPMENT LAND MARKET

According to online research, market sentiment for residential development land has improved since the turn of the new year; with more players entering the market, supported by improvements in sales values and more moderate build cost inflation. In addition, the continued scarcity of supply has helped to sustain land values from falling significantly and appetite for good quality sites.

Although there is an uptick in activity, players are still arguably cautious; with a strong preference for deferred payments as opposed to conditional deals.

It is predicted that demand for land will continue to grow if stability in the housing market remains, aided by potential interest rates over the coming year easing both developer borrowing and also end user mortgage rates. In the shorter term, continued uncertainty over planning policy and the general election is likely to keep supply levels low.

6.4 LOCAL RESIDENTIAL MARKET

We have considered the market in macro terms to begin with analysing the wider Southeast market, before considering the performance of the Royal Tunbridge Wells market. Where available, we have provided some insight into dynamics of the local housing market, given the Site’s close proximity to Royal Tunbridge Wells.

SOUTHEAST

The Southeast market has witnessed negative 6.9% growth over the 12 months to February 2024, this marks a continuation of the negative growth seen in the market since 2022: with the market witnessing 3.9% in the 12 months to December 2023. House prices overall in the Southeast are currently (as of February 2024, latest data available) at an average of £373,117, with detached properties having an average price of £654,786, followed by semi-detached £407,200, terraced £315,984, and flats/maisonettes £218,515 (source: Land Registry).

WEALDEN DISTRICT

Wealden District market has also seen negative growth over the 12 months to February 2024, with houses prices recorded 7.6% down as recorded by the Land Registry. Though the Site is located within the Wealden District Council, its close proximity to Royal Tunbridge Wells, means it benefits from the uplift in prices associated with this town and the local authority of Tunbridge Wells.

House prices overall in Tunbridge Wells are currently at an average of £418,589, which is slightly higher than the average for Wealden District (£402,719).

We have summarised below average sale prices for different property types in Tunbridge Wells in February 2024 and have compared this to that witnessed in the wider Southeast region and England.

PROPERTY TYPE	TUNBRIDGE WELLS AVERAGE SALE PRICE	SOUTHEAST AVERAGE SALE PRICE	ENGLAND AVERAGE SALE PRICE
Flats	£259,156	£218,515	£247,756
Terraced	£373,946	£315,984	£244,475
Semi-detached	£452,651	£407,200	£287,858
Detached	£807,818	£654,786	£462,719

Tunbridge Wells has a higher average price for each housing type in comparison to that seen across the country, suggesting that this location, like the wider County of Kent is one of the more affluent areas in England.

In respect of Tunbridge Wells new build values versus existing properties the dynamic is starkly different, albeit a lag in the data, which is from November 2023 as opposed to February 2024 for the previous statistics.

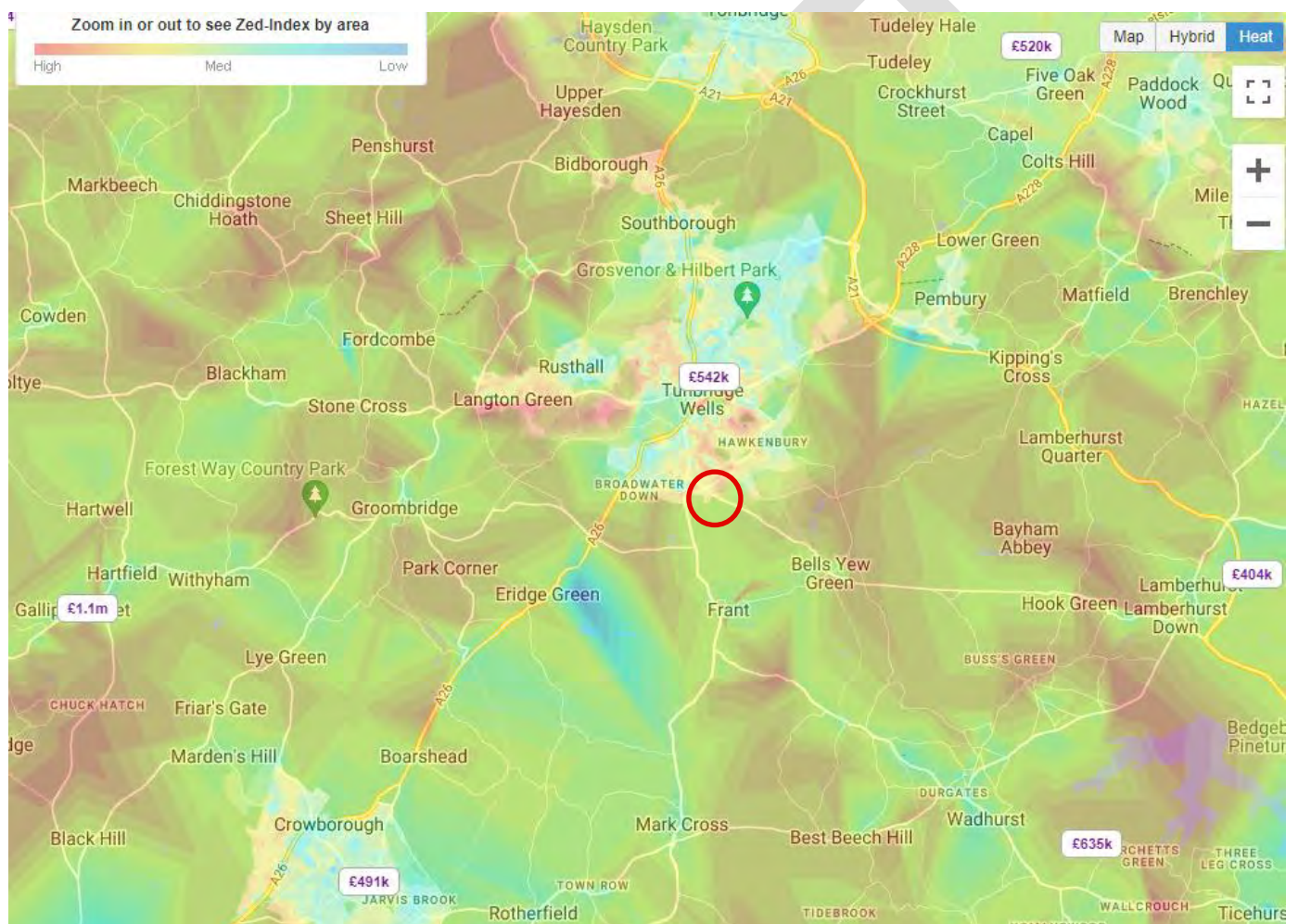
PROPERTY TYPE	AVERAGE SALE PRICE (NOVEMBER 2023)	ANNUAL HOUSE PRICE CHANGE
Existing	£449,235	-7.9%
New Build	£440,050	1.4%

The table above illustrates the continued robust performance of new build properties which despite falls in the wider market, new build stock continues to perform well and in fact is comfortably outperforming the wider existing stock market. In light of the new build development proposed on the Site this is reassuring particularly in a market with limited housing supply.

ROYAL TUNBRIDGE WELLS

Looking specifically at house prices in Royal Tunbridge Wells, properties have sold for an overall average price of £565,580 over the last year (source: Rightmove). This is higher than the average of £418,589 across Tunbridge Wells borough, illustrating the strength of this micro location in comparison to some lower value locations within the borough. Over the last year, the majority of sales in Royal Tunbridge Wells were flats, selling for an average of £315,555. Semi-detached properties sold for an average of £514,482, with detached properties averaging £1,007,462.

We set out below a residential 'heatmap' of property values in the Royal Tunbridge Wells area. Red represents the highest value residential sub-markets within a town, yellow medium value and blue low value submarkets. The map demonstrates that residential dwellings within southern parts of Royal Tunbridge Wells sit towards the upper value bracket for the area; achieving higher values than more northern parts of Royal Tunbridge Wells and nearby Frant, Crowborough and Eridge Green but lower than Bells Yew Green and Park Corner.



6.5 RESIDENTIAL COMPARABLE EVIDENCE

We note the following comparable schemes in the local area that we have had regard to:

RESIDENTIAL SALES VALUES

In light of the proposed residential development of the Site, we have undertaken research into sales values of new build residential units, which will assist in considering our opinion as to the Gross Development Value of a proposed scheme on the Site.

BERKELEY HOMES – HOLLYFIELDS, ROYAL TUNBRIDGE WELLS, TN2 5BW

Hollyfields, a development by Berkeley Homes is a collection of mix 1 to 3 bedroom apartments and 2-to-4-bedroom homes totalling 235 dwellings. It is located 1.5 miles east of the subject Site in Royal Tunbridge Wells, 1.4 miles from Tunbridge Wells station.

All homes feature high specification kitchens and bathrooms, generous living and dining areas and private gardens with landscaping.



New build house sales evidence has been collated between April 2020 and June 2022 onwards reflecting prices between **£550,000 to £1,135,000** or a blended average capital value of **£486 per sq. ft.**

PROPERTY TYPE	AVERAGE PRICE	AVERAGE SIZE (SQ. FT.)	AVERAGE PRICE PSF
Detached	£870,275	1,760	£495
Semi-detached	£687,712	1,440	£478
Terraced	£573,450	1,209	£474
Flats	£450,000	767	£586

In addition to the above which provides a summary of values across the sales period of the scheme, the evidence below comprises properties that have been sold from the beginning of 2022 up until the beginning of 2023 reflecting an average of **£550 per sq ft.** These sale prices illustrate pricing has improved over the same period of time with significant house price inflation taking place since 2020 when a lot of the sales exchanged. The evidence collated also shows average units, are slightly smaller than the subject Site, which therefore may command a slight premium over and above the values achievable on the subject Site due to quantum.

ADDRESS	DATE	PROPERTY TYPE	PRICE	SIZE SQ FT	PRICE PSF
9, Seymour Drive, TN2 5GP	16/01/2023	Detached	£642,510	1,162	£553
37, Seymour Drive, TN2 5GP	26/09/2022	Detached	£597,800	1,001	£597
35, Seymour Drive, TN2 5GP	26/09/2022	Detached	£590,000	1,001	£589
15, Hockbury Crescent, TN2 5GN	27/07/2022	Detached	£1,132,000	2,411	£470

30, Seymour Drive, TN2 5GP	21/07/2022	Semi-detached	£642,625	1,227	£524
18, Seymour Drive, TN2 5GP	21/07/2022	Detached	£877,100	1,475	£595
28, Seymour Drive, TN2 5GP	20/07/2022	Semi-detached	£645,937	1,227	£526
17, Hockbury Crescent, TN2 5GN	18/07/2022	Detached	£1,070,000	2,260	£473
12, Seymour Drive, TN2 5GP	07/07/2022	Semi-detached	£672,702	1,152	£584
8, Seymour Drive, TN2 5GP	07/07/2022	Semi-detached	£583,100	1,001	£582
21, Hockbury Crescent, TN2 5GN	05/07/2022	Semi-detached	£628,670	1,227	£512
32, Seymour Drive, TN2 5GP	30/06/2022	Detached	£689,500	1,152	£599
19, Hockbury Crescent, TN2 5GN	30/06/2022	Detached	£1,154,000	2,260	£511
26, Seymour Drive, TN2 5GP	30/06/2022	Detached	£674,500	1,152	£586
24, Seymour Drive, TN2 5GP	30/06/2022	Semi-detached	£538,100	1,001	£538
20, Seymour Drive, TN2 5GP	30/06/2022	Detached	£877,100	1,475	£595
25, Hockbury Crescent, TN2 5GN	27/06/2022	Semi-detached	£641,500	1,227	£523
27, Hockbury Crescent, TN2 5GN	27/06/2022	Semi-detached	£628,670	1,227	£512
10, Seymour Drive, TN2 5GP	01/06/2022	Semi-detached	£665,900	1,162	£573

Given the proximity to the subject Site and similar unit sizes, we believe the average price per sq ft for private dwellings at the subject Site will be aligned to this development generally speaking, whilst also accounting for current market conditions with there being some cooling of the market since 2021-2022.

COUNTRYSIDE – GEORGE SMART, TUNBRIDGE WELLS, TN2 5FN

George Smart Close offers both housing and flatted sales evidence in a location just 0.7 miles east of the subject Site. Bought forward by Countryside, the development consists of 49 homes. The scheme benefits from a semi-rural situation just 1.5 miles from Tunbridge Wells High Street and adjacent to the High Weald Area of Outstanding Natural Beauty.



The development comprises a collection of 2- bedroom apartments and 3, 4 and 5-bedroom houses. The properties have been finished to a satisfactory specification internally and externally with private gardens and parking.

The scheme is now fully sold and new build sales evidence between June 2020 and February 2022 reflects prices between **£350,000 to £950,000** or **£446 per sq ft**. We have summarised the new build sales information for different property types;

PROPERTY TYPE	AVERAGE PRICE	AVERAGE SIZE (SQ. FT.)	AVERAGE PRICE PSF
Detached	£816,847	1,945	£420
Semi-detached	£583,333	1,263	£462
Terraced	£539,833	1,152	£469
Flats	£351,818	798	£441

Despite the similarity in location, we expect the homes at the subject Site to be delivered to a superior specification than George Smart Close. On this basis, we expect the price per sq ft to be higher at the subject Site.

THE LANES, KNIGHTS WOOD, ROYAL TUNBRIDGE WELLS, TN2 3UW

The Lanes is the latest development within the larger Knights Wood scheme located on the outskirts of Royal Tunbridge Wells, approximately 5 miles north-east of the subject site. It comprises of c.69 homes, a collection of two- and three-bedroom houses.

The development has been completed to a high interior standard with external features including gardens, and garages or private parking. The development benefits from additional amenities that have been developed alongside including a new primary school and a village square with local shops. Connection to London is via the High Brooms train station located 1 mile from the comparable. Direct trains run to London Bridge and Charring Cross taking just over 1 hour.



ADDRESS	DATE	PROPERTY TYPE	PRICE	SIZE SQ FT	PRICE PSF
10 Coppice Close, TN2 3YS	26/02/2021	Semi-detached	£510,000	1,076	£474
16 Monarch Gardens, TN2 3JP	26/03/2021	Detached	£495,000	1,022	£484
1 Monarch Gardens, TN2 3JP	05/03/2021	Semi-detached	£489,000	1,033	£473
20 Monarch Gardens, TN2 3JP	26/03/2021	Semi-detached	£495,000	1,022	£484
6 Coppice Close, TN2 3YS	14/10/2022	Terraced (resold)	£408,500	753	£542
11 Coppice Close, TN2 3YS	26/02/2021	Semi-detached	£514,000	1,076	£477
11 Monarch Gardens, TN2 3JP	30/04/2021	Semi-detached	£495,000	1,033	£479
14, Golding Road, TN2 3FP	31/10/2023	Semi-detached (resold)	£585,000	1,259	£465
8 Golding Road, TN2 3FP	03/10/2023	Semi-detached (resold)	£602,000	1,185	£508
1, The Avenue, TN2 3FJ	26/05/2023	Detached	£680,000	1,808	£376
4, Bramling Avenue, TN2 3YG	19/01/2023	Semi-detached	£520,000	1,205	£432
5, The Avenue, TN2 3FJ	16/12/2022	Detached	£650,000	1,786	£364
14, Bramling Crescent, TN2 3YG	30/06/2022	Semi-detached	£520,000	1,205	£432

This scheme by Dandara provides similarities in respect of proximity to a station and accessibility to neighbouring towns as well as connection to London. However, The Lanes occupies a less desirable micro-location adjacent to commercial warehousing and we are of the opinion that the subject site would be delivered to a higher specification. As such, we expect the prices at the subject site to be slightly higher on a per sq ft basis. We have also seen resale values on this development which have still held strong prices in excess of £500psf, emphasising the desirability of Royal Tunbridge Wells.

BELLWAY HOMES – OAKLEY PARK, EDENBRIDGE, TN8 6GA

Oakley Park is a new build development of 300 homes and apartments located in the town of Edenbridge, Sevenoaks. Developed by Bellway Homes, this development is situated 12.5 miles north-west of the subject Site. The development contains a collection of 1- and 2-bedroom apartments and 2, 3, 4 and 5 bedroom houses.



The scheme is finished to a high specification with garages and landscaped green areas across the development.

The scheme has reached completion, and we understand that sales prices from June 2021 range from **£479,995 to £659,995** for three to five-bedroom houses.

While Edenbridge is further from the centre of Tunbridge Wells, it is an established market town with amenities and two train stations, Edenbridge and Edenbridge Town which provide regular direct connections to neighbouring towns as well as to London Bridge within 56 minutes. We expect this development to achieve slightly lower capital values than the subject Site due to the more rural location.

REDCLIFFE PLACE, ROYAL TUNBRIDGE WELLS, TN2 5LR

Redcliffe Place is a 2021 retirement development located on the outskirts of Royal Tunbridge Wells, adjacent to the Tunbridge Wells Rugby Football Club and approximately 0.75 miles west of the subject site. It comprises of c.26 homes, a collection of two bedroom houses and two and three-bedroom apartments. Each house features a terrace, balcony and private garden and the apartments also offer a terrace or balcony. It is marketed by Beechcroft.



The development has been completed to a high interior standard with external features including gardens, lifts to most apartments, private parking and an Estate Manager for security purposes. A 25-minute walk into the Royal Tunbridge Wells or Forest Road Bus Stop is located outside offering a frequent service to the Town Centre.

The scheme is now fully sold and new build sales evidence from 2021 reflect prices between **£640,000 to £670,000** or **£558 per sq ft**. We have summarised the new build sales information for similar property types, which illustrates a premium for retirement use in this location;

ADDRESS	DATE	PRICE	SIZE SQ FT	PRICE PSF
12 Redcliffe Place, TN2 5GQ	Apr 21	£660,000	1,173	£563
10 Redcliffe Place, TN2 5GQ	Aug 21	£650,000	1,173	£554
9 Redcliffe Place, TN2 5GQ	Apr 21	£660,000	1,173	£563
8 Redcliffe Place, TN2 5GQ	Mar 21	£640,000	1,173	£546

ADDRESS	DATE	PRICE	SIZE SQ FT	PRICE PSF
5 Redcliffe Place, TN2 5GQ	Jun 21	£670,000	1,173	£571

MILLER'S MEADOW, SANDHURST, CRANBROOK, TN18 5JL

Miller's Meadow is a development by Clarendon Homes comprising ten houses including an element of affordable housing. Miller's Meadows is situated to the outskirts of the village of Sandhurst, approximately 16 miles to the south of the Site. The private units comprise of two, three and four bedroom semi-detached and detached houses, including some bungalow units. All of the three and four bedroom units benefit from garages/car ports, and we understand that the units have been finished to a good specification.



We summarise the achieved sale prices below.

REF	UNIT TYPE	AREA (SQ FT)	SOLD PRICE	PRICE PSF
7	Detached	1,203	£600,000	£499
9	Detached	1,186	£550,000	£464
10	Semi Detached	848	£450,000	£531
11	Semi Detached	848	£450,000	£531
12	Detached	1,133	£550,000	£485
13	Detached	2,074	£895,995	£432
14	Detached	1,889	£875,000	£463
15	Detached	1,465	£650,000	£444
Average (£PSF)				£481

It is worth noting that the average house size (1,331 sq ft) from the sales above sits below the average houses at the subject (1,469 sq ft). The smaller, detached/semi-detached executive home nature of Miller's Meadow is also likely to drive sales values. To this end, Miller's Meadow is finished to a good specification with homes equipped with garages and good-sized gardens. Miller's Meadow does not benefit from the uplift in prices associated with Royal Tunbridge Wells. We anticipate given that Royal Tunbridge Wells is a stronger location that the houses at the subject Site will be therefore achieve a premium on those at Miller's Meadow.

ASPECT WOOD, FLIMWELL, WADHURST, EAST SUSSEX, TN5 7FE

Aspect Wood by Quantum is situated 10.5 miles south-west of the subject Site and comprises 29 three to five bedroom houses. The village of Flimwell is surrounded by Area of Natural Beauty but provides limited local amenities. The closest station, Etchingham, is located 4.5 miles to the south. Aspect Wood is situated adjacent to the A21 and owing to the proximity and likely noise disturbance we would expect this to have a deflationary impact on sales values.

We summarise below the sale prices achieved between August 2020 and April 2021.



REF	UNIT TYPE	AREA (SQ FT)	DATE	SOLD PRICE	PRICE PSF
17	Detached	1,991	Apr-21		
16	Semi Detached	1,335	Apr-21		
19	Semi Detached	1,109	Mar-21		
10	Semi Detached	1,335	Jan-21		
12	Semi Detached	1,335	Dec-20		
14	Semi Detached	1,335	Dec-20		
23	Semi Detached	1,109	Nov-20		
9	Semi Detached	1,335	Nov-20		
11	Semi Detached	1,335	Nov-20		
13	Semi Detached	1,335	Sep-20		
22	Semi Detached	1,109	Aug-20		

**Average
(£PSF)**

£s. 43

The lower blended capital value is consistent with the Prime Location heat map shown above. In addition, we consider Aspect Wood to be delivered to an inferior specification with small gardens and no garages. As mentioned above, residents of these properties are also likely to be affected by noise disturbance caused by the adjacent A21. Flimwell also provides limited local amenities and poor public transport connectivity. Moreover, the evidence set out in the table above is now somewhat historic and we would expect significant house price inflation since the Aspect Wood units transacted. On balance we would expect the proposed units at the Site to be at far more of a premium compared to this scheme.

SUMMARY

The evidence set out above illustrates a broad tone of residential values in the region of **£s. 43** to **£s. 43** per sq ft, with the more recent pricing achieved on Hollyfields the most comparable site comfortably in excess of **£s. 43** psf. Some of the transaction data is now somewhat dated with it being evidenced that there has been significant house price growth over the period of time since some of the comparable scheme sales, albeit countered by some recent reductions over the past 12-18 months in house prices.

In light of that and considering the subject Site's superior location on several of the comparable schemes above, we consider open market sales values to be in the region of **£s. 43** per sq ft in this location to be supportable as a blended average across the scheme. It should be highlighted that a key factor in the per sq ft value is the average unit size which is large to reflect the family sized housing that is proposed and in line with stock in the locality. We would also comment that whilst Hollyfields is a strong comparable, the developer Berkeley Homes typically deliver a premium product which can attract pricing above the market averages, as such we consider at this stage given the recent headwinds in the open market sale market that a slightly softer Gross Development Value on the subject Site is appropriate to be applied.

6.6 LAND SALES COMPARABLE EVIDENCE

In considering the value of a development opportunity, together with the residual method of valuation, the comparable method can be used to illustrate the tone of values that are being achieved in market transactions within the local area. As such, we have considered recent site sales evidence, and had regard to the land value per unit being achieved on sites being acquired by developers both with and without the benefit of planning permission. We highlight a selection of transactions below.

ADDRESS	DATE	DEVELOPER	ACRES	UNITS	AH %	PRICE	PRICE/UNIT
Mill Chase Road, Bordon	Aug 23	Miller Homes	12.32	147	-		
Land East of Green Lane, Crowborough, TN6 2XB (phased development) *	Jul 23	Dandara	19.5 (39.4)	120	-		
Broadwater Lane, Tunbridge Wells TN2 5RD*	Jan 22 / Sep 22	W A Turner	3.3	94	-		
Land at Steel Cross, Green Lane, Crowborough, TN6 2XB	Dec 21	Dandara	39.42	103	35%		
Land on west side of Kiln Barn Road, Ditton, Aylesford	Dec 21	St Mowden	32.15	300	25%		
Land North of Lower Haysden Lane, Tonbridge, TN9 2PL / Hallam Land	April 21	Hallam Land	26.5	125			
Land at Sutton Road, Langley, Maidstone	Mar 21	Bellway	11.02	170	30%		
Orchid Lodge, Walshes Road, Crowborough, TN6 3RE (2 sites)	Sept & Dec 21	Vistry Wates	15.03	150	35%		
Land at Crawley Down Road, East Grinstead, RH19	Oct 20	Vanderbilt	6.49	63	30%		
Land at The Priory School, Banstead, SM7 2AJ	Aug 20	McCarthy & Stone	1.91	44	0%		

Without Planning*

The evidence demonstrates a wide range of land values per unit of between £s. 43 and £s. 43 per unit. It should be noted that many of the aforementioned sites benefitted from planning permission at the time of sale whilst several also include lower affordable housing provision than that proposed on the subject Site.

We would comment that many of these sites are in inferior locations to the subject with residential house prices below those that have historically been achieved in Tunbridge Wells. Some of this evidence is now historic and given the rise in residential values in Tunbridge Wells over the last few years combined with a persistent lack of new development due in part to its location within an AONB, we are of the opinion that the subject Site would attract significant interest from developers.

From the range of land values identified above, we consider the general tone across the most comparable sites to sit between approximately £s. 43 per unit, with some sites achieving values above and below this range.

Given the unconsented nature of the Site, whilst still benefitting from a draft allocation, we consider the value of the Site to be reduced in comparison to many of the sites listed above. However were the Site to benefit from a planning permission, given the strong sales values achievable in this location together with some improved house price growth since some of these transactions, it would achieve a land value at the very upper end of this range.

Overall, the Site benefits from an attractive location on the southern boundary of Royal Tunbridge Wells within a relatively short distance to the station and overlooking open countryside. Based on the above, we would anticipate the

S. 43

Site to attract a land value towards the upper end of the general tone of value, above levels achieved at inferior locations such as Maidstone. If the Site were to benefit from a formal allocation or full planning permission, we would expect a land value towards the top end of the general tone of evidence.

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7.0

VALUATION CONSIDERATIONS

VALUATION CONSIDERATIONS

7.1 BACKGROUND TO THE VALUATION APPROACH

In arriving at our opinion of the Market Value of the Site, we have had regard to the above considerations, including the nature and location of the Site, prevailing market conditions and comparable evidence where available.

Market Value is defined by the RICS in the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards (2022) [“the Red Book”] as follows:

“Market value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

Our assessment of the Market Value of the Site has been undertaken to help support and underpin an acquisition price for Homes England to enter into with the current freeholder.

7.2 LOCATION AND NATURE OF THE SITE

The Site is located on the southern edge of Royal Tunbridge Wells, approximately 1.4 miles from the town centre. More specifically it is situated approximately 1.1 miles from Tunbridge Wells Railway Station. This line is served by Southeastern and provides direct journeys to London Charing Cross with an average time of 57 minutes. Royal Tunbridge Wells benefits from good connectivity by road with the Site situated minutes away from the A26 which as mentioned above links the outskirts of London to Hastings as well as the M25 and M26.

The Site currently forms a greenfield parcel of land. It is used for agricultural and pastureland, with trees, hedgerow, and a stone wall. Though the site benefits from a draft allocation in the emerging Wealden Local Plan (Regulation 18) for 100 dwellings, and as masterplan layout for the Site estimates a development of 102 units can be delivered on the Site which would reflect a development density in line with policy. Therefore whilst the Site does not benefit from planning permission, the planning risk is somewhat reduced by the presence of the draft allocation.

The Site is well located for residential development, being situated bordering Royal Tunbridge Wells and in close proximity to High Weald Area of Outstanding Natural Beauty, yet within 60 minutes from central London by rail. The combination of strong connectivity, country living and bustling urban metropolis is particularly relevant for the subject Site given its micro-location and vast open countryside, all of which we would consider to be attractive to housebuilders for this Site as well as end homeowners.

7.3 DEVELOPMENT POTENTIAL

Whilst the Site lacks formal planning, it benefits from a draft allocation in the emerging Wealden Local Plan (Regulation 18) for 100 dwellings. Based upon master planning work produced by Esquire who are promoting the Site together with neighbouring land, it has been identified that 102 units can be delivered on the Site in isolation. A summary of the proposed scheme is set out below which includes the proposal for policy compliant affordable housing at 35%.

Private Housing

UNIT TYPE	AVERAGE SQ FT PER UNIT	TOTAL UNITS	TOTAL SQFT (NSA)	TOTAL SQFT (GIA)
3 Bed – Terraced	1,131	6	6,786	6,786
3 Bed – Detached	1,182	4	4,728	4,728
3 Bed – Detached (mixture)	1,219	14	17,066	17,066

UNIT TYPE	AVERAGE SQ FT PER UNIT	TOTAL UNITS	TOTAL SQFT (NSA)	TOTAL SQFT (GIA)
3 Bed – Detached	1,324	3	3,972	3,972
3 Bed - Detached	1,357	1	1,357	1,357
3 Bed – Detached (mixture)	1,397	7	9,779	9,779
3 Bed - Detached	1,436	5	7,180	7,180
4 Bed - Detached	1,433	6	8,598	8,598
4 Bed – Detached	1,551	1	1,551	1,551
4 Bed - Detached	1,595	5	7,975	7,975
4 Bed- Detached	1,639	6	9,834	9,834
4 Bed - Detached	1,850	2	3,700	3,700
5 Bed - Detached	1,968	2	3,936	3,936
5 Bed - Detached	2,299	1	2,299	2,299
5 Bed - Detached	2,524	3	7,572	7,572
Sub Total / Average	1594	66	96,333	96,333

Affordable Housing

UNIT TYPE	AVERAGE SQ FT PER UNIT	TOTAL UNITS	TOTAL SQFT (NSA)	TOTAL SQFT (GIA)
1 Bed Flats	538	8	4,304	4,950
2 Bed Houses	874	11	9,614	9,614
3 Bed Houses	1,131	17	19,227	19,227
Sub Total / Average	848	36	33,145	33,791

Overall

TOTAL / AVERAGE	1,469	102	129,478	130,124
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Based upon a total proposed net saleable area of 129,478 sq ft against an indicative net developable area of c. 3.5 hectares (SHEELA reference) reflects a development yield of c. 15,000 sq ft per net developable acre which we consider to be appropriate for a predominantly housing led scheme at c. 30 dwellings per hectare.

The proposed scheme proposes only a small number of flatted unit which aligns with the micro location which is dominated by detached and semi-detached housing appealing to families and young professionals. Flatted accommodation within this area is typically located in more central Royal Tunbridge Wells.

s. 43

S. 43

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S. 43

S. 43

PURCHASE PRICE

We understand that a purchase price of £s. 43 [REDACTED] has been agreed between Homes England and the vendor [REDACTED] s. 40(2) [REDACTED]. As such the Day 1 Market Value of the Site as set out above at £s. 43 [REDACTED] supports this purchase price. Furthermore we understand that a payment of £s. 43 [REDACTED] is to be made to the Leroy Trust who hold a restriction on the title, with this payment being made to release this restriction on the subject Site. A cost allowance for this sum has been allowed for within the site value of £s. 43 [REDACTED]

MARKET VALUE SPECIAL ASSUMPTION

In order to arrive at our opinion of Market Value of the Site on the Special Assumption of planning permission being in place we have made the following adjustments to the appraisal set out above to reflect the fact that planning permission is assumed to be in place within this scenario.

- Removal of outline planning application costs
- Reduced pre-construction period of 9 months.
- Reduced developer's profit return of [REDACTED] on GDV which reflects [REDACTED] on Private GDV and [REDACTED] on Affordable GDV. This level of profit also reflects [REDACTED] on Cost.
- Removal of the Leroy Trust Payment of £s. 43 [REDACTED] which is assumed to have been paid already within this scenario.

Adopting the above changes to the without planning residual appraisal produces an uplifted land value of £s. 43 [REDACTED]. A land value at this level reflects approximately £s. 43 [REDACTED] per gross acre and £s. 43 [REDACTED] per Net Developable Acre as well as a plot value of [REDACTED] per plot. We consider that a land value at this level aligns with the general tone of evidence for consented sites, noting current market conditions.

SALE PRICE

The Site forms part of a wider sale and purchase transaction with Esquire Developments. The Site is to be acquired off s. 40(2) [REDACTED] at which point Homes England will enter into a Sale and Purchase Agreement with Esquire which is conditional on planning permission being secured. Further details behind the transaction and the conditions attached to the agreement are set out within **Appendix 7**.

A sale price of £s. 43 [REDACTED] has been agreed between parties which aligns with the Market Value Special Assumption sum of £s. 43 [REDACTED] set out above.

In addition the sale price includes indexation provisions from the point of exchange through to completion which accounts for the net position after the BCIS All-in Tender Price Index is subtracted from the South East New Build House Price Index over the period between exchange and completion to ensure any market movements in land value are captured and a sum no less than £s. 43 [REDACTED] is received by Homes England.

In addition, Overage Provisions are allowed for within the Sale and Purchase Agreement which ensures that Homes England is paid a pro-rata sum of the any increase in land value generated from an increase in the Net Saleable Floor Area. Further details behind the transaction are included within **Annexe 1 – Advice Report**, which reviews the proposed transaction in greater detail.

Based upon the above, we consider the proposed sale price of £s. 43 [REDACTED] aligns with our opinion of Market Value on the Special Assumption of Planning Permission being in place for 102 units. Further provisions within the transaction such as indexation and overage provides market facing mechanisms to ensure any additional value is captured before the transaction completes after successfully obtaining planning permission.

8.0

VALUATION

VALUATION

MARKET VALUE

We are of the opinion that the Market Value of the Site, based upon a freehold acquisition of the Site, as at the date of valuation is in the sum of:

£s. 43

s. 43

MARKET VALUE SPECIAL ASSUMPTION

We are of the opinion that the Market Value of the Site on the Special Assumption of Planning Permission being in place for a 102 unit scheme, based upon a freehold acquisition of the Site, as at the date of valuation is in the sum of:

£s. 43

£s. 43

CONFIDENTIALITY

This valuation report, together with its appendices, is provided for the use only of the party to whom it is addressed and is for the sole purpose for which it was commissioned; no responsibility is accepted to any third party for the whole or any part of its content. The basis of valuation may not be appropriate for other purposes and should not be so used without prior consultation with us.

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

s. 40(2)

Partner

DDI: s. 40(2)

Email: s. 40(2)@montagu-evans.co.uk

s. 40(2)

Partner

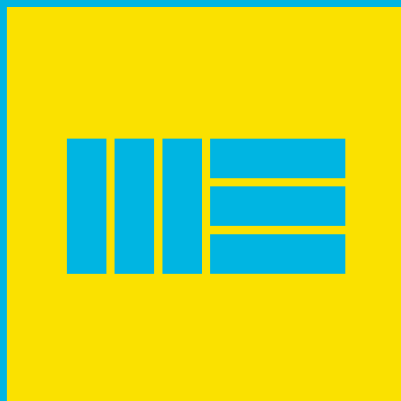
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WE CONSIDER OUR CREDENTIALS, HOW WE HAVE STRUCTURED OUR BID AND OUR PROPOSED CHARGING RATES TO BE COMMERCIALY SENSITIVE INFORMATION.
WE REQUEST THAT THESE BE TREATED AS CONFIDENTIAL.



Homes
England

The Housing and Regeneration Agency

Confidential minutes of the South Local Development Management Team (LDMT) meeting 11th July 2024

Meeting Ref: 2024-07-11

Date: 11th July 2024



The Housing and Regeneration Agency

Present:

s. 40(2)

Regional Development Director Chair

Senior Manager Development Risk

Senior Valuation & Appraisal Manager

Senior Planning & Enabling Manager

Project Director

Senior Development Solicitor

Senior Planning & Enabling Manager

Delivery Support Manager

Senior Acquisitions Manager

Economist

Senior Economist

Project Director

Senior Capital Projects Manager

Estates Manager

Head of Disposals

Had of Capital Projects

Senior Development Manager

Development Manager

Assistant Regional Director MP South

National Director – Acquisitions and Partnering

Business Support Officer

Development Manager

Senior Development Manager

Senior Technical Manager

Head of Development Services

Head of Acquisitions & Partnering

Acting Assistant Director Commercial

The Housing and Regeneration Agency

s. 40(2)

- Development Manager
- Development Manager
- Head of Disposals
- Delivery Support Manager
- Senior Loans Manager
- Assistant Director Acquisitions and Partnering
- Head of Acquisitions & Partnering
- Senior Valuation and Appraisal Manager
- Delivery Support Officer
- Assistant Director Technical Services
- Senior Finance Business Partner
- Head of Estates Management
- Head of Development Risk
- Senior Manager – Planning Procedures
- Senior Development Manager
- Development Secretary
- Head of Disposals
- Senior Development Manager
- Development Manager

Apologies:

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- Estates Manager
- Estates Manager
- Senior Estates Manager
- Estates Manager

Out of Scope

Actions:

Out of Scope

Out of Scope

Out of Scope



2024/07/11/05

For Decision

G2 Land SW Bayham Road, Tunbridge Wells

The Housing and Regeneration Agency

s. 40(2)

Decision required:

1. LDMT are asked to support the proposed acquisition of land south west of Bayham Road, Tunbridge Wells from s. 40(2) (Draft Allocation FR2) for £s. 22 and £s. 43 of SDLT and a payment of £s. 43 to be paid to the Leroy Trust for the release of the restriction on title. A planning budget contribution is requested of £s. 43 and disposal costs of £s. 43 together with estates budget of £s. 43. Allowing for existing due diligence budget of £s. 43 this provides an overall project budget of £s. 43.
2. LDMT are also asked to support the proposal to enter into a conditional on planning sale to Esquire Developments (Esquire) to promote the land as part of a wider planning application for around 163 new homes and a relocated Tunbridge Wells Rugby Club incorporating the basis of planning collaboration through an accompanying G4 paper.

Discussion:

The Project Manager delivered a presentation for the paper which previously came to LDMT as a discussion paper on 18th April 2024. It was explained that the proposed acquisition will take place simultaneously with the disposal of the site to Esquire for £s. 43.

The Project Manager explained that we are still in the process of obtaining Counsel advice on the final disposal terms to Esquire, and the draft contract. A meeting with Counsel is due to take place following this LDMT meeting.

It was highlighted that the price is supported by Red Book Valuation and the exit valuation has also been obtained for the Esquire price.

The Development Solicitor has collaborated closely with the team and supported the paper. The Chair queried the specific points for discussion with Counsel. It was noted that Counsel's opinion is being sought in relation to the possible application of Public Contracts Regulation 2015 and it is expected that following the scheduled meeting with Counsel, their opinion on

The Housing and Regeneration Agency

whether Regulation 2015 is applicable will be provided in writing.

It was confirmed by the Development Solicitor that the subsidy control issue has been resolved by acquiring a written report from Montagu Evans which states that there are no subsidy's.

Senior Finance Business Partner supported the paper but highlighted that we need to ensure that we have a solid exit route.

s. 43

s. 43

It was explained that there is a draft allocation on the land being acquired and we could continue to promote that through any emerging local plan. The Project Director highlighted that if the comprehensive application is deemed unfavourable then this will be a pivot point where Esquire would be required to submit an application on our land in isolation for 100 homes. It was also noted our planning contribution fees are capped at

£s. 43

The Project Manager confirmed that we have obtained reliance and warranty in relation to planning and application preparation from Esquire.

s. 43

There were no further queries from the group.

Decision:

The recommendation was ENDORSED at LDMT and the paper was APPROVED by the National Acquisitions Director on the basis that the Condition below is satisfied.

Condition:

The Housing and Regeneration Agency

Project Manager to obtain written opinion from Counsel on whether Public Contracts Regulation 2015 is applicable.

s. 40(2)

2024/07/11/05/01

This condition was satisfied on 24.07.2024

For Decision

G4 Land SW Bayham Road, Tunbridge Wells

s. 40(2)

Decision required:

1. Approval to enter into a conditional on planning freehold disposal agreement with Esquire Developments Limited simultaneous with the agreement to acquire the land from s. 40(2), for a sum of £s. 43 s. 43 pounds).

Discussion:

The Project Manager delivered a further presentation of this project to the group in relation to the G4 paper.

The Chair queried what engagement has taken place with Wealden District Council (WDC) in relation to their resource and capacity to meet the timeframes set out for the outline planning application and obtaining planning consent. The Project Director confirmed that several pre-applications have been submitted and we are confident that WDC have the resource.

The scheduled meeting between the Project Team, Development Solicitor and Counsel was referred to and it was noted that any issues following that discussion will be dealt with.

The Senior Valuation and Appraisals Manager queried the figures in the Heads of terms. The Project Manager confirmed that the valuation is £s. 43 and the price is £s. 43

s. 43

The Housing and Regeneration Agency

s. 43

Assistant Director of Acquisitions and Partnering highlighted that Esquire are well respected developers and have demonstrated their quality through previous dealings with Homes England. This opinion was supported by Senior Loans Manager from Investments team who advised that Esquire have had 3 previous approvals from Investments

s. 43

. It was summarised that there is confidence in Esquire as a consequence previous experience within Homes England of the developer.

Acting Assistant Director Commercial raised that planning approval will take 2 years before going unconditional and queried if the 3 years of estates budget outlined was to provide contingency? The Project Manager explained that the 3 year time frame is a longstop on the agreement with Esquire to allow for any planning delays.

It was queried if we should have had a G3 paper approved before the G4. The Project Manager confirmed that governance advice has been obtained from Senior Manager – Deliver Control Performance and it was confirmed that in this instance a G3 was not necessary.

Head of Development Risk queried if Esquire are buying the land with a loan? The Project Manager advised that Esquire would need to demonstrate finance is available which could involve a loan facility from Homes England or another provider. Homes England Development Finance have confirmed that in principle Esquire would be eligible for a loan because planning approval would be in place.

s. 43

Head of Development Risk asked what the Benefit Cost Ratio is?

s. 43

Senior Manager Planning Procedures picked up on a comment that had been raised in peer review asking if planning permission will be assigned to us? Senior Manager Planning Procedures explained that it would not but it was highlighted that if there is something in the S106 that relates to a particular date in time and the developer goes bankrupt or withdraws then planning permission would fall away unless we had picked up that particular element in the S106 within the timescale, or we are able to pass it on to the next bidder and they are able to pick up that element.

Project Director explained that we would ensure that any S106 agreement avoids any of those risks and we are confident that should Esquire not be able to implement within the contract, there would be rights that we could take on to enable Homes England to bank the planning consent.

There were no further queries from the group.

Decision:

The recommendation was ENDORSED at LDMT and will proceed to the National Development Director for APPROVAL upon the Condition below being satisfied.

Condition:

Project Manager to obtain written opinion from Counsel on whether Public Contracts Regulation 2015 is applicable.

s. 40(2)

2024/07/11/05/01

This condition was satisfied on 24.07.2024

Out of Scope

Out of Scope



Out of Scope

Out of Scope

2024/07/11/10 AOB

Chair's signatur

s. 40(2)

Date: 25th July 2024

Date of next meeting: 25th July 2024