



BY EMAIL

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28th September 2011

Dear Sir

RE: OLYMPIA PARK MATTER 4: STRATEGIC DEVELOPMENT SITE – COST AND VALUATION CLARIFICATION

Further to yesterday's Examination Hearing regarding Olympia Park (Matter 4: Strategic Development Site), we are writing as requested to clarify the cost and value assumptions associated with the abnormal ground conditions on the employment land owned by Selby Farms.

The viability assessment prepared by CBRE in November 2010 and submitted by Selby Council as (Appendix I: Sub Appendix A: Matter 4 Reference SDC/CP2A/Matters 4.1-4.9) shows a residualised land value of £80,367.91 per acre of employment land (referred to in the appraisal as Option 7a Part 3 Phase 3). The relevant extract is included below.

| APPRAISAL SUMMARY | | CB RICHARD ELLIS (UK DIVISION) | |
|--|--------------|--------------------------------|--------------------|
| Olympia Park, Selby Option 7a | | | |
| Appraisal Summary for Part 3 Phase 3 - Land Safe Higher Value Uses Land, Employment Land | | | |
| REVENUE | | | |
| Sales Valuation | Units | Unit Amount | Gross Sales |
| Higher Value Use (Non Food Retail) | 1 unit at | £9,000,000 | 9,000,000 |
| B1 Office Zone | 1 unit at | £1,991,000 | 1,991,000 |
| B2 & B8 including safeguarded e | 1 unit at | £8,424,000 | 8,424,000 |
| Totals | | <u>19,415,000</u> | <u>19,415,000</u> |
| NET REALISATION | | | 19,415,000 |
| OUTLAY | | | |
| ACQUISITION COSTS | | | |
| Residualised Price (68.65 Acres £80,367.91 pAcre) | | | 5,517,257 |
| Stamp Duty | 5.00% | | 275,863 |
| Agent Fee | 1.25% | | 68,966 |
| Legal Fee | 0.50% | | 27,586 |

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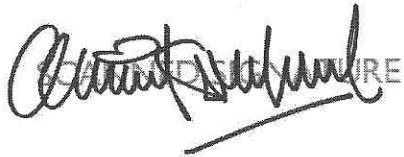
This figure represents a reduction in the current open market value for “green field” employment land in the Selby area, estimated by CBRE at the time of the appraisal to be between £125,000 and £155,000 an acre. The abnormal costs that have resulted in this lower residual value include the cost of the foundation solutions that chartered quantity surveyors, Tim Howe Consultancy Ltd, working in conjunction with ground engineers Sirius Remediation Ltd, have allowed for on this part of the site.

For reasons of commercial confidentiality we are unable to release the full detailed cost plan, however the relevant extract is shown below which confirms that an allowance has been made for vibro-compaction and piles of varying length of between 5m and 20m to take account of the underlying ground conditions.

| ZONE 3 | | Commercial B1, B2, B8, High Value & Safeguarded Areas | | | |
|---|--|---|-----------|--|-------------------|
| Site Remediation | Contamination clearance | | 250,000 | | 250,000 |
| Internal Roads | Roundabout (Hammer head) | | 50,000 | | |
| | Roads (Proposed Bridge B to hammer head, Roundabout to river & to Petters) | | 1,875,000 | | |
| | Drainage to above | | 167,500 | | |
| | Street Lighting to above | | 125,000 | | 2,237,500 |
| | | | | | |
| Foul Drainage | Foul sewer to existing | | 210,000 | | |
| | Jacking pipes under railway (1Nr location) | | 250,000 | | 460,000 |
| Surface Water Drainage | Piped surface water | | 200,000 | | |
| | Open Ditches (Clean existing) | | 75,000 | | |
| | New Pumping Station, Selby Farm (1Nr) | | 25,000 | | 300,000 |
| Electric Services | New sub stations (3Nr commercial) | | 150,000 | | |
| | New incoming supplies to Sub Stations | | 75,000 | | 225,000 |
| Structural Landscaping | Forming barriers | | 355,000 | | 355,000 |
| Flood Alleviation Costs (Breach scenario) 50% Vibro 50% Piling 50% Vibro 50% Piling | Raising floors under commercial by 600mm | | 2,700,000 | | |
| | Vibro Compaction under Commercial | | 875,000 | | |
| | Piling under commercial (80% 5m, 20% 16m) | | 2,175,000 | | |
| | Radon layer under Commercial | | 435,000 | | 6,185,000 |
| Work to Existing Access Track on River Side, Selby Farm | Assume left as is | | 0 | | £0 |
| Provision of Lagoons/ Wet lands | Assumed | | 100,000 | | £100,000 |
| Clean Water supply | Assumed | | 100,000 | | £100,000 |
| | | | | | 10,212,500 |

We trust that this additional information provides sufficient comfort that the abnormal costs associated with developing the Selby Farms part of the Olympia Park site, has been fully considered as part of our viability assessment. However if further, more detailed and technical information is required, we would be happy to supply this.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Adrian Spawforth', written over a faint, partially obscured printed name.

ADRIAN SPAWFORTH ARB RIBA MRTPI
Chartered Architect / Chartered Town Planner
Managing Director

