

BACKGROUND PAPER 1: Extract from email to Lands Officer from applicant, 02/02/12

We have previously discussed securing an easement for access although a recent discussion with my Highways Lawyer suggests a much more straight forward approach would be a simple transfer of title of the roadway which should then subsequently be adopted in conjunction with our new roadway into the development.

As you are aware we have now secured planning consent and prior to our second appeal hearing a Section 106 agreement was finalised and engrossed by all concerned. This followed the recommendations of the Planning Inspector who concluded that in order to secure viability of the scheme, six affordable homes should be provided and we are to make a financial contribution for Education, open space and monitoring totalling £55,576. As you are aware we used the HCA appraisal tool in order to assist in calculating revenues and costs in relation to the development and these have been accepted by all parties.

It has always been our view that a payment of £35,000 was justified for the access and this was confirmed by two other chartered Surveyors who are familiar with the Cambridge housing market. In an attempt to reach an agreement in May 2010 our offer was increased to £73,500 although no acceptance was forthcoming and our negotiations fell away pending a planning consent. Land values have continued to shrink since this time although are probably now relatively stable subject to external influences such as the Euro Zone crisis which continues to undermine confidence. This lack of confidence is not only with intending house purchasers but also funding institutions and a good example of this is the cost of development finance which is now only available at 7.50% and above which is 1.50% higher than the figure of 6% which was included in the HCA appraisal we used to calculate the viability of the site.

It has been made clear by the Planning Inspector that viability must be retained within any scheme in order that delivery of housing including affordable homes may be achieved and as a business operating within very difficult conditions where many builders and developers have ceased trading we must look very closely at viability. We trust the Portfolio Holder will not seek to obstruct the delivery of our proposed scheme and in order to have meaningful discussions with financiers we need to have an agreement in place at the earliest opportunity. Timing is of the essence and the expiration of existing legal agreements would undoubtedly see the failure of the scheme which we have worked so hard with and invested so much in to date.

There will be a total of four of us attending the meeting which will include myself and my wife who is my business partner, my Highways Lawyer and my personal assistant.

We look forward to hearing from you.

Regards

Andy Greed MRICS

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