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On the instructions of: -

For the attention of David Kenyon
Development Management Specialist
Service Delivery

South Somerset District Council
Brympton Way,

Yeovil
Somerset
BA20 2HT

STRICTLY PRIVATE AND CONFIDENTIAL TO
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PLANNING VIABILITY APPRAISAL REPORT

Dear Sir/Madam,

Ref: Planning Viability Appraisal - White Horse Hotel, High Street, Wincanton. Somerset BA9 9JP

INSTRUCTIONS

In accordance with your oral instructions, subsequently confirmed by letter, we write to confirm that we have made our inspection of the premises and the documentation that we have been asked to scrutinise and assess in respect of applications 20/03222/FUL, 20/03223/LBC, 20/03363/FUL, 20/03364/LBC, with a view to advising on the financial viability thereof, on the basis of a an eight option scheme together with supporting residential development to the rear.

Our report is specific in that it relates to the applications 20/03222/FUL, 20/03223/LBC, 20/03363/FUL, 20/03364/LBC insofar as these relate to the schedule of documents inspected, the options provided and the plans and comprehensive list of documents which we hereinafter refer as part of the introduction focus of this report.

We should explain we have restricted our examination to those parts of the building that were accessible, exposed or uncovered at the time of our inspection. Thus, we have not opened any concealed surfaces by removing plaster, moving furniture or raising fitted carpets or floor coverings, but we have done our best to draw conclusions about the construction and condition from the surface evidence visible at the time of our inspection.

We have however had access to the whole of the property curtilage and been escorted over the premises, due to the status of the building, where safety concerns existed.

We have also had access to the Heritage statements and submissions relating to Historic England's concerns over the building – at risk, its future and long-term sustainability

The figures for repairs, renovations, refurbishment, and development given in this report are based on a summary of costs provided as a guide to the likely cost, at current prices, of completing the scheme options.

It must, however, be realised that builders' prices for work on heritage assets of special significance, whereas, in this instance they are at high risk can vary considerably from builder to builder, with the amount of work on hand and the scope of the work involved.

The figure(s) have been scrutinised by a Quantity Surveyor based on the drawings provided by the applicants, for carrying out the works involved and as a cautionary, these ultimately needs to be checked against a builder's properly priced estimate.

The condition evidence as provided by the various ancillary reports which form part of the application and the indications given is in our view, a fair reflection of the degree of structural distress and dilapidation, that impacts on the building and forms the basis of the "at risk register" commentary and status, confirmed by Historic England.

Experience

The author of this report is Lyndon Brett MRICS, FAVLP. Elected a Professional Associate of the Royal Institution of Chartered Surveyors on 1st October 1987 and a member of that professional body – Membership No. 77639. He has practised as a qualified surveyor since 1987.

The writer is the principal of Lyndon Brett Partnership, a firm established in 1990. Prior to that, he was a salaried associate partner of Tamlyn and Son.

During the last 32 years the writer has acted continuously in a professional capacity for clients to provide property advice and guidance on a wide range of residential, industrial, commercial, leisure and retail properties, having experience in the provision of advice on:

- Valuation and Property Survey advice
- Building defects and diagnosis
- Refurbishment of Listed Buildings, Conservation and Renovation
- Building Design and Supervision
- Land Survey and Boundary Disputes
- Landlord and Tenant issues.
- Licensed and Leisure, including Inventory preparation
- Healthcare Property
- Property Management

The practice has also been involved extensively in the refurbishment of the former Pardoes and Barrington and Son's offices in King Square, Bridgwater (Grade II), as well as the former Porter Dodson offices, also in King Square (Grade II*), and the practice has also been involved in the refurbishment of a number of Grade I Listed properties in Castle Street and further Grade II and Grade II* properties in King Square.

All of which, have required detailed Surveys, Heritage Asset and Architectural Appraisals, Design and Access Statement, detailed Specification of Existing and Proposed works, Photographic Records, Supplementary Planning Support Statements, detailed Drawings, Cross-sections and Planning applications, Listed Building Consents and Building Regulation Approval Applications, together with completion certification and stage payments.

The practice is also involved in the management of Listed Buildings – Grade I, Grade II* and Grade II, their maintenance, and upkeep, including rent and service charge collection, as well as insurance repair work governing Listed properties.

We are familiar with construction details and the Listed Building and Building Regulation process.

In addition to the above, the Practice of Lyndon Brett Partnership is conversant in the renovation, restoration and development of Listed Buildings and the Report writer owns 3 No. Grade I Listed Buildings, 2 No. Grade II* Listed Buildings and 7 No. Grade II Listed Buildings, all of which have been refurbished, or are in the process of being refurbished.

Information Provided

We have been furnished with the complete package of planning application submissions relating to the application, where current and these are summarised as follows:

Heritage Plans
- 576-1 White Horse Options Appraisal Report
- 576-2 White Horse Options Appraisal
- 576-03-20-C
- 576-03-21-C
- 576-03-22-C
- 576-03-23-C
- 576-03-24-C
- 576-03-25-C
- 576-3 White Horse Options Appraisal APPENDIX A Feasibility Sketch Plans
- 576-04-20-C
- 576-4 White Horse Options Appraisal APPENDIX B Cost Assessment
- 576-05-20-C
- 576-05-21-C
- 576-05-22-C
- 576-05-23-C
- 576-5 White Horse Options Appraisal APPENDIX C Valuations
- 576-6 White Horse Options Appraisal APPENDIX D Quotes
- 576-50-01-C
- MH3728-1v7

Bats and Ecology
- 576-02-90-P1 Landscaping plan and ecology
- DE Letter Report – White Horse Hotel
- Phase 2 Bat Survey Report

Momentum Structural Reports
- 2897_MOM_WHH_DNT 01_Update
- 2897_MOM_WHH_DNT 02_16th Century Roof
- 2897_MOM_WHH_DNT 03_External wall strengthening
- 2897_MOM_WHH_LTR_Update_180321
- 2897-200-6
- 2897-201-6
- 2897-202-6
- 2897-203-6
- 2897-200-6

Drainage Strategy
- 576-50-01-C Drainage Plans

-
ITransport
- ITB15592-003 R Transport Statement
- ITB15592-GA-002B
- ITB15592-GA-004C
- ITB15592-GA-005B
- ITB15592-GA-006

Drawings:

FRONT Proposals White Horse

- 576-02-20-C Proposed block and roof plan FRONT SITE
- 576-03-10-C Pr BS
- 576-03-11-C Pr GF
- 576-03-12-C Pr FF
- 576-03-13-C Pf SF
- 576-03-14-C Pf RF
- 576-04-10 C prop section A-A
- 576-04-11 C prop section B-B
- 576-05-10 C prop elevation north
- 576-05-11 C prop elevation south
- 576-05-12 C prop elevation west
- 576-05-13 C prop elevation east

REAR Proposals White Horse

- 576-02b-90 B ecology and landscape
- 576-02b-90 ecology
- 576-05b-30 B north elevations coloured
- 576-05b-31 B east elevations
- 576-05b-32 B south elevations
- 576-05b-33 B west elevations coloured
- 576-50b-01 B site services plan
- 576b-02-03-block plan revB
- 576b-02-04 revB roof plan
- 576b-03-10 revB unit ABCD
- 576b-03-20 revB unit E

We have also accessed the Valuation Office Assessments to ascertain the rating assessment historically, for this property, and the tone of rents in the local from 2017. These have not been subject to review since, with the cyclical review, impacted by the pandemic.

The market conditions in the year preceding the 2017 revaluation were more buoyant for retail, than they actually were in 2017 and market conditions subsequently have been impacted further by a combination of market forces, including the rise of the internet market, which have impacted “bricks and mortar” sales and lettings evidence, plus Brexit and the Covid pandemic.

We have also accessed commercial and residential agency particulars to assist in our appraisal.

We have also drawn on licensed trading figures, from turnover related evidence to barrelage statistics for the type of potential operational business and assessment of turnover, as well as the trade split for public house venues, food and wet sales related establishments and the hotel proposals mooted, for which there are two options.

Valuation Appraisals

In preparing this report on viability appraisal and the options to be considered, we have looked at the history of the site and concerns raised over many years regarding its future, business viability and long-term sustainability, through the Wincanton regeneration project.

The original proposal for grant funds to be made available were withdrawn when a private sale of the premises was agreed. The scheme therefore must be viable not only in terms of development costs, but

deliver a project funded viable future, which restores and protects the building for the now and the long-term sustainability.

The location is just off centre and would be considered secondary retail. As with other provincial towns, many rents for town centre locations across the country have been significantly impacted, with downward trends amounting to 25-40% reduction from 2015 and we have seen rent review negotiations pegged, or on lease renewals rents reviewed downwards or Tenants vacate, leaving voids.

There have been several Government initiatives which have been introduced to improve the provincial town sector, particularly retail which over the years has been affected by edge of town and out of town retail, internet sales and a change in focus on customer demand, which in turn leads to reduction in customer experience and footfall.

We have also looked at changes in the licenced and leisure sector and note that in the past two decades many towns have seen town centre based public houses and inns closed and lost due to closure and redevelopment, as the customer base shifts away from the wet sales operations, with a move to food led outlets and dominant food brand outlets.

The hospitality sector, which has been substantially affected by the pandemic, with full closures and even on emergence from lockdown, periods with extensive controls, which have seen pressures on capacity and staffing and viability.

We have had cognisance of the staycation phenomena, arising from the re-opening of the country after periods of lockdowns, insofar as it affects the hospitality sector.

Methodology

There are several ways in which property assets can be valued. In this case we have looked at (a) comparative sales basis and (b) a residual development value approach, because of the nature of the property, and the works required to be undertaken to bring the property back into repair and in good habitable condition, reflective of each of the eight options.

Using the Comparable Method of valuation, we have formed an opinion of the Market Value (defined hereunder) of the subject property based on the eight option proposals.

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

In assessing my appraisals of options, we have followed the Appraisal and Valuation Manual/Practice Statements and Guidance Notes of the Royal Institution of Chartered Surveyors (commonly referred to as The Red Book), that are in force.

Name and Address of Client

For the attention of David Kenyon
Development Management Specialist
Service Delivery

South Somerset District Council
Brympton Way,
Yeovil
Somerset
BA20 2HT

Address of Property Inspected

White Horse Hotel
High Street
Wincanton Somerset
BA9 9JP

Date of Inspection

Friday 22nd October 2021

Weather at Time of Inspection

Dry, with cloud cover after period of heavy rainfall

Tenure and a note of Tenancies (if any)

The property we understand is freehold and enjoys vacant possession.

We do not believe that there are any onerous conditions, covenants, easements, or rights of way pertaining to the site which may adversely affect the value of the property valued.

There is a shared right of access, enjoyed by third parties across the land access to the side of the premises.

Business Rates and Rateable Value

We are informed by South Somerset District Council that the property is recorded as having a rateable Value of £17,500 effective from 1st April 2017 – with a description of Public House and Premises – LA Reference 039435 and has been allocated a special category code of 226G.

Situation & Location

Wincanton with its population of just over 5000, is a small provincial town in South Somerset, which lies off the A303, which links London to the south-west.

The nearest railway stations are in neighbouring Templecombe on the Exeter to Waterloo line and at Castle Cary on the Reading to Taunton line.

Wincanton is situated on the north-east edge of Blackmore Vale 12 miles north-east of Yeovil, 10 miles north-west of Shaftesbury.

The property fronts the B3081 which passes through Wincanton Town and the marketplace to the town centre is situated west of High Street, which the White Horse Hotel fronts.

To the east, the B3081 provides a connection to the A303 and beyond to Andover. To the west, the B3081 provides a connection to the A371 which in turn provides a connection northbound to Castle Cary and beyond, via the A37, to Bristol.

The market town of Bruton with its on-trend location and offering, is less than six miles away.

The subject property is situated in a secondary retail location on the south side of High Street, and the premises are therefore north facing. To the rear the south facing aspect and amenity space, which is part of the development proposals which would be redeveloped, benefit from a south facing aspect.

The property is constructed to the back edge of the pavement which in this location is narrow and generally throughout the day is in the shade. This is an important point for trading, as the favoured sunny side of the street i.e., south facing attracts higher rates of pedestrian footfall.

Nevertheless, the site is in a highly sustainable town location with access to a wide range of everyday facilities and services. These include retail, education, employment, ecclesiastical and leisure facilities.

Those living in town or those accessing the town from further afield via public bus routes - limited, provide opportunities for satisfactory access locally by sustainable modes of transport including by cycle or on foot.

Access to bus stops is 110m to the west, so is close to hand and offers access to existing bus services which provide alternative means of travel opportunities to travel to local destinations including Castle Cary, Bruton and Yeovil which can then link with rail line destinations from Castle Carey and Yeovil.

There is a mix of retail offer in the town centre, mainly focused on small business enterprises with larger supermarkets on the periphery with edge of town locations, which has impacted on the constituent make up of the town centre.

Within the town centre there is a good mix of food outlets including numerous cafes and coffeehouses, inns and pubs, bakery and cakes and patisserie stores, plus a range of Chinese, Indian and Italian restaurants with several takeaway options including Chinese, Indian, kebabs and pizza outlets, which reflect the tone of demand, reflective of the demographics of the area and population spend, not untypical for a provincial town of this size. The town lacks quality restaurant dining.

The dominant employer is Wincanton plc which is the second largest provider of logistics, transport, and logistics services in the country.

Wincanton is considered a light engineering town, where in addition to Wincanton plc there are several small to medium size enterprises providing a rounded solid workforce, across many sectors including all aspects of engineering including electronics, food production and packaging, packaging businesses and general manufacturing with some national and regional brand links, plus many self- employed retailers, office and business end users operating as SME's.

Description

(a) Type and Age of Property
(b) Unusual factors regarding location (i.e. remote, steep hill, liability to flooding, etc.)
(c) Accommodation (Brief description including garage(s) and outbuilding(s)

The property comprises an attached period property, fronting the back edge of the pavement in High Street, Wincanton, with side access lane leading to rear areas, which have been under-used in the past and have been poorly maintained.

The property comprises extensive accommodation arranged over three floors, predominantly ground floor and first floor, with an area of second floor.

The accommodation is in a distressed condition and is on Historic England's "at risk register", requiring intervention.

The White Horse Hotel when operational benefits from 34 No. car parking spaces to the rear, access over a shared surface area with vehicle crossover from High Street, plus a large amenity area as garden.

It is on the former car park and garden amenity space within the curtilage of the Listing that the new residential development is proposed, and the development site is located on land to the rear of the High Street in the centre of Wincanton.

The site is bound to the north by the High Street and commercial properties, to the east by residential properties and the War Memorial Car Park, to the south by residential properties and St Luke and St Teresa's Church and to the west by the rear of commercial and residential properties.

The accommodation is reflected in the existing plans as submitted as part of the planning application and therefore, for the sake of brevity we do not propose to labour this report with accommodation details.

The proposed accommodation offering as eight different options is reflected in the proposed floor plans provided as part of the submissions and full detailed options are provided on which this appraisal is based.

The new development is also set out in the floor plans, elevation drawings and block plans which accompany the application.

General Assumptions including Condition

In preparing this report we have had cognisance of the various reports commissioned. We believe that these are reflective of the building, its history and provenance, its classification designation and status and condition.

Further, the reports include environmental issues focused on ecology, habitat and mitigation works and will require a "watching brief" during the renovation process.

The condition of the premises is in poor order having been neglected over the years with little properly targeted repairs and maintenance for decades, resulting in extensive evidence of structural disrepair, inappropriate interventions and decayed portions of floor beams and roof timbers with an important frame tile beam, which requires repairs, plus realignment of the racked roof through firring of rafters, with repairs to rafter ends and wall plates and strengthening of roof with structural board interventions.

There are elements of structural masonry repairs to be carried out the front wall of the property, alleyway, chimney stack and gable end, as well as Helical bar and Cemtie repairs, plus extensive floor joist repairs and renewals and then refurbishment of the whole generally.

The level of works required to restore the basic fabric of the premises is significant and this is well documented in the submissions lodged with the application and acknowledged by Historic England.

Whilst works of overhaul, renovation and refurbishment are to be carried out this will involve full compliance with the current Building Regulations and Approved Documents parts of A - Structural integrity and B Fire, which are mandatory.

Not only these Approved Documents; but the remaining Approved Documents must be complied with and whilst there is some flexibility and possible exemptions in some areas, any departures require the appropriate exemptions to be applied with and if secured, complied with.

Any of the schemes proposed will require substantial intervention with compartmentation floors and walls, for fire strategy and acoustic purposes.

Further the introduction of new service media and sanitary ware with all the schemes will have an impact, with some more than others i.e., hotels the most, followed by residential options.

All other aspects of compliance will include thermal insulation and energy performance rating, mechanical ventilation and extraction, fire strategy works including fire alarm, emergency lighting et cetera, electrical works.

Where licensed trade options are to be considered, the provision of an operational trade kitchen and associated accommodation, has a significant impact and cost, relating to basic installations including extraction, grease traps and fit out, which materially impact on the building and its form.

In addition, remodelling is required to remove inappropriate C20th alterations.

By way of further works, heating and plumbing and new sanitary ware, drainage, timber treatment and repairs extensive intervention into floor structures over and above that highlighted with key structural components identified above; lime plaster repairs to walls, ceilings et cetera.

Provision of bespoke windows and doors - overhaul and repair of existing sliding sash windows and casement throughout and where the existing modules, cannot be repaired or renewed or are inappropriate; and upgrading of existing internal joinery in matched work, together with ironmongery; plus, internal redecoration throughout following completion of internal works.

All have an impact on the overall costs of the project.

These required works on the fabric are significant and costed based on the schemes proposed. Whilst there is reflected an element of contingencies, based on our experience of dealing with Listed Buildings and Buildings within Conservation Areas, we consider the contingency sums may be light.

Wholesale renewal and sympathetic restoration of the whole of the roofscapes and repointing stonework following repairs and renewals, plus external hard and soft landscaping works, are an integral part of the scheme approval.

This is an extensive programme of works and irrespective of the scheme options which we have been asked to consider, will be the minimum trigger with some scenarios requiring further intervention and investment to achieve conversion than others.

Some options will have a higher impact on the historic fabric, which needs to be balanced against delivery of a sustainable scheme now and for the future.

We have considered weighting of public access against scheme viability in the long term based on a sustainable end use.

Long term sustainable viability to ensure that the fabric of the building can be maintained in perpetuity, needs to reflect an end use which delivers on the initial refurbishment, which in this instance with any of the options is through associated development and can financially support the future investment to maintain the fabric of the building, which is ideally through a service charge mechanism, where Tenant/Owners/Occupiers contribute proportionally towards periodic maintenance and running costs.

Any development therefore needs to be able to reflect a fully occupied development (allowing for occupier churn but with limited or no voids), which would maximise the availability of funds, to plough back into the property for shared services and repairs.

This is usually managed through service charge provisions and a programme of property maintenance, where multiple occupiers are concerned. For single end users i.e., healthcare, leisure, or hospitality, then any future works need to be covered from net income flows and or through a sinking fund set up to cover future expenditure.

From experience, whilst there will be a period of limited intervention to repair, because of the newly refurbished scheme, we have seen similar projects where even the basic planning of a programme of periodic works, are not implemented due to cost, which ultimately results in further disrepair, which potentially becomes disproportionate.

Experience shows that single end users face fiscal pressure from peaks and troughs in trading volumes and budgets set in say Years 1-5, with low demand on money set aside for reserves, is then maintained and or scaled back, which means that when maintenance intervention is required, costs have not been catered for, which starts a period of declining investment.

The discipline of this arrangement is not therefore considered realistic and with these uses unviable, the pressure on business survival versus repair is not always clearly prioritised and the threat to the historic fabric and long-term sustainability remain at risk.

Option Appraisals

We have been asked to look at the eight options under review, all with new development to the rear, supporting every scheme proposed including:

1. Refurbishment as existing-public house, managers accommodation and nightclub to rear

2. Refurbishment and conversion as consented application 16-04996-LBC- lapsed permission, for restaurant and managers accommodation over

3. Conversion to small boutique hotel-pre-1960s six/seven bed accommodation and conference hall

4. Conversion to modern boutique hotel with 24 rooms,

5. Mixed hospitality areas and retail with accommodation over

6. Hospitality, retail and accommodation over

7. Assisted living over 55's - care home type accommodation

8. Office and other commercial uses - mixed use option

1. Refurbishment as existing-public house, managers accommodation and nightclub to rear

The resurrection of the existing public house as a wet trade outlet with limited food options and nightclub format is not considered viable, as the level of refurbishment and trade returns, linked with business turnover volumes do not match. This type of business previously failed.

The upper floors would be retained as owners/managers accommodation, from which the public would be excluded access. The size of the accommodation is generous and whilst some bed and breakfast type option could be considered, this would require intervention works for small scale sub-division and services.

As this would not be a change in use – in either Planning of Building Regulation Terms, works around compartmentation works would not be considered mandatory, however in carrying out refurbishment works now, we would suggest that fire and sound compartmentation works should be carried out, for the benefit of the occupants, as well as essential fire strategy works

Historically the returns from the business as a pub and night club did not merit intervention in terms of repairs, because of the lack of finance available from net disposable income, to undertake refurbishment. That in our opinion remains the case now.

The cumulative effect of this is that this leads to a decline in the premises, its presentation and profile and ultimately, results in further deterioration of turnover, reduced net profitability and restricts funds available to reinvest.

Attempts to reshape the business from a more traditional "Inn type" arrangement linked with its history as a hotel and former coaching inn, with the target business being a linked night club operation has previously failed and in the current climate will in our opinion similarly fail.

This is a trend found in many provincial towns, even those with much higher population and improved demographics.

The outcome of this approach impacts on the whole trade potential and the business becomes skewed to 2 to 3 days weekend trading, as the focus moves away from traditional clientele to a younger market, where the catchment is insufficient to support a night club economy.

The traditional building configuration is not favoured with the target younger trade element, whilst for the traditional drinker, sustaining a lunchtime and evening trade no longer exists, due to dwindling customers, higher costs and affordability to both operator and clientele.

Nationwide licensed premises of this nature of bar and nightclub have only been able to survive outside of cities, in larger provincial town setups where predominantly the customer base is sufficient within a 2-3 km walking distance/modest fare taxi ride to maintain the business model. This is not the case here with a town population of just over 5,000 inhabitants.

Further, larger towns have seen mixed nightclub operations scaled back and re-purposed.

Whilst a significant proportion of the property would be open to the public, the proposal is just not sustainable.

2. Refurbishment and conversion as consented application 16-04996-LBC - lapsed permission, for restaurant and managers accommodation over

Option two relates to an expired planning permission, which is not extant, but one for which there is confidence that such permission could be resurrected and could be achieved, but since the original grant of planning permission and Listed Building Consent, as with all schemes, being considered, compartmentation through fire and acoustic separation between the residential and commercial unit, would require extensive intervention works.

The proposal would see the rear building demolished, and the scheme reflects split trading areas, with a significant separation margin, being delivered with a potentially confusing mix of restaurant takeaway provision and public dining with 32 covers and a potential further 28 covers which would either link to restaurant dining, private parties, or bespoke events, but as an overflow restaurant the linkage has to be both internal and external.

If internal, this impacts significantly on ancillary trade accommodation and toilets, whilst if solely external through the open courtyard garden, subject to the elements, this would be limiting.

It is questionable whether the scheme would produce significant and appropriate linkage and natural light to add to the, offering and appeal of the proposed business model.

Further the, running costs are significant with the split operation and the business will have higher staffing needs and therefore costs.

There is in general, difficulty in staffing, more complicated by the need to reflect unpredictable trading patterns throughout the week, which provides issues for staffing, rostering and employment appeal.

The large upper floor space arranged over two floors, provides for large business owners/managers accommodation, from which the public would be excluded access. but without scope for further subdivision, the high costs disproportionate to low outcomes in accommodation make this proposal fail the test on viability.

The size of the first and second floor accommodation is generous and whilst some bed and breakfast type option could be considered, this would require intervention works for small scale sub-division and services.

The projected rental level for the venue trading in the form of the consented application would be circa £30,000 per annum exclusive, which fails to provide an adequate return on the

investment required to effect renovation and refurbishment and with no prospect of providing a sustainable option for the historic fabric, the scheme needs to be discounted.

3. Conversion to small boutique hotel-pre-1960s six/seven bed accommodation and conference hall

Option 3 provides for a scheme to retain the basic format of the premises and to create a small boutique hotel resurrecting the 1960s use but adapting to modern market demands retaining the principle of a bar the residents lounge and dining area and back of house facilities, situated to the rear link courtyard.

The changes from the 1960's would be the focus on ensuite accommodation, which is a market must, for the business to be competitive in the rooms letting market.

To first floor, the accommodation would be arranged with six ensuite bedrooms and a further ensuite bedroom at second floor level, plus a conference facility to first floor, if this component were to add value to the business mix.

The scheme introduces a lift which would service the bedrooms at first floor level but for purposes of viability would also need to serve the conference hall.

Whilst the scheme would retain the principle of hospitality and licensed and leisure use on the site, the maximum seven-room capacity with minimal managers flat accommodation at ground floor level does not provide the offering to be expected with a small boutique hotel.

Most hospitality advisors agree that for a property to be considered a boutique hotel, it should not be much bigger than 100 rooms. If it is under 10 rooms, then it is not a boutique hotel but rather a Bed and Breakfast venue or an Inn.

The suggestion that the conference facility, would add value as an element of the business viability for the constrained boutique hotel, pays scant regard to the potential demand from local business and or clientele, and its economic viability around fixed and variable costs.

As such the conference catering options would be geared to basic "orange buffet" offering, which provides a "sameness" with standard outlets elsewhere and their offering.

With the limited number of letting bedrooms, this is akin to a high standard bed and breakfast outlet, in a period building, where the offering is linked to a small-scale family operator owner, because of pressures on staff management, availability and overall viability.

Further, the viability of offering associated usage, cross linked to the boutique hotel and demand the expectations of guests, create staffing issues around cover provision and catering. From experience of boutique hotels, those venues who do not offer a full on-site food and beverage option, receive less take up with bookings curtailed.

For this type of operation, if classified as a boutique hotel with this number of bedrooms the configuration is generally that as a bed and breakfast with no evening dining, simply because of the lack of business to target and retain suitable staff.

Guests with boutique expectations we consider will have issues, as the staff and offering "in-house" would not be matched, particularly as the food offering in Wincanton with options for fine dining, is non-existent.

Whilst there are several outlets of well publicised and award-winning establishments in nearby Bruton (six miles), this will require a “drive to” arrangement, which we would suggest would not appeal to the typical boutique guest, based on our experience.

4. Conversion to modern boutique hotel with 23 rooms

The hotel proposal put forward as option 4, includes conversion to a modern commercial hotel within a refurbished period building.

The offering would have 23 No. bedroom accommodation, with restricted staff accommodation and to the rear, service areas plus bar and dining seating areas on the ground floor front and centre, plus kitchen and the usual offices.

The letting room accommodation would be 5 No. ensuite bedrooms on the ground floor and at first floor level 14 No. ensuite bedrooms including large honeymoon suite, whilst at second floor level, 4 No. further ensuite bedrooms, split between the front and rear.

This would allow public access to most of the building and retains hospitality use on the site in the form of hotel with associated licenced trade areas.

As with all other schemes, fire and acoustic separation through compartmentation is required throughout and from a historic building’s perspective, a higher level of subdivision of internal space with fire protected corridor rooms and all services associated with subdivision, including heating and bathroom services, electrical and fire strategy works.

The elements of the subdivision will impact to a significant degree on the special period features which have high heritage value. When complete it will be possible to ensure that rooms in the hotel would offer unique amenities or design choices.

With a boutique hotel, the focus is on personal service, modern decor, contemporary vibe, gourmet food and in the current climate pet friendly.

For a commercial hotel to operate, this would be on the borderline of viability, on the assumption if not fact, of a venue with strong volume demand, created by location and offering - tourism highlights, catchment and draw linked with a unique selling point of the location, hotel guest packages or inducements.

The latter will all impact on occupancy rates which is the key focus of hoteliers, which directly links with margins, and all reflect on viability, which in turn is affected by the pure number of bedrooms, where economies of scale cannot be achieved.

In our opinion, the draw of Wincanton as a centre for hotel bedroom space, is such that the demand could be considered medial and a risk of being inconsistent, subject to heavy subsidy to compete with its more attractive neighbours, possibly with short stay weekend breaks, to target guests who are budget conscious and are attracted by an offer package and price.

The trade however will advise that those guests paying discounted rates would still expect "Rolls Royce Service", with potential dissatisfaction rates and consequently adverse social media response which would all be counterproductive.

We believe that there would be little take up during the week, either through short breaks or local business need and any business would need to be incentivised to generate the demand and need, which impacts on financial viability.

The turnover based on say an assumed 60% occupancy based on all year-round business, because of the target market and delivery for the boutique style hotel would not be viable. Professional disciplines relating to the operations within the hospitality and service sector will be stretched, to offer consistent standards in trade, particularly with the town with a population just over 5000 and its appeal does not match its competitors either in terms of amenity and or offering.

As a destination hotel it provides limited scope, characterised by its location in Wincanton although as a base for exploring Wiltshire Dorset and South Somerset it could compete on costs but with an impact on income volumes, with turnover impacted by discounted tariffs.

As with option 3 a lift is required but still some of the accommodation cannot be reached by assisted access. The introduction of a lift will constitute an intrusive provision, but the proposal of inclusion in the rear ancillary areas will have less of an impact on the heritage fabric.

Competing overnight hotel/inn/bed and breakfast bedroom provision within Wincanton exists for alternative accommodation, although not comparable with the Boutique concept, with a Travel Lodge – typically £38 - £70, with exceptions for key dates, and various smaller bed and breakfast operators, including The Dolphin Hotel etc.

We have looked at several Boutique Hotel, as price comparators on freehold value, sold or on the market and with the restrictions on offering, customer draw and offering, the completed project is unsustainable in the long term.

5. Mixed hospitality areas and retail with accommodation over

Option five is a residential scheme over a redevelopment of the ground floor seeking a commercial offering and the potential for 105 m2 of leisure, licensed/retail space.

In addition, off of the shared access leading into a courtyard type development in part, with an office type units, the whole totalling 292 m2, with the potential for three units off of the main courtyard and a further unit accessed from the rear which could suit any end-user falling within Class E use classes - where the permitted development provisions were changed under the Town and Country Planning (use classes) (Amendment) (England) Regulations 2020.

The proposal includes residential accommodation at first and second floor level with access provided by way of two staircases, one linking with shared commercial use access and the second, offering an independent entrance, taken off the side access lane.

The proposal reflects seven residential units, which when combined with the commercial units proposed to ground floor level would mean that there is no public access to most of the building and whilst residential conversion would meet in our opinion, with strong demand, the ground floor space due to its configuration will have mixed appeal and would be challenging to find occupiers at rental levels which would meet the needs of this development with the front section at say £150-£160 per m2.

Some of the spaces would be considered as being attractive to market demand, because of the smaller areas available, than that offered with the typical town centre unit. This opens the market to more affordable options for private retailers or smaller business. The potential office units to the rear will struggle in terms of interest, in our opinion, because of size, which limits demand, but also due to current vacant floor space within the town. Further, the tone of rents which are likely to be achieved at £60-£80 per m2 will reflect marketability, demand and consequently viability of the project.

The proposal indicates the loss of hospitality use but there is scope within the front unit and courtyard area for café, tapas bar, wine bar or specialist retailer, which could meet that otherwise, hospitality shortfall.

Access to these units could attract strong demand if properly signposted, but for that to work signposting does also need to include upgrading of the access lane.

As this will be a shared surface lane, an increase in pedestrian footfall may give rise to conflicting traffic management, which is an issue for most of the schemes particularly more so if a quasi-retail use is promoted, as dominance of the motor car over pedestrian access will be a key factor in use of the lane on foot.

As with all other elements fire and acoustic compartmentation and separation works, together with subdivision will be required, but the subdivision of internal spaces to upper floors would be less than with a hotel conversion.

The upper floor use will provide for future sustainability in the short, medium and long term, but the ground floor commercial mix will meet a mixed demand and potentially higher voids, as the market has not been tested, but what we do know is that the office space requirement will be limited by the tone of rents, which if capitalised, would not provide for an overall sustainable picture which would provide a warranty for preservation and maintenance of the historic fabric, which therefore impacts on the future support.

6. Hospitality, retail and accommodation over

Option six is a wholesale residential scheme for most of the building, over part of ground floor devoted to commercial use to the front with 65 m^2 of commercial space, which could be then repurposed, as any use, within class E, which could include licenced and leisure, retail and or office.

The commercial element provides for class E space, welfare, and storage.

In retaining the commercial interest to the front, as with the other schemes Options 1-6 inclusive and Option 8 this will maintain the business frontage and street profile, so would not create an interruption to the business use along High Street, which could otherwise be seen as sterilising the shopper appeal, through dead frontage, thereby helping to maintain shoppers' interest, when the premises are brought back into use.

Currently the problem is that the closed business provides for dead frontage, providing a gap in commercial activity, which does have a negative impact on other businesses which front the High Street, and which rely on consumer footfall.

This is compounded by the air of neglect associated with a boarded-up premises, which is a characteristic that affects all eight options.

Any scheme to this property will require subdivision of internal spaces on ground and upper floors, plus compartmentation through fire and acoustic separation, throughout.

The introduction of services and fittings usually associated with typical domestic offices will have an impact on the fabric, but to a lesser degree than say a hotel configuration, or that of a scheme for Assisted Living.

Whilst this proposal would only provide limited public access to a small part of the building, it would provide for 13 No. residential units which would offer strong sustainability for future occupation and maintenance of the heritage asset, through a structured management agreement and service charge mechanism.

The development would provide for interesting town centre residential accommodation, of character, providing through design level access arrangement on the ground floor, which is not commonly found in the town.

To date, control has been in the hands of an individual business whose contributions over a long period of tie have been lacking and as the business models have waned and regressive conditions subsist through lack of investment and maintenance, this resulted in further deterioration to the state of the property, which becomes beyond economic repair.

As such the premises arrive at such a state that renovation and refurbishment is beyond economic repair and must be subsidised in some form, to establish the refurbished fully renovated scheme, where subsequent repairs and redecorations can be successfully managed.

Any refurbished and converted structure focused on a residential scheme – Option 5 and Option 6, even if retained as an investment of the whole, or subject to a long leasehold arrangement, will through the structure of the lease have say a 125 year term and subject to an annual ground rent - £150-£250 per annum exclusive, which is the normal vehicle for property conversions of this nature, where multi-apartments are considered.

The leasehold arrangement, would provide for the basis of the management of the premises, setting out what is covered under the service charge provisions, proportional contributions and payment of insurance, the setup of reserve/sinking fund accounts for general maintenance and repair.

For the long leasehold arrangement this would involve the setting up of a management company, and a maintenance and service charge structure would need to be set up, which would normally be managed by property managers with block management experience.

Due to the nature of the property and the costs associated with conversion, it is anticipated that the individual apartments would be sold off on long leasehold arrangements rather than retained as a whole and leased out on Assured Shorthold Tenancies.

Purchasers of the individual properties may however look to lease their apartments out on Assured Shorthold Tenancies and hold one or more properties within the building.

The arrangements would be subject to a shared ownership in the Management Company, which would be set up specifically for those purposes and once refurbished and sold off the property would be maintained under management, through service charge contributions.

The Freehold may be retained by the developers or sold off to an investor, where the multiple ground rents receivable, have a value.

From experience, flat owners with a financial stake and interest in the premises, generally make for better custodians of the property, as they would look to protect their investment and invest to maintain the property in good order and at the same time plan for periodic expenditure from the service charge budget and sinking fund for repairs et cetera.

This shared responsibility when properly managed, provides for a programme of periodic maintenance and repair, with costs shared between the business premises plus the 13 No. residential flats.

This is very important, if the focus is on delivery of occupiers and end users responsible for a sustainable heritage asset in perpetuity.

Taking all factors into account, this option on the balance of probabilities and weighting of scheme benefits, allows the property to be brought back into use in the most sustainable way.

7. Assisted Living over 55's - care home type accommodation

Proposed as option seven, with its assisted living provision, sees 22 No. independent but supported living units, ranged over 525 m2 of accommodation and offering self-contained bedrooms and 140 m2 of Foyer and Lounge space arranged in four areas.

Whilst this would impact on the vitality of the street scene, with a sterile frontage, by loss of commercial activity which has some town centre retail street focus; and in turn provide for loss of hospitality, there is also no public access to the building whatsoever.

With no public access to the building and that which is available, limited to appreciation of the façades only, as part of the public realm, this scheme is at the lowest in terms of positive weighting for accessibility.

When weighted against the works which would be required to effect conversion through extensive subdivision, compartmentation works, corridor access, lifts, and wheelchair access, all these factors will have a significant impact.

Of note, for the second-floor accommodation and the access arrangement retained because of the need to retain the configuration as part of any refurbishment, this is a limiting and considered unworkable proposal for the viability of this option, as clients, even those with greater mobility, would find that the access is compromised due to the convoluted and irregular stair flight access, with its kite winder stairflight retained.

This lack of access would be difficult to relate to the suitability of the conversion for potential occupants, whose mobility may be impaired and who would have difficulty in accessing units 17 and 18 to the front, but also in the rear section into units 15 and 16.

These units would be less marketable and as this is representative of just over 18% of the overall provision, this has a significant impact in our opinion on viability and could result in voids and or longer remarketing periods, finding prospective occupiers willing to take on the challenge of difficult access, in their later years.

Whilst this scheme would mean that a high proportion of the floor area is given to high-value accommodation versus office or similar commercial space, and the type of use gives strong sustainability, as the premises would be professionally managed under the auspices of a single provider, offering a fully serviced, service charge offering warden and assisted living support, with a package not inconsistent to that of some of the main providers i.e., McCarthy Stone, Peverell et cetera, the layout and configuration has a number of pitfalls because of conversion constraints and usability.

Further, the development as shown is not in a format, which from our experience is of a standard which would be taken on by market leaders in the field. An inexperienced operator would find the proposal challenging and the market is considered limited, without re-configuration, which would result in a lower gross development value. On that basis alone we do not believe that this would be a sustainable operation in the long term, as set out.

8. Office and other commercial uses - mixed use option

Office and other commercial uses, proposed with option eight show the commercial unit to the front which would fall within the class E category and could include a limited licensed and leisure outlet, but is more likely to be retail.

The balance of the property would be accessed from the lane or via the rear, to courtyard and with office suites arranged over three floors with five business units on the ground floor, three on the first floor and two in two separate elements, on the second floor totalling 765 m2.

There will be limited public access to the building, but intervention works including lift plus fire and acoustic separation and a complete gamut of fire strategy works including a fire suppression installation and services, data/fibre cabling, ceilings et cetera, would all have an impact on the existing fabric.

The provision of 10 No. office/commercial units in the town centre location would increase availability at a level exponentially which we consider would significantly impact the market through supply, providing 765 m2 of office space, where there is limited demand.

With the tone of rents reflecting commercial lettings in the locale and therefore used in the assessment of viability, as upper floor rents based on rent levels elsewhere would be for the larger units £60-£80 per m2, i.e., lower than that of the ground floor, the evidence of demand is not there to support higher rent levels in the cost and value analysis.

This quoted tone of rents is not untypical for a provincial town, particularly one, the size of Wincanton, where upper floor parts, typically do not attract high rents impacted by demand and appeal. Town centre parking is a positive benefit which needs to be shared across the units available otherwise there is an issue around lettablity of the remaining units and potentially a higher risk of voids, for the remainder.

There is no evidence-based information in the market, that would suggest that there is demand for business space of this nature, at this scale; and therefore, whilst the proposal is likely to remain in single ownership, the potential for low value income stream, provides for a weak sustainability case both for future occupation and maintenance of the heritage asset.

This weak income stream, through low values, yields and risk of voids would mean that potentially repairs et cetera would/could not be funded from constrained rental income arising from said restricted receipts and or a property which would have a higher propensity for voids.

General Commentary

The building is recognised by Historic England as a building at risk and previously the town centre initiative sought to target the property as eligible for grant aid to support its survival and to bring the building back into purposeful use.

This funding for the Wincanton Regeneration Project has been withdrawn as the property has been purchased by private developers who wish to develop the property, but the scale and scope of works is not insignificant.

From experience of dealing with similar schemes, the favoured routes to development which are self-supporting are not always that which would gain overall support, insofar as the market

will dictate, viability of re-purposing of the building and residential use yields the highest return, here supported by on-site new development but also income from capital receipts for the sale of long leaseholds.

All options which have been put forward and which we have been asked to consider are supported by the supplementary development scheme to the rear on the original car parking and amenity space, and their cost value packages, which identify the use of the separate residential scheme to the rear, to include two pairs of semi-detached houses and one detached house with carport building and bin store to underpin the development.

Each unit provides three-bedroom accommodation with units A to D inclusive offering 73 m^2 and unit E 77 m^2. Each has enclosed rear garden and amenity space with patio and two car parking spaces.

Additional car parking spaces shown opposite the residential units totalling 17 No. spaces including 3 No. to the carport, adjacent bin store area and 6 No. spaces to the outer area on approach, which is to include disabled spaces, but not shown how these are set out within the car park mix.

We have access to the Heritage Use Options Appraisal Assessment Matrix and have considered market needs and demands, rental and capitalised income approach and or long leasehold sale values balanced with the sustainability of the heritage asset, accessibility and use and profit/deficit figures.

We believe that the works for all schemes could be achieved which would be building control compliant and in terms of use in principle, were it not for the impact on the heritage asset through either existing fabric removed or modern fabric added, would be acceptable in a town centre environment, but we have to balance this against the intrusive conversion and conservation deficit, whilst looking to secure strong sustainability for future occupation and maintenance of the heritage asset.

The tone of retail rents for the High Street reflects £150 per m2, with office space depending on offering, significantly lower.

Many of the businesses within the town have been affected by the pandemic and as we emerge from the Covid years, there are still ramifications, with higher costs and difficulties facing businesses, which will lose the support which had been made available by the government for businesses through business rates support, one-off grants with further grants and furlough, which have provided a cushion for some.

Most of the commercial use proposals would suit small business operators and as such, they would be entitled to small business relief, subject to the parameters currently available and would be able to annually apply.

For new and or good quality converted office space, in less challenging premises, if a target rent of £95 to £110 per m^2 cannot be achieved, then a scheme would not be advanced. The tone of office rents in £60-£80 per m^2 for the second floor and first floor.

For the quasi-office use/retail – subject to Class E uses, on the ground floor, then £80 to £100 per m2, will be achievable dependant on size, access, and association. This allows for an uncertain return on investment and low yields in terms of viability.

Whilst higher rents may be achieved for small units the appeal for tenant occupiers of space, will be impacted by demand and obligations for service charge payments and contributions to buildings maintenance and repairs for which there may just not be the appetite.

From experience of dealing with many Listed Buildings, the reluctance to commit to full repairing and insuring leases is often compromised by restrictions agreed confining liability to internal repairing and insuring only, or schedules of condition or a hybrid version whereby the tenant would hold the property on internal repairing and insuring terms only and be responsible for works of external decoration, but the main fabric of the building.

Whilst this leaves the landlord able to recover periodic costs associated with the external fabric of the building, it does not allow for tenant contributions towards the main fabric of the building.

Because of this, there is an impact on the sustainability of the building related to future occupation and maintenance of the heritage asset, as landlord viability is impacted by those increased risks and costs.

The Disability Discrimination Act

The Disability Discrimination Act is primarily concerned with new build or works of alteration in an existing building. The onus is on the property owner to comply with the legislation.

Whilst there are relaxation provisions for Listed Buildings and some ability to provide for exemption, with the wholescale schemes proposed it is unthinkable the design and access should not reflect the needs of those with disabilities.

The intervention works proposed for some proposals including but not exclusive to the assisted living proposals i.e., lift and wheelchair access would be difficult to integrate within the fabric of the Listed Building, without an adverse impact, compounded in part by the restricted scale and layout of the building, with its close and complex format of levels and form.

Deleterious or Hazardous Materials

We have not had access to copies of the Asbestos Register which would identify whether any asbestos containing materials (ACMs) exist within the property, together with risk assessment together with plans to show compliance with the Control of Asbestos at Work Regulations is obtained.

Asbestos is a health hazard if damaged or disturbed and replacement costs involved may be high. Appropriate advice should be obtained from an accredited specialist for carrying out any work.

Due to the age and type of the property, other building components may contain an element of asbestos.

The control of Asbestos at Work Regulations has imposed from 2004 further duties in Managing Asbestos in the Workplace.

Fire Risk Assessment

The premises will have to be converted in accordance with the Regulatory Reform (Fire Safety) Order 2005 (RRO 2005), and a Fire Risk Assessment (FRA) should be carried out by a "responsible person".

Such works are extensive in terms of compartmentation and separation for both fire and acoustic purposes but will require interventions in terms of fire strategy works around emergency lighting modules, detection, alarm sounders and fire alarm panel.

These works will have a greater impact in terms of the hotel and assisted living building proposals, as well as upper floor commercial uses where mechanical engineering works and fittings required will be at a higher level than some of the other uses, although still required in all schemes, but with residential use, to a lesser degree, because of the lower intensity of units to be formed.

Travel distance and one hour protection routes, are also a consideration, particularly in terms of the fabric of the building. Protected routes and means of escape are a material consideration which carries greater weight in multiple occupied buildings and particularly those where there is lack of familiarity with the layout of the building, its accommodation and exit routes.

This is particularly the case for say hotel and hospitality use where the nature of occupiers is transient. With the current market focused on short term business stays (one night) or short breaks (two to three nights) where familiarity with the building is less than say with a commercial or residential use. With residential and commercial use, residents, employees and colleagues are more familiar with the building, its environs and means of access and exit, as it is there living and working environment.

BUILDING REGULATIONS, TOWN PLANNING, ROADS, STATUTORY, MINING, ENVIRONMENTAL MATTERS AND SERVICES

(General comment where appropriate - no enquiries have been made as these are the responsibility of your legal advisor)

In preparing this report we have assumed that all necessary statutory and legislative enactments will have been complied with.

When completing the schemes as presented for which the principle of planning permission and Listed Building Consent would be approved, for purposes of this report we have made the assumption, if not fact, that each option has been explored and reviewed in terms of design and delivery such that these would be fully compliant, in all respects.

Environmental Considerations

The Environment Act 1995 places duty upon Local Authorities to identify contaminated land in their areas and gives them and the Environmental Agency power to serve remediation notices and to maintain registers of remediation statements, declarations and appeals.

The principal will be for the polluter to pay for remediation and only where liability is legally transferred, or the polluter cannot be found will the cost fall on an owner. Liability will extend to pre-existing pollution and an owner who has caused or knowingly permits an escape of pollution through his land would be liable even if the original source was on other land.

In preparing this report our investigations have been limited to a visual inspection of the property, consideration of its use, the uses of the adjacent property so far as evident and only after superficial enquiry into past uses of this property all in accordance with the RICS guidance notes within the RICS Appraisal & Valuation Manual. Our valuation is on the basis that the property is not adversely affected.

If the subject property or neighbouring property has been subject to landfill, then landfill gas may be present. When any biodegradable waste material decomposes it results in the generation of some gas, forming what is termed as 'landfill gas'.

Landfill gas mainly consists of a mixture of methane and carbon dioxide. In certain concentrations when methane is mixed with air it is flammable and explosive which obviously presents a danger to people and buildings. The constituents of landfill gas can also pose a risk of asphyxiation in confined spaces. Under certain circumstances it may be possible for landfill gas to move away from the landfill site and migrate through the ground into the surrounding land.

The Environment Agency would normally be consulted on any proposed development within 250 metres of a known landfill site. This figure is not absolute and landfill gas may migrate further when ground conditions are favourable. The only way of determining whether landfill gas is migrating into surrounding land is to carry out a survey and to monitor for its presence for which we can introduce the relevant consultants.

All landfill sites should be considered as having the potential to produce landfill gas in varying quantities dependent upon the nature of the waste landfilled. Landfill can be generated within months of biodegradable waste being deposited. At sites where large quantities of biodegradable waste have been landfilled it can be generated for decades.

Following studies by the National Radiological Protection Board certain parts of Somerset have been identified as being affected by Radon Gas emissions. It is not possible during our inspection to determine whether Radon Gas is present in any given building(s), as the gas is colourless and odourless. Accordingly, for the purpose of our valuation, it has been assumed that the property is not affected by Radon Gas emissions.

Further information may be obtained through contacting the relevant Local Authority or the National Radiological Protection board, Chilton, Nr Didcot, Oxon, OX11 ORQ. Telephone (01235) 831600.

Summary and Recommendations

In preparing this report we have had cognisance of the Heritage Use Options Appraisal Assessment Matrix, which is useful document which informs on the impact, potential success and risk of planning and the proposals impact on the Heritage Asset. We have been asked to inform on the commercial viability of the options and have hereinbefore covered this off.

A building of this nature poses numerous problems, both in terms of end user, but also end-use sustainability, which in turn leads to issues of whether the historic fabric is maintained in the short, medium, or long term and therefore sustainable, supported from the owners/occupiers of the building, when completed.

Following refurbishment, the schemes may all be supportable in the short term, with no immediate demands on maintenance and repair, but quickly the position will change as demands on future decoration, repairs etc., call for this to be paid for and or subsidised by the business or businesses operating therefrom i.e., licensed and or hospitality related, commercial or mixed use and residential.

Where the end use is residential led with a leasehold structure, where a management plan has been put in place supported by block management and service charge provision, typically with an annual budget and monthly service charge provision, such uses will be set up to cope with the requirements for short, medium and long term provision, with governance provided by the freeholder, instructing a managing agent to perform the role of property manager, in turn paid for by the leaseholders.

The same applies to a mixed commercial use operation, where the freeholder/Landlord would set up a service charge, again with a managing agent in place, annual budgets set, monthly payments in advance pooled to effect repairs, however buildings of this nature may have contributions capped by way of lease drafting to reflect a retained liability by the Landlord, usually around the fabric of the building, which puts some medium and certainly long term liabilities at risk, due to the low returns on investments of this nature, in this location, based on current target rents, derived from comparables.

The Heritage Use Options Appraisal Assessment Matrix demonstrates the profitability of all of the schemes, with deficit figures in minus red annotation and options demonstrating profitable viability, in green, which summarised is as follows:

1. Refurbishment as existing-public house, managers accommodation and nightclub to rear – loss making end use -£71,546 – original shortfall and – March 2022 update - -£336,879
2. Refurbishment and conversion as consented application 16-04996-LBC- lapsed permission, for restaurant and managers accommodation over – loss making end use -£340,255 - original shortfall and – March 2022 update -£469,662
3. Conversion to small boutique hotel-pre-1960s six/seven bed accommodation and conference hall – loss making end use -£38,065 - original shortfall and – March 2022 update -£391,306
4. Conversion to modern boutique hotel with 24 rooms – £351,490 - original shortfall and – March 2022 update -£135,917
5. Mixed hospitality areas and retail with accommodation over – loss making end use -£234,767 original shortfall and – March 2022 update -£29,0387
6. Hospitality, retail and accommodation over – profitable end uses £450,700 – original profit - March 2022 update £395,187
7. Assisted living over 55's - care home type accommodation – loss making end use -£188,637 - original shortfall and – March 2022 update -£203,239
8. Office and other commercial uses - mixed use option – loss making end use -£73,684 - original shortfall and – March 2022 update -262,234

Options 1-3 were all ventures which have been previously tried, tested and failed and have contributed to the decline of the building through lack of investment over the years due, we would surmise, based on our experience of the licensed trade – both lettings and freehold market, to the low volumes of business and restricted net profitability, which have not allowed for essential investment in the fabric of the building, which leads to its decline and further deterioration in trade volumes as the premises become quickly tired and trade is lost.

Option 3 is likely to be operated as a family or owner occupier basis, but such operators able to invest and maintain a business as diverse as this are from experience limited and can give rise to cyclical occupier changes, with different abilities, impacting on viability often through mixed business and entrepreneurial skills and restricted funding, which in the current climate would have an impact on demand, particularly for a “new start up” operation, following refurbishment.

With the building refreshed, it would enjoy a honeymoon period, but as the novelty wears off, trade will potentially depart to other venues, compounding the issues of medium-term and long-term sustainability. For these reasons such proposals should in our opinion be disregarded.

Option 4 is considered compromised by its location, its scale and offering, difficulties with staffing, limited unique selling point and on site or in town evening offering and particularly where on-line pre-booking research reveals comparable boutique hotels – say County wide, closer to points of interest etc., particularly for the discerning hotel guest, whose interest may only be wooed by incentive packages, which in the short term may drive the new business, but if discounts are the norm, then this will impact on bottom line profit and reinvestment.

Demand in the long term for this proposal is considered non-sustainable and we would challenge the delivery of this in the marketplace, irrespective of the current staycation market demand, particularly for the discerning boutique market hotel guest.

This is a highly competitive sector, and a short honeymoon period of trade may be achievable, however the attraction and appeal deficit we consider will wane quickly, impacting on heritage asset sustainability in the medium to long term.

Options 5 and 8 assume a high commercial content and based on the evidence available for commercial space, the tone of rents and increased space, the majority of which is more "back of house", only accessed off a shared use lane, detached from the High Street and pedestrian traffic flows, there is a risk of take up being low and voids. Those voids also impact on Landlord contributions to service charges and maintenance of the fabric, in an otherwise low-income investment.

For office end use, lack of parking for staff, visitors and customers will be a factor, as parking is always in commercial space a bone of contention and the ratio of car parking provision for the residential element in Unit 5, hits commercial end use parking hard.

That risk whilst considered part covered by the residential element in Option 5, does not bode well for a sustainable heritage future in the medium to long term, because of the percentage of lower value space on the ground floor linked to commercial uses.

Option 7 is dismissed on financial viability grounds with the reduced number of units based on restricted accessibility for the typical occupier of space and from a practical perspective in our opinion would not suit commercial operators, dues to that poor accessibility to parts of the premises, reducing the number of workable units on offer and therefore economic returns and viability.

Option 6, with the dominant residential use of the building, but retention of the frontage use for commercial purposes provides the only viable option, as demonstrated in the costings.

The rear and upper floors would be converted to residential use which will meet a strong demand, as housing demand exceeds supply. Residential use attracts high value end use and capital investment in the proposal, resulting in a profit for the developer, unsupported by funding through the Wincanton Regeneration Fund, which has been withdrawn.

The viability is also due to the way such a conversion and use is set up, as the mechanics for repairs and servicing of the building and grounds, are covered by a management agreement and service charge basis, which budgets for repairs and maintenance, including the fabric of the building and grounds, maintenance of common areas, services including fire alarms, cleaning and security etc., all of which is highly regulated through the long leasehold arrangement and oversight by the Freeholder.

Such management is likely to and will ensure, the future of the building in perpetuity, through such a structured format.

The demand for the single front of house unit, as a typical Class E use will ensure restoration of a live section of street frontage, being of a manageable size, which meets good demand from a variety of businesses and could attract competitive interest, as such.

The overriding factor is that a typical purchaser of a long leasehold flat would have a vested interest through ownership to support the maintenance of the building, with a desire to protect and enhance their investment and from experience of block management, would take an active interest in the building and its future, both in terms of maintenance but as "their home".

Whilst access to the heritage asset would be limited, the main fabric of the building as with all hypothetical options would be restored, renovated and refurbished, the future for the building has the greatest prospect in our opinion of sustainability in the short, medium and long term.

We trust that we have interpreted your instructions correctly, but should you have any queries, or I can further assist, please do not hesitate to contact the office.

Yours faithfully

LYNDON BRETT, MRICS FAVLP MARLA

Registered Valuer

Lyndon Brett Partnership
Chartered Surveyors
County Court Chambers
Queen Street, Bridgwater,
Somerset,
TA6 3DA

Limitations

In making the Report, the following assumptions have been made: -

(a) that no deleterious or hazardous materials or techniques have been used and that it is impracticable to comment on elements of the structure which have not been seen.

(b) that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that good title can be shown.

(c) that the property is unaffected by any matters which would be revealed by a Local Search and replies to the usual enquiries, or by any statutory notice, and that neither the property nor its condition, nor its use, nor its intended use, is or will be unlawful.

(d) That high alumina cement has not been used in the construction of the property.

(e) this Option Appraisal Report should not be construed as a full structural survey and where comments on condition are made, these are cross referenced with the specific and detailed reports which accompany the planning applications.