June 2026

REPORT ON AFFORDABLE HOUSING & VIABILITY

Former Aldi Store, 70-72 High Street, Hythe, CT21 5AL

APPLICATION BY:

CHURCHILL LIVING LIMITED

planningissues
TOWN PLANNING AND ARCHITECTURE

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APPENDICES

SITE:	Former Aldi Store, Hythe CT21 5AL
LOCAL PLANNING AUTHORITY REFERENCE:	TBC
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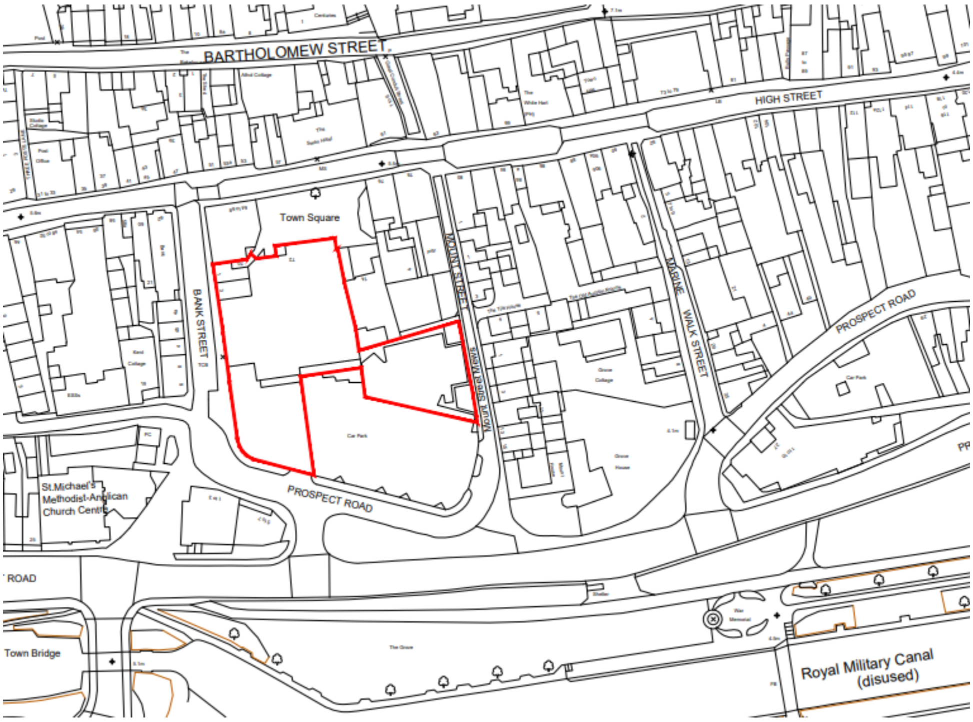
This report or its findings do not constitute a formal valuation under the RICS Valuation – Global Standards 2025. This report has been prepared for Churchill Living ("the client") with advice provided expressly in preparation, or during the course of negotiations.

NON-TECHNICAL SUMMARY

1.1 This statement provides an assessment of the financial viability of the proposal to build 32 retirement living apartments, 2 retirement cottages, and 179 sqm of class E commercial space, including communal facilities, access, car parking and landscaping on the site of the former Aldi store in Hythe.

1.2 The site sits on the edge of the town square, fronting onto High Street. To the rear, the site includes part of the existing car park. The site also includes the two vacant shopfronts along Bank Street, which have formed part of the cold store for the supermarket rather than independent retail units since they were purchased by Aldi in 2006.



Site Location

1.3 The store has been vacant since 2019 when Aldi relocated to Kengate Industrial Estate on the edge of Hythe.

1.4 Policy CSD1 Balanced Neighbourhoods states that development resulting in new housing (class C3) will be allowed in line with policy SS3 (optimising distinctiveness, appeal, sustainability and accessibility of places) where it contributes to the creation of balanced neighbourhoods through high-quality design proposals which address identified affordable housing needs. All housing development should include a broad range of tenures incorporating market housing for sale and affordable housing (affordable housing for rent, starter homes, discounted market sales housing and other affordable routes to home ownership including rent to buy and shared ownership), wherever practicable and subject to viability, development proposing (or land of 0.5ha or more in size) 15 or more dwellings (net gain) at any location within the district should provide 22 per cent affordable dwellings on-site.

1.5 The adopted policy goes on to state that for development proposing 15 or more dwellings, as a starting point approximately 70 per cent of the affordable housing to be provided shall be affordable housing for rent. For sites under this threshold, the proportion of affordable housing tenures will be negotiated on a site-by-site basis. Provision should be made on-site unless off-site provision through a financial contribution of broadly equivalent value can be robustly justified.

1.6 This would result in a requirement for 7 units of affordable housing with a mix of affordable tenures. Our extensive experience of dealing with older persons housing applications is that even where viable, registered providers will not be interested in owning or managing such small numbers of units within mixed tenure arrangements. Providers of age restricted affordable housing typically require at least 40 affordable units within a self-contained block where management and service charge affordability may be controlled in perpetuity.

1.7 The policy also states that where a site-specific viability assessment is provided with an individual planning application and it can be demonstrated to the reasonable satisfaction of the Council that the proposed development would not be viable with the full affordable housing requirement, the Council will give consideration to allowing an appropriate level of relaxation of the requirements.

1.8 Vacant building credit is a consideration in this instance given that circa 2,088 m2 GIA of existing floorspace remains vacant on the site. The 22% affordable housing target would decrease to 5.5% or 2 units of affordable housing with the application of vacant building credit (see paragraph 4.19 for breakdown). It is calculated later in this statement that a policy compliant commuted sum assuming VBC would be £133,958.

	Land Value 0 affordable units	Land Value with 2 affordable units
Land Value	£1,253,788	£1,119,830
Commuted Sum	£133,958	

Table 1 – Compliant Sum Assuming Vacant Building Credit

1.9 A detailed assessment of the financial viability of this proposal is considered as part of this report to understand how affordable housing impacts on the economics of the proposal applying costs and values at the date of the assessment.

1.10 The proposal is for an integrated retirement living community with all residents availing of shared amenity and paying service charges at higher-than-average levels to obtain these communal benefits. Circa 25% of the total area of the apartment proposal is non saleable communal area meaning there is a cost but no income for a much higher percentage of the building in comparison with typical flatted developments.

1.11 Policy requires that planning obligations are assessed against increases in land value associated with planning permission and intensification of land. It is therefore appropriate to calculate commuted sums against the impact on land value of policy requirements. This approach is consistent with the council's own evidence base and national policy.

1.12 The following table summarises the appraisal showing a 100% open market retirement proposal and considers financial viability by comparing the residual land value to the site benchmark land value (inclusive of owner incentive as set out at paragraph 6.34 onwards of this Statement).

	100% Open Market Scheme	
Open Market Sales	£14,299,740	£6,320 m2 (blended) + Retail
Base Construction Cost	£5,524,025	£1,802 m2 - £1,524 m2
Total Cost Outlay	£11,419,458	
CIL/S106	£416,609	Scheme Specific
Profit	£2,835,056	20% of GDV
Residual Land Value	£1,253,788	
Benchmark Land Value	£1,630,000	EUV
Surplus/Deficit	**-£376,212**	

Table 2– Summary of Viability

1.13 It is concluded that no financial headroom exists to include an affordable housing contribution as to include any further costs would render the proposal financially unviable. This outcome is consistent with the council's plan wide viability evidence base which shows that the typology has viability constraints.

1.14 A sensitivity analysis has been undertaken at Section 7 to assess likely future movements in costs and values over the lifetime of a planning consent. This has concluded that costs are likely to continue to match or outstrip growth in sales values over the lifetime of any planning consent and that this assessment has taken a balanced approach overall.

INTRODUCTION AND STATEMENT OF IMPARTIALITY

2.1 This Statement is prepared in relation to proposals to redevelop the site of the former Aldi Store at 70-72 High Street, Hythe CT21 5AL.

2.2 This statement considers how the proposal addresses national and local policy relating to affordable housing and viability matters. This is a specialist housing proposal for older people which national planning guidance recognises demonstrates different viability characteristics to standard housing typologies.

2.3 Most notably, the proposal differs with the provision of higher percentages of non-saleable communal living floorspace which facilitate social interaction for residents. As an age restricted product, it typically takes much longer to sell these homes and, in the process, higher sales, marketing, empty property costs and borrowing costs will be incurred in comparison to non-retirement equivalents.

2.4 This statement has been prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) professional statement on Financial Viability in Planning: Conduct and Reporting (1st Edition, May 2019) as well as the Assessing Viability in Planning under the NPPF 2019 for England, RICS Professional Standard (1st Edition, March 2021). In line with the requirements, the author confirms the following is true.

- The author of this report has acted with objectivity, without interference and references all appropriate sources of information and possesses the expertise and experience to advise on these matters.
- No performance-related or contingent fees have been agreed.
- The information used is market led and not client driven in line with the NPPG standardised approach.
- Planning Issues is the ‘in house’ planning consultancy for the applicant. In applying the standardised approach to viability, the author has assessed the viability in an impartial manner, assuming market led assumptions.
- Inputs to the Financial Viability Appraisal (FVA) are reasonably justified and based upon industry benchmarks recently agreed with other local planning authorities for similar proposals and in a number of occasions at planning appeal. Inputs and assumptions are reflective of the market and appropriately evidenced.
- The applicant will seek to engage with the local planning authority in order to reach agreement in respect of the report conclusions where differences of opinion may materialise.

- A non-technical summary of the outputs of the FVA is included to provide a high-level summary of the outputs of this assessment.

DESCRIPTION OF APPLICATION SITE

3.1 The site is located within the built up area of Hythe off the main High Street.

3.2 The site comprises the former Aldi store, located within Hythe Town Centre. The site sits on the edge of the town square, fronting onto High Street. To the rear, the site includes part of the existing car park. The site also includes the two vacant shopfronts along Bank Street, which have formed part of the cold store for the supermarket rather than independent retail units since they were purchased by Aldi in 2006.

3.3 The site had previous uses as a cinema and car show room before being demolished in the 1970s. The superstore was granted consent in 1979.

3.4 The store has been vacant since 2019 when Aldi relocated to Kengate Industrial Estate on the edge of Hythe. The site has therefore been vacant for 7 years and is likely to remain vacant until such time as a viable alternative use materialises.

3.5 A planning application was submitted in 2022 for the conversion of the supermarket, and erection of a new building to provide 35 residential apartments and 5 commercial units (620sqm) (classes E, F1 and F2), reconfiguration of existing car park, enhancement of the Town Square, landscaping and other associated works (ref 22/1109/FH). The planning officer requested further information in October 2024, which was not provided. The application was finally disposed of as undetermined on 11th December 2025.

3.6 The site is surrounded by a mix of uses including residential uses and extends to approximately 0.24 hectares in an irregular shape.

NATIONAL PLANNING POLICY

Introduction

4.1 This section provides an overview of national policy and best practice as it relates to viability in planning.

National Planning Policy Framework (NPPF)

4.2 The Government published an amended version of the NPPF in December 2024. A further consultation version was published in December 2025, and this updated version is likely to be adopted during the summer of 2026. The thrust of the consultation version of the Framework remains that local plans should plan for all housing typologies and plans should consider a proportionate assessment of financial viability in seeking affordable housing from different types of development.

4.3 Paragraph 63 of the current Framework sets out that the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. These groups should include (but are not limited to) those who require affordable housing (including Social Rent); families with children; looked after children; older people (including those who require retirement housing, housing with-care and care homes); students; people with disabilities; service families; travellers; people who rent their homes and people wishing to commission or build their own homes.

4.4 Paragraphs 64 - 65 advise that where a need for affordable housing is identified, planning policies should specify the type required and expect it to be met onsite unless offsite provision or an appropriate financial contribution in lieu can be robustly justified and the agreed approach contributes to the creation of a mixed and balanced community.

National Planning Policy Guidance (NPPG)

4.5 The National Planning Policy Guidance (NPPG) relating to viability matters was comprehensively updated in July 2018 with further updates in September 2019 and most recently in December 2025.

4.6 The NPPG reiterates the NPPF position that proposed developments should not be subject to a scale of obligations and policy burdens that threaten development viability. It emphasises that the guidance of the NPPF applies to decision making on individual sites. It confirms that plans should set out required levels of contribution, including affordable housing, and advises that:

'These policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106.'

'Different requirements may be set for different types or location of site or types of development'.

(Paragraph: 001 Reference ID: 10-001-20180724)

4.7 It is increasingly common for Local Plan viability testing to examine the viability of housing for older people. In the case of Fareham Borough Council, their plan wide testing confirms that specialist housing for older people should be exempt from affordable housing requirements due to constrained viability associated with this typology[1]. North Norfolk Council Local Plan also includes an exemption for this typology on the grounds of financial viability.

4.8 Further emerging plans in Birmingham, BCP (now withdrawn), Hyndburn and many others have tested the viability of older persons housing and included exemptions from affordable housing and CIL policy. The NPPG states that viability assessments are primarily a role for plan making and should not compromise sustainable development and ensure that policies are realistic and will not undermine the delivery of the plan (Paragraph: 002 Reference ID: 10-002-20180724).

4.9 Paragraph 007 states that it is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the decision-making level. Such circumstances could include development on unallocated sites, where further information on site and infrastructure costs are required, **or where the proposed development significantly varies from standard models (for example build to rent or housing for older people** – my emphasis) (Paragraph: 007 Reference ID: 10-007-20190509).

4.10 Paragraph 008 states that where a viability assessment is submitted it should refer back to the information that informed the plan and it is a matter for the decision maker as to the weight to be attached to it. This should include matters such as the most up to date evidence, change in circumstances and the transparency of assumptions behind the viability assessment (Paragraph: 008 Reference ID: 10-008-20180724).

4.11 In terms of the review of viability during the lifetime of a project the NPPG states that plans should set out circumstances when review mechanism may be appropriate as well as clear

[1] https://www.fareham.gov.uk/pdf/planning/local_plan/revisedpublicationlocalplan.pdf (Para 5.33)

process and terms of engagement regarding how and when viability will be reassessed over the lifetime of the development (Paragraph: 009 Reference ID: 10-008-20190509).

4.12 The NPPG considers the inputs required for a viability assessment to determine if a site is financially viable by looking at whether the value generated by a development is greater than the costs of developing it. This includes reviews of gross development value, costs, land value, landowner premium and developer return supported by appropriate evidence following the Government's recommended approach (Paragraph: 010 Reference ID: 10-010-20180724).

4.13 The required inputs are then defined in the following paragraphs as follows;

<u>Gross Development Value</u> (Paragraph: 011)
The value of the development for which residential developments may be total sales or rental income, for which market evidence can be used.

<u>Costs</u> (Paragraph: 012)
Based on evidence reflective of local market conditions including build costs, abnormal costs, site specific infrastructure costs, policy compliant contributions and CIL, finance costs, professional fees and contingencies.

<u>Land Value</u> (Paragraphs 013, 014, 015, and 016)
Based on existing land value plus a premium for the landowner reflecting a minimum return at which the land owner would be willing to sell. This should reflect the implications of abnormal costs, infrastructure costs and professional site fees and be informed by market evidence.

<u>Return to Developer</u> (Paragraph 018)
Potential risk is accounted for in the assumed return for development assumed at between 15-20% of gross development value for plan making purposes but alternative figures may be appropriate for different development types.

4.14 The NPPG expects viability appraisals to be prepared by suitably qualified practitioners in accordance with the NPPG. Findings should be presented clearly and set out in an executive summary, making clear what assessments have been used and supported by evidence. It should also be prepared on the basis that it will be made publicly available, unless in exceptional circumstances (Paragraph: 020 Reference ID: 10-020-20180724 and 21 ID: 10-021-20180724).

4.15 The NPPG confirms that Information used in viability assessment is not usually specific to that developer and thereby need not contain commercially sensitive data (Paragraph: 021 Reference ID: 10-021-20190509). This reaffirms the standardised approach.

4.16 On 26th June 2019, a further NPPG update was published relating to Housing for older and disabled people. This guidance stresses that plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure and that plans can set out different policy requirements for different types of development.

4.17 This section of the NPPG identifies specialist housing for older people as a 'nonstandard' model of housing where different viability considerations will be relevant.

4.18 The NPPF states within this section that decision makers should consider the location and viability of a development when assessing planning applications for specialist housing for older people. Local planning authorities can encourage the development of more affordable models and make use of products like shared ownership. Where there is an identified unmet need for specialist housing, local authorities should take a positive approach to schemes that propose to address this need (Ibid).

Vacant Building Credit

4.19 Paragraph 65 of the NPPF states that to support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount with the footnote stating that this discount is equivalent to the existing gross floorspace of the existing buildings.

4.20 The PPG sets out that the buildings cannot have been made vacant for the sole purpose of redevelopment and cannot have been abandoned.

4.21 Vacant building credit is applicable in this instance as the store has not been intentionally made vacant and has not been abandoned. There is 2,088 m2 (GIA) of existing vacant floorspace on the site. The proposal includes 2,937 m2 of residential floorspace including the proposed cottages. This existing vacant floorspace reduces the 22% affordable target to 5.5% or 2 affordable units.

4.22 Sections 6 and 7 will set out the calculation of a compliant appraisal assuming 2 affordable units.

5. DEVELOPMENT PLAN POLICY

5.1 This section sets out local planning policy considerations as they relate to affordable housing and other planning obligations.

The Folkstone & Hythe District Core Strategy Review 2022

5.2 The Core Strategy Review was adopted in March 2022 and provides the framework for the delivery of housing across the plan period.

5.3 Policy CSD1 deals with affordable housing requirement from new development and states that on sites proposing 15 or more dwellings, the target is 22% affordable housing. For development of 15 or more dwellings, 70% of the affordable housing provision should be for affordable or social rent. This will usually be delivered on site according to the policy, unless a financial contribution of broadly equivalent value can be robustly justified.

5.4 Where developers wish to reduce significantly the level of affordable housing provision, an independent assessment of viability will be required, and the council will consider the outcome of this review.

5.5 In relation to supplemental guidance, no further clarification regarding the implementation of policy CSD1 appears on the council website.

Community Infrastructure Levy (2023)

5.6 Folkestone & Hythe District Council formally adopted its revised Community Infrastructure Levy (CIL) Charging Schedule on 29 March 2023. The Schedule came into effect on 1 April 2023 and has replaced the CIL Charging Schedule (June 2016).

5.7 The site is located within Zone C where the rate at 2026 is £141.84 m2 for residential uses. There is a retail charge but only applied to proposals greater than 280 m2.

Conclusions

5.8 The council's affordable housing policy starting position is that 22% affordable housing should be provided. However, this is subject to an assessment of financial viability and housing need.

5.9 Vacant building credit will reduce any policy compliant level of affordable housing to around 2 affordable units. Our experience is that on site affordable housing provision is impracticable and undeliverable for such a small number of affordable units.

5.10 There is no published guidance setting out how the affordable housing policy will be implemented. In relation to commuted sums, the adopted policy states that these should be broadly equivalent to on site provision.

6. VIABILTY ASSESSMENT

Financial Appraisal Inputs

Internal Floor Area

6.1 An accommodation schedule is provided at Appendix 1 of this statement. In summary, the proposal includes the following:

1 bed units	- 22 units (average 52.75 m2)
2 bed units	- 10 units (average 80.54 m2)
Saleable floorspace	- 1,965 m2
Gross floorspace	- 2,764 m2
Gross to Net %	- 71.13%
Retail	- 179.7 m2
2 bed cottages	- 2 units (average 86.68 m2)

Sales Values

6.2 At June 2026, Rightmove reports that House prices in Hythe have an overall average value of £262,000. The majority of properties sold during the last year were detached properties, selling for an average price of £597,000. Flats sold for an average of £241,000, with semi-detached properties fetching £407,000.

6.3 Overall, the historical sold prices in Hythe over the last year were 2% up on the previous year and 8% down on the 2022 peak of £452,927.

6.4 There is also nonretirement, newbuild options on the market at the time of writing including at the Residence on South Road where 2 bed apartments are available asking from £275,000 - £375,000 (£4,911 m2 - £5,435 m2). 2 bedroom apartments are available at Cautley House asking £299,995 (£3,846 m2). 3 bed semi detached houses (new build) are available from £368,995 at the Martello Lakes development. 4 bedroom detached houses at the same development area available asking £429,995 at present.

6.5 In the interests of maximising viability and reflecting the location of the application site, values are included at £350,000 for 1 bedroom properties on average (£5,933 m2) and at £450,000 for 2 bedroom properties (£5,090 m2) reflecting the larger units proposed, value regression (£m2) for larger units and the affordability of the units in line with average prices locally. The 2 bedroom cottages are assumed to be worth £500,000 apiece.

6.6 In relation to retail, an assumed rent of £325 per m2 is assumed together with a yield of 7% and a rent free period of 12 months. These assumptions are taken from local comparable retail property and cross referenced with the various plan wide viability exercises.

6.7 The analysis of market value is set out at Appendix 2 of this report.

Base Build Cost

6.8 The BCIS base build cost at the time of writing is £1,802 m2 in respect of supported housing apartments and a rate of £1,524 m2 for the retirement cottages. A rate of £1,543 is applied to the retail element (Appendix 3). An allowance of 10% of base construction cost has been allowed for external areas as standard.

6.9 Additional allowances must be added for Building Regulation enhancements relating to Part F, L, O and S at £2,260 per unit proposed. These recent uplifts will not be factored into BCIS data but will be a cost to the developer.

6.10 At this stage no allowance is made for the Building Safety Levy which comes into effect on 1st October 2026.

Site/Proposal Specific Costs

6.11 Costs relating to demolition, site clearance and ground conditions must also be considered. This is a brownfield site with a significant existing building on site. A breakdown of these costs is included at Appendix 4. The following allowances are made totalling £534,235:

- Demolition and Asbestos Removal - £218,000
- Non-Standard Foundations - £228,385
- Contamination Remediation and Capping - £26,310
- Archaeological Assessment- £41,540
- S278 works – £20,000

Professional Fees

6.12 An allowance of 10% of the base construction costs has been applied. This allowance fits within the usual range of 8-12% allowance for a brownfield site such as this.

Other S106/Planning Obligations/Community Infrastructure Levy (CIL)

6.13 There is an adopted CIL charging schedule. For 2026, the base rate is £141.84 m2. There is no existing qualifying floorspace given the existing buildings on site have not been in lawful use for the required period. Applied to the proposed gross internal area of 2,937 m2, the estimated CIL liability is £416,609.

6.14 As the sum is over £100,001, the Folkstone and Hythe CIL instalment policy has been followed and the sums cash flowed within the viability appraisal.

- First Instalment (25%): Due within 60 days of the commencement date.
- Second Instalment (25%): Due within 180 days of the commencement date.
- Third Instalment (50%): Due within 360 days of the commencement

6.15 No further contributions are assumed at this stage but if these should be sought by the council then they must be considered within an updated viability appraisal.

Sales and Marketing

6.16 Sales and marketing allowances for specialist housing proposals for older people are widely acknowledged to differ substantially from mainstream housing. This is due to the restricted occupancy and longer than average sales periods often extending over several years. A dedicated sales staff will be present on site from pre completion to end of sale supported by regional and head office marketing teams. The overall allowance must also cover online marketing, promotional events and local agent engagement.

6.17 A combined rate of 5% of sales revenue for sales and marketing costs has been assumed as supported by a number of recent appeal decisions.[2]

6.18 Legal fees associated with the sale of each property is assumed at £750 per unit as standard.

Sales Rate

6.19 Typical retirement living proposals tend to experience longer than average sales periods due to the nature of the purchaser and it is noteworthy that sales in general are much lower on average in 2025/2026.

6.20 The site is located within the applicant's South East Division which currently has 31 live selling sites. The average rate of sale across all of these sites is 0.59 sales per month. Each

[2] Appeal Ref: 3166677 (Redditch, December 2017)

scheme tends to see a similar sales pattern with 10-15% of sales in month 1 and broadly 30-40% sales in months 1-12. See Appendix 5.

6.21 For this appraisal, it is assumed that an overall sales rate of 1.0 sales per month is achieved across a 32-month period (the cottages are treated separately and assumed to sell within the first 3 months). Within this apartment assumption, it is assumed that 15% of units are sold in month 1 with 48% sold in months 1-12. The remaining units sales are spaced evenly across the remaining sales period.

6.22 These assumptions are considered highly ambitious considering the current climate and therefore the applicant reserves the right to revisit these assumptions in light of changes in the market which at the time of writing show transaction levels remaining subdued.

Empty Property Costs

6.23 Empty property costs are a function of council tax payable on finished unsold and empty property as well as service charges and other charges, which must be paid owing to longer than average sales periods for this type of proposal. The inclusion of EPCs within viability appraisals has been agreed with local planning authorities and their assessors on similar proposals throughout the country.

6.24 It is considered reasonable to include such costs within the viability appraisal as they are an unavoidable cost associated with the development of retirement living flatted schemes. The NPPG is clear at paragraph 007 that where types of development are proposed which may significantly differ from standard models of development (e.g. housing for older people), the particular viability considerations can be taken into account by decision makers. EPCs are a particular cost associated with this form of development.

6.25 A breakdown of the empty property costs associated with this development is included at Appendix 6 and applied to the Argus cashflow to accurately link to the assumed sales rate and finance costs. A cost of £198,475 is included.

Finance Costs

6.26 An overall debit rate of 7.5% is applied in line with current rates available in the market for schemes of this nature. A credit rate of 1.0% has been assumed. No further arrangement, valuation, legal, monitoring or exit fees have been allowed for in the appraisal as it is assumed to be incorporated within the overall debit rate. It is widely reported at the time of writing that average development lending rates are far in excess of this figure.

Land Acquisition Costs

6.27 Stamp duty is applied at the current HMRC variable rates as updated in April 2016.

6.28 Land purchase legal fees at 0.75% of the land value on purchase and Acquisition Agent fees at 1% of the land value are assumed as standard.

Developers Return

6.29 As set out, the NPPG is clear that potential risk is accounted for in the assumed return for development assumed at between 15-20% of gross development value for plan making purposes but alternative figures may be appropriate for different development types and typologies.

6.30 An acceptable return for risk in respect of retirement living proposals such as this not less than 20% of gross development value. This is consistent with the plan wide viability study.

6.31 This is consistent with the Inspector conclusions for the McCarthy and Stone proposal at Redditch (Appeal Ref: 3166677), the Churchill Retirement Living proposal at Cheam (Appeal Ref: 3159137), the Churchill Retirement Living scheme at West Bridgford (Appeal Ref: 3229412) in 2019 and the McCarthy Stone proposal in Sale (Appeal Ref: 3325034) in 2023. The consistent findings in these appeal decisions were:

- There are a number of inherent sector specific risks with this form of development which materially differ to that of general needs housing including an inability to phase and allow for risk reappraisal.
- Retirement living housing must be fully completed and operationally ready before sales commences as older people are less likely to buy 'off plan' without seeing for example the benefit of the communal facilities.
- The above provides a slower return on investment and a longer period of uncertainty in the market and cost exposure. This risk is particularly pronounced in periods of market uncertainty when sales rates are slow. This is the case in the current market where we are seeing access to development finance tightening with lenders increasing borrowing rates and demanding higher coverage in the form of higher developer returns.
- A restricted occupancy also limits the marketability of such housing in comparison to general needs development. The sector does not benefit from Government incentives such as First Homes. A slow down in the wider market also means that sales for older persons housing also slow down given that such sales are often at the end of a much longer chain. We are now seeing sales transactions across the wider market slow considerably as a result of increased mortgage rates and affordability issues for prospective purchasers across the market.

- The NPPG recognises that viability for older peoples housing differs from general needs housing (NPPG Paragraph 007) and that it is appropriate for local planning authorities to recognise this at both the plan making and decision taking level.

Timing Assumptions

6.32 The following timing assumptions are made for the viability appraisal:

FINANCE

Timescale	Duration	Commences
Acquisition	1	Jun 2026
Pre-Construction	6	Jul 2026
Construction	15	Jan 2027
Letting	1	Apr 2030
Sale	32	Apr 2028
Total Duration	54	

6.33 A copy of the financial viability appraisal (FVA) for a 100% open market appraisal is included at Appendix 8 and summarised within Section 7.

Benchmark Land Value

6.34 In assessing the viability of the site, a key benchmark is site value. For planning viability assessment purposes, the starting position should be the existing use value.

> *To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'existing use value plus' (EUV+).*[3]

6.35 The site has remained vacant for some time given the nature of its existing owner's business model. An application was submitted in 2022 for the conversion of the supermarket, and erection of a new building to provide 35 residential apartments and 5 commercial units (620sqm) (classes E, F1 and F2), reconfiguration of existing car park, enhancement of the Town Square, landscaping and other associated works (ref 22/1109/FH). The planning

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[3] https://www.gov.uk/guidance/viability (reference 10-013-20190509)

officer requested further information in October 2024, which was not provided. The application was finally disposed of as undetermined on 11th December 2025.

6.36 There has therefore been investment in the site in order to bring it back into meaningful use but this has not progressed presumably due to viability issues.

6.37 The applicant has taken advice from Cradick Retail, a local agent familiar with the site and the local market. They advise that allowing for improvements and a suitable rent free period, the site in its existing use is worth approximately £1.65 million assuming an annual income of £170,000 per annum. This assumes no development potential and is purely on the basis of letting the asset as is for income (Appendix 7).

6.38 The second component of benchmark land value is the premium to be attached to the existing use value as an incentive for the owner to release the site for redevelopment/restrict the sale of the property on the open market as part of a subject to planning land arrangement. The PPG sets out at paragraph 016 (viability) the following:

> *The premium (or the 'plus' in EUV+) is the second component of benchmark land value. It is the amount above existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements.*

6.39 Any assessment of minimum premium to the landowner should include analysing other options available to the landowner. In this case, the existing use on the site has been vacant for some time and so no premium has been applied at this time.

6.40 It should however be noted that a landowner acting rationally will assess the optimum land value they might derived from their asset by reviewing what alternative providers might achieve with the site. This would include an assessment of a range of density options and application of vacant building credit in this instance given the status of the existing building on the site. The planning history on this site includes an application for residential development which was not determined. However, there there is scope to apply a private development of broadly 2,088 m2 while applying vacant building credit. Such an option would provide no affordable housing.

6.41 For the purposes of this assessment, site benchmark land value is therefore assumed to be £1.65 million and applied to the viability appraisal accordingly. This is considered to be the absolute minimum threshold below which it is considered the site would not be secured for redevelopment. However, as set out, a policy compliant alternative use is likely to produce a higher benchmark.

VIABILTY APPRAISAL OUTPUT AND CONCLUSIONS

7.1 The outputs of the financial appraisals with 0% affordable housing are summarised below for ease of reference. For any sum to be viable, the residual land value of the proposal must be higher than the benchmark land value. See Appendix 8 for the full appraisal.

7.2 Separately, an appraisal allowing for the inclusion of 2 affordable units (assumed for affordable rent) has also been provided (Appendix 9). The difference in land value between this appraisal and the one with 0% affordable housing represents the maximum commuted sum available once vacant building credit has been factored in.

	Land Value 0 affordable units	Land Value with 2 affordable units
Land Value	£1,253,788	£1,119,830
Commuted Sum	£133,958	

Table 3 – Commuted sum allowing for vacant building credit

7.3 This arrives at a commuted sum of £133,958. However, this must be considered in the context of the overall viability of the proposal and the site benchmark based upon the existing use value.

	100% Open Market Scheme	
Gross Development Value	£14,299,740	£6,320 m2 (blended) + Retail
Base Construction Cost	£5,524,025	£1,802 m2 - £1,524 m2
External Build Costs	£552,402	10% base
Contingency	£336,566	5% base
Extra Over Build Costs	£566,000	Scheme Specific
Professional Fees	£675,927	10% base
CIL/S106	£416,609	Scheme Specific
Marketing	£423,136	3% GDV + Retail
Disposal Costs	£295,900	2% GDV + Retail
Unsold Unit Fees	£198,475	Scheme Specific
Finance	£994,740	7.5% debit and 1% credit
Acquisition Costs	£65,050	Standard
Total Cost Outlay	£11,419,458	
Profit	£2,835,056	20% of GDV
Residual Land Value	£1,253,788	
Benchmark Land Value	£1,630,000	EUV
Surplus/Deficit	**-£376,212**	

Table 4 – Summary of Viability Appraisal Outputs

7.4 In this case, applying the fully evidenced inputs and assumptions to the viability appraisal, the residual land value generated shows no financial headroom for affordable housing contributions. If contributions are added to the appraisal the land value deficit increases, and the proposal would be unviable for the applicant to take forward.

7.5 A planning permission is typically implementable for three years post approval during which time the applicant would seek to ensure a viable proposal could be implemented.

Sensitivity Testing

7.6 As required by the RICS Conduct and Reporting Professional Statement, sensitivity testing of the appraisal has been undertaken. Stepped increases and decreases of 2.5 % in sales revenue and build costs are analysed and a summary of impact of residual land value is presented in the following table.

	Construction: Rate /m²							
Sales: Rate /m²	-7.500%	-5.000%	-2.500%	0.000%	2.500%	5.000%	7.500%	10.000%
-7.500%	-1,107,453	-957,515	-807,577	-657,639	-507,701	-355,468	-198,904	-34,667
-5.000%	-1,306,169	-1,156,231	-1,006,293	-856,355	-706,417	-556,479	-405,881	-250,460
-2.500%	-1,504,889	-1,354,947	-1,205,009	-1,055,071	-905,134	-755,196	-605,258	-455,320
0.000%	-1,703,601	-1,553,663	-1,403,729	-1,253,788	-1,103,850	-953,912	-803,974	-654,036
2.500%	-1,902,317	-1,752,380	-1,602,442	-1,452,508	-1,302,566	-1,152,628	-1,002,690	-852,752
5.000%	-2,101,034	-1,951,096	-1,801,158	-1,651,220	-1,501,282	-1,351,344	-1,201,406	-1,051,468
7.500%	-2,299,750	-2,149,812	-1,999,874	-1,849,936	-1,699,998	-1,550,060	-1,400,122	-1,250,185
10.000%	-2,498,466	-2,348,528	-2,198,590	-2,048,652	-1,898,715	-1,748,777	-1,598,839	-1,448,901

Table 5 – Sensitivity Analysis

7.7 In order to provide context to the sensitivity analysis it is necessary to examine likely movements in build cost and sales values noting that these are forecasts which may be impacted by currently unknown factors.

7.8 The BCIS All-In Tender Price Index (TPI) increased by 0.7% in 1Q2026, resulting in annual growth of 2.8%. The BCIS TPI panel met on 9 March and agreed that, to date, the conflict in Iran has not fed through into tender prices. However, growing risk concerns were reported, with the panel suggesting that a pause in decision-making is likely to be the most immediate impact.

7.9 The panel noted that, although the project pipeline has clearly increased during the quarter, there is a difficulty in converting this pipeline into projects. It was widely agreed that the market should be busier than it currently is. The main reasons cited for slower activity were the lack of readily available financing and contractors taking a firmer stance on contractual conditions during negotiations.

7.10 Activity in the housing and commercial sectors was reported as subdued during the quarter, while infrastructure and public sector work remained active. The panel agreed that the conflict in Iran is highly likely to delay a recovery in the residential sector by at least a year. This is primarily due to increased inflationary pressures and the reduced likelihood of Bank Rate cuts this year, which could result in higher mortgage rates, reduced affordability and increased project financing costs, affecting scheme viability.

7.11 In light of these factors, BCIS forecasts the All-in TPI to grow by 3.2% by the end of this year, and by 15% over the five years to 1Q2031. It is also noted that at the time of the latest RICS analysis, the full inflationary impact of the war in Iran is unknown but the cost of fuel alone on the supply chain is likely to be underestimated.

7.12 In terms of values, The RICS Housing Market Survey (March 2026) signals market activity and buyer demand in negative territory nationally. Aggregate house prices are seen to be softening, with near-term expectations pointing to further modest declines in the months ahead. The twelve-month outlook for activity and prices turns from positive to broadly flat.[4]

7.13 The Office for Budget Responsibility (OBR) provide a regular forecast of house price changes at a national level. In November 2025 (before the Iran conflict) the OBR reported house price growth forecast of an average of 2.5% per annum from 2026 to 2030. In terms of transactions, the OBR forecasts a reduction in transactions in the market due to the projected increase in mortgage rates and an ageing population that transacts property both later in life and less frequently which they state will weigh on transactions.

7.14 In summary, general market forecasts over the next 3 years suggest that build cost inflation will likely exceed inflation in house prices measured at a national level. It should be noted that the above forecasts are not specific to Hythe.

7.15 It is concluded that the assumptions within the FVA are appropriately balanced and are not overly pessimistic given the current and forecasted movements in costs and values.

[4] UK-Residential-Market-Survey-March-2026.pdf

APPENDICES

Appendix 1 – Accommodation Schedule

Appendix 2 – Sales Values

Appendix 3 – BCIS (June 2026)

Appendix 4 – Extra Over Build Costs

Appendix 5 – Sales Rate Analysis

Appendix 6 – Empty Property Costs

Appendix 7 – Existing Use Value

Appendix 8 – Argus Appraisal 100% Open Market Proposal

Appendix 9 – Argus Appraisal including 2 affordable units (allowing for VBC)

Appendix 1 – Accommodation Schedule

ACCOMMODATION SCHEDULE

STAGE

Date: 19.05.26 Rev. P.03

Site Address: Former Aldi, 70 to 72 High Street, Hythe,
Post Code: CT
Project No:

Only cells in 'Blue' to be completed
All other cells update automatically
Extra rows can be added for additional floor levels

No. Units: 32

Floor Level	Plot No.	Floor Area m2	Floor Area ft2	Balcony Area m2	Balcony Area ft2	No. of bedrooms
0	1	75.80	815.9		0.0	2
0	2	80.50	866.5		0.0	2
0	3	51.30	552.2		0.0	1
0	4	51.20	551.1		0.0	1
0	5	51.30	552.2		0.0	1
0	6	51.30	552.2		0.0	1
0	7	53.60	576.9		0.0	1
1	8	75.80	815.9		0.0	2
1	9	80.50	866.5		0.0	2
1	10	51.30	552.2		0.0	1
1	11	51.20	551.1		0.0	1
1	12	51.30	552.2		0.0	1
1	12a	81.60	878.3		0.0	2
1	14	84.20	906.3		0.0	2
1	15	51.30	552.2		0.0	1
1	16	54.30	584.5	7.20	77.5	1
1	17	59.50	640.5	17.30	186.2	1
1	18	86.90	935.4		0.0	2
1	19	52.70	567.3		0.0	1
2	20	75.00	807.3		0.0	2
2	21	78.60	846.0		0.0	2
2	22	50.90	547.9		0.0	1
2	23	50.80	546.8		0.0	1
2	24	50.90	547.9		0.0	1
2	25	50.90	547.9		0.0	1
2	26	53.20	572.6		0.0	1
2	27	57.70	621.1		0.0	1
2	28	51.00	549.0		0.0	1
2	29	53.90	580.2		0.0	1
2	30	58.60	630.8		0.0	1
2	31	86.50	931.1		0.0	2
2	32	52.20	561.9		0.0	1

Apartment Mix:	1 Bed	2 Bed	2 bed %	Standard	Standard Modified	Non Standard
Ground floor	5	2	28.6%	0	0	0
First floor	7	5	41.7%	0	0	0
Second floor	10	3	23.1%	0	0	0
Total	22	10	31.3%	0	0	0
	52.75	80.54				
	1161	805		1965.9		

All floor areas are to finished wall faces (approx. 1m² smaller than structural wall faces)
Internal structural walls are included within apartment floor areas, ie. floor areas are to perimeter of apartment
All floor areas are based on full height ceilings or to 1500mm high in dormer/sloping roof situations

Communal Areas

Entrance Lobby		3.97	m²	42.7	ft²
Owners' Lounge		95.03	m²	1022.9	ft²
Office/Reception		10.04	m²	108.1	ft²
Tea/Coffee Bar		7.84	m²	84.4	ft²
Guest Suite		22.00	m²	236.8	ft²
Refuse		29.58	m²	318.4	ft²
WC		4.10	m²	44.1	ft²
Buggy store		23.82	m²	256.4	ft²
Retail A		99.60	m²	1072.1	ft²
Retail B		66.20	m²	712.6	ft²
Retail Refuse		13.91	m²	149.7	ft²
Plant					
Ground		5.54	m²	59.6	ft²
1st & Utility		9.63	m²	103.7	ft²
2nd		9.80	m²	105.5	ft²
Lift					
Ground		2.92	m²	31.4	ft²
1st		2.92	m²	31.4	ft²
2nd		2.92	m²	31.4	ft²
Stair 1	Dry riser and shoppers ent.				
Ground		21.89	m²	235.6	ft²
1st		9.57	m²	103.0	ft²
2nd		9.57	m²	103.0	ft²
Stair 2	Dry riser				
Ground		11.06	m²	119.0	ft²
1st		11.06	m²	119.0	ft²
2nd		11.06	m²	119.0	ft²
Smoke Shaft					
Ground		1.58	m²	17.0	ft²
1st		1.58	m²	17.0	ft²
2nd		1.58	m²	17.0	ft²
Corridors					
Ground		95.58	m²	1028.8	ft²
1st		95.44	m²	1027.3	ft²
2nd		95.66	m²	1029.7	ft²
Total		**595.74**	**m²**	**8346.9**	**ft²**
Retail Total		**179.71**	**m²**	**8304.1**	**ft²**

Gross Perimeter - External

Ground	179.74	m	589.7	ft
1st	175.94	m	577.2	ft
2nd	175.94	m	577.2	ft
Total	**531.62**	**m**	**1744.2**	**ft**

Gross Area - Internal

Ground	997.18	m²	10733.6	ft²
1st	973.07	m²	10474.0	ft²
2nd	973.07	m²	10474.0	ft²
Total	**2943.3**	**m²**	**31681.6**	**ft²**

Gross Area - External

Ground	1059.52	m²	11404.6	ft²
1st	1034.09	m²	11130.9	ft²
2nd	1034.09	m²	11130.9	ft²
Total	**3127.7**	**m²**	**33666.3**	**ft²**

Saleable/Communal/Structure/Retail

Saleable	1965.8	m²	21159.7	ft²	=	66.8	%
Communal	595.7	m²	6412.5	ft²	=	20.2	%
Structure	202.1	m²	2175.1	ft²	=	6.9	%
Retail	179.7	m²	1934.4	ft²	=	6.1	%
Total	**2943.3**	**m²**	**31681.6**	**ft²**	**=**	**100.0**	**%**

SITE/Soft Landscape/Hard Landscape

Gross Site Area	2353	m^2	=		ft^2
Soft landscape Area	267.98	m^2	=		ft^2
Hard Landscape Area	902.4	m^2	=		ft^2

Appendix 2 – Sales Values

Apartment Sales Hythe

Address	Tenure	Postcode	Last updated on	sqm	Rightmove	Rightmove Date	EPC Sqft	Price (Â£)	Price (Â£)	Property ty	New build
64 1 bedroom first floor apartment, Boundary Road, Hythe, Kent	Share of Freehold	CT21 6JL	08/12/2025	51	548.96	08/12/2025		4313.73	220000	Flat	TRUE
The Auction Room, Boundary Road, Hythe, Kent	Share of Freehold	CT21 6JL	15/11/2025	51	548.96	15/11/2025		4313.73	220000	Flat	TRUE
65 SPECIAL OFFER PRICE, Boundary Road, Hythe, Kent	Share of Freehold	CT21 6JL	27/01/2026	51	548.96	27/01/2026		4705.88	240000	Flat	TRUE
The Auction Room, Boundary Road, Hythe, Kent	Share of Freehold	CT21 6JL	29/08/2025	51	548.96	29/08/2025		4705.88	240000	Flat	TRUE
64 1 bedroom first floor apartment, Boundary Road, Hythe, Kent	Share of Freehold	CT21 6JL	18/07/2025	51	548.96	18/07/2025		4901.96	250000	Flat	TRUE
The Auction Room, Boundary Road, Hythe, Kent	Share of Freehold	CT21 6JL	18/07/2025	51	548.96	18/07/2025		4901.96	250000	Flat	TRUE
65 1 bedroom first floor apartment, Boundary Road, Hythe, Kent	Share of Freehold	CT21 6JL	30/05/2025	51	548.96	30/05/2025		5196.08	265000	Flat	TRUE
Apartment 4 Cautley House, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5RB	14/02/2026	55	592.02	14/02/2026	605.47	4000	220000	Flat	TRUE
Apartment 4, Cautley House, Cliff Road, Hythe, Kent	Share of Freehold	CT21 5XW	23/01/2026	55	592.02	23/01/2026		4000	220000	Flat	TRUE
Apartment 2 Cautley House, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5RB	01/08/2025	55	592.02	01/08/2025		4545.36	249995	Flat	TRUE
Flat 14 The Residence, South Road, Hythe, Kent	Share of Freehold	CT21 6HH	05/06/2026	55	592.02	05/06/2026	635.08	5000	275000	Flat	TRUE
Flat 14 The Residence, South Road, Hythe, Kent	Share of Freehold	CT21 6HH	09/12/2025	55	592.02	09/12/2025	635.08	5454.55	300000	Flat	TRUE
Flat 8 The Residence, South Road, Hythe, Kent	Share of Freehold	CT21 6HH	05/06/2026	56	602.78	05/06/2026	745.2	5625	315000	Flat	TRUE
Flat 8 The Residence, South Road, Hythe, Kent	Share of Freehold	CT21 6HH	09/12/2025	56	602.78	09/12/2025	745.2	5803.57	325000	Flat	TRUE
Flat 18 The Residence, South Road, Hythe, Kent	Share of Freehold	CT21 6HH	05/06/2026	57	613.55	05/06/2026	635.08	5175.44	295000	Flat	TRUE
Flat 16 The Residence, South Road, Hythe, Kent	Share of Freehold	CT21 6HH	28/03/2026	59	635.08	28/03/2026	742.72	5000	295000	Flat	TRUE
Flat 6 The Residence, South Road, Hythe, Kent	Share of Freehold	CT21 6HH	05/06/2026	59	635.08	05/06/2026	742.72	5508.47	325000	Flat	TRUE
Apartment 3 Seabrook Heights 69, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5QW	01/12/2025	60	645.84	01/12/2025	947.23	5666.67	340000	Flat	TRUE
Flat 16 The Residence, South Road, Hythe, Kent	Share of Freehold	CT21 6HH	01/01/2026	62	667.37	01/01/2026	742.72	4758.06	295000	Flat	TRUE
Apartment 1 93, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5QP	24/03/2026	67	721.19	24/03/2026	1321.04	4104.48	275000	Flat	TRUE
Apartment 1 93, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5QP	24/03/2026	67	721.19	24/03/2026	1321.04	4477.61	300000	Flat	TRUE
Apartment 1 93, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5QP	20/01/2026	67	721.19	20/01/2026	1321.04	4477.61	300000	Flat	TRUE
Apartment 5 93, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5QP	11/11/2025	67	721.19	11/11/2025	699.66	4477.61	300000	Flat	TRUE
Apartment 5 93, Seabrook Road, Hythe, Kent	Leasehold	CT21 5QP	17/10/2025	67	721.19	17/10/2025	699.66	4477.61	300000	Flat	TRUE
Apartment 5 93, Seabrook Road, Hythe, Kent	Leasehold	CT21 5QP	18/07/2025	67	721.19	18/07/2025	699.66	5074.63	340000	Flat	TRUE
Flat 19 The Residence, South Road, Hythe, Kent	Share of Freehold	CT21 6HH	09/12/2025	67	721.19	09/12/2025	742.72	5820.9	390000	Flat	TRUE
63 2 bedroom first floor apartment, Boundary Road, Hythe, Kent	Share of Freehold	CT21 6JL	19/01/2026	69	742.72	19/01/2026		3913.04	270000	Flat	TRUE
66 SPECIAL OFFER PRICE, Boundary Road, Hythe, Kent	Share of Freehold	CT21 6JL	04/09/2025	69	742.72	04/09/2025		3913.04	270000	Flat	TRUE
63 2 bedroom first floor apartment, Boundary Road, Hythe, Kent	Share of Freehold	CT21 6JL	18/07/2025	69	742.72	18/07/2025		4275.36	295000	Flat	TRUE
Apartment 3, The Paddocks, Prospect Road, Hythe, Kent	Share of Freehold	CT21 5NN	17/02/2022	69	742.72	07/09/2020		4855.07	335000	Flat	TRUE
4 Dukes Mews, Portland Road, Hythe, Kent	Freehold	CT21 6FS	02/06/2026	76			818.06	5723.68	435000	Flat	TRUE
148a, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5RA	27/01/2025	77	828.83	27/01/2025	973.89	6168.83	475000	Flat	TRUE
Apartment 6 Cautley House, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5RB	06/05/2026	78	839.59	06/05/2026	839.59	3846.09	299995	Flat	TRUE
Apartment 5 Cautley House, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5XW	28/03/2026	78	839.59	28/03/2026	861.12	3846.09	299995	Flat	TRUE
Apartment 6 Cautley House, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5XW	27/03/2026	78	839.59	27/03/2026	839.59	3846.09	299995	Flat	TRUE
Apartment 6 Cautley House, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5RB	13/03/2026	78	839.59	13/03/2026	839.59	3846.09	299995	Flat	TRUE
Apartment 7 Cautley House, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5XW	28/03/2026	78	839.59	28/03/2026	897	4230.77	330000	Flat	TRUE
Apartment 1 Cautley House, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5XW	27/03/2026	78	839.59	27/03/2026	845.74	4358.97	340000	Flat	TRUE
Apartment 7 Cautley House, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5RB	23/03/2026	78	839.59	23/03/2026	897	4358.97	340000	Flat	TRUE
Apartment 1 Cautley House, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5RB	23/03/2026	78	839.59	23/03/2026	845.74	4358.97	340000	Flat	TRUE
Apartment 6 Cautley House, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5XW	29/08/2025	78	839.59	29/08/2025	839.59	4487.12	349995	Flat	TRUE
Apartment 5 Cautley House, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5XW	21/07/2025	78	839.59	21/07/2025	861.12	5064.1	395000	Flat	TRUE
Apartment 12 Cautley House, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5XW	21/07/2025	78	839.59	21/07/2025	839.59	6025.64	470000	Flat	TRUE
4 Juniper View, School Road, School Road, Saltwood, Hythe, Kent	Share of Freehold	CT21 4QB	21/04/2026	80			861.12	4937.5	395000	Flat	TRUE
Apartment 1, The Paddocks, Prospect Road, Hythe, Kent	Share of Freehold	CT21 5NN	27/09/2021	81	871.88	12/03/2021		5061.73	410000	Flat	TRUE
Apartment 7 Cautley House, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5XW	27/09/2025	83.33			897	4080	340000	Flat	TRUE
Apartment 4, The Paddocks, Prospect Road, Hythe, Kent	Share of Freehold	CT21 5NN	04/01/2022	89	958	24/04/2021		5056.18	450000	Flat	TRUE
Apartment 4, Haverfield Park, Cannongate Road, Hythe, Kent	Leasehold	CT21 5PX	16/07/2021	90	968.76	16/07/2021	893.41	5055.56	455000	Flat	TRUE
Apartment 9 Cautley House, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5RB	23/03/2026	91	979.52	23/03/2026	978.55	4230.77	385000	Flat	TRUE
Apartment 8 Cautley House, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5RB	15/11/2025	91	979.52	15/11/2025	978.55	4340.66	395000	Flat	TRUE
Apartment 8 Cautley House, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5XW	03/11/2025	91	979.52	03/11/2025	978.55	4340.66	395000	Flat	TRUE
Apartment 2, Seabrook Heights Seabrook Road, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5QW	04/02/2023	93	1001.05	01/08/2022	882.65	4139.78	385000	Flat	TRUE
Apartment 5, The Paddocks, Prospect Road, Hythe, Kent	Share of Freehold	CT21 5NN	27/09/2021	93	1001.05	31/03/2021		4301.08	400000	Flat	TRUE
Apartment 2 Cautley House, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5XW	16/02/2026	93.33			1004.64	4017.86	375000	Flat	TRUE
Apartment 3 Cautley House, Seabrook Road, Hythe, Kent	Share of Freehold	CT21 5XW	21/05/2025	93.33			1004.64	4607.14	430000	Flat	TRUE
Apartment 6, The Paddocks, Prospect Road, Hythe, Kent	Share of Freehold	CT21 5NN	25/01/2022	94	1011.82	24/04/2021		4521.28	425000	Flat	TRUE
Apartment 3, Seabrook Heights, 69, Seabrook Road, Hythe, Kent, CT21 5QW	Leasehold	CT21 5QW	02/02/2024	95	1022.58	10/04/2020	978.55	4000	380000	Flat	TRUE
Apartment 7, 69, Seabrook Road, Hythe, Kent, CT21 5QW	Leasehold	CT21 5QW	13/10/2021	95	1022.58	04/01/2022	968.76	4473.68	425000	Flat	TRUE
Apartment 7, The Paddocks, Prospect Road, Hythe, Kent	Share of Freehold	CT21 5NN	12/03/2022	96	1033.34	08/05/2021		4687.5	450000	Flat	TRUE
Apartment 1, Seabrook Heights, 69, Seabrook Road, Hythe, Kent, CT21 5QW	Leasehold	CT21 5QW	03/11/2022	99	1065.64	10/05/2021	979.52	3939.39	390000	Flat	TRUE
Apartment 2, The Paddocks, Prospect Road, Hythe, Kent	Share of Freehold	CT21 5NN	01/11/2021	99	1065.64	10/02/2021		4696.97	465000	Flat	TRUE
First Floor Apartment, Bay Tree House, Tanners Hill, Tanners Hill, Hythe, Kent	Leasehold	CT21 5UE	11/06/2024	110	1184.04	11/06/2024		4500	495000	Flat	TRUE
36, Naildown Road, Hythe, Kent	Share of Freehold	CT21 5TB	28/05/2026	136	1463.9	07/10/2024	1280.92	3639.71	495000	Flat	TRUE
Apartment 1, Hillcrest Road, Hythe, Kent	Share of Freehold	CT21 5EU	01/04/2022	156	1679.18	08/09/2021	1450.8	3044.87	475000	Flat	TRUE
Apartment 9, Seabrook Heights, 69, Seabrook Road, Hythe, Kent, CT21 5QW	Leasehold	CT21 5QW	09/09/2022	160	1722.24	01/10/2022	1565.67	2593.75	415000	Flat	TRUE
Apartment 4 Redlynch House, Hillcrest Road, Hythe, Kent	Share of Freehold	CT21 5EU	16/04/2024	272	2927.81	18/10/2021	2815.2	1819.85	495000	Flat	TRUE
Apartment 7, Hillcrest Road, Hythe, Kent	Share of Freehold	CT21 5EU	26/07/2022	299	3218.44	26/10/2021	2919.05	1588.63	475000	Flat	TRUE

Newbuild Asking Prices

£275,000

South Road, Hythe, Kent, CT21

Apartment 2 2

A stunning selection of luxury two and three bedroom apartments within an exclusive gated development with direct access on to the promenade and beachfront. The apartments enjoy an enviable...

NEW HOME

Reduced on 02/12/2025 by Reeds Rains, Folkestone

01303 761694
Local call rate

Contact Save

£299,995
Guide Price

Apartment 5, Cautley House, Hythe, Kent

Apartment 2 1

Apartment 5 is a beautifully designed first-floor, two-bedroom residence that seamlessly blends style and comfort. Step into a generously sized entrance hall that leads to a stunning open-plan...

NEW HOME

Added on 28/03/2026 by Rogans Estate Agents, Hythe

01303 767235
Local call rate

Contact Save

£330,000
Guide Price

Apartment 7, Cautley House, Hythe, Kent

Apartment 2 2

Apartment 7 is a beautifully appointed second-floor, two-bedroom residence that offers a perfect blend of contemporary style and coastal charm. A spacious entrance hall welcomes you into the...

NEW HOME

Added on 28/03/2026 by Rogans Estate Agents, Hythe

01303 767235
Local call rate

Contact Save

£340,000
Guide Price

Apartment 1, Cautley House, Hythe, Kent

Apartment 2 2

Apartment 1 is a beautifully designed first-floor, two-bedroom residence that seamlessly blends style and comfort. Step into a generously sized entrance hall that leads to a stunning open-plan...

NEW HOME

Reduced on 27/03/2026 by Rogans Estate Agents, Hythe

01303 767235
Local call rate

Contact Save

1/19 MARTELLO LAKES - NEW HOMES

£349,995

JUST LAUNCHED

Dymchurch Road Hythe CT21 4NE

Semi-Detached 3

Come and view the NORBURY SHOW HOME and get a feel for the space! The Norbury provides inviting spaces to gather with famil...

NEW HOME | BOOK VIEWING | View development >

Added on 05/06/2026 by Barratt Homes

01303 761707
Local call rate

Contact | Save

More properties available at this development

£349,995	£368,995	£379,995	£379,995
Semi-Detached 3	Semi-Detached 3	Semi-Detached 3	End of Terrace 3

1/8 MARTELLO LAKES - NEW HOMES

£374,995

JUST LAUNCHED

Dymchurch Road, Hythe, Kent, CT21 4AA

Detached 3

Enjoy up to £25,00 to spend your way on this home when you legally complete by 30th June!*The Elmslie boasts a sizeable livin...

NEW HOME | View development >

Added on 30/01/2026 by Linden Homes Kent

Linden HOMES

01303 765330
Local call rate

Contact | Save

More properties available at this development

£374,995	£389,995	£409,995	£409,995
Detached 3	Semi-Detached 3	Town House 4	Town House 4

1/6

£375,000
From

Herons Way, Hythe, CT21

Terraced 3 2

Located within the sought after area of Hythe is this small development of new three bedroom homes with spacious living and ample parking. PRICES from £375,000

NEW HOME

Added on 07/05/2026 by Skippers Estate Agents, Cheriton

Skippers

01309 250507
Local call rate

Contact | Save

1/9 MARTELLO LAKES - NEW HOMES

Dymchurch Road, Hythe, Kent, CT21 4AA

Town House 4

Enjoy the high life with the three-storey Aslin. This four bedroom home has been thoughtfully designed with modern day family life...

NEW HOME View development >

Added on 30/01/2026 by Linden Homes Kent

£409,995

JUST LAUNCHED

Linden HOMES 01303 765330 Local call rate Contact Save

More properties available at this development

£409,995
Town House 4

£409,995
Town House 4

£412,995
Town House 4

£389,995
Semi-Detached 3

1/7 MARTELLO LAKES - NEW HOMES

Dymchurch Road, Hythe, Kent, CT21 4AA

Detached 4

Receive £21,999 deposit contribution when you reserve this home by 30th June* The Mylne brilliantly facilitates the demands of...

NEW HOME View development >

Added on 15/04/2026 by Linden Homes Kent

£439,995

JUST LAUNCHED

Linden HOMES 01303 765330 Local call rate Contact Save

More properties available at this development

£439,995
Detached 4

£429,995
Detached 4

£412,995
Town House 4

£409,995
Town House 4

Appendix 3 – BCIS (June 2026)

BCIS®

£/M2 STUDY

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 30-May-2026 08:17

Rebased to Shepway (101; sample 18)

MAXIMUM AGE OF RESULTS: DEFAULT PERIOD

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
New build								
345. Shops								
Generally (30)	1,999	939	1,090	1,586	2,399	5,151	14	
1-2 storey (30)	2,027	939	1,072	1,543	2,499	5,151	13	
3-5 storey (30)	1,630	-	-	-	-	-	1	
810.1 Estate housing								
Generally (15)	1,631	810	1,379	1,560	1,786	5,575	1271	
Single storey (15)	1,867	1,080	1,564	1,793	2,034	5,575	197	
2-storey (15)	1,575	810	1,354	1,524	1,732	3,387	1007	
3-storey (15)	1,651	1,006	1,406	1,599	1,833	3,290	62	
4-storey or above (15)	3,379	1,654	2,706	3,020	4,495	5,021	5	
810.11 Estate housing detached (15)	2,236	1,185	1,696	1,905	2,562	5,575	17	
810.12 Estate housing semi detached								
Generally (15)	1,647	951	1,397	1,598	1,808	3,603	325	
Single storey (15)	1,830	1,175	1,605	1,817	1,981	3,603	73	
2-storey (15)	1,595	951	1,382	1,538	1,754	2,766	242	
3-storey (15)	1,584	1,190	1,258	1,512	1,823	2,307	10	

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
810.13 Estate housing terraced							
Generally (15)	1,629	959	1,342	1,536	1,767	5,021	195
Single storey (15)	1,810	1,153	1,541	1,767	2,144	2,572	14
2-storey (15)	1,568	959	1,331	1,500	1,695	3,387	153
3-storey (15)	1,648	1,006	1,412	1,587	1,819	3,290	26
4-storey or above (15)	4,758	4,495	-	-	-	5,021	2
843. Supported housing							
Generally (15)	2,102	1,052	1,694	1,928	2,338	5,027	110
Single storey (15)	2,634	1,474	1,940	2,371	2,679	5,027	10
2-storey (15)	2,132	1,274	1,701	1,989	2,494	3,610	37
3-storey (15)	1,925	1,052	1,674	1,802	2,098	4,397	36
4-storey or above (15)	2,100	1,279	1,675	1,961	2,155	3,974	27
843.1 Supported housing with shops, restaurants or the like (15)	2,172	1,229	1,692	1,940	2,768	3,392	35

News Release
Embargoed until 0930 BST 4 June 2026 (0830 UTC)

S&P Global UK Construction PMI®

UK construction output falls at fastest pace for six years

May 2026

Sharper declines in housing and commercial construction activity

Purchasing price inflation accelerates further

Supplier delays are the most widespread since December 2022

Shrinking order books and rising economic uncertainty contributed to another steep decline in UK construction activity during May. At the same time, higher energy, fuel and transportation costs led to the fastest pace of input price inflation since June 2022.

At 38.2 in May, down from 39.7 in April, the headline seasonally adjusted S&P Global UK Construction Purchasing Managers' Index™ (PMI®) – an index tracking changes in total industry activity – posted below the neutral 50.0 threshold for the seventeenth month running. Moreover, the rate of contraction was the steepest since May 2020. Aside from the drop in construction output at the start of the pandemic, the latest fall was the fastest since March 2009.

All three broad categories of construction work posted sharp declines in output levels during May. Residential activity (index at 36.0) was the weakest-performing segment, with survey respondents commenting on unfavourable market conditions and headwinds from elevated borrowing costs.

Commercial construction (39.0) also saw a steeper reduction in output levels in May, reflecting risk aversion among clients in response to geopolitical tensions and rising inflationary pressures. Meanwhile, civil engineering work fell at a slightly less marked rate than in April (36.2).

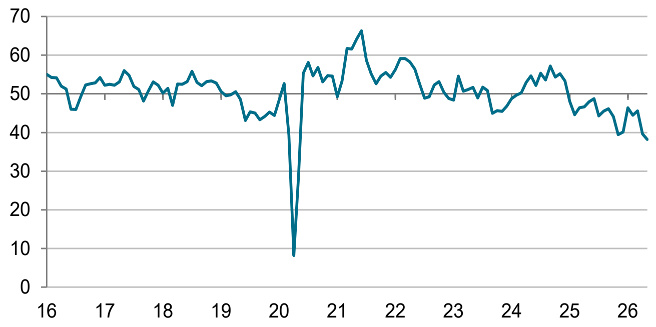
Total new orders across the construction sector decreased at a sharp and accelerated pace in May. Mirroring the trend for output levels, the downturn in new business intakes was the fastest for six years. Construction companies suggested that project delays, deferred investment decisions and general cutbacks to clients' budgets had all resulted in fewer tender opportunities. Some firms suggested that domestic political uncertainty had also impacted demand conditions in May. However, there were reports that forthcoming energy sector and power networks projects were a bright spot for new infrastructure work.

A lack of new orders to replace completed projects resulted in lower employment numbers and another sharp drop in input buying during May. The latest fall in purchasing activity was the fastest since November 2025.

Despite weaker demand for construction products and materials, the latest survey indicated that suppliers' delivery

S&P Global UK Construction PMI Total Activity

Index, sa, >50 = growth m/m



Data were collected 12-28 May 2026.
Source: S&P Global PMI. ©2026 S&P Global.

Comment

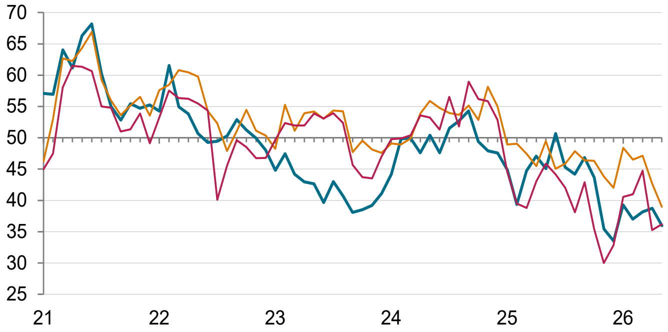
Tim Moore, Economics Director at S&P Global Market Intelligence, said:

"UK construction companies reported a steep downturn in business activity during May, with the speed of contraction accelerating to its fastest for six years. House building remained especially subdued, and there were fresh challenges in the construction sector from a considerable softening of commercial activity since April.

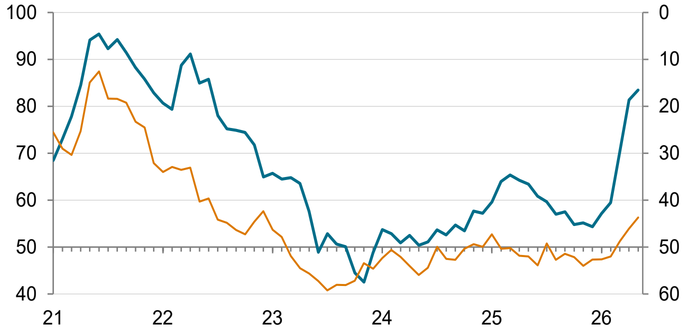
"Anecdotal evidence suggested that economic uncertainty and rising inflation in the wake of the Middle East conflict had triggered the steepest drop in new work since the beginning of the pandemic. Elevated borrowing costs were also reported to have impacted market conditions.

"Fuel surcharges and rapid increases in prices for energy-intensive raw materials continued to be felt across the construction supply chain. Overall purchasing costs rose to the greatest extent since June 2022, while international shipping delays meant that suppliers' delivery times lengthened for the third month running.

"Concerns about a prolonged decline in construction order books, alongside unfavourable near-term UK economic prospects, weighed on business optimism in May. This index has fallen sharply since the start of 2026, and confidence levels are now almost as low as those seen ahead of last autumn's Budget."



Source: S&P Global PMI. ©2026 S&P Global.



Source: S&P Global PMI. ©2026 S&P Global.

times lengthened for the third month running in May. Moreover, the downturn in vendor performance was the sharpest since December 2022 amid widespread reports of international shipping delays and some raw material shortages.

Almost two-thirds of the survey panel signalled a rise in their input prices during May, while only 1% experienced a decline. The resulting seasonally adjusted Input Prices Index pointed to the fastest pace of inflation since June 2022. Higher purchasing prices were mostly linked to fuel surcharges, rising energy costs and higher transportation bills. Moreover, subcontractor charges increased to the greatest extent for nearly three-and-a-half years.

Business activity expectations for the next 12 months remained positive in May, but the degree of optimism eased to the second-lowest since December 2022. Around 31% of the survey panel predict a rise in output levels during the year ahead, while 25% forecast a reduction. Subdued business confidence was generally attributed to concerns about the impact of rising inflation, as well as elevated borrowing costs and unfavourable near-term projections for domestic economic conditions.

Contact

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Methodology

The S&P Global UK Construction PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 150 construction companies. The panel is stratified by company workforce size, based on contributions to GDP. Survey data were first collected April 1997.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Total Activity Index. This is a diffusion index that tracks changes in the total volume of construction activity compared with one month previously. The Total Activity Index is comparable to the Manufacturing Output Index and Services Business Activity Index. It may be referred to as the 'Construction PMI' but is not comparable with the headline manufacturing PMI figure.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series..

For further information on the PMI survey methodology, please contact economics@spglobal.com.

S&P Global

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We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today. www.spglobal.com

PMI by S&P Global

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. www.spglobal.com/marketintelligence/en/mi/products/pmi

Disclaimer

Appendix 4 – Extra Over Build Costs

Extra Over Costs/Site Specific Costs

HYTHE (70-72 High Street)

Code		Total	*Comment*
	E/O Demolition	£218,000.00	Based on DDS quote provided for demolition and asbestos survey.
	CFA piling and ground beams, piling attendance, piling matt	£228,385.00	Crossfield's Ground Investigation - made ground is 4.5m in places
	Contamination, groudwater treatment and capping layer	£26,310.00	Generally levels below reference threshold but some hydrocarbons & copper in a previous SI
	Archaeological desk based assessment and fieldwork	£41,540.00	As Hapro Report dated August 25
	Section 278 works	£20,000.00	Improvements required to existing entrance and footpath
	Total extra over cost	**£534,235.00**	

Appendix 5 – Sales Rate Analysis

South East Division Sales Rates

Contract	First Occ	Total Saleable Units	Rate of Sale to Date	Rate of Sale This Year (since June 2025)
Haverhill 2	27/06/2025	37	0.58	0.55
Bury St Edmunds	30/05/2023	49	0.95	0.27
Diss	30/11/2023	58	0.77	0.27
Great Shelford	22/05/2025	39	0.69	0.55
Hertford	15/08/2025	34	0.5	0.5
Hitchin	29/11/2019	53	0.51	0
Witham	16/12/2022	58	1.14	0.73
Southwater	30/06/2025	42	1	0.82
Ashtead	30/06/2017	33	0.29	0
Burnham	11/12/2020	46	0.29	0.09
Cranleigh	28/06/2024	38	1.13	0.27
East Grinstead	31/05/2018	49	0.3	0.09
Eastbourne	20/06/2019	58	0.68	0.18
Oxted	31/03/2023	26	0.51	0.45
Reigate	18/12/2020	31	0.42	0.36
Staines	18/12/2020	29	0.29	0.09
Tattenham Corner	10/02/2022	34	0.48	0.09
Staplehurst	24/10/2025	29	0.13	0.13
Orpington 2	31/01/2022	27	0.53	0.11
Paddock Wood	08/03/2023	33	0.54	0.18
Rainham	29/09/2023	55	1.42	0.55
Selsdon	27/06/2019	37	0.29	0.09
Swanley	15/12/2022	34	0.6	0.18
Tenterden	31/05/2024	53	0.76	0.45
Tonbridge (3)	02/06/2025	32	1.25	0.73
Westwood Cross	28/03/2024	51	0.59	0.18
Aylesbury	31/05/2019	49	0.54	0
Marlow	27/06/2018	30	0.27	0
Princes Risborough (2)	29/06/2018	36	0.33	0.45
Thame	18/12/2020	41	0.53	0
	Averages	40.7	0.61	0.28

Appendix 6 – Empty Property Costs

Empty Property Costs Estimate							
Former Aldi High Street Hythe							
Jun-26							
Council Tax Calculation							
Folkstone and Hythe							
				Per year	Per month	no. apartments	total/mth
1 bed apartment - Band C 2026				£ 2,141.00	£ 178.42	22	£ 3,925.17
2 bed apartment - Band D 2026				£ 2,409.00	£ 200.75	10	£ 2,007.50
Cottages					£ -		£ -
						32	£ 5,932.67
						Ave per unit/mth	£ 185.40
Service Charge per annum (average)					Per month	no. apartments	total/mth
1 bed apartment		£ 2,858.00			£ 238.17	22	£ 5,239.67
2 bed apartment		£ 4,258.00			£ 354.83	10	£ 3,548.33
Cottages					£ -	0	£ -
						32	£ 8,788.00
							£ 274.63
						Ave per unit/mth	
	Month	Sales Rate	Unsold Units	Service Charge	Council Tax	Total PCM	
				£ 274.63	£ 185.40		
50% sold at 12 months	0		32				
15%	1	Mth 1	27	£ 7,469.80	£ 5,042.77	£ 12,512.57	
3.00%	2		26	£ 7,206.16	£ 4,864.79	£ 12,070.95	
3.00%	3		25	£ 6,942.52	£ 4,686.81	£ 11,629.33	
3.00%	4		24	£ 6,678.88	£ 4,508.83	£ 11,187.71	
3.00%	5		23	£ 6,415.24	£ 4,330.85	£ 10,746.09	
3.00%	6		22	£ 6,151.60	£ 4,152.87	£ 10,304.47	
3.00%	7	Year 1	21	£ 5,887.96	£ 3,974.89	£ 9,862.85	
3.00%	8		20	£ 5,624.32	£ 3,796.91	£ 9,421.23	
3.00%	9		20	£ 5,360.68	£ 3,618.93	£ 8,979.61	
3.00%	10		19	£ 5,097.04	£ 3,440.95	£ 8,537.99	
3.00%	11		18	£ 4,833.40	£ 3,262.97	£ 8,096.37	
3.00%	12		17	£ 4,569.76	£ 3,084.99	£ 7,654.75	
3.00%	13		16	£ 4,306.12	£ 2,907.01	£ 7,213.13	
3.00%	14		15	£ 4,042.48	£ 2,729.03	£ 6,771.51	
3.00%	15		14	£ 3,778.84	£ 2,551.05	£ 6,329.89	
3.00%	16		13	£ 3,515.20	£ 2,373.07	£ 5,888.27	
3.00%	17		12	£ 3,251.56	£ 2,195.09	£ 5,446.65	
3.00%	18		11	£ 2,987.92	£ 2,017.11	£ 5,005.03	
3.00%	19	Year 2	10	£ 2,724.28	£ 1,839.13	£ 4,563.41	
3.00%	20		9	£ 2,460.64	£ 1,661.15	£ 4,121.79	
2.00%	21		8	£ 2,284.88	£ 1,542.49	£ 3,827.37	
2.00%	22		8	£ 2,109.12	£ 1,423.84	£ 3,532.96	
2.00%	23		7	£ 1,933.36	£ 1,305.19	£ 3,238.55	
2.00%	24		6	£ 1,757.60	£ 1,186.53	£ 2,944.13	
2.00%	25		6	£ 1,581.84	£ 2,135.76	£ 3,717.60	
2.00%	26		5	£ 1,406.08	£ 1,898.45	£ 3,304.53	
2.00%	27		4	£ 1,230.32	£ 1,661.15	£ 2,891.47	
2.00%	28		4	£ 1,054.56	£ 1,423.84	£ 2,478.40	
2.00%	29		3	£ 878.80	£ 1,186.53	£ 2,065.33	
2.00%	30	Year 3	3	£ 703.04	£ 949.23	£ 1,652.27	
2.00%	31		2	£ 527.28	£ 711.92	£ 1,239.20	
2.00%	32		1	£ 351.52	£ 474.61	£ 826.13	
2.00%	33		1	£ 175.76	£ 237.31	£ 413.07	
2.00%	34		0	-£ 0.00	-£ 0.00	-£ 0.00	

Totals				£ 115,298.56	£ 83,175.99	£ 198,474.55	

Appendix 7 – Existing Use Value

Damian Lynch
[redacted]

3 September 2025
Our Ref: AS

Dear Mr Lynch

RE: 70-72 High Street, Hythe, Kent

I write in connection with the above premises and our opinion on its potential value in the current market.

The property is situated in the centre of Hythe, a coastal market town in Kent. The larger conurbations of Folkestone to the east, Hastings to the west and Ashford to the north are larger destination towns.

Cradick Retail have been involved with the site over a number of years and have extensive experience in the retail and leisure sector in the south east.

Positioned in the centre of the high street, and now with its own private car park, the property appeals to a variety of retail and leisure operators.

The property is arranged over ground and first floor with a demised car park which sits adjacent to a local authority pay and display car park. The demised car park is currently managed by the local authority, but we understand this agreement has can be terminated at any time and vacant possession delivered.

The property was initially marketed To Let following Aldi's departure and latterly For Sale or To Let. There was various interest in parts of the property, but a single occupier was not found for the whole site at that time. There has been interest from food & beverage occupiers for part of the ground floor from Loungers for approximately 4,000 sq ft. Ther were discussions with Majestic Wine for 4,000 sq ft fronting the car park which would have required designated car parking of approximately 10-15 bays. There was no interest for the first floor in its current form.

The car park at this time was subject to a management agreement. The ability to deliver the premises with demised car parking significantly improves demand for a large space, most occupiers seeking space of this size require free customer parking on site. operators taking the whole site wanting designated parking would need approximately 40 bays, whether this is for a leisure user or a retailer.

The ground floor is a former Aldi supermarket and provides some 11,291 sq ft GIA with frontage onto both the high street and the car park. The first floor is currently accessed from the car park side via a staircase. There was formerly a lift, which if reinstated could provide DDA access or a goods lift to the first floor. In addition there is a small unit which is accessed from the high street.

Whilst the property could be divided to create smaller units, it does not split well and would leave a weaker unit fronting Bank Street. The ground and first floor could be divided, but the floor loadings would need to be considered depending on the use of the upper floors which could prove prohibitive. A new customer doorway and lift access would also need to be installed.

There is little comparable evidence in the immediate vicinity, but looking slightly further afield, we find units which appeal to the same occupiers and at a comparable level of rent. A few of these are set out below.

Available Units – To Let

74-95 High St, Dover

Size	29,580 sq ft
Quoting rent	£100,000 per annum

Comments Sainsbury's lease passing off £230,000 p/a. Interest on a rates only basis, but no other interest. Very poor location in the town.

6-8 Longmarket, Canterbury

Size 12,214 sq ft
Quoting rent £175,000 per annum
Comments Secondary location in the town, but a stronger town for retail than Hythe. Comments from the agent on current interest are awaited.

Available Units – For Sale

2-8 Tontine Street, Folkestone

Description Mixed use residential and commercial building comprising six flats, nightclub, snooker bar and takeaway premises.
Guide Price £1,800,000
Comments Smaller overall site than the subject site but is income producing and in a comparable nearby town.

32-36 Sandgate Road, Folkestone

Description Commercial premises at ground floor with vacant upper parts, formerly residential units. Being sold as a development opportunity with the option to convert the upper parts, or significantly redevelop.
Guide Price Offers are invited, the seller is targeting £1.2-£1.3m, but considering all offers above £1m.
Comments The upper parts are vacant and uninhabitable and there is one vacant retail unit at the ground floor. Likely to be a conversion of the upper parts based on residential values locally VS build costs for a redevelopment. Producing a current income of £65,000 per annum.

Recent Leasing Transactions

Granville St, Dover

Size 11,106 sq ft
Agreed rent £140,000 per annum (£12.60 psf)
Effective date July 2023
Tenant Puregym
Comments Former retail site now let to Puregym on a new lease. Open market transaction.

Park Farm, Folkestone

Size 5,221 sq ft
Agreed rent £71,933 (£13.78psf)
Effective date September 2022
Tenant Toolstation
Comments Established retail & trade location. Good quality unit. Open market transaction.

Recent Sales Transaction

Queens House, Guildhall St, Folkestone

Size 27,052 sq ft sq ft
Sale price £1,630,000 (£60.25 psf)
Effective date August 2024
Comments Retail at ground floor (let) with vacant upper parts now being converted to residential.

28-30 Biggin Street, Dover

Size 29,854 sq ft sq ft
Sale price £1,335,000 (£44.71 psf)

Effective date July 2023
Comments Retail at ground floor (let) with vacant upper parts.

The property lends itself well to a variety of uses. The ground floor principally to retail, or possibly leisure. Both in the current market are achieving a similar level in regional towns where there is demised onsite customer parking. I would suggest an appropriate rent to be applied to the ground floor here, assuming parking is allocated for customer use, would be £12.50 psf. The first floor provides storage and staff areas at present but could be improved and let as a separate unit. In its current form it would attract a lower rate of say £3psf. The ERV for the whole premises therefore is say £170,000 per annum exclusive.

Considering the income VS potential capital values, we would assume in the current market that you would have a term certain of 5 years. Even with this in mind, yield profiles vary hugely depending on the occupiers and their respective covenants. Given the accommodation here and the likely users, it would be fair to consider that the occupier is of a larger, likely national covenant. Taking these assumptions into account, I would recommend a yield profile of 8% against the ERV (£170,000 per annum exclusive), the potential capital value, after assumed purchasers costs at 6% is say £2,000,000.

The building has been vacant for some time now and would need works to being in back into a useable condition. This would involve external repairs to the roof and guttering, repairs or replacement of the shop fronts and doors and internal stripping out to provide a suitable condition for handover. Access to the first floor would need to be improved too to make it suitable for use. I would expect such works to be in the order of £200,000.

Incentives would need to be considered too. Occupiers now are seeking long rent free periods for commitments of a reasonable lease term of say 10 years. It is likely that rent free in the order of 18 months would be required given the afore mentioned landlords works and in the current market. Making allowance for the cost of the landlords works and the rent free incentive, this would provide a net value of say £1,630,000. This assumes no development potential and is purely on the basis of letting the asset as is for income.

I trust this provides the information you require, but should you need anything further, please do let me know.

Please note that this is our opinion of the current use value assuming the property was improved as mentioned and then let, it does not constitute a valuation and should not be considered as such.

Regards,

Alex Standen
Partner
[redacted]

Appendix 8 – Argus Appraisal 100% Open Market Proposal

Aldi, High Rd Hythe (32 + 2 +retail) 06-26

Development Appraisal
CRL
June 11, 2026

Aldi, High Rd Hythe (32 + 2 +retail) 06-26

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Sales Valuation	**Units**	**m²**	**Sales Rate m²**	**Unit Price**	**Gross Sales**
1 Bed Flats	22	1,160.50	6,824.64	360,000	7,920,000
2 Bed Flats	10	805.40	5,711.45	460,000	4,600,000
2 Bed Cottages	2	173.36	5,768.34	500,000	1,000,000
Totals	**34**	**2,139.26**			**13,520,000**

Rental Area Summary	**Units**	**m²**	**Rent Rate m²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Retail	1	179.70	325.00	58,402	58,402	58,402
Totals	**1**	**179.70**			**58,402**	**58,402**

Investment Valuation

Retail					
Market Rent	58,402	YP @	7.0000%	14.2857	
(1yr Rent Free)		PV 1yr @	7.0000%	0.9346	779,740
Total Investment Valuation					**779,740**

GROSS DEVELOPMENT VALUE				**14,299,740**
Purchaser's Costs		5.80%	45,225	
Effective Purchaser's Costs Rate		5.80%		
				45,225
NET DEVELOPMENT VALUE				**14,254,515**
NET REALISATION				**14,254,515**

OUTLAY

ACQUISITION COSTS				
Residualised Price			1,253,788	
				1,253,788
Stamp Duty			43,109	
Effective Stamp Duty Rate		3.44%		
Agent Fee		1.00%	12,538	
Legal Fee		0.75%	9,403	
				65,050

CONSTRUCTION COSTS

Construction	**m²**	**Build Rate m²**	**Cost**	
Retail	179.70	1,555.00	279,433	
1 Bed Flats	1,631.52	1,802.00	2,939,999	
2 Bed Flats	1,132.29	1,802.00	2,040,392	
2 Bed Cottages	173.36	1,524.00	264,201	
Totals	**3,116.87 m²**		**5,524,025**	
Developers Contingency		5.00%	336,566	
Extra Overs			566,000	
FLOS	34.00 un	2,260.00 /un	76,840	
EV			40,000	
Statutory/LA	2,937.17 m²	141.84	416,609	
				6,960,039
Other Construction Costs				
External Costs		10.00%	27,943	
Externals		10.00%	524,459	
				552,402
Municipal Costs				
Municipal Costs			198,475	
				198,475

PROFESSIONAL FEES				
Architect		10.00%	675,927	
				675,927
MARKETING & LETTING				
Marketing retail		1.50%	11,696	

Aldi, High Rd Hythe (32 + 2 +retail) 06-26

Marketing		3.00%	405,600	
Letting Agent Fee retail		10.00%	5,840	
				423,136
DISPOSAL FEES				
Sales Agent Fee		2.00%	270,400	
Sales Legal Fee	34.00 un	750.00 /un	25,500	
				295,900
TOTAL COSTS BEFORE FINANCE				**10,424,718**
FINANCE				
Debit Rate 7.50%, Credit Rate 1.00% (Nominal)				
Total Finance Cost				994,740
TOTAL COSTS				**11,419,458**
PROFIT				
				2,835,056
Performance Measures				
Profit on Cost%		24.83%		
Profit on GDV%		19.83%		
IRR% (without Interest)		21.58%		

Appendix 9 – Argus Appraisal including 2 affordable units (allowing for VBC)

Aldi, High Rd Hythe (32 + 2 +retail) 06-26 2 AH

Development Appraisal
CRL
June 11, 2026

Aldi, High Rd Hythe (32 + 2 +retail) 06-26 2 AH

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Sales Valuation	**Units**	**m²**	**Sales Rate m²**	**Unit Price**	**Gross Sales**
1 Bed Flats OM	21	1,107.75	6,824.64	360,000	7,560,000
2 Bed Flats OM	9	724.86	5,711.45	460,000	4,140,000
2 Bed Cottages OM	2	173.36	5,768.34	500,000	1,000,000
1 Bed Flats AH	1	52.75	3,412.32	180,000	180,000
2 Bed Flats AH	1	80.54	2,855.72	230,000	230,000
Totals	**34**	**2,139.26**			**13,110,000**

Rental Area Summary	**Units**	**m²**	**Rent Rate m²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Retail	1	179.70	325.00	58,402	58,402	58,402
Totals	**1**	**179.70**			**58,402**	**58,402**

Investment Valuation

Retail					
Market Rent	58,402	YP @	7.0000%	14.2857	
(1yr Rent Free)		PV 1yr @	7.0000%	0.9346	779,740
Total Investment Valuation					**779,740**

GROSS DEVELOPMENT VALUE				**13,889,740**
Purchaser's Costs		5.80%	45,225	
Effective Purchaser's Costs Rate		5.80%		
				45,225
NET DEVELOPMENT VALUE				**13,844,515**
NET REALISATION				**13,844,515**

OUTLAY

ACQUISITION COSTS

Residualised Price			1,119,830	
				1,119,830
Stamp Duty			34,991	
Effective Stamp Duty Rate		3.12%		
Agent Fee		1.00%	11,198	
Legal Fee		0.75%	8,399	
				54,588

CONSTRUCTION COSTS

Construction	**m²**	**Build Rate m²**	**Cost**	
Retail	179.70	1,555.00	279,433	
1 Bed Flats OM	1,557.36	1,802.00	2,806,362	
2 Bed Flats OM	1,019.06	1,802.00	1,836,353	
2 Bed Cottages OM	173.36	1,524.00	264,201	
1 Bed Flats AH	74.16	1,802.00	133,636	
2 Bed Flats AH	113.23	1,802.00	204,039	
Totals	**3,116.87 m²**		**5,524,025**	
Developers Contingency		5.00%	336,340	
Extra Overs			566,000	
FLOS	32.00 un	2,260.00 /un	72,320	
EV			40,000	
Statutory/LA	2,749.78 m²	141.84	390,029	
				6,928,714

Other Construction Costs

External Costs	10.00%	27,943	
Externals	10.00%	524,459	
			552,402

Municipal Costs

Municipal Costs	186,240	
		186,240

PROFESSIONAL FEES

Aldi, High Rd Hythe (32 + 2 +retail) 06-26 2 AH

Architect		10.00%	675,475	
				675,475
MARKETING & LETTING				
Marketing retail		1.50%	11,696	
Marketing		3.00%	381,000	
Letting Agent Fee retail		10.00%	5,840	
				398,536
DISPOSAL FEES				
Sales Agent Fee		2.00%	254,000	
Sales Legal Fee	34.00 un	750.00 /un	25,500	
				279,500
MISCELLANEOUS FEES				
Private Residential Profit		20.00%	2,540,000	
Affordable Margin		6.00%	24,600	
Retail Profit		15.00%	116,961	
				2,681,561
TOTAL COSTS BEFORE FINANCE				**12,876,847**
FINANCE				
Debit Rate 7.50%, Credit Rate 1.00% (Nominal)				
Total Finance Cost				967,506
TOTAL COSTS				**13,844,353**
PROFIT				
				161
Performance Measures				
Profit on Cost%		0.00%		
Profit on GDV%		0.00%		
IRR% (without Interest)		7.70%		