

VIABILITY REPORT

STABLES AT WHADDON LANE,

HILPERTON,

TROWBRIDGE,

WILTSHIRE

REPORT DATE

6th September 2023

1 INSTRUCTIONS

1.1 Woolley & Wallis have been instructed to inspect the site and prepare a viability report on the potential conversion options of the Stables and Land at Whaddon Lane, Hilperton.

1.2 Inspections were carried out by, and calculations / reporting have been undertaken by Christopher Cary MSc MRICS FAAV a Senior Rural Chartered Surveyor, RICS Registered Valuer and Fellow of the Central Association of Agricultural Valuers and Lorna De-pass BSc MAAT. The property was inspected on Wednesday 9th August 2023 at 12pm.

1.3 I can confirm that I am not instructed under any conditional or other success-based fee arrangement. I have prepared this report impartially, objectively and without interference and I will continue to comply with my duty in that respect. I confirm I have no conflict of interest in undertaking this assessment.

1.4 This report initially considers whether community, tourism, employment or cultural uses are practical and achievable before considering the financial viability of each of the potential uses.

1.5 With regards to calculating the financial viability of options, we have used the Royal Institute of Chartered Surveyors (RICS) BCIS Quarterly Review of Building Prices 2023 in considering the development costs of the property. This review is widely accepted and is recognised as the industry standard with the majority of builders and developers relying upon it.

2 SITUATION

2.1 The property is shown on the attached plans in appendix 1 & 2 and is situated in a rural position to the west of the village of Hilperton in the civil parish of Wiltshire. Trowbridge is located less than 1 mile Southwest and Melksham approximately 5 miles to the Northeast, both provide the usual local facilities.

2.2 Located in open countryside, as expected the property is accessed via a narrow country lane, Whaddon Lane, between Hilperton and Whaddon. The site is bordered to the north, east and south by agricultural land. The property is not particularly accessible via any national road networks being positioned between J17 (16.5 miles) and J18 (19.7 miles) M4 resulting in all traffic to and from the property being required to utilise the country lanes.

3 DESCRIPTION

3.1 The site consists of a stable block, outbuildings, an agricultural barn and disused menage set within 3.3 acres (1.34ha) of land.

3.2 The 'L' shaped stable block is of standard construction with a tile roof extending to 78 sq.m. It includes 2 x 4m by 4m stables and 2 x 3m by 4m stables and a separate tack room. The elevations measure 3m to eaves and 3.7m to the ridgeline.

3.3 Externally, there is a small forecourt outside the stable block. The land surrounding is divided into manageable horse paddocks.

3.5 It is understood that the remainder of the site is going to remain in its current state and use.

4 THE BUILDING

The Net Internal Area dimensions of the building is as follows:

Property	Sq.m.	Sq.ft.
Stable block	78m2	839ft2
Total Floor space	**78 m²**	**839ft²**

Measurements were taken in accordance with the RICS Code of Measuring Practice 6th Ed, being Net Internal Area (NIA).

5 CONDITION

5.1 A visual inspection presented that the stable block looks in good condition with no signs structural damage. The structural report undertaken by BTA summarises that "The conversion of this building can therefore be carried out without significant reconstruction of the structural elements".

6 SERVICES

6.1 Currently the services provided to the building are mains electricity.

7 POLICY

7.1 The property lies with the Wiltshire Council administrative area and the Wiltshire Core Strategy is the principle planning document relevant to the property.

Wiltshire Core Strategy (adopted January 2015) covers the conversion and re-use of rural buildings within Core Policy 48. CP48 states that residential conversions can be considered when it can be evidenced that the conversion

to employment, tourism, cultural or community uses are not practical propositions.

National Planning Practice Guidance (NPPG) is a material consideration when taking decisions on planning applications and Paragraph10 of the NPPG states:

" *Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return.*"

"*In plan making and decision-making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.*"

7.2 Below, the above listed uses have been considered from a practical point of view and from a financial viability standpoint. Employment use has been spilt into the different employment uses including office, storage & industrial due to their different costs and returns.

We have undertaken the development appraisal based on converting the property to various types of uses as set out above. In the appraisals we have used building costs as set out by the RICS BCIS Review of Building Prices and looked at market rents and capital values based on our experience and the comparable evidence.

All the appraisals have allowed for professional fees, the cost of finance and a developers profit @ 15%. We consider it is essential to value all the various types of properties on the same basis otherwise it is not possible to draw accurate comparisons.

8 CONSIDERATION OF EMPLOYMENT USE INCLUDING OFFICE / STORAGE / INDUSTRIAL

Practical Considerations

8.1 Access is a key consideration for all employment uses. The property does not lie far away from the A350 which provides connectivity however the property itself is accessed along Whaddon Lane, which is a single-track lane, and is not suitable for commercial vehicles or general intensification.

8.2 The building would not provide adequate floorspace for storage nor would the height and size of doors be commensurate with moving of goods. It is too small to attract industrial tenants and a likely requirement would be 3-phase electricity connection. This currently is not available onsite and hasn't been factored into the below financial calculations. The building could be suitable for office space however a larger floorspace and located closer to associated amenities would be in higher demand.

Local Supply / Demand

8.3 The demand for small commercial units has slowed tremendously following the current economic and political uncertainty. Woolley & Wallis LLP have spent some time marketing equivalent sized units in Wiltshire and the uptake is slow in comparison to those located in within urbanised areas. There is still good demand for high quality large scale commercial units in feasible locations, however, units in an unpractical location have taken a prolonged time to let.

8.4 The difficult economic climate and reduction in overall demand has led to oversupply of commercial premises both in rural and urban areas. There are already significant areas of employment available in and around the larger centres with potential for development.

8.5 There has been little new commercial development over the last 10 years due to economic conditions and we consider this position is unlikely to change due to lack of demand.

Financial Viability - Offices

Offices		Assumed Value
GDV		
Development Size	Sq ft	
Rental Value/Sq ft	£	
Years Purchase	%	
Costs		
Costs / sq ft	£	
Professional Fees	%	
Finance Rate	%	
Finance Period	Year	
Set Up Charges	%	
Legal / Agents	%	
Developers Profit	%	

**Values obtained from local comparable properties and BCIS quarterly review of buildings 2023*

Conclusion - Office

The above valuation calculation clearly demonstrates that after considering all cost of development, that it is significantly larger than the Gross Development Value.

In addition, the above calculation does not account any likely void periods which can occur prior to securing the initial tenant or between tenants. As stated above, the take up of rural units has been slow.

We can conclude therefore that conversion to offices is unviable.

Financial Viability – Industrial

Industrial		Assumed Value
GDV		
Development Size	*Sq ft*	
Rental Value/Sq ft	*£*	
Years Purchase	*%*	
Costs		
Costs / sq ft	*£*	
Professional Fees	*%*	
Finance Rate	*%*	
Finance Period	*Year*	
Set Up Charges	*%*	
Legal / Agents	*%*	
Developers Profit	*%*	

11 *Values obtained from local comparable properties and BCIS quarterly review of buildings 2023

Conclusion – Industrial

The above valuation calculation clearly demonstrates that after considering all cost of development, it is significantly larger than the Gross Development Value. Again, the above valuation does not take into account any void periods between tenants.

Three phase electricity may need to be provided to the building to attract industrial tenants which would be costly.

We can conclude that conversion to industrial use is unviable.

Secure Storage

Secure Storage		
		Assumed Value
GDV		
Development Size	***Sq ft***	
Rental Value/Sq ft	***£***	
Years Purchase	***%***	
Costs		
Costs / sq ft	***£***	
Professional Fees	***%***	
Finance Rate	***%***	
Finance Period	***Year***	
Set Up Charges	***%***	
Legal / Agents	***%***	
Developers Profit	***%***	
		Site Value -

13 *Values obtained from local comparable properties and BCIS quarterly review of buildings 2023

Conclusion – Storage

The above calculations show that although the cost of conversion compared to office or industrial is lower, the cost of development is still higher than the Gross Development Value.

This coupled with the practical issues including the fact that the building is too small, too low and and the access is poor, safely allows us to **conclude that storage is unviable.**

9 CONSIDERATION OF TOURISM USE / HOLIDAY LETS

Practical Considerations

9.1 The property itself is located within an agricultural / equestrian yard which does not present the best setting for an attractive holiday let which would likely impact occupancy rates. Its location within a farmstead also present health and safety risks to the visitors.

9.2 The property located within a short car journey of a handful of tourist attractions include Bath City, Longleat and Centre Parks therefore from a location standpoint, the property would likely attract visitors. The only amenity within walking distance is a village pub, of which there is no safe pedestrian access bar Whaddon Lane.

Local Supply / Demand

9.3 Despite the explosion in popularity of UK short breaks over the past few years due to Covid, with restrictions now having been lifted, a movement back to abroad travel has become the norm again and demand for UK breaks are back at the pre-covid level.

9.4 There are numerous holidays lets in and around the area and wider proximity given the proliferation of Historic sites in the area and the proximity to Bath and surrounding cultural attractions.

9.5 Below are several local examples which have been taken into consideration when considering the potential holiday let rental income. The range of high – low season is included.

Financial Viability

Holiday Let

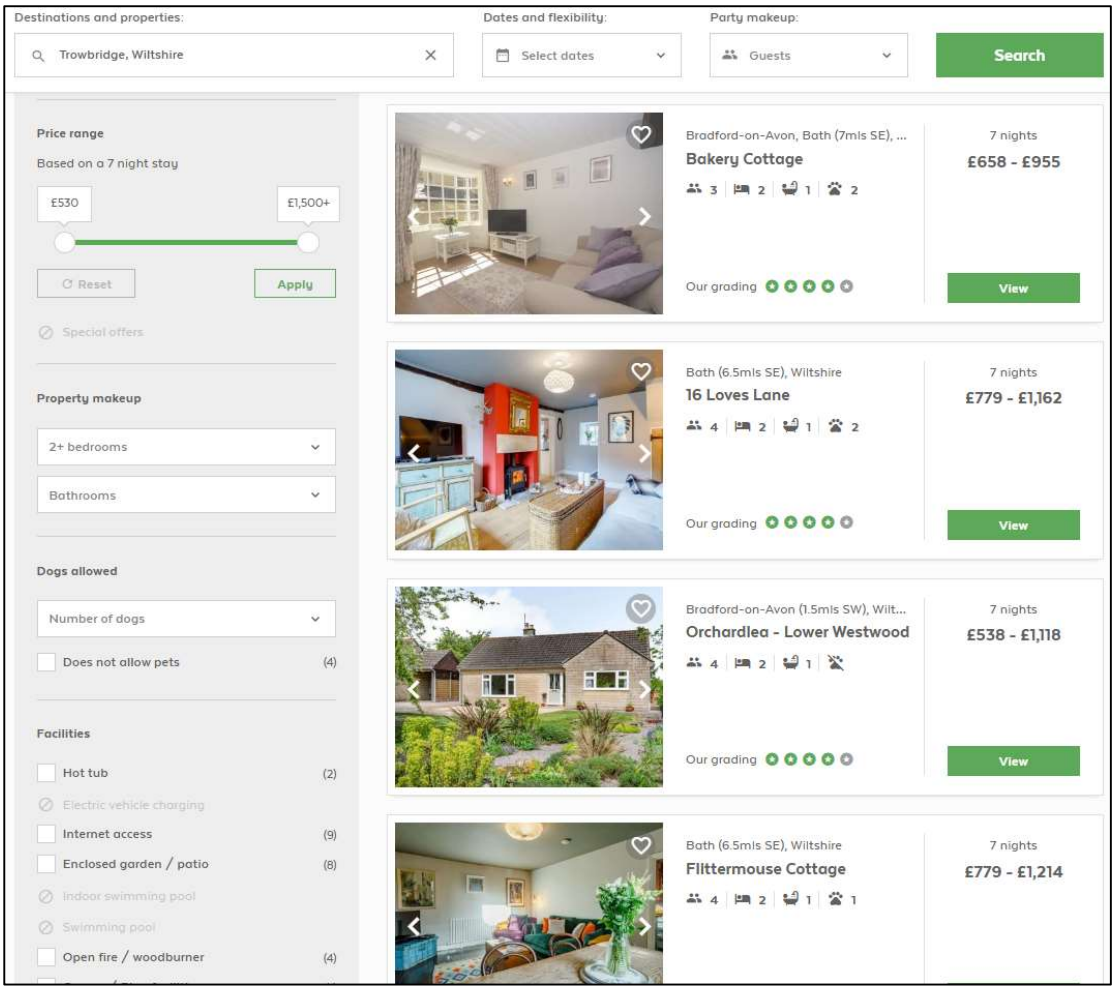
		Assumed Value
GDV		
Development Size	sqft	
Net Annual Income	£	
Years Purchase	%	
Costs		
Costs / sq ft	£	
Professional Fees	%	
Finance Rate	%	
Finance Period	Year	
Set Up Charges	%	
Legal / Agents	%	
Developers Profit	%	

	Weeks	Charge
* High Season July / August	10	
* Mid Season May/June/ Sept/ Oct	16	
Low Season Jan / Feb/ Mar/ Apr/ Dec	26	

20% Mnus Fee

1st year
2nd yeai
3rd year

First 3yr avera



9.6 The industry accepted standard is **60 – 65%** (annual average occupancy). These occupancy rates are well accepted and both "John Nix pocketbook" and the "Agricultural Budget and Costing Book" which are both reviewed annually and both heavily respected with professional's state 60-65%. For the purposes of this report, we have calculated viability at 62.5%.

The above valuation has been calculated that the property gains an occupancy rate of 40% in the first year, 50% in the 2nd and 62.5% in the third year. As holiday let becomes more established, occupancy rates will increase to the 62.5% boosted by positive reviews, increased exposure and repeat customers.

The figures do not reflect any additional costs associated with maintenance and upkeep.

The cost of conversion has been placed at the same as residential however it is likely that the cost of conversion to holiday let would surpass this due to additional regulation that must be met including disabled access and bathroom facilities.

We conclude that a holiday let will be unviable.

10 CONSIDETATION OF CULTURAL USE

10.1 This use needs little discussion. The site location is completely unsustainable for this use and there is no local requirement for this.

11 CONSIDERATION OF COMMUNITY USE

11.2 Unless there is a specific requirement for community use, we would not expect to see a demand in this rural location.

11.3 Community use is catered for elsewhere in the locality for example Hilperton has a local primary school, village hall, small hotel and public house. There are additional amenities in Trowbridge.

Financial Viability – Community Use

Community Use		
		Assumed Value
GDV		
Development Size	*Sq ft*	
Rental Value/Sq ft	£	
Years Purchase	%	
Costs		
Costs / sq ft	£	
Professional Fees	%	
Finance Rate	%	
Finance Period	*Year*	
Set Up Charges	%	
Legal / Agents	%	
Developers Profit	%	

**Values obtained from local comparable properties and BCIS quarterly review of buildings 2023*

Conclusion – Community use

There is no demonstrable local need for another community building in the area nor would its development be financially viable. **Conversion for community use is therefore an unviable option**

12 CONSIDERATION OF RESIDENTIAL USE

Residential		Assumed Value
GDV		
Development Size	Sq ft	
GDV Cost/Sq ft	£	
Costs		
Costs / sq ft	£	
Professional Fees	%	
Finance Rate	%	
Finance Period	Year	
Set Up Charges	%	
Legal / Agents	%	
Developers Profit	%	

**Values obtained from local comparable properties and BCIS quarterly review of buildings 2021*

Having now considered Cultural, Community, Tourism and Employment uses we can now consider the building for residential.

Residential development produces the highest gross development value for the site. The buildings conversion would be entirely in keeping with the wider locality.

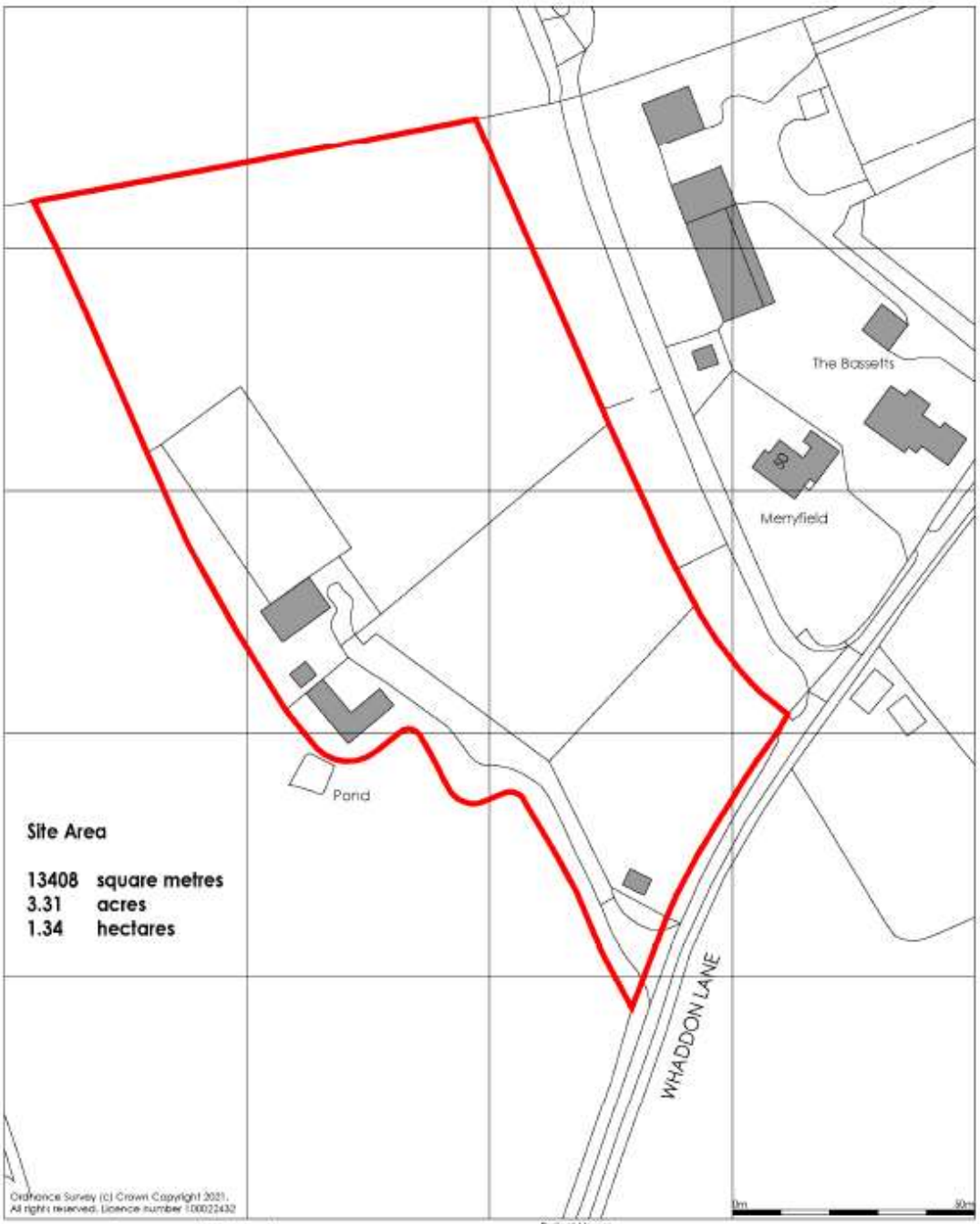
Residential development is viable.

13 CONCLUSION

Following close inspection of the Stable block at the land at Whaddon Lane and a detailed Viability study, I conclude that the proposed development of the property is viable based on residential use. All other use classes prove to be unviable given the costs involved and practical consideration in each circumstance.

Signature of Acting Agent: **CHRISTOPHER CARY MSc (Hons) MRICS FAAV**	
Print Name: CHRIS CARY	Date: 06th September 2023

Appendix 1 – Block Plan



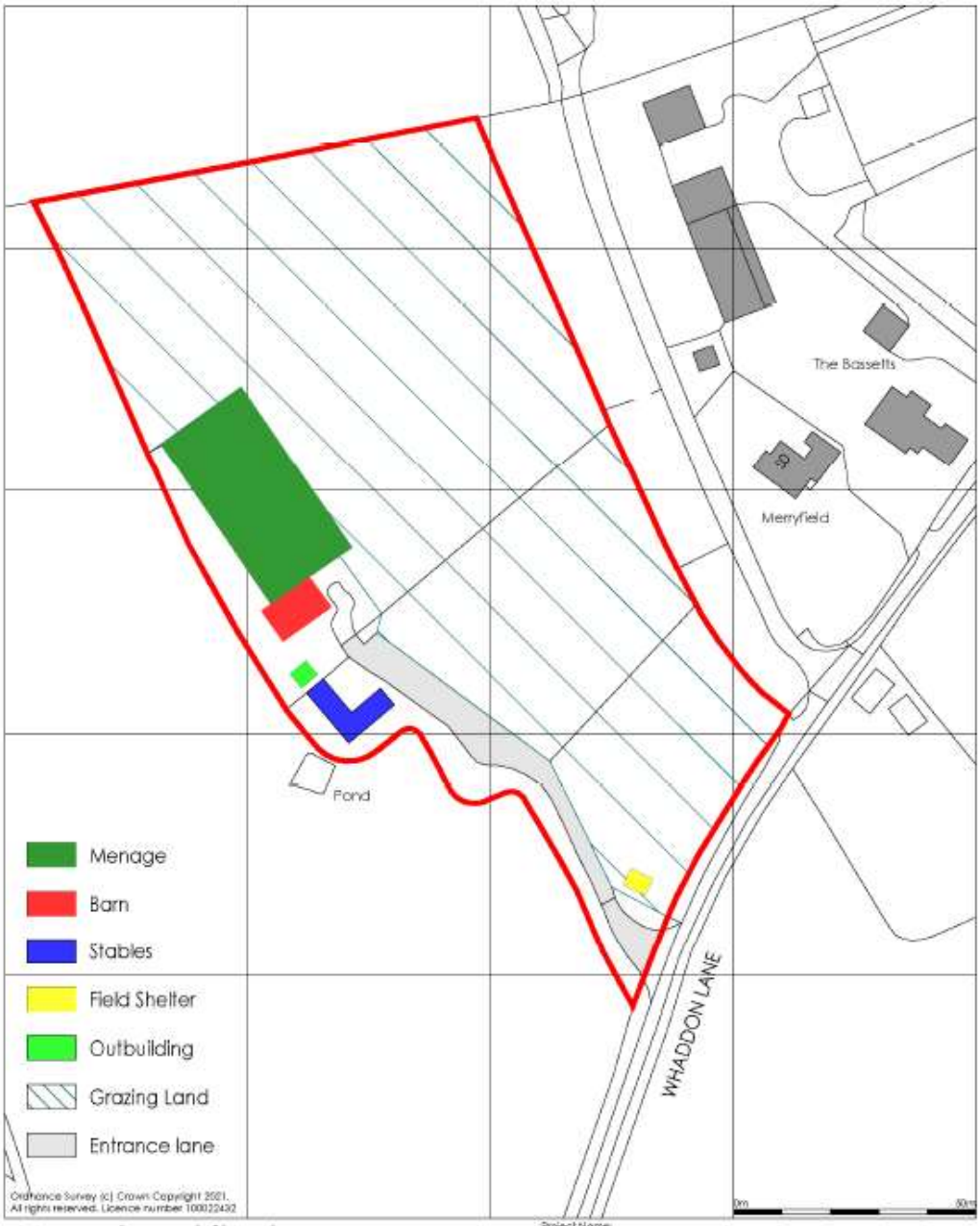
dz architecture
07967 726 477
e: info@dzarchitecture.com

Project Name:
Land at Whaddon Lane, Hilperton

Drawing Title:
Site Plan

Project No:	Drawing No:			Revision:
743	001			-
Drawing Status:	Date:	Scale:	Drawn:	Reviewed:
PLANNING	Jan 21	1:1000@A4	sd	sd

Appendix 2 – Building Plan



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Project Name:
Land at Whaddon Lane, Hilperton

Drawing Title:
Site Plan - Key Plan of Building Types and Land Use

Project No:	Drawing No:			Revision:
743	002			-
Drawing Status:	Date:	Scale:	Drawn:	Reviewed:
PLANNING	Jan 21	1:1000@A4	sd	sd