

ASHFORD URBAN CAPACITY STUDY
MARKET VIABILITY ASSESSMENT

Prepared for

Ashford Borough Council

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1. INTRODUCTION AND CONTEXT

Cluttons Chartered Surveyors were appointed as sub-consultant to Halcrow in November 2004 to assess the market viability of 25 sites identified as part of the Ashford Borough Council's Urban Capacity Study.

The degree to which some sites can come forward will also be dependent upon the promotion of wider policy initiatives. These could include positive local plan policies to encourage certain forms of development, alongside reduced planning standards, such as for car parking and amenity space. The ability of public bodies to consider options to assemble sites, such as through use of compulsory purchase, may also be a factor on some sites.

Rather than simply adopt a position where "the developer must find a way", a market assessment can be undertaken to provide a robust test for marginal sites which helps ensure proposed sites have a realistic chance of coming forward. For the purposes of this study, a time horizon extending to beyond 2021+ is taken.

This study involves surveying the identified sites from a market perspective, providing an assessment of each site in terms of its desirability as a residential location from an occupier perspective, and consequently the likely level of interest from local, regional and national housebuilders.

The assessment also helps ascertain the level of constraints that may preclude the site coming forward, which will include abnormal development costs, contamination, ownership and owner's aspirations and the quality of the surrounding area. This exercise is important because it tests planning assumptions on what numbers "urban" sites are likely to deliver.

We include in our report short comments on each site, along with a residential assessment of the residual (GDV)¹ values on a per square foot basis for residential development, which helps provide a guide as to the site's perceived quality for residential use. This assessment is based on gross internal areas; the sum of the internal areas, including utility space, such as private stairwells. We also comment on desirability from an occupier and developer perspective, and advise on the time period in which we think the site will come forward.

For the purposes of this exercise, we have assumed a willing seller. However, if the existing landowner is unwilling, for whatever reason, to contemplate selling for residential development this will represent a major, but not necessarily overriding, constraint. We are similarly unaware of any easements and covenants that may act as constraining factors. A full list of caveats that must be considered with regard to a study such as this is included later in the report.

¹ Gross Development Value; the total estimated sale price once the development is completed.

2. METHODOLOGY

Work undertaken by Halcrow has provided an initial analysis of potential sites, which might be included within the final published urban capacity study. Through further discussion between Halcrow and ourselves a survey sheet was established that was used to assess initial site viability and produce a 'market ranking' of each site between 3 and 12.

The key drivers behind the viability ratings, and consequently the likelihood of a site being developed, are the desirability of the location and the level of any constraints that may exist. These have been reflected in weighted ranking for three separate categories, on a score of between 1 and 4, giving a potential minimum rating of 3 and maximum rating of 12.

This has established a 'top layer' of sites which, on evidence available, suggest will be attractive to occupiers and developers and come forward during the plan period.

Details provided included plans, existing use and surrounding use information, together with a short description for each of the sites.

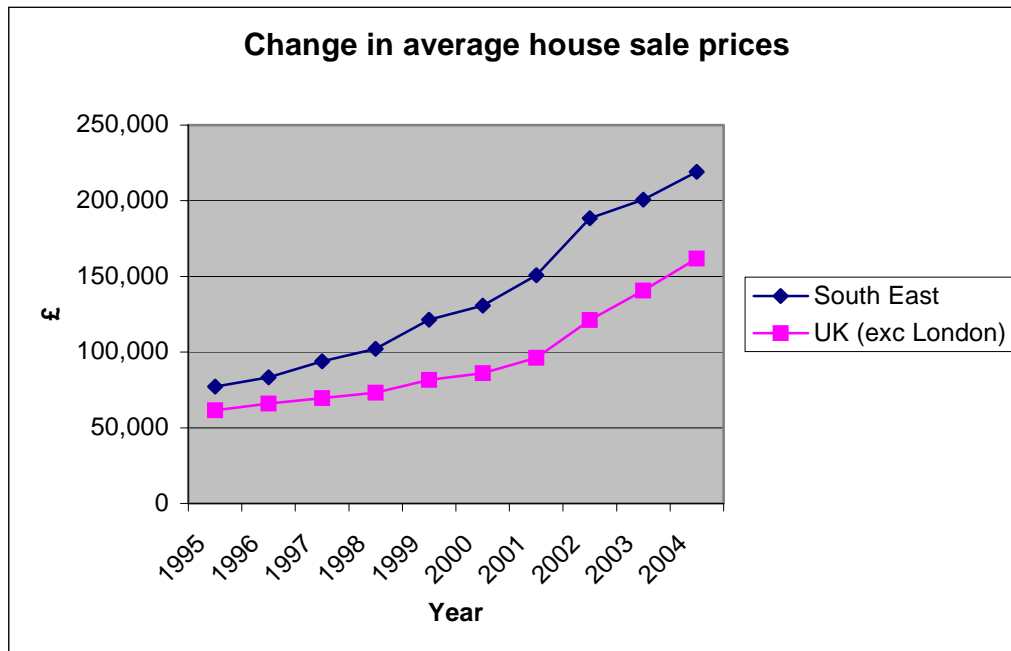
Our role has involved "stepping into the developer's shoes" for these sites and approaching each site as a residential development opportunity. Each site was inspected, comments made on the most appropriate form of development, any potential constraints identified, a range of sales values on a per sq ft basis given (to give an indication of market desirability), and finally an estimation of likely phasing was provided. We have assumed that each site would have the benefit of an allocation for residential or mixed use in the local plan (ie obtaining a change of use is not likely to prove problematic).

There are several constraining factors, and these can either be established in part at site survey stage (eg access/existing use value/abnormal costs ie site levelling) or unknown (ie owner's aspirations, restrictive covenants, contamination). Where we have been able to identify these for each site we have done so, otherwise we have assumed each site is free of these constraints. Soil surveys have not been provided for any of the sites viewed.

It is important to stress that the number of unknown factors, particularly those relating to site conditions, title and owners' aspirations, means that a study of this type can never be an exact science. However, we do have considerable experience in buying and selling land and property, advising on development viability and new build residential research, and we have combined this with the information available to us in our assessment of each site.

3. NATIONAL HOUSING MARKET OVERVIEW

The housing market has clearly recovered from the recession that was experienced throughout the first quarter of the last decade. The graph below shows the movement in the average price of a home in the South East and the United Kingdom as a whole (the UK figures exclude Greater London properties).



Source: Halifax House Price Date 2004

Purchasers who had bought property at the peak of the market in the late 1980's experienced negative equity, where their properties were worth less than the mortgage outstanding on them. This situation was fuelled in part by government policy, which artificially increased demand by setting a date whereby Mortgage Interest Rate Relief (MIRAS) would be abolished (1989). Banks and other lending institutions compounded the situation by relaxing their lending criteria and issuing mortgages over the stricter salary multiplier generally applied today. At the same time, interest rates were artificially high as a result of UK membership of the exchange rate mechanism (ERM).

Negative equity then acted as a brake on prices for the early part of the decade as it inhibited people from moving house. At the same time, however, as earnings began to slowly rise, the ratio of average house prices to average earnings fell, and this established the foundations for the price rises experienced since 1998.

The key factors behind the last recession are not as prominent within the current market cycle, with low inflation, low unemployment and low interest rates providing market stimulus, and banks exercising relatively more caution in lending. In the late 1980s and early 1990s, by comparison with earnings, house prices had risen far higher than they stand today, and overall mortgage repayments remain far lower as a percentage of net income now than they did then.

The world's economy has continued to experience steady growth during 2003 and into 2004, with a continued trend expected for 2005 (OECD, 2004). The Bank of England qualified

this picture by commenting on broader based world economic recovery, characterised by regional variations, Russian Oil Supply problems and Middle East tensions.

Any study looking at the long term must reflect on the long-term, rather than just the short-term view and in respect of the economy and housing ours is broadly positive. The significance of this fairly positive picture is that this survey, undertaken at a period of market strength, will result in more sites being judged likely to come forward, as higher values are more likely to continue to offset any abnormal costs associated with brownfield sites.

As a note of caution, we would point out that it is very difficult for any commentator to consider the position more than 18-24 months ahead. According to the RICS, US economists have reported that economic growth is on track as America looks to reinforce its position as the world's largest economy¹. However changes in stamp duty, increases in affordable housing and building costs, key worker provision, reduction on parking provision and any change in bank lending criteria could all affect the market, and result in sites previously considered viable becoming unviable.

A number of reports are indicating, however, that there has been a long-term decline in the number of properties being developed. The Joseph Rowntree Foundation Report² announced that significant property shortages will exist by 2022 unless the current rate of house building is increased, especially in London and the South. The report continues to state that although these regions contribute 70% of the rising demand for new homes, only 50% of new homes are currently built within the area. This equates in unit numbers to demand for extra homes at some 210,000 units per annum, compared to average supply of just 154,000 units per annum.

The final Barker report published in March 2004 – 'Delivering stability - securing our future housing needs' highlights a housing under-supply, which has further aggravated price rises. This suggests that an extra 240,000 homes per annum would be needed in the future to maintain house prices in real terms, and calculates that the average density of development would need to rise to 69 dwellings per hectare.

Whilst there are important longer term issues if this is the case, such as potential shortages of keyworker accommodation, the short to medium impact of this will be rising house values, and consequently an increase in the number of viable urban sites for residential redevelopment. In view of the significant house price inflation over the past few years, fewer first time buyers can afford to purchase a property and this accentuates the need for more affordable homes, for which there is currently a very poor supply. First time buyers are also thwarted by the current affordable housing quota system based on a percentage of the dwellings constructed. This means that developers will resist constructing small studio and 1 bedroom apartments (which are clearly more 'affordable' on the house purchase market) as fewer larger dwellings on an allocated site would result in a reduced number of affordable homes being required.

Current Government Guidelines of affordable housing quotas being attracted for any development of 15 dwellings or more will impact into land values for smaller sites; as a result of Housing Needs Surveys it is becoming clearer to Local Authorities that they need to increase their quotas in excess of 25% and up to as much as 50% or more; however, on marginal sites, a high quota will tip the balance between viability or otherwise. The impact of an affordable housing quota will particularly affect land values adversely in cheaper housing areas where development is less viable, particularly when the economy suffers from recession.

¹ RICS US Economy back on Track December 2004

² Joseph Rowntree Foundation, Britain's Housing in 2022, HMSO 2002

There is a call for higher density building. Planning Policy Guidance Note 3: Housing (PPG3), published in 2000, offers guidance on how local planning authorities should avoid the inefficient use of land, and encourage housing development which makes more efficient use of land (between 30 and 50 dwellings per hectare).

UK government policy places an emphasis on the reuse of brownfield land as a part of its sustainable development and regeneration agendas, including Sustainable Communities Plan. In addition, the Barker Review, which has highlighted the chronic undersupply of new homes and urged improvements to both the housebuilding industry and the planning system, has also forced the government's policy-makers to further encourage the exploitation of brownfield sites.

There has also been an increase in the amount of private money invested in properties for rent, as investors begin to favour this sector rather than other traditional investment vehicles including shares and bonds, and rental properties are now seen as an alternative to a traditional pension. This has increased property demand, and this, combined with the shortfall in unit numbers, has in turn pushed up prices, increasing site viability. Current contemporary studies, such as the RICS Residential Housing Survey³ reflect this.

The RICS Housing Market Survey 2004⁴ reports that house prices have continued to rise firmly into 2004. New buyer enquiries rose firmly in January at the quickest pace since September 2003 and despite widespread speculation that interest rates are set to rise further in the months ahead, a more positive economic outlook has underpinned demand conditions.

However, more recent reports are stating that the residential market appears to be slowing with a decrease in house growth expected, although at this stage a crash in the market is unexpected⁵. House prices continued to rise into the third quarter (2004) though at the slowest pace recorded since late 2001. A more recent RICS survey of the housing market reports that house prices continue to fall nationwide⁶.

Despite continued speculation over further falls, there is little evidence of panic selling. Encouraging signals from London report a levelling off in prices. Traditionally this market is a reliable indicator for emerging national trends and may be an early signal that declines are coming to an end. According to the most recent RICS survey, the price of average UK property is forecast to rise just 3% in 2005⁷. Developers, unaided by price inflation, are already requiring higher profit margins to reflect the increased costs of developments and they will be wary of more marginal schemes.

³ RICS, Residential Housing Survey March 2002

⁴ RICS, Housing Market Survey England and Wales January 2004

⁵ Kent Property Market *The annual guide to investment & development in Kent 2004*

⁶ RICS, Housing Market Survey October 2004

⁷ RICS, Housing Market Survey December 2004

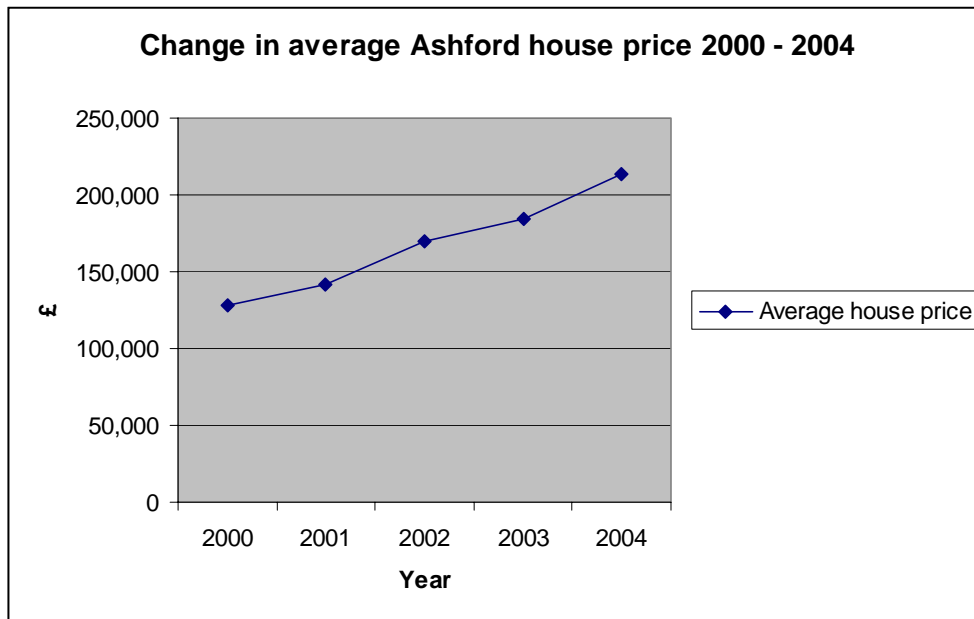
4. ASHFORD MARKET OVERVIEW – RESIDENTIAL USE

The Ashford residential market has experienced rapid growth in recent years with many national developers currently building throughout the borough.

Ashford plays a crucial role in the development of the South East, a major potential growth area enhanced by its prime position between London and Europe's capitals and business centres. The town has already seen substantial growth in jobs and homes brought about by much improved infrastructure. Ashford is also home to a large combined cinema and leisure complex along with a discount designer outlet centre.

The Regional Planning Guidance for the South East (RPG9) has identified Ashford as a growth area stating that between 2001 and 2031 the town can accommodate an additional 31,000 homes along with creating a balanced mixed-use sustainable community¹.

Key factors contributing to the growth include Ashford's close proximity to the M20 which offers a good motorway link to South East London and the M25. Moreover Ashford boasts the International Rail Station and is convenient for the Channel Tunnel vehicular link, together with the Channel Ports. Currently there is a regular service to London in approximately 75 minutes, but this will be substantially reduced on the introduction of the newly commissioned 'bullet train' to run along the Channel Tunnel Link calling at Ebbsfleet and stations in London, with a journey time estimated to be around 40 minutes.



Source: HM Land Registry 2004

The overall average price of a house in Ashford rose by 66% as the graph above displays although with fluctuations in 2003.

From our initial survey work, undertaken across all parts of the town, there is significant evidence of major new high density schemes being developed, such as those by Westbury

¹ Housing Strategy 2003, Ashford Borough Council.

Homes and George Wimpey (Repton Park), Redrow and Bryant Homes (De Montfort Park), Fairview (Greenacres) and Wards Homes (Chartfields).

Most current development sites were highlighted for residential use in the Ashford Borough Local Plan (June 2003) to help meet the Structure Plan requirements. These sites include both a mix of 'greenfield' (Park Farm, Cheesman's Green, Godington Park, Bushy Royds) and 'brownfield' sites (Former Barracks Land, Ashford Hospital, Ashford Power Station) although where available the government would prefer the latter.

Large-scale redevelopment is currently taking place with further development proposed as part of the Ashford Barracks Master Plan scheme, located on the west side of the town. Development of the north-eastern section of the Ashford Barracks has already commenced by Westbury Homes and George Wimpey. Park Farm East and South is to be expanded by Persimmon and Taylor Woodrow.

However in the future some national developers may be reluctant to purchase development sites in the borough due to concerns of a saturated market, an oversupply of apartments, together with nervousness about Section 106 contributions. Currently values are relatively low in Ashford with residual prices reflecting, in many cases, below £200 psf, some 20% – 30% below residual prices in West Kent and Maidstone. We have provided a list of current new build residential schemes and asking prices within Ashford overleaf.

The lower values can be explained by supply being more balanced with demand – the Barker Review highlighted the economics of undersupply leading to house price inflation. However, there is still a viable profit margin for developers, but with the potential rise in building and other costs and a settled house price regime, margins may eventually become less viable.

Increasing congestion on the M20 (previously a good communication link with London and the M25) and the potential increase in rail fares once the Hitachi train is in service, may mitigate against increased demand so that demand will almost certainly have to be driven by increased employment opportunities in or around Ashford itself.

We do have concerns about the quality of environment in certain of the residential areas and the design of new housing generally, particularly in regard to high density apartment schemes. Much of the housing in and around Ashford is traditional but not high calibre. Studies have been carried out with regard to Ashford town centre, to reduce the impact of the stranglehold of the inner ring road, and master plans are also being produced for the future growth of the town generally. Whilst the town offers relatively good links to London and the Continent, environmental improvements and a higher standard of design will be fundamental to the future success of Ashford's growth, together with sustaining viable residential development with adequate profit margins.

NEW HOME COMPARABLES

The comparables listed below shows the resale values of various schemes recently developed in Ashford Borough. We have given broad resale figures for each site to reflect its relative desirability; essentially, the higher the resale value, the more sought after the site by occupiers, and consequently by developers.

Plot Name	Project Name	Address	Developer	Asking Price	Sqft	£/sqft	Beds	Recs	Parking	Plots	Date
The Kenwood	Chestnut Walk	Lodgewood	Abbey New Homes	£245,995	1300	£189.23	4	2	1	200	May-04
The Chatsworth	Chestnut Walk	Lodgewood	Abbey New Homes	£274,995	1565	£175.72	4	2	1	200	May-04
The Framlington	Chestnut Walk	Lodgewood	Abbey New Homes	£299,995	1806	£166.11	5	2	1	200	May-04
5 The Gibbs ET	Stourbrook	Little Burton	Bellway Homes	£180,000	885	£203.39	3	1	Sp		Nov-04
2 MT The Goddard	Stourbrook	Little Burton	Bellway Homes	£217,000	1448	£149.86	4	2	1		Nov-04
16 ET The Morse	Stourbrook	Little Burton	Bellway Homes	£169,000	733	£230.56	3	2	2 Sp		Nov-04
1 ET The Beaufort	Stourbrook	Little Burton	Bellway Homes	£199,000	1003	£198.40	3	1	Sp		Nov-04
Marwell	De Montfort Park		Bloor Homes (Southern)	£167,000	865	£193.06	3	2			May-04
Quale	De Montfort Park		Bloor Homes (Southern)	£194,000	1160	£167.24	3	2			May-04
198 The Alexander	Chestnut Grove	Godinton Park	Bovis Homes	£249,950	1100	£227.23	4	2	1		Nov-04
194 The Melville	Chestnut Grove	Godinton Park	Bovis Homes	£299,950	1660	£180.69	5	2	1		Nov-04
197 The Melville	Chestnut Grove	Godinton Park	Bovis Homes	£296,950	1660	£178.89	5	2	2		Nov-04
183 The Howard	Chestnut Grove	Godinton Park	Bovis Homes	£374,950	2200	£170.43	5	3	2		Nov-04
Clifton Ter	De Montfort Park	Singleton Hill	Bryant Homes	£227,000	1268	£179.02	4				Jan-05
Fairfield DH	De Montfort Park	Singleton Hill	Bryant Homes	£295,000	1772	£166.48	4				Jan-05
Fairfield Det	De Montfort Park	Singleton Hill	Bryant Homes	£290,000	2010	£144.28	4	2/3			Jan-05
108 Thornton TH	Silverdale	Kennington	Bryant Homes	£184,000	1150	£160.00	3		1		Feb-05
114 Rockley	Silverdale	Kennington	Bryant Homes	£170,000	825	£206.06	3		1		Feb-05
119 Thornton TH	Silverdale	Kennington	Bryant Homes	£182,500	1190	£153.36	3		Sp 1		Feb-05
126 Rockley	Silverdale	Kennington	Bryant Homes	£170,000	825	£206.06	3		1 Sp		Feb-05
Ter TH	The Croft	Sellinge	Bryant Homes	£180,000	1075	£167.44	3		2 Sp	27	Feb-05
Plot 14 Ter TH	The Croft	Sellinge	Bryant Homes	£212,000	1375	£154.18	4		1 & Sp	27	Feb-05
Darftord ET	Greenacres	Bushy Royds	Fairview	£190,000	970	£195.88					Nov-03
Connaught B	Greenacres	Bushy Royds	Fairview	£240,000	1511	£158.84					Nov-04
Kensington ET	Greenacres	Bushy Royds	Fairview	£270,000	1742	£154.99					Nov-04

Normandy ET	Greenacres	Bushy Royds	Fairview	£280,000	1846	£151.68					Nov-04
Hampstead Gr FI Apt	Greenacres	Bushy Royds	Fairview	£148,000	650	£227.69					Nov-04
Hampstead 1st FI Apt	Greenacres	Bushy Royds	Fairview	£150,000	650	£230.77					Nov-04
Hampstead 2nd FI Apt	Greenacres	Bushy Royds	Fairview	£152,000	650	£233.85					Nov-04
Uxbridge Apt	Greenacres	Bushy Royds	Fairview	£143,000	573	£249.56					Nov-04
Harwell Gr FI Apt	Greenacres	Bushy Royds	Fairview	£130,000	559	£232.56	2				Nov-04
Harwell 1st FI Apt	Greenacres	Bushy Royds	Fairview	£132,000	559	£236.14	2				Nov-04
34 Gr FI Apt	Repton Park	Maidstone Road	George Wimpey	£127,500	550	£231.82	1				Nov-04
19 Felbridge Apt	Repton Park	Maidstone Road	George Wimpey	£155,000	658	£235.56	2		1		Nov-04
18 Felbridge Apt	Repton Park	Maidstone Road	George Wimpey	£156,500	702	£222.93	2		1		Nov-04
25 Greenford Plus TH	Repton Park	Maidstone Road	George Wimpey	£249,995	1568	£159.44	3	3	1		Nov-04
26 The Greenford TH	Repton Park	Maidstone Road	George Wimpey	£199,995	1138	£175.74	3	3	1		Nov-04
22 Jarvis TH	Repton Park	Maidstone Road	George Wimpey	£199,995	1080	£185.18	3	1	1		Nov-04
6 Gr FI Apt	Repton Park	Maidstone Road	George Wimpey	£142,500	658	£216.57	2				Nov-04
1 Wye DT Hs	Chart Court	Kingsnorth	Jarvis Homes	£329,000	1693	£194.33	4	3	Det 1		Nov-04
2 Pluckey SD Hs	Chart Court	Kingsnorth	Jarvis Homes	£279,000	1466	£190.31	4	2	1		Nov-04
5 Wye DT Hs	Chart Court	Kingsnorth	Jarvis Homes	£345,000	1693	£203.78	4	3	Att 1		Nov-04
12 Chilham DT Hs	Chart Court	Kingsnorth	Jarvis Homes	£309,000	1514	£204.10	5	2	Int 1		Nov-04
17 Smarden DT Hs	Chart Court	Kingsnorth	Jarvis Homes	£249,000	1203	£206.98	4	1	Int 1		Nov-04
3 Pluckley SD Hs	Chart Court	Kingsnorth	Jarvis Homes	£279,000	1416	£197.03	4	2	1	33	Dec-04
4 Wye DT Hs	Chart Court	Kingsnorth	Jarvis Homes	£339,000	1693	£200.24	4	3	1	33	Dec-04
6 Pluckley DT Hs	Chart Court	Kingsnorth	Jarvis Homes	£299,000	1416	£211.16	4	1	1	33	Dec-04
18 Smarden SD Hs	Chart Court	Kingsnorth	Jarvis Homes	£249,000	1203	£206.98	4	1	1	33	Dec-04
7 Pluckley DT Hs	Chart Court	Kingsnorth	Jarvis Homes	£309,000	1416	£218.22	4	1	Int 1		Jan-05
14 Chilham LDT Hs	Chart Court	Kingsnorth	Jarvis Homes	£299,000	1514	£197.49	5	2	Int 1		Jan-05
15 Chilham LDT Hs	Chart Court	Kingsnorth	Jarvis Homes	£309,000	1514	£204.10	5	2	1	33	Jan-05
16 Chilham LDT Hs	Chart Court	Kingsnorth	Jarvis Homes	£309,000	1514	£204.10	5	2	1	33	Jan-05
109 Wittington	De Montfort Park	Singleton Hill	Redrow	£287,950	1716	£167.80	5	2	Double		Nov-04
124 Ludlow	De Montfort Park	Singleton Hill	Redrow	£159,000	738	£215.45	3	1	1		Nov-04
125 Kendrick	De Montfort Park	Singleton Hill	Redrow	£225,000	1453	£154.85	4	2	1		Nov-04
127 Ludlow	De Montfort Park	Singleton Hill	Redrow	£155,000	738	£210.03	3	1	2 Sp		Nov-04

141 Caldwell	De Montfort Park	Singleton Hill	Redrow	£169,000	865	£195.38	3	1	1		Nov-04
134 Jordan Apt	De Montfort Park	Singleton Hill	Redrow	£128,950	567	£227.43	2	1	Sp		Nov-04
155 Lingham	Chartfields IV	Kingsnorth	Ward Homes	£270,000	1361	£198.38	4	2/3	1	282	May-04
168 Grovehurst	Chartfields IV	Kingsnorth	Ward Homes	£294,000	992	£296.37	3	2	1	282	May-04
169 Grovehurst	Chartfields IV	Kingsnorth	Ward Homes	£294,000	992	£296.37	3	2	1	282	May-04
176 Petham	Chartfields IV	Kingsnorth	Ward Homes	£184,950	859	£215.31	3	2	1	282	May-04
188 Wichling	Chartfields IV	Kingsnorth	Ward Homes	£265,000	1478	£179.30	4	2	1	282	May-04
189 Hadlow	Chartfields IV	Kingsnorth	Ward Homes	£260,000	1269	£204.89	4	2	1	282	May-04
193 Petham	Chartfields IV	Kingsnorth	Ward Homes	£188,500	859	£219.44	3	2	1	282	May-04
194 Petham	Chartfields IV	Kingsnorth	Ward Homes	£189,500	859	£220.61	3	2	1	282	May-04
195 Hadlow	Chartfields IV	Kingsnorth	Ward Homes	£257,500	1269	£202.92	4	2	1	282	May-04
197 Wichling	Chartfields IV	Kingsnorth	Ward Homes	£279,000	1478	£188.77	4	2	1	282	May-04
198 Grovehurst	Chartfields IV	Kingsnorth	Ward Homes	£198,000	992	£199.60	3	2	1	282	May-04
199 Grovehurst	Chartfields IV	Kingsnorth	Ward Homes	£198,000	992	£199.60	3	2	1	282	May-04
200 Lingham	Chartfields IV	Kingsnorth	Ward Homes	£265,000	1361	£194.71	4	2/3	1	282	May-04
219 Petham	Chartfields IV	Kingsnorth	Ward Homes	£189,950	859	£221.13	3	2		282	May-04
341 Gr FI Apt	Chartfields VII	Kingsnorth	Ward Homes	£147,500	636	£231.92	2	1	Sp		Nov-04
342 Gr FI Apt	Chartfields VII	Kingsnorth	Ward Homes	£150,000	657	£228.31	2	1	Sp		Nov-04
343 Gr FI Apt	Chartfields VII	Kingsnorth	Ward Homes	£148,500	643	£230.95	2	1	Sp		Nov-04
344 1st FI Apt	Chartfields VII	Kingsnorth	Ward Homes	£150,000	636	£235.85	2	1	Sp		Nov-04
345 1sr FI Apt	Chartfields VII	Kingsnorth	Ward Homes	£152,500	657	£232.12	2	1	Sp		Nov-04
346 1st FI Apt	Chartfields VII	Kingsnorth	Ward Homes	£151,000	643	£234.84	2	1	Sp		Nov-04
347 2nd FI Apt	Chartfields VII	Kingsnorth	Ward Homes	£152,500	636	£239.78	2	1	Sp		Nov-04
348 2nd FI Apt	Chartfields VII	Kingsnorth	Ward Homes	£150,000	657	£228.31	2	1	Sp		Nov-04
349 2nd FI Apt	Chartfields VII	Kingsnorth	Ward Homes	£153,000	643	£237.95	2	1	Sp		Nov-04
351 SD Fordwich	Chartfields VII	Kingsnorth	Ward Homes	£175,000	735	£238.10	3	1	1		Nov-04
352 SD Throwley	Chartfields VII	Kingsnorth	Ward Homes	£222,000	1147	£193.55	4	2	1		Nov-04
354 Linked Borden	Chartfields VII	Kingsnorth	Ward Homes	£215,000	1082	£198.71	4	1	1		Nov-04
355 TH Ospringe	Chartfields VII	Kingsnorth	Ward Homes	£230,000	1293	£177.88	4	2	1		Nov-04
Apt	Eiderfields	Kennington	Ward Homes	£125,000	631	£198.10	2		1		Feb-05
Apt	Eiderfields	Kennington	Ward Homes	£125,000	658	£189.97	2		1		Feb-05

Plot 82 TH	Eiderfields	Kennington	Ward Homes	£189,950	1133	£167.65	3		2		Feb-05
The Horseshoe	Repton Park	Maidstone Road	Westbury Homes	£300,000	1442	£208.04	4	2	1	1200	May-04
83 The Richmond Apt	Repton Park	Maidstone Road	Westbury Homes	£180,000	758	£237.47	2	1	1	1200	Nov-04
TH The Leicester	Repton Park	Maidstone Road	Westbury Homes	£220,000	1119	£196.60	3	2	1	1200	Nov-04
73 TH The Chester	Repton Park	Maidstone Road	Westbury Homes	£250,000	1221	£204.75	3	2	1	1200	Nov-04
The Chichester	Repton Park	Maidstone Road	Westbury Homes	£260,000	1335	£194.76	4	2	1	1200	Nov-04
The Forge	Repton Park	Maidstone Road	Westbury Homes	£345,000	1770	£194.92	4	2	1	1200	Nov-04
The Bicester	Repton Park	Maidstone Road	Westbury Homes	£365,000	1985	£183.88	5	1	1	1200	Nov-04
The Belgravia	Repton Park	Maidstone Road	Westbury Homes	£385,000	2053	£187.53	5	2	1	1200	Nov-04
The Aspen Apt	Repton Park	Maidstone Road	Westbury Homes	£120,000	541	£221.81	1			1200	Nov-04
The Aspen Apt	Repton Park	Maidstone Road	Westbury Homes	£140,000	668	£209.58	2			1200	Nov-04
42 Darenth	Repton Park	Maidstone Road	Westbury Homes	£230,000	1194	£192.63	1			1200	Nov-04
75 TH Denbigh	Repton Park	Maidstone Road	Westbury Homes	£250,000	1221	£204.75	3	2		1200	Nov-04

The £/sq ft figure is used by developers to enable them to calculate approximate resale figures for units built within a scheme, and therefore helps establish the gross development value, which is crucial in establishing site value. The £/sq ft figure is based on the net internal area (the sum of all the living space areas) and this, multiplied by the total area of the proposed unit, will give the resale value (ie a flat of 750 sq ft multiplied by a £/sq ft of £200 would give a unit resale value of £150,000). The £/sq ft figure is also an indicator of occupier demand for a particular area.

Typically, floor areas for various unit types are as follows:-

Beds	Size sq ft	Size sq m
Studio	350	32.53
1 bed flat	465	43.22
2 bed flat	585	54.37
2 bed terrace	685	63.66
3 bed semi	765	71.10
3 bed det	925	85.97
4 bed det	1250	116.17
5 bed det	1780	165.43

5. ASHFORD MARKET OVERVIEW – COMMERCIAL USE

5.1 Industrial Market

Ashford provides for some older style industrial premises on the outskirts of the town centre, with newer manufacturing and distribution premises found on the business parks. Some of the older estates, such as Godinton Estate and Kingsnorth Industrial Estate provide for basic buildings with low eaves height, which are unsuitable for the majority of occupiers but which provide for a cheap accommodation. The Henwood Estate provides for a number of larger 1960/1970's warehouse units, with 1980's development found at Ellingham Industrial Centre and on Leacon Road. The Cobbs Wood Industrial Estate is the largest estate serving the town, providing for a mix of industrial premises.

The industrial and distribution sector continues to be the most active sector throughout the town. Demand for older style accommodation is patchy, but the backdrop for industrial development is sound. Although still dominated by purchases by owner occupiers, the number of speculative developments has begun to increase, such as that found on the Fairview Industrial Estate. As an alternative, the Heron Business Centre on the Henwood Estate has witnessed the division and total refurbishment of an exiting warehouse to provide for a terrace of smaller industrial units. With continuing demand for small freehold units, further development of multi-unit schemes is planned in the town.

The majority of speculative development is aimed at local and regional occupiers requiring space of less than 10,000 sq ft, with little development having occurred in recent years for the larger distribution occupiers. The greatest demand is for units of less than 5,000 sqft, with the speculative development led by local investors/developers. Demand for larger manufacturing and distribution premises (25,000 sqft plus) is led by owner occupiers who have acquired land on the business parks to facilitate expansion or consolidation.

Both rental and capital values have seen an increase over the last 3 to 4 years. Although agents suggest that tenant demand has fallen away slightly during 2004, new, smaller industrial units achieve up to £6.50 per sq ft. Secondary, older stock achieves £4.00-£5.25 per sqft depending on condition and eaves height. Demand for freehold premises is strong underpinned by the low cost of borrowing, the poor performance of the stock market and the ability to place commercial property into self administered pension funds. Freehold values for modern stock achieve between £65 to £85 per sqft, depending on size. Fully refurbished units can also achieve up to £75 per sqft.

Industrial development is now a viable option at current rental and capital values. Within areas such as Kingsnorth Industrial Estate, and the Henwood Estate where there are a number of vacant, poorer quality secondary space on the market, these rental and capital levels, will encourage a certain amount of refurbishment. Land values of bare sites for existing employment use, range from approximately £250,000 to £300,000 per acre, depending on location, services and infrastructure provided.

To date there has been limited provision of start up business units in the town of under 1500 sqft. Other locations such as Sittingbourne and Folkestone have witnessed such development which has been successful with high occupancy levels. Such schemes generally require good accessibility and parking provision, and prominence, but are unable to compete on land prices with owner occupiers, or industrial developments. Some form of public intervention has therefore generally been required to encourage such development forward.

5.2 Office Market

Although there was development of office space in the 1970's and early 1980's, Ashford, in keeping with the majority of East Kent, has suffered from a lack of investment in land and premises since the property recession of the early 1990's, as investor confidence diminished and which has been slow to return.

Ashford remains a small office centre, with much of the town centre offices comprising converted period buildings, occupied by the public sector and professional sector including accountants, solicitors and engineers. The financial and IT sectors are not significantly represented within the town.

An audit of property supply in the town indicates a shortage of modern premises and an oversupply of secondary, poorer quality space that command a low rent and which fall short of current occupier expectations. Speculative development has been limited to a single scheme of moderate size on Orbital Park.

The Ashford economy has recovered strongly since the early 1990's, reflecting a national trend, with year on year increases in GDP and a steady fall in unemployment. However this recovery has not been mirrored by an increase in the supply of available business space. Some premises such as International House have undergone refurbishment, but the majority of business space take up has been piecemeal, by local companies with operational expansion requirements. The strongest demand for offices is generated by the public and professional sectors requiring space of 5,000 sqft or less.

Ashford has not benefited from speculative development because institutional investors, which often drive speculative development through forward funding, are interested in two key factors: that the property will attract rents to cover cost and provide for rental growth; and that it will relet rapidly to a strong covenant at this rent in the event of a void. These factors are influenced, amongst others, by location and staffing. Whilst Ashford is perceived to benefit from good transport links and a growing population, rents remain modest, with prime rents only achieving £16 per sqft. This level is insufficient to trigger the development of market driven speculative schemes, which need to be in the region of £18.50 to £20 per sqft.

In the case of other existing buildings around the town centre, the lack of car parking provision has a detrimental impact upon the rental value which in turn prohibits the refurbishment of such premises to a high standard. Late 1970's and refurbished space can command rents of £11 to £15 per sqft, while older style period buildings attract between £7.50 to £10 per sqft.

Ashford has two out of town office locations in the form of Eureka and Orbital Park. Take up on both business parks has been led by locally established companies forced to acquire land in order to satisfy latent expansion requirements. However land prices in the area continue to stifle further owner occupation, especially by smaller firms.

5.3 Retail Sector

Ashford town centre is relatively compact restricted to some degree by the ring road. The majority of retail space is provided within the two managed shopping centres, County Square and Park Mall which were built in the mid 1970's and mid 1980's respectively. Other retail provision can be found out of town, primarily at Warren Park, Ashford Business Park and McArther Glen.

The town centre provides for a reasonable mix of mainstream retailers with small Co-Op and Littlewoods department stores. However there has been very limited representation of "higher value" retailers such as Laura Ashley, Habitat, House of Fraser etc. Overall Ashford is considered to have a slightly weaker retail provision than might be expected for a town of its size. This has historically led to a slow turnover in retail premises, with few units left vacant for very long. This in turn has upheld rental values, which although have not experienced any real growth over the last 10 years, have remained steady compared to other retail centres in Kent.

Demand peaked in 2002, but has gradually fallen since with 27 reported requirements for the town in January 2005. However considering supply, this level of demand is reasonable generally led by fashion retailers and A3 uses.

Rental values experienced a increase in 2004 to a peak of £75 per sqft zone A. Away from the prime retail areas, rental values fall away significantly to approximately £24 per sqft zone A at the end of the High Street, and £35 per sqft zone A in Bank Street.

With the increasing number of residential properties in Ashford, the catchment population, according the National Statistics, has increased at an above average rate, with a further rise of 1% expected to 2008. The population is considered to be moderately affluent and it is recognised that the town centre provision must be improved. Subsequently the development of the County Square extension is imminent with Debenhams secured as the anchor tenant.

Neighbourhood shopping parades provide for local retailer and convenience stores, attracting rents in the region of £15 to £20 per sqft zone A. Take up on such parades remains marginal and with low rental values, such schemes are unlikely to be developed in isolation but as part of a significant mixed use scheme.

Retail warehouse provision has grown in Ashford over the last 10 years with a fairly good mix including DIY and furniture stores in particular. Demand appears to continue as demonstrated by the refurbishment and new provision of retail space on the Ashford Business Park. However demand is hampered by the lack of suitable premises available to let. The availability of suitable development land is also restricted in part by planning policy. It is felt that a small amount of continued development is required to meet demand.

The retail warehouse sector has continued to perform well and is therefore of interest to investors and developers. Successful continued development should be encouraged through sensible land values.

INDIVIDUAL SITE SURVEYS

In this section we present the site analysis for each of the 25 surveyed. The sites were inspected and judged by their immediate and wider contexts. Below is a brief description of the categories used:

Site address:

General address / sites can be more easily identifiable on plans provided.

Brief comments on site:

Description of site particularly its current usage and its location within its immediate context.

Constraints:

A developer's view of possible constraints to future development.

Occupier perspective:

This identifies potential occupiers who will be interested in the identified location

Developer perspective:

This identifies the size of type of developers who are perceived capable of developing the specific development.

Value range:

This gives a general indication of the dwelling value after development using pounds per sq ft. This is calculated using the estimated sale price of the individual units divided by the gross internal area of those units. Comparables from new build schemes in the area are used to assist with these calculations.

Likely Phasing:

This takes into account the issues that will need to be addressed before the specific development is considered deliverable. We have used the following phasing periods: 2005 to 2011, 2011 to 2016, 2016 to 2021 and 2021+.

Development form:

Most likely type of development and where possible.

6.1 SITE NUMBER AU029

Site address:	Burton Farm Allotment site, Nettlefield
Brief comments on site:	This level site is currently used as allotment gardens. Difficult access via a long track of Nettlefield road. Track runs parallel to neighbouring gardens. Site adjacent to former Council house estate, which is now probably mostly privately owned.
Constraints:	May need to acquire No 2 Dudley Road and some further adjacent gardens for access and possibly reconfiguring road junction. Many of the allotments look well tended and some local resistance could be anticipated. Not insurmountable.
Occupier perspective:	Fairly good, would appeal to families, couples and singles
Developer perspective:	Reasonable, would suit medium sized local developer / national developer
Value range:	£180 - 195 psf
Likely phasing:	2011 - 2016
Development form:	Mainly 2 storey, possibly some single storey. Would lend itself for development in conjunction with Randolph Gardens developing the centre section and demolishing bungalows and redeveloping to a much higher density, including some of the open space area.

6.2 SITE NUMBER AU032

Site address:	Land corner of Trinity Road and Hurst Road
Brief comments on site:	Flanks a major residential area. The site is partly developed by Bryant Homes (Silverdale scheme). Slight undulations, some fairly recently planted trees, tree coppice belt with screening from future industrial development.
Constraints:	Loss of tree belt.
Occupier perspective:	Good, would suit families and couples
Developer perspective:	Good demand, mainly from national developers
Value range:	£185 – 210 psf
Likely phasing:	2005 - 2011
Development form:	2 storey dwellings to reduce impact on countryside. New residential development would need further coppice along south west boundary.

6.3 SITE NUMBER AU045

Site address:	A20 Maidstone Road
Brief comments on site:	Generally level site, sunk below two main access dual carriageways leading into Ashford by a roundabout. High profile western side of Ashford. George Wimpey / Westbury scheme (Repton Park) opposite.
Constraints:	Noise attenuation measures will be required. Narrow access road. Pollution from heavy traffic.
Occupier perspective:	Fairly good, would suit families, couples and singles. Concerns on traffic.
Developer perspective:	Fairly good demand, probably from national developer – high profile site
Value range:	£180 – 210 psf
Likely phasing:	2005 - 2011
Development form:	Would suit 3 storey townhouses and some apartments. Possible best accessed off Warren Lane or Sovereign Avenue, a country lane leading to a country park area.

6.4 SITE NUMBER AU046

Site address:	Godinton Way Industrial Estate
Brief comments on site:	Owners are understood to be considering residential redevelopment. Site mainly consists of single storey brick block and profile sheet industrial units. Broken concrete approach roads. Some slightly newer units to the eastern corner of the site. This site must be integrated with adjacent site at northern end (AU047). Good industrial buildings with brick skirting, profile sheet upper elevations to the west. Beyond is Godinton Road and derelict land adjacent to the railway probably owned by CTRL. Outlook from opposite side of the railway across to the industrial estate is unsightly. Northern boundary backs onto terraced housing which need access for parking/garages. Close proximity to town centre.
Constraints:	Possibly some contamination issues. Railway and ring road noise. Current use value together with cost of site clearance. Tenancies.
Occupier perspective:	Fairly good, would suit families, couples, singles and elderly persons.
Developer perspective:	Fairly good, national developer may be concerned as to high quantity of apartments.
Value range:	£165 - £185 psf
Likely phasing:	2005 - 2011
Development form:	2 / 2½ storey houses and apartments. Blocks up to 5 storeys where they do not overlook existing terraced housing.

6.5 SITE NUMBER AU047

Site address:	Adjacent 83/84 Godinton Road
Brief comments on site:	On the corner of Gas Works Lane and Godinton Road. Currently occupied by second hand car sales garage, which has a single storey corrugated iron clad workshop, which is dated. Adjacent is the Ashford Fabric Warehouse, which occupies a three storey building with basement storage dating from 1950's/60's. Above is an American pool theme bar in upper storeys but the building is unsightly and beyond its useful life. Adjacent is Enterprise Rentacar occupying a former petrol station. Beyond is a pair of semi detached houses which then leads to Godinton Way industrial estate.
Constraints:	Contamination. Situated on a busy ring road. Fragmented ownership/occupancies subject to leases. Existing use value.
Occupier perspective:	Fairly good, would suit couples, singles and elderly persons.
Developer perspective:	Fairly good prospects. As an isolated site - medium local developer. If incorporated with adjacent site (AU046) - National developer.
Value range:	£165 - £185 psf.
Likely phasing:	2005 – 2011
Development form:	Would suit 2 – 5 storey units of mainly apartments. High density, due to close location to town centre.

6.6 SITE NUMBER AU049

Site address:	Land north of St Teresa's RC Primary School, Quantock Drive
Brief comments on site:	Approached by a narrow tarmac driveway off Quantock Drive. Allotment gardens are in good condition with probably two thirds used. Slight slope from west to east, flanked by 'Simone Weil' Avenue, with a good tree belt in between. Flanked by a recreation area to the east belonging to the St Teresa's RC Primary School. 1970s housing to the south east.
Constraints:	Noise, would require attenuation measures. Narrow access would require neighbouring land/houses acquisition.
Occupier perspective:	Good, would suit families, couples and singles
Developer perspective:	Reasonable prospects. Large local developer / National developer
Value range:	£185 – 205 psf
Likely phasing:	2011 – 2016
Development form:	Would suit 2 - 2½ storey housing and some apartments. Could improve access by obtaining section of the neighbouring grounds to widen the existing access road, or by acquiring 2 semi-detached houses (No 21 & 23) in neighbouring Mendip.

6.7 SITE NUMBER AU054

Site address:	Land rear of 2-60 William Road
Brief comments on site:	Attractive, level, underused allotment area. There is a retained strip of land adjacent to the west of the existing access. Probable need for visibility splay. Reasonably pleasant Edwardian villa type houses on approach.
Constraints:	Existing narrow access. Vacant land adjacent needs to be included. Visibility splays may require further acquisition.
Occupier perspective:	Good, would suit families and couples.
Developer perspective:	Good, would suit medium sized local developer / national developer
Value range:	£190 - 210 psf
Likely phasing:	2005 - 2011
Development form:	2 and 2½ storey housing. Adjacent allotment gardens to the west adjacent and garage compound could be amalgamated with the site providing blocks of new garaging with flats above.

6.8 SITE NUMBER AU056

Site address:	Land rear of 1-49 Bond Road and rear 12-21 Grantley Close
Brief comments on site:	Level underused allotment site. Reasonable potential access in front of The Beaver PH but may need junction improvement. A few mature trees on the periphery of the site.
Constraints:	TPOs. Land for access in front of surgery.
Occupier perspective:	Good, would suit families, couple and singles
Developer perspective:	Fairly good, Large local developer / national developer
Value range:	£175 – 195psf
Likely phasing:	2005 - 2011
Development form:	2 / 2 ½ storey houses. Some apartments.

6.9 SITE NUMBER AU058

Site address:	Land adjacent to South Kent College, Jemmett Road
Brief comments on site:	Generally level site with two mature trees worth preserving. The site is neglected and overgrown. Flanked by road leading to Ashford South Community Primary School which consists of mainly portacabin type buildings with a 1930s main building clearly with potential for redevelopment, possibly in conjunction with adjacent site. Development should incorporate better access to Primary School, particularly if redeveloped. Council houses on approach, although road improves with private detached and semi-detached houses. Concrete post and wire mesh fencing surrounds the site. It includes student car park, which is obviously well used and recently tarmaced.
Constraints:	Includes car park, which may need to be retained for college.
Occupier perspective:	Good, mainly families and couples.
Developer perspective:	Good prospects, national developer
Value range:	£185 – 200 psf.
Likely phasing:	2005 - 2011
Development form:	Would suit traditional 2/2½ storey housing.

6.10 SITE NUMBER AU069

Site address:	Land rear of 74-96 Kingsnorth Road
Brief comments on site:	Forming rear gardens, adjoining allotments, which appear to be quite well used although development should ideally incorporate allotments. Attractive approach lane, via a one way system through former Council Estate. Picturesque Beaver Cottage adjacent. Development site opposite by London Quadrant Housing Trust.
Constraints:	Difficulty of amalgamating land ownerships and will detract from existing houses to the rear. Diminution in values may outweigh development value.
Occupier perspective:	Reasonably good, would suit families and couples
Developer perspective:	Poor, difficult site to develop, small / medium sized local developer
Value range:	£180 - 195 psf.
Likely phasing:	2016 – 2021
Development form:	2 storey housing. If adjacent site developed, this may bring forward one or two plots earlier.

6.11 SITE NUMBER AU074

Site address:	Land to the South of The North School, Essella Road
Brief comments on site:	Site next door to the North School off Essella Road. North School is part of PFI exercise. Tarmac road leading to Mowlem UKFL Training Centre. North School is anxious to redevelop part of the grounds to sustain redevelopment of school and would wish to work in with this site. Also close to channel tunnel link. Some land appears to be made up. Access will still be required for the railway contractors. The western end of the site is probably too narrow and the land drops down. The school adjacent is believed to be contemplating some enabling development.
Constraints:	Land is adjacent to railway and therefore some noise attenuation will be required. Apparently may be required for rail purposes. Junction 10A contributions.
Occupier perspective:	Reasonable, would suit families, couples and singles
Developer perspective:	Fairly good, would suit large sized local developer. If developed with adjacent land from The North School – national developer
Value range:	£165 - £185 psf.
Likely phasing:	2011 – 2016
Development form:	Would suit 2/3-storey housing/terrace and mews type arrangement (end onto railway).

6.12 SITE NUMBER AU082

Site address:	Land rear of 2-100 Albemarle Road
Brief comments on site:	Long gardens to houses fronting Albemarle Road. One access shown on the site plan is devoted to a driveway and garage and is a forelorn hope. Very little chance of development. Diminution of value to houses. At northern end off Hythe Road is an access leading to Willesborough Cricket Club with the existence of private garages at the rear of houses fronting Albemarle Road. Small brownfield site compound at very northern end of the site.
Constraints:	Generally appears to be a forelorn hope due to lots of gardens fragmented ownership. CPO could be an option.
Occupier perspective:	Fairly good would suit families and couples
Developer perspective:	Fairly good, would suit medium sized regional developer
Value range:	£190 – 215 psf
Likely phasing:	2016 - 2021
Development form:	2,3 and 4 bed housing, 2 and 2½ storey.

6.13 SITE NUMBER AU084

Site address:	Land rear of 31-182 Milne Road
Brief comments on site:	Level, easy to develop site. Allotment gardens/garage blocks off Milne Road/Osbourne Road. Totally unused allotments covered by grass. Adjoins Willesborough cemetery and rear of houses. Ripe for development. Adjacent to probably local authority terraces built in 1970's. Declining garage blocks assumed to be publicly owned and could do with reconstruction. Would suit service road along the line of the existing footpath and would give an opportunity for owner occupiers to construct garages to the rear of their gardens. Willesborough is a reasonably pleasant area although local authority type approach. Plots slightly tight at the far western end with some of the garages now removed. Garage block off Osbourne Road partly demolished with graffiti, however pleasant outlook over recreation ground.
Constraints:	Narrow to the western boundary
Occupier perspective:	Fairly good, would suit families, couples, singles and elderly persons
Developer perspective:	Fairly good, medium regional/National developer
Value range:	£170 - £185 psf.
Likely phasing:	2005 - 2011
Development form:	Would suit private housing possibly 2 - 2½ storey.

6.14 SITE NUMBER AU086

Site address:	Greystones School and playground and land rear of 2-16 Windmill Close
Brief comments on site:	Greystones School is shut down and is suitable for redevelopment. It includes a Victorian three storey house with shared access. Includes recreation area. Remaining buildings very dated. However, it includes some private rear gardens. The purchase of 3 or 4 rear gardens may come to fruition but the remainder have very limited chance. Right of way/access to private dwelling. Includes car park. Pleasant aspect towards Windmill. Reasonably attractive area but Hythe road is heavily trafficked. Semi detached dwellings nearby plus bungalow.
Constraints:	Potential developer contributions to J10 will effect price to landowner not developer. Improving access could involve acquisition of Third Party interests. Need to retain period building.
Occupier perspective:	Good, would suit families, couples and singles
Developer perspective:	Good, would suit large local / national developer
Value range:	£185 - £210 psf.
Likely phasing:	2005 - 2011
Development form:	Would suit a mixture of detached and terraced 2, 3 or 4 bedroom dwellings, mainly 2 storey, possibly with apartments adjacent to Hythe Road.

6.15 SITE NUMBER AU088

Site address:	Land rear of 3-111 Church Road
Brief comments on site:	Back land gardens to dwellings on Church Road. Reasonably pleasant residential area adjacent to Willesborough County Junior School. School buildings look dated and therefore likelihood of development access from the school site, gives the possibility of some back gardens being developed; doubtful that all could be developed as it would be difficult to organise sufficient agreement. The gardens narrow at southern end; however adjacent car park to nearby houses could also be developed but may also be required as emergency access. Currently, there is probably insufficient room to place a road within the site with houses.
Constraints:	Fragmented ownership. Redevelopment needs to incorporate part of school grounds.
Occupier perspective:	Good, would suit families and couples.
Developer perspective:	Good, local / regional developer
Value range:	£190 - £215 psf.
Likely phasing:	2021+
Development form:	Good demand if consent was granted. 2-2½ storey houses

6.16 SITE NUMBER AU089

Site address:	Land rear of 69-125 Osborne Road
Brief comments on site:	Approach through Council estate slightly depressing. Garages leading off Breadlands Road with private vehicular access. Most garages demolished. Some remain built from brick and corrugated iron with some pedestrian accesses. Electricity housing building present. Features a group of back gardens which looks very unlikely to be developed as access could be very difficult. Apart from car park, remainder except for immediately adjacent gardens would be most unlikely. A Scout Group unit at northern end of Breadlands Close could provided access and potentially be redeveloped although the building looks recently built.
Constraints:	Access to back gardens. Fragmented ownership of garages and gardens
Occupier perspective:	Poor, would suit families and couples
Developer perspective:	Poor, small / medium local developer
Value range:	£160 - £180 psf.
Likely phasing:	2011 – 2016 (part only)
Development form:	Existing garage / car parking site would suit 2 storey terrace

6.17 SITE NUMBER AU092

Site address:	Land rear of 120-134 Gladstone Road and rear of 11-47 Cudworth Road
Brief comments on site:	Off Bath Road comprising land accessed by a service road. (The derelict Chapel and derelict land which presumably has the benefit of consent); garages presumably local authority ownership and some would need to be knocked down to give access to back land. Maybe better chance due to existing service road but you still need amalgamation of gardens to achieve any worthwhile scheme; However, the existing owners would lose their parking/garage accesses, therefore may be reluctant to join in. One or two gardens well tended. May be sensible for new development to incorporate garaging to serve the rear houses, building accommodation above. Generally low value area, unlikely to tempt developer to purchase each owner's interests; therefore CPO would be required. Slightly downgraded local authority/private basic housing but nearby reasonably sought after Orbital Park. Boundary as shown is too close to rear of houses fronting Cudworth Road.
Constraints:	Fragmented ownership of back land gardens and garages
Occupier perspective:	Reasonable, would suit low income families, couples and singles
Developer perspective:	Fair, small / medium local developer
Value range:	£165 - £185 psf.
Likely phasing:	2021 +
Development form:	2 storey terraced dwellings, some 1 bed apartments over garages.

6.18 SITE NUMBER AU138

Site address:	Land rear of 1-67a Birling Road
Brief comments on site:	Comprises of existing garages, which are required for road access leading to derelict open space, perhaps former allotments which are in definite need of redevelopment. May have to be accessed by service road. Roughly vegetated, with possible contamination; includes private area with Nissan hut also possibly private allotments which are largely disused. Surrounding area consists of fairly mundane possibly council terraced/semi detached houses.
Constraints:	Fragmented ownership of garages/rear gardens. Possibly private allotment area / Nissan hut. Only centre area likely to be developed
Occupier perspective:	Reasonable, would suit families and couples.
Developer perspective:	Reasonable, would suit local developer.
Value range:	£165 - £185 psf.
Likely phasing:	2011 – 2016 (part only)
Development form:	Would suit a cluster of terraced houses or bungalows to avoid overlooking but accesses may still be required for garages to rear of houses. 'Miller Cottages' opposite northern end of the site illustrate suitable type of housing.

6.19 SITE NUMBER AU148

Site address:	Land rear of 1-15 Earls Avenue, rear of 209-381 Hythe Road and rear of 1-27 Sportsland Avenue
Brief comments on site:	Very difficult access comprising of an unmade track leading to garages to rear of houses. Many interests to acquire before development. Redevelopment is extremely unlikely.
Constraints:	Amalgamation of ownership. Loss of garages. Poor access.
Occupier perspective:	Good, would suit families and couples
Developer perspective:	Fair, local developer
Value range:	£165 – 185 psf
Likely phasing:	2021+
Development form:	2 storey semis or terraces

6.20 SITE NUMBER ATC001

Site address:	Land in between Dover Place and Tannery Lane
Brief comments on site:	<p>A major landmark site opposite Ashford International Station. Includes a nightclub in four storey former attractive Victorian building. Excludes car park but this should be incorporated into any scheme. Area to south features billboards and unsightly disused industrial buildings, which should be included in the redevelopment. International House beyond site. Includes 1½/2 storey warehouses of brick and asbestos, which are not worthy of retention.</p> <p>Site includes the early Victorian public house worthy of retention. Could suit a mixed use site with residential to a high architectural standard as the site is situated by a major entrance to the UK. Land includes road access to International House. One or two buildings worthy on Dover Place, includes a four storey warehouse. Site includes Crouches ex car sales/service which could be contaminated. Also short term industrial storage. Concrete framed 5 storey semi-office building and attractive, early 20th Century Masonic Hall type building/cinema; possibly worthy of retaining the façade. Also a disused site and car park adjoining. There should be attractive views from upper storeys over Municipal Park opposite.</p>
Constraints:	Contamination. Amalgamation of interests. Cost of site clearance.
Occupier perspective:	Fairly good, families, professionals, couples and singles
Developer perspective:	Fairly good demand from national developer
Value range:	£175 - £200 psf.
Likely phasing:	2005 - 2011
Development form:	Would suit apartments and 2/3 storey housing with a “village” feel. Needs master plan scheme with mixed use to retain vibrancy e.g. café, small scale office, convenience and independent retail uses. Close to local facilities.

6.21 SITE NUMBER ATC004

Site address:	Land opposite Charter House on Park Street
Brief comments on site:	<p>Land/car parks adjoining retail/banking units also includes some open space fronting the inner ring road. Includes car park for the County Hotel. Due to difficulties of parking it would be better to contemplate construction above, in the form of apartments with undercroft parking. Could be viable but not particularly valuable.</p> <p>Seems to exclude Co-Op but units could be constructed above. Includes "Down Town Diner" which maybe suitable for retention. The site just below "Down Town Diner" looks largely unoccupied and ready for development. Rear of McDonald's unlikely to be redeveloped. Difficult in linking whole frontage however it could create an attractive street scene. Footpath beside Co-Op links to High Street shops.</p>
Constraints:	Fragmented ownership. View of Charter House. Removal of parking areas is likely to adversely impact on value of commercial premises fronting High Street.
Occupier perspective:	Reasonable, low income singles, couples and key worker accommodation.
Developer perspective:	Fair, may suit medium sized developer.
Value range:	£165 - 185 psf.
Likely phasing:	2011 - 1016
Development form:	Apartments with undercroft parking. May suit affordable housing.

6.22 SITE NUMBER ATC009

Site address:	Land to the north of the railway line on Elwick Road
Brief comments on site:	Level site owned by SEEDA, which is currently a tarmac car park backing onto railway line. Includes former cattle market, with substantial industrial unit, 2/3 storey brick office block together with smaller industrial buildings. Currently occupied. Important landmark site, although severed by pedestrian footbridge.
Constraints:	Noise attenuation measures will be required. Alternative commercial uses, such as hotel, potential office location to include education facilities. Part of the site may be required for the proposed 'Discovery' Centre.
Occupier perspective:	Fairly good, would be suitable for couples, singles and elderly persons
Developer perspective:	Fair, would suit national developer
Value range:	£170 - £185 psf.
Likely phasing:	2005-2011 (part only)
Development form:	Would suit 3 - 5 storey apartments possibly emulating Victorian villas opposite at eastern end.

6.23 SITE NUMBER AP002

Site address:	Land West of Headley Brothers Printing Works
Brief comments on site:	<p>Approached by Queens Road; an attractive residential road with Victorian and inter-War semi detached and terrace houses, which continue along the flanking footpath. Site comprises of a tarmac car park serving the printing works. The printing works consists mainly of elderly buildings and may be better relocated to new industrial estate, which would release adjacent site for redevelopment, although equipment removal costs could be expensive.</p> <p>Would provide an attractive, highly desirable site. Some of the site, comprises of woodland, albeit of a coppice or sapling nature, probably naturally regenerated and one or two mature trees worthy of retention. Motorway traffic noise, particularly in northern sector. Partly backs onto open space. Current road access limited, and adjacent print works, in part, could be a deterrent. Northwards are terraced/semi detached/detached 1970's housing.</p>
Constraints:	Motorway traffic noise, particularly near northern boundary. If redeveloped, there will be a loss of car parking. Conservation issues relating to the present woodland
Occupier perspective:	Very good, would suit families, couples and singles
Developer perspective:	Good demand from national developer
Value range:	£190 - £220 psf.
Likely phasing:	2011 - 2016.
Development form:	2/2½ storey traditional houses with some 3 storey apartments.

6.24 SITE NUMBER 1.1

Site address:	Land at the end of Brunswick Road
Brief comments on site:	<p>A long steel framed warehouse with brick profile steel and glass/perspex panelling. The Medway is a more modern brick warehouse. In cluster of a motley group of secondary industrial buildings, cheap accommodation which would all lend itself to residential redevelopment. Building seems to be partly occupied by Dom Donaldson Timber Engineering with timber yard. Derelict warehouse beyond and gas holder. Area beyond allocated for potential residential (former Ashford Power Station). Whole area might be suited for residential but not site in isolation.</p> <p>MPT House has been refurbished and further new units are being constructed nearby. Land to the south of Carlton Road could be accessed from the former Godinton Road which looks as though it is virtually unused storage land.</p>
Constraints:	Surrounding poor quality industrial units. Poor approach. Noise and traffic associated with the industrial units. Current use value. Fragmented ownership. Previously considered for multi unit industrial scheme.
Occupier perspective:	Poor, only suitable for 'affordable' housing units. Couples and singles.
Developer perspective:	Poor, unless whole area is redeveloped then national developer
Value range:	£155 - 175 psf.
Likely phasing:	2016 - 2021
Development form:	3-5 storey apartments and small quantity of 3 storey townhouses.

6.25 SITE NUMBER 7.7

Site address:	Land at the end of Hall Avenue
Brief comments on site:	Presumably allocated industrial land, opposite The Maruwa and next door to the Toyota garage. Good road access. Water balancing pond present on site. Reasonably easy to develop. Good access to motorway but developers will be concerned about contributions to improve motorway junction. Orbital Park also provides access Fairview scheme (Greenacre).
Constraints:	Noise from road link to the motorway and Channel Tunnel rail link. Potential for commercial use.
Occupier perspective:	Reasonably good, would suit families, couples and singles
Developer perspective:	Good demand, national developer
Value range:	£165 - £200 psf.
Likely phasing:	2005 - 2011
Development form:	Would suit 3 storey apartments and houses; possibly blocks of apartments near bypass with design to reflect car showrooms.

SUMMARY

We are of the opinion that many of the 25 sites identified represent potential for accommodating some of the housing needs of Ashford Borough Council.

The sites highlighted are peppered across the Ashford Borough and due to the wide coverage some are located in more desirable areas (AP002, AU088) with some situated in less desirable locations (AU089, AU092). This will consequently affect the potential level of demand and type of perspective occupier and developer interest and could supply housing for different social groupings.

Sites such as AU045, AU058, AU084, AU086 are clearly suitable for development despite having a few constraints.

Some sites highlighted are far less viable due to reduced current house values, problems relating to access (AU082, AU148) and possible resistance from existing users (allotments gardens sites AU029) although some allotment sites appeared underused (AU054). Fragmented ownership such as those sites consisting of rear gardens and garages could prove laborious and unviable to develop e.g. AU089, AU092, AU148.

With respect to the boundaries marked on the site plans, certain sites appeared unviable with the potential for their feasibility and desirability to increase if the boundaries were extended beyond, to incorporate more land resulting in further potential redevelopment e.g. AU029, AU088, AP002 & 1.1.

7. STUDY CAVEATS

As discussed in the introduction, there are a number of caveats that should be considered with regard to the study. Based on our experience, we have attempted to judge the likelihood of each site coming forward within a particular phase of the plan period, and taken into consideration where possible any visible or known site constraints. However, there are a number of other significant factors that may impact on a site's deliverability. These are discussed in turn.

7.1 Owner's aspirations

The unrealistic aspirations of landowners have been identified in the RICS *Releasing Brownfields*¹ report as the primary constraint in bringing forward land for development. This can be for a number of reasons, varying from a simple disagreement over value, or for more complex reasons such as tax or "book" value the land is held at. In many cases, where the site benefits from an existing use value, such as commercial use, in areas of lower residential values, even higher site densities will not increase the value of the land over its existing use.

7.2 Contamination and abnormal development conditions

We have not been provided with formal contamination reports for any of the sites viewed. Where we have been able to, we have commented on the likelihood of contamination (such as if the site lies close to a gasworks, or has or had use as a garage) but in the absence of site reports and visible indications we have assumed each site to be free of contamination and other abnormal costs. As discussed, the Government has intended to make tax incentives available for the remediation of contaminated land, which may increase the number of sites coming forward, but no specific policies have yet come forward.

7.3 Reports on Title

We have not been provided with Title Reports for a number of the sites viewed, and therefore cannot comment on rights of way, easements or restricted covenants.

7.4 Section 106, Section 278 and Affordable Housing Costs

Where schemes are marginal, any Section 106, Section 278 and other planning obligations including Affordable Housing Costs can prevent a site coming forward, although such costs are unlikely to be known until a planning application has been submitted.

7.5 Landowner's position on acquiring site for redevelopment

A further cost in land assembly that may impact on the likelihood of marginal sites coming forward for residential development occurs where there is an existing leasehold interest, although this only applies in a small number of cases for the sites identified.

Assuming the tenant has not breached the terms of his lease in any way, vacant possession can only be obtained via negotiated surrender. If the tenant is unwilling to vacate, notice must be served in the correct fashion as outlined in Sections 25 and 26 of the 1954 Landlord and Tenant Act.

Part II of the Landlord and Tenant Act 1954 regulates the position upon termination of a

¹ Releasing Brownfields – RIC Foundation, April 2001

business tenancy to which the Act applies, and unless the tenancy was excluded from the provisions of the Act when granted, upon expiry of a tenancy a statutory continuation tenancy will arise under Section 24, entitling the tenant to claim a new tenancy.

However, there are grounds by which a landlord can oppose the grant of a new tenancy, and these are set out within Section 30 (1) of the Act, the most relevant in the case of this study being Ground (f) – Redevelopment – which is a mandatory ground. This states,

“that on the termination of the current tenancy the landlord intends to demolish or reconstruct the premises comprised in the holding or a substantial part of those premises or to carry out substantial work of construction on the holding or part thereof and that he could not reasonably do so without obtaining possession of the holding”.²

The landlord must show intention, and that the nature of the works falls within those contemplated within ground (f), and that those works can only be undertaken by obtaining legal possession of the building.

The cost element occurs in compensating the tenant where possession is sought through no fault of the tenant, and this is outlined in Section 37 of the 1954 Act (*“Compensation where order for new tenancy precluded on certain grounds”*). This section applies to sub section (f) of Section 30 (1).

The tenant is not compensated by reference to the value of the existing business, but under Section 37 (2) compensation is calculated by reference to the rateable value of the holding (defined under S 23 (3) of the Act). The amount of compensation payable is equal to either once times the rateable value times the appropriate rating “multiplier” where the tenant has been in occupation for less than the whole of 14 years, or twice times the rateable value times the appropriate rating “multiplier” where occupancy has been more than 14 years.

When considering the acquisition of leases of commercial property with a view to bringing these sites forward for residential development, the length of term outstanding will largely depend on when the lease was originally granted.

Leases that were granted in the 1970’s and 1980’s were generally of 15 to 25 years duration, whereas, due to the effects of the recession during the early 1990’s, subsequent terms were much shorter. Some of the earlier leases may have already expired and been renewed, but those granted in the late 1980’s and early 1990’s may still have 10 to 15 years unexpired.

Generally speaking, new leases are now for 5 years maximum, or longer if tenants options to break are included, usually at 5 year intervals.

Where the property occupies a prime location frequented by better quality covenants then longer terms may be found, but these are unlikely to be occur in the locations considered in the context of this report.

² Bridge, S Statutes on Landlord and Tenant Blackstones 3rd Ed 1991 p74