

LAND AND PREMISES AT ROMAN PARK RESIDENTS' CLUB, BANCROFT PARK, MILTON KEYNES

MARKET APPRAISAL

PREPARED FOR **ROMAN PARK MANAGEMENT LTD**

BY **JONATHAN WHITTLE MRICS**

9th SEPTEMBER 2025

1.0 INTRODUCTION

1.1 This report has been prepared for Roman Park Management Ltd following my initial report in April 2024 to provide a more detailed assessment of the potential value if the site were to be sold for redevelopment for residential use. This report is not a formal valuation and is a market appraisal undertaken for estate agency purposes only.

1.2 Since the April 2024 report we have commissioned a legal report, topographical survey, architectural design study and town planning appraisal.

1.3 I am a Partner of Louch Shacklock & Partners LLP and I have worked as a commercial property agent in Milton Keynes for over 25 years. I am a Chartered Surveyor, RICS Registered Valuer and a qualified Expert Witness.

2.0 LEGAL REPORT

2.1 Howes Percival Solicitors provided the legal report which considered matters within the freehold title (BM104638) that may conflict with redevelopment proposals. Issues identified included subterranean mining rights, restrictive covenants, rights reserved in favour of adjoining land and a legal charge.

2.2 Subterranean Mining and Minerals Rights

2.2.1 The freehold title excludes from the property any mining and minerals rights beneath the surface. These rights are reserved for neighbouring land under titles BM254815 and BM90922 which are edged red and green on the following page.

2.2.2 There is no evidence for the existence of mining or mineral deposits beneath the property, but if they were discovered in the future this would disrupt any development programme. It is also possible that development activity, including digging, laying pipework and other ground intrusive activities, could cause the beneficiaries of the mineral rights to raise an action for trespass. If we were selling the site to a property developer their legal team would raise these issue and require a solution. On this basis it is recommended that mines and minerals indemnity insurance cover, which would cover both a claim for trespass and losses incurred due to excavation, should be purchased as part of the marketing strategy and prior to marketing the site.



2.3 Restrictive Covenants

2.3.1 There are covenants in the title that may be breached in the event of redevelopment, including restrictions on cutting down trees, use of commercial vehicles, prohibition of aërials and granting of leases longer than 7 years (e.g. long leasehold interests that may be granted upon the sale of residential apartments). The beneficiaries of the covenants are the successors to Milton Keynes Development Corporation, now Homes England.

2.3.2 These covenants date back to 1987 and are relatively historic, but it is recommended that title indemnity insurance against enforcement of any restrictive covenants is purchased and, similar to the mining and minerals rights, this will be required by any property developer interested in purchasing the site.

2.4 Rights Reserved

2.4.1 There are rights reserved in favour of the adjoining land (shown in the plan above) in respect of maintaining service media that may run through the property, including telecom, water, drainage, gas and electricity.

2.4.2 These rights are described in the legal report as not being of “material concern” but should be considered as part of any potential redevelopment of the property.



2.5 Legal Charge

2.5.1 There is a Legal Charge in favour of the Homes & Communities Agency (now Homes England) dated 25th January 1989.

2.5.2 We understand that Homes England have confirmed to Roman Park Management that the terms of the Legal Charge has been satisfied, however, a formal application has not been made to the Land Registry to remove it from the freehold title.

2.6 The overall conclusion of the legal report is that, if the recommended pre-emptive steps are taken, the preceding issues raised will not preclude potential residential development of the site.

3.0 ARCHITECTURAL DESIGN STUDY

3.1 Following completion of the topographical survey by MK Surveys, to provide the requisite level of detail about the dimensions, levels, structures, vegetation and materials of the site in its existing configuration, we instructed V4 Architects to undertake a design study. The aim of the study was to understand what options might be considered in terms of the scale and form of a future residential development.

3.2 V4 submitted three designs, as follows:

- i. Adaptation of the existing building by replacement of the roof with an additional first floor of eight new apartments (existing ground floor commercial space retained and refurbished).
- ii. Demolition of the existing building and replacement with 3 new apartment blocks.
- iii. As above but with replacement with 5 new detached dwellings.

3.3 The scale and form of the three development options were as follows:

- i. 4,650 sq ft (gross internal area) of new residential 1st floor area (+ common parts) and 4,500 sq ft (net internal area) of ground floor commercial space. 25 car parking spaces.
- ii. 13,853 sq ft (gross internal area) of new residential apartments; 24 dwellings in total, arranged in 3 x three-storey blocks. 38 car parking spaces.
- iii. 7,212 sq ft (gross internal area) of new detached houses; 5 dwellings in total, with large gardens and detached garages.

3.4 The V4 design options are reproduced on the following pages.



Option 2 – Redevelopment as 24 Apartments



<p>NOTES:</p> <p>1. All dimensions are in metres unless otherwise stated.</p> <p>2. All dimensions are to the centre line of the road or boundary unless otherwise stated.</p> <p>3. All dimensions are to the centre line of the road or boundary unless otherwise stated.</p> <p>4. All dimensions are to the centre line of the road or boundary unless otherwise stated.</p> <p>5. 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<p>1000</p>	<p>PROJECT: Land at Roman Way - Bancroft Park - Milton Keynes</p> <p>CLIENT: Country Club Bancroft</p> <p>DRAWING SHEET: Sheet 02 - New Build Apartments</p> <p>DRAWING NUMBER & REVISION: 000000-002</p>	<p>DATE: MARCH 2025</p> <p>SCALE: 1:2000 (A1 / A00843)</p> <p>Status: PLANNING</p> <p>V4</p>
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4.0 TOWN PLANNING APPRAISAL

4.1 Smith Jenkins completed a town planning appraisal of the principle of change of use to residential, with reference to local and national planning policies, with an evaluation of the prospects for securing planning consent for each of the three development options drafted by V4.

4.2 The key conclusions of the town planning appraisal were as follows:

- i. Whilst not formally identified as a community facility in the policy maps in the Local Plan, the property could be considered as a community facility, which would be protected by Policy CC3 Protection of Community Facilities. The demolition and redevelopment proposals in Options 2 and 3 would be less likely to secure planning consent, on this basis, than Option 1.
- ii. Change of use to residential in this location is aligned with Policies DS1 and DS2 of the Local Plan and so if evidence for the underutilisation of the facility can be provided then Options 2 and 3 are viable.
- iii. Options 1 and 2 meet the Local Planning Authority car parking requirements, whilst Option 3 falls one car parking space short of the standard. Option 1 is considered to be the favoured scheme in terms of highways and transport, as it will have the least impact upon the surrounding highway network.
- iv. Option 1 has environmental pollution (Policy NE6) issues created by noise and disturbance from the ground floor use to the residential apartments above.
- v. Option 1 lacks outdoor amenity provision for the apartments, which is also in conflict with Policy NE6.
- vi. Biodiversity Net Gain ('BNG') standards would have to be met by Options 2 and 3 which would require a 10% net gain of green space or habitat to be achieved to secure planning permission. Option 1 would lead to minimal disturbance of the existing vegetation or habitat on the site.
- vii. Bancroft Villa is within close proximity to the site and the design of Options 2 and 3 would have to satisfy Policies HE1 and ECP5 in terms of impact upon heritage assets resulting from a significant change to the visual form of development in the area.
- viii. Policies HN1 and HN2 would require the inclusion of at least 31% of the 24 apartments to be delivered as affordable housing under Option 2, as the number of proposed apartments exceeds the affordable housing threshold of 11 dwellings. This will have an impact upon the net development value of the site for Option 2, whereas Options 1 and 3 would not trigger an obligation to provide affordable housing.
- ix. Options 1 and 3 provide a density and built form of development that is consistent with the surrounding area, whereas Option 2 is of higher density and of a different form.
- x. The number of dwellings in Option 2 is likely to lead to a formal obligation to enter into an agreement with the Local Authority to make a capital contribution towards local infrastructure (known as a s.106 agreement) under Policy INF1. Options 1 and 3 are not likely to trigger this requirement. This additional cost will have an impact upon the net development value of Option 2.



4.3 Overall, Option 1 is considered by Smith Jenkins to be the optimal approach to developing the site and most likely to result in a successful planning application. Planning consent could be secured for Options 2 and 3 but these options have more constraints, which will need to be satisfied if an application is to be successful.

4.4 All options will require careful preparation and pre-application discussions with the Local Planning Authority.

5.0 EXISTING TENANCIES

5.1 1st Choice Properties – notice served to end the lease effective in November. Rent payable under existing lease £9,000 pa. Expected rent receivable following re-letting £10,000 pa exclusive.

5.2 Snipaholix – a new lease is being negotiated with a proposed term expiring 1st July 2029, which can be terminated by either party serving no less than 6 months' notice during the lease term.

5.3 Roman Crown – a lease has been granted to Silver Street Pubco Ltd for a term expiring 1st July 2029 at a rent payable of £26,000 pa exclusive. The lease can be terminated by either party serving no less than 6 months' notice during the lease term.

5.4 The existing lease arrangements provide flexibility for gaining vacant possession, if required, for the purposes of redevelopment.

6.0 DEVELOPMENT APPRAISAL

6.1 I have researched construction costs and sale values for the proposed residential development options. I have undertaken an appraisal of market value for the freehold interest in the land if sold for development, using the residual method of valuation.

6.2 My assessment of market value for the three options is as follows:

Option 1 £835,000 (£335,000 for the 1st floor extension + £500,000 for the existing ground floor)

Option 2 £500,000

Option 3 £465,000

6.3 My initial assessment of market value of the land if sold for residential development was £2,000,000. Following this more detailed exercise, the values for all three options are considerably lower. The reasons for this are as follows:

- For Option 3 the density of development is roughly 50% less than my initial forecast for detached housing.
- The net development value of Option 2 has been reduced by 30% to meet the affordable housing quota.
- Construction costs have increased by 25%.
- Sale values have remained static.

6.4 Please find my calculations on the following pages.



Residual Valuation

Redevelopment of Roman Park Residents' Club for Residential Use



Value Of Project Upon Completion

Gross Internal Area	4,650	sq ft
Sale Value	£ 400.00	per sq ft

Gross Development Value	£ 1,860,019	£ 400.00 per sq ft
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Pre Development Costs

Ground work	£ -
Demolition and disposal of materials	£ -
Surveys and Planning Application	£ 50,000
	£ 50,000

Construction Costs

Gross External Area (Sq Ft)	4,883
Build Cost Per Sq Ft	£ 200.00
Construction Cost	£ 976,510
Contingency	5.00% £ 48,826
	£ 1,025,336
	£ 220.50 per sq ft

Fees

Architect and Planning	3.50%	£ 35,887
Quantity Surveyor	1.50%	£ 15,380
Structural Engineer	1.50%	£ 15,380
Mechanical and Electrical Engineer	1.00%	£ 10,253
Project Management and CDM	1.50%	£ 15,380
Other	1.00%	£ 10,253
Sub-total	10.00%	£ 102,534
		£ 22.05 per sq ft

Finance Costs

Pre Development Costs	£ 50,000
Interest Rate/Months	7.50% 6 £ 1,875
Construction Costs	£ 1,025,336
Interest Rate/Months (averaged)	7.50% 6 £ 19,225
Professional Costs	£ 102,534
Interest Rate/Months (averaged)	7.50% 6 £ 1,923
Roll-Up Holding Period	£ 1,177,869
Interest Rate/Months	7.50% 6 £ 44,170
	£ 67,193
	£ 14.45 per sq ft

Marketing and Disposal Costs

Selling Agent	1.50%	£ 27,900
Legal Costs	1.50%	£ 27,900
Marketing Budget		£ 15,000
		£ 70,801
		£ 15.23 per sq ft

Appraisal

NET DEVELOPMENT VALUE	£ 1,860,019
Pre Development Costs	£ 50,000
Construction Costs	£ 1,025,336
Professional Fees	£ 102,534
Finance Costs	£ 67,193
Marketing and Disposal Costs	£ 70,801
TOTAL DEVELOPMENT COSTS	£ 1,315,862
GROSS RESIDUAL VALUE	£ 544,157
DEVELOPER'S PROFIT @	15.00% £ 197,379
NET RESIDUAL VALUE	£ 346,777
Purchaser's Acquisition Costs	
Stamp Duty	£ 6,839
Professional Fees	£ 6,836
NET REALISATION PRICE	£ 333,003

OPTION 1



Residual Valuation

Redevelopment of Roman Park Residents' Club for Residential Use



Value Of Project Upon Completion

Gross Internal Area (Private Sale)	9,697	sq ft
Sale Value	£ 425.00	per sq ft
GIA (Affordable Housing)	4,156	
Sale Value	£ 200.00	

Gross Development Value £ 4,952,543 £ 510.71 per sq ft

Pre Development Costs

Ground work	£ 50,000
Demolition and disposal of materials	£ 50,000
Surveys and Planning Application	£ 50,000
	£ 150,000

Construction Costs

Gross External Area (Sq Ft)	14,546
Build Cost Per Sq Ft	£ 200.00
Construction Cost	£ 2,909,188
Contingency	5.00% £ 145,459
	£ 3,054,646 £ 315.00 per sq ft

Fees

Architect and Planning	3.50%	£ 106,913
Quantity Surveyor	1.50%	£ 45,820
Structural Engineer	1.50%	£ 45,820
Mechanical and Electrical Engineer	1.00%	£ 30,546
Project Management and CDM	1.50%	£ 45,820
Other	1.00%	£ 30,546
Sub-total	10.00%	£ 305,465 £ 31.50 per sq ft

Finance Costs

Pre Development Costs	£ 150,000
Interest Rate/Months	7.50% 6 £ 5,625
Construction Costs	£ 3,054,646
Interest Rate/Months (averaged)	7.50% 6 £ 57,275
Professional Costs	£ 305,465
Interest Rate/Months (averaged)	7.50% 6 £ 5,727
Roll-Up Holding Period	£ 3,510,110
Interest Rate/Months	7.50% 6 £ 131,629
	£ 200,256 £ 20.65 per sq ft

Marketing and Disposal Costs

Selling Agent	1.50%	£ 61,820
Legal Costs	1.50%	£ 61,820
Marketing Budget		£ 15,000
		£ 138,640 £ 14.30 per sq ft

Appraisal

NET DEVELOPMENT VALUE	£ 4,952,543
Pre Development Costs	£ 150,000
Construction Costs	£ 3,054,646
Professional Fees	£ 305,465
Finance Costs	£ 200,256
Marketing and Disposal Costs	£ 138,640
TOTAL DEVELOPMENT COSTS	£ 3,849,007
GROSS RESIDUAL VALUE	£ 1,103,537
DEVELOPER'S PROFIT @	15.00% £ 577,351
NET RESIDUAL VALUE	£ 526,186

Purchaser's Acquisition Costs

Stamp Duty	£ 15,809
Professional Fees	£ 10,624
NET REALISATION PRICE	£ 499,853

OPTION 2



Residual Valuation

Redevelopment of Roman Park Residents' Club for Residential Use



Value Of Project Upon Completion

Gross Internal Area	7,212	sq ft
Sale Value	£ 450.00	per sq ft

Gross Development Value £ 3,245,346 £ 450.00 per sq ft

Pre Development Costs

Ground work	£ 50,000
Demolition and disposal of materials	£ 50,000
Surveys and Planning Application	£ 50,000
	£ 150,000

Construction Costs

Gross External Area (Sq Ft)	7,572
Build Cost Per Sq Ft	£ 230.00
Construction Cost	£ 1,741,669
Contingency 5.00%	£ 87,083
	£ 1,828,752 £ 253.58 per sq ft

Fees

Architect and Planning	3.50%	£ 64,006
Quantity Surveyor	1.50%	£ 27,431
Structural Engineer	1.50%	£ 27,431
Mechanical and Electrical Engineer	1.00%	£ 18,288
Project Management and CDM	1.50%	£ 27,431
Other	1.00%	£ 18,288
Sub-total	10.00%	£ 182,875 £ 25.36 per sq ft

Finance Costs

Pre Development Costs	£ 150,000
Interest Rate/Months 7.50%	£ 5,625
Construction Costs	£ 1,828,752
Interest Rate/Months (averaged) 7.50%	£ 34,289
Professional Costs	£ 182,875
Interest Rate/Months (averaged) 7.50%	£ 3,429
Roll-Up Holding Period	£ 2,161,628
Interest Rate/Months 7.50%	£ 81,061
	£ 124,404 £ 17.25 per sq ft

Marketing and Disposal Costs

Selling Agent	1.50%	£ 48,680
Legal Costs	1.50%	£ 48,680
Marketing Budget		£ 15,000
		£ 112,360 £ 15.58 per sq ft

Appraisal

NET DEVELOPMENT VALUE	£ 3,245,346
Pre Development Costs	£ 150,000
Construction Costs	£ 1,828,752
Professional Fees	£ 182,875
Finance Costs	£ 124,404
Marketing and Disposal Costs	£ 112,360
TOTAL DEVELOPMENT COSTS	£ 2,398,392
GROSS RESIDUAL VALUE	£ 846,954
DEVELOPER'S PROFIT @ 15.00%	£ 359,759
NET RESIDUAL VALUE	£ 487,195
Purchaser's Acquisition Costs	
Stamp Duty	£ 13,860
Professional Fees	£ 9,744
NET REALISATION PRICE	£ 463,591

OPTION 3



7.0 CONCLUSION AND RECOMMENDATIONS

7.1 My view of the market value of the site if sold for residential development is £500,000-£800,000. The market value of the site with its existing use is £500,000. On this basis, pursuing residential development does not appear to be a strategy that is worthwhile in financial terms, unless the operation of the Roman Crown by the new tenant proves to be no longer viable in the future.

7.2 There are, however, a number of issues that can be investigated in order to see if the value of the proposed residential options can be maximized in terms of both cost reduction and design.

7.3 The following actions are recommended:

- Obtain quotes for title indemnity insurance covering the restrictive covenant and other legal constraints referred to in this report.
- Instruct Howes Percival to apply to Homes England to ensure that the Land Registry formally discharge the Legal Charge.
- Discussion with V4 Architects to establish if the density of development can be increased for Options 2 and 3, perhaps a mixed scheme of apartments and houses.
- Discussion with V4 regarding cost reduction, for example, by joining apartment blocks, semi-detached houses, or conversion of existing ground floor accommodation to residential use.

7.4 With further refinement of the development options, it may be possible to increase the value to £750,000-£1,000,000. V4 have confirmed that they would not charge for this additional viability work.

JONATHAN WHITTLE MRICS

Partner

Louch Shacklock and Partners LLP

Email: jonathan@louchshacklock.com