

Public Local Inquiry Reference:

APP/PCU/CPO/U4610/3299063

Rebuttal Evidence

**Robert Fourt**  
**BSc (Hons) MSc FRICS**

On behalf of:

The Royal London Mutual Insurance Society Limited (“Royal London”)

Appeal Site:

Land within Coventry City Centre

In response to Proofs of Evidence for Public Local Inquiry Commencing on 17th January 2022 prepared on behalf of Coventry City Council by:

Mr. Alex Morton

Mr. Tony Parker

Mr. Andy Fancy

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## SCHEDULE OF APPENDICIES AND EXHIBITS

	<b>Appendix 1</b> – Letter from my instructing solicitor requesting copies of the documents referred to in the evidence of Mr. Morton, Mr. Parker and Mr. Fancy
	<b>Appendix 2</b> - Phased Replica of Mr Morton’s Appraisal
	<b>Appendix 3</b> – Oxford Economics Economic Forecast
	<b>Appendix 4a</b> – Argus Developer appraisal summary and sensitivity tests: Scenario Test 1
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## 1. INTRODUCTION

1.1.	In accordance with my instructions and following my report dated 29 December 2022 (" <b>my Original Report</b> "), on behalf of Royal London, I have been provided with the Proofs of Evidence (" <b>Evidence</b> ") prepared by Mr. Alex Morton of Deloitte LLP Mr. Tony Parker of Hill Residential Limited and Mr. Andy Fancy of Hill Residential Limited on behalf of Coventry City Council (" <b>the Council</b> ") as the Acquiring Authority.
1.2.	In this Rebuttal I provide a response to the Evidence prepared by Mr. Morton, Mr. Parker and Mr. Fancy, which has been prepared specifically in relation to viability and deliverability regarding 'The City of Coventry (City Centre South) Compulsory Purchase Order 2022, (" <b>the Order</b> ") as made by the Council.
1.3.	Specifically I refer to the evidence relating to the S73 application (REF S73/2022/3160). For the purposes of this Rebuttal I will adopt the definition used by the Council and refer to that scheme as <b>the "Refined Scheme."</b> In my Evidence I refer to it as the Alternative Scheme), which was submitted to Coventry City Council on 7 <sup>th</sup> November 2022 by SPRL and associated matters concerning both viability and deliverability. I refer to the Evidence of Mr. Morton, Mr. Parker, Mr. Fancy and the Council's Evidence in the following sections of my Rebuttal.
1.4.	I identify the key areas of disagreement in respect of the evidence set out in my Original Report and the Evidence provided by Mr. Morton, Mr. Parker and Mr. Fancy. Mr. Keith Hardman and Mr. Keith Murray, on behalf of Royal London, also comment upon the Council's Evidence and that of Mr. Morton, Mr. Parker and Mr. Fancy.
1.5.	Where I do not provide any specific comment in respect of any of the statements made in Mr. Morton's, Mr. Parker's and Mr. Fancy's Evidence it should not be taken that I agree or disagree with what has been said.
1.6.	There are a considerable number of documents, reports and spreadsheet calculations, in particular, referred to by both Mr. Morton and Mr. Parker which have not been provided by the Council or in conjunction with the Council's Evidence. I am aware that various requests have been made by my instructing solicitors for this information, which has not been forthcoming so as to enable me to review it for the purposes of this Rebuttal. This has put me at a significant disadvantage in reviewing the Evidence of Mr. Morton, Mr. Parker and Mr. Fancy. Consequently I reserve my position and may make further comment beyond what I state in my Rebuttal should this information, in part or whole, become available prior to the end of the Inquiry. In <b>Appendix 1</b> I provide a letter from my instructing solicitors dated 6 January 2023 which provides a list of documents that I consider to be of importance in this respect.

## 2. SUMMARY OF OVERARCHING MATTERS RELEVANT TO CONSIDERATION OF VIABILITY AND DELIVERABILITY OF THE SCHEME

<b>Introduction</b>	<p>2.1. My instructions are set out in Section 2 of my Original Report, and in particular paragraph 2.7, in that I am to set out my professional opinion in respect of the viability and deliverability of the Order Scheme. The Evidence of Mr. Morton, Mr. Parker and Mr. Fancy on behalf of the Council, both individually and collectively, deals with viability and deliverability. In considering this Evidence in the following sections of my Rebuttal there are, in my opinion, a number of overarching matters which are highly relevant. These can be summarised as follows:-</p> <ul style="list-style-type: none"> <li>a) Professional guidance and assessment of viability;</li> <li>b) Finance and funding;</li> <li>c) My understanding of the breakdown and impact of grant;</li> <li>d) Risk and appropriate return proxy;</li> <li>e) Sensitivity analysis;</li> <li>f) Transparency of the supporting Evidence of the Council; and</li> <li>g) Deliverability</li> </ul>
	<p>2.2. I address each of the above briefly below and by reference to my Original Report and, in the subsequent sections of my Rebuttal, in respect of the Evidence of Mr. Morton, Mr. Parker and Mr. Fancy. In Section 6 (Revised Viability Appraisals) and Section 7 (Conclusions) I demonstrate the significance of these overarching matters in terms of the viability and deliverability of the Order Scheme (Refined Scheme).</p>
<b>Professional Guidance and Assessment of Viability</b>	<p>2.3. No reference is made to professional guidance in the Evidence of Mr. Morton, Mr. Parker and Mr. Fancy. Mr. Morton refers to DLUHC guidance on the Compulsory Purchase Process and Crichel Down Rules (CD 1.9). The Order Scheme (Refined Scheme) is a complex development, which will take approximately ten years to complete.</p>
	<p>2.4. The purpose of RICS professional guidance is to set out good practice for members and firms. In particular, the principles set out in RICS professional standards and guidance: note Valuation of Development Property are highly relevant when considering the viability of development proposals. The guidance acknowledges the complexity of issues in respect of property development, variation around inputs and outputs and volatility over time, and seeks to guide members accordingly.</p>
	<p>2.5. Section 6 of my Original Report provides an overview of viability methodology and Appendix 4 provides a copy of the RICS guidance. When addressing the viability and deliverability of complex schemes it is necessary, in my opinion, to apply an appropriate methodology and approach that reflects those complexities and the prospect that changes occur over time. In my opinion, based on the evidence I have seen to date, the complexities of the Order Scheme (Refined Scheme) have not been reflected in the underlying analysis undertaken.</p>

	2.6. I understand that the underlying analysis set out in the Evidence of Mr. Morton and Mr. Parker is relied upon by the Council in order to justify the viability and deliverability of what is a complex Order Scheme (Refined Scheme). The following sections of my Rebuttal detail the deficiencies of the Evidence provided to date on behalf of the Council.
<b>Finance and funding</b>	2.7. Mr. Morton, in respect of finance and funding, relies in his Evidence upon: <ul style="list-style-type: none"> <li>a) information provided by Mr. Parker; and</li> <li>b) input from a partner in his firm on SPRL's funding arrangements.</li> </ul>
	2.8. Mr. Parker, in his evidence, provides a broad outline of the funding of the Order Scheme (Refined Scheme). Mr. Parker references both debt and equity financial arrangements and confirms that HHL will provide all funding required for the Order Scheme (Refined Scheme).
	2.9. I understand from the evidence that Mr. Parker has provided Mr. Morton with the finance costs for the scheme of approximately £3.8m. Mr. Morton has then relied upon these finance costs in his assessment of the viability and deliverability of the Order Scheme (Refined Scheme).
	2.10. In the absence of any detail on how the finance costs of £3.8m have been arrived at, I have adopted the normal practice of inputting into my appraisals an appropriate current day finance cost of 8.5% which is justified in Appendix 7 of my Original Report. There is a considerable difference between my finance cost and that relied upon in the Council's Evidence.
	2.11. Notwithstanding this considerable difference, there is a methodological inconsistency in the Evidence of Mr. Parker and Mr. Morton. It is usual to provide a single appraisal showing all the working to assess viability. Mr. Morton has not done this and relied upon inputs calculated from other appraisals in presenting his appraisal.
<b>My understanding of the breakdown and impact of grant</b>	2.12. The Council's Statement of Case dated 19 <sup>th</sup> December 2022 in Section 8 sets out some details on the level of grant funding. Mr. Morton and Mr. Parker's Evidence contains further detail on grant funding to support the viability of the Order Scheme (Refined Scheme). Mr. Morton provides a breakdown of grant funding within his appraisal under certain headings which appear to be different to those provided by the Council.
	2.13. The documents relating to grant funding, its conditionality, drawdowns etc have not, to date, been provided. At this stage it is therefore very difficult to understand how the grant funding for the Order Scheme (Refined Scheme) is anticipated to work in practice. From a financial viability perspective, testing of the level of subsidy over the 10 year construction period cannot be undertaken without this further detail. I note that Mr. Morton simply

	shows the entirety of grant funding as a “day one input” into his appraisal. Again, as stated in paragraph 2.11, this is an unusual approach.
	2.14. Both Mr. Morton and Mr. Parker acknowledge the significance of grant funding to the viability and deliverability of the Order Scheme (Refined Scheme). It is inconsistent with justifying viability and deliverability that no calculations are provided to show how grant funding will work in practice.
<b>Risk and appropriate return proxy</b>	2.15. It is apparent from the Evidence provided by Mr. Morton, Mr. Parker and Mr. Fancy that no risk analysis has been undertaken. This is surprising given the complexity of the Order Scheme (Refined Scheme) which will take over 10 years to construct, over a variable macro and micro economic climate. It is also inconsistent with professional guidance (I comment below on sensitivity testing).
	2.16. Assessing the risk of a scheme is important to understanding what would be considered an appropriate return. It follows that the higher the risk, the higher the level of return that would be expected by developers and their funders. The duration of a scheme is also a material consideration in both the nature of the return proxy and its level in order to benchmark a scheme. For a more lengthy scheme of over, say, 4 years it is usual to identify a return that takes into account the time value of capital. It follows that return proxies such as the Internal Rate of Return (IRR) or the Housebuilder Return on Capital Employed are preferred to the more simplistic profit on cost or profit on value proxies of simpler schemes of a shorter duration.
<b>Sensitivity analysis</b>	2.17. None of the Evidence provided by Mr. Morton, Mr. Parker and Mr. Fancy has presented any form of sensitivity analysis. Mr. Morton refers to an efficiency test in respect of net to gross floor area but does not provide any supporting information or architectural plans to support his subsequent statements. I refer further to IRR and financing in paragraph 4.17.
	2.18. It is usual in viability assessments to consider key inputs and their viability in order to draw conclusions on potential outputs. This, as mentioned above, informs both the risk of the scheme and what would be an appropriate return.
	2.19. The use and importance of sensitivity analysis is highlighted in professional guidance as an important step in arriving at a valuation and/or making judgements on the viability of schemes. Indeed, the more complex the scheme the greater is the need for appropriate sensitivity analysis. It is again important to understand both the upside and downside of a scheme and provide an interpretation, given both the current and likely future economic environment.

	2.20. In my Original Report, at Section 10, I provide sensitivity analysis and draw conclusions in respect of the Order Scheme (Refined Scheme). With more detailed information this can be refined further but, in my opinion, sensitivity analysis cannot be ignored in advising upon and justifying viability and deliverability.
<b>Transparency of Council and supporting viability evidence</b>	2.21. In <b>Appendix 1</b> I provide a copy of a letter from my instructing solicitors requesting copies of the documents that have been referred to in the evidence of Mr. Morton, Mr. Parker and Mr. Fancy. None of these documents have been made available to me.
	2.22. It is acknowledged by Mr. Morton, Mr. Parker and Mr. Fancy that the Order Scheme (Refined Scheme) is both complex and lengthy in duration. Documentation detailing how the proposed development will work between the Parties, as well as issues of such matters as funding and grant funding, are key to the understanding of the viability and deliverability of the Order Scheme (Refined Scheme). The level of detail given to date provides little or no transparency upon viability and deliverability for the purposes of testing assumptions and conclusions of the Evidence provided on behalf of the Council.
	2.23. In the circumstances I would have expected both the information requested and evidence provided to be transparent so as to enable appropriate analysis to be undertaken.
<b>Deliverability</b>	2.24. In order to understand the viability and deliverability of the Order Scheme (Refined Scheme) all of the above points need to be considered cumulatively, together with the individual matters referred to in the following sections of this Rebuttal. Mr. Morton, Mr. Parker and Mr. Fancy have not provided the detail, scope or level of analysis that I would have expected to justify the viability and deliverability of the Order Scheme (Refined Scheme).



### 3. EVIDENCE OF MR. MORTON

Approach	<p>3.1. In Section 2 of my Rebuttal I outline a number of overarching matters in respect of the Council's Evidence. In this and the following sections I pick up on individual matters within the Evidence submitted.</p>
	<p>3.2. I note that Mr. Morton's Evidence concerns both the appointment of the Developer, and whether there is a reasonable prospect of the scheme being delivered from a funding and viability perspective. It is the second of these matters that I comment upon below.</p>
	<p>3.3. I begin with Mr. Morton's approach to assessing the viability of the Order Scheme (Refined Scheme) and then comment upon individual elements of his appraisal. Section 2 of my Rebuttal has already detailed a number of overarching considerations in respect of Mr. Morton's Evidence.</p>
	<p>3.4. Mr. Morton states at Paragraph 8.13 of his Evidence:</p> <p><i>"In order to review the workings of the Developer's appraisal, I replicated it within the Argus Developer software package".</i></p> <p>The "Argus Developer Replica" is supplied at Appendix AM1 of his Evidence. I have reviewed the Argus Developer appraisal supplied at Appendix AM1. I note that revenues and costs have been manually hard coded into the Argus Developer software. I note in particular that the gross finance cost has also been manually entered into Argus Developer software (see also paragraph 2.11 of my Rebuttal). Put simply, when undertaking a discounted cash flow, finance should be calculated automatically by the software or programme on which the cash flow has been produced. Instead, as mentioned above, Mr. Morton has entered a fixed finance cost.</p>
	<p>3.5. Consequently, I consider that Mr. Morton's approach does not take into account changes in timings regarding income and expenditure. Changes in timings of income and expenditure should be reflected in an increased or decreased finance cost, and therefore an increased or decreased gross profit amount. Given Mr. Morton's finance cost is fixed within his Argus Developer appraisal, changes in income and expenditure within his appraisal will not result in a change to profit amount. This in my opinion is inconsistent with professional guidance in respect of complex developments such as the Order Scheme (Refined Scheme).</p>
	<p>3.6. The RICS Professional standards and guidance: Valuation of Development Property defines a cash flow as a model that:</p> <p><i>"reflects assumptions about the timing of revenue and expenditure over the development period on a period-by-period basis. The approach of a discounted cash flow is to calculate</i></p>

	<i>the net present value (NPV) of the estimated costs and revenues over the duration of the development project. With all other costs and revenues accounted for, the NPV will be a current estimate of the residual land value.”</i>
	3.7. Mr. Morton’s Argus Developer appraisal should therefore be considered the most basic form of residual appraisal, rather than a discounted cash flow over the 10-year period of the development which I would consider is appropriate for the Order Scheme
	3.8. I note that Mr. Morton was aware of a phasing plan, but has not sought to follow it or incorporate it in his viability appraisal
	3.9. In my opinion, given the complexities and duration of the development, a detailed discounted cash flow should have been undertaken in order to inform any decision to fund the scheme and properly assess viability and deliverability. As a result of the failure to do so very little, if any, reliance can be placed on Mr Morton’s appraisal when considering the likely viability and deliverability of Order Scheme (Refined Scheme).
<b>Build costs and allowances</b>	3.10. Mr. Morton states at Paragraph 8.15 of his report: <i>“In undertaking this review [of the Developer’s appraisal], I drew upon the specialist input from WT, in its capacity as cost consultants for the Council. A summary of the WT advice is provided at Appendix AM2.”</i>
	3.11. I have reviewed the WT Partnership letter from Mr. Barker to Mr. Morton. The letter reviews The Hill Group’s Build Budget dated 25 October 2022. I have not been supplied with a copy of the Hill Group’s Build Budget. My instructing solicitor requested a copy of this on 6 January 2023. The information request is attached at Appendix 1.
	3.12. Mr. Barker states that the Build Budget comprises a benchmark rate per sq metre, which is supplemented by additional allowances for superstructure, preliminaries, demolition and priced allowances on a lump sum of percentage basis. Mr. Barker does not provide a breakdown of any component elements of the Build Budget, such as the allowances adopted on a percentage basis. As a result, it has not been possible to review the allowances adopted, or indeed any other component of the Build Budget.
	3.13. This is problematic as it has not been possible to reach a fully informed opinion regarding the robustness of the costs and allowances adopted within Mr. Morton’s appraisal. I therefore do not consider it possible to reach a fully informed opinion regarding Mr Morton’s appraisal of the viability of the Order Scheme (Refined Scheme) using the current cost information available.
<b>Preliminaries offsetting growth</b>	3.14. Mr. Morton States at Paragraph 8.19(G) of his report:  <i>“WT’s review has also identified that the allowances SPRL has made for preliminaries are higher than expected. That, however, needs to be weighed against the lack of allowance</i>

	<i>for build cost inflation allowances within the SPRL appraisal and cost plan, which SPRL could have legitimately accounted for.”</i>
	3.15. I am not familiar with the method of adopting higher preliminaries to offset a lack of an allowance for build cost inflation within a financial appraisal.
	3.16. Notwithstanding this, Mr. Morton has adopted a ‘Day 1’ appraisal whereby costs and revenues are modelled at present day values, with both build cost inflation and growth excluded. Consequently no build cost inflation should be included within the appraisal. It is therefore unclear why Mr. Morton has used this as a method of mitigating inflated preliminary costs.
	3.17. Further, it is unclear why Mr. Morton has sought specialist advice from WT and then failed to follow that advice by either adopting a revised allowance or remedying the issue raised.
<b>Application of finance</b>	3.18. As outlined in Paragraph 2.9, Mr. Morton has adopted a gross fixed finance cost of £3,816,422, as provided by Mr. Parker. The calculation of this figure is both unclear and unexplained. This figure does not in my opinion reflect respective timings of income and expenditure. As a result, Mr. Morton’s appraisal is not based upon sound or transparent evidence.
	3.19. Further, using this appraisal (and merely adopting the figures provided to him), Mr. Morton would not have been able to undertake scenario modelling on: <ul style="list-style-type: none"> <li>a) Variations to the build programme; or</li> <li>b) Increasing/decreasing the variable finance rate (discussed further in Paragraphs 3.26 – 3.30 below).</li> </ul>
	3.20. Mr. Morton’s total finance cost represents a total of less than 1% of total cost (excluding finance), which is substantially below the level I would anticipate for a scheme of this complexity and duration.
	3.21. I have therefore undertaken a scenario test, adopting Mr. Morton’s revenues, costs and allowances, within a replica Argus Developer appraisal. I have subsequently phased the development in accordance with the programme plan referenced by Mr. Morton at Paragraph 6.12 – 6.15 of his Evidence and supplied at Figure 5 of my Original Report.
	3.22. Mr. Morton does not state the finance rate he has adopted. Given that he has adopted the same gross finance cost as Mr. Parker, I have applied the finance rate of 7.00% as outlined in Paragraph 2.9 of Mr. Parker’s Evidence. It should be noted that I consider this

	finance rate to be optimistically low given recent movements in the Bank of England base rate, and Appendix 7 of my Original Report.
	3.23. My replica appraisal is provided at <b>Appendix 2</b> .
	3.24. My replica appraisal indicates that when Mr. Morton's revenues and costs within a discounted cash flow, and adopting SPRL's programme, the total finance cost is £52,969,738.
	3.25. This reduces the gross profit amount to -£647,070, equating to -0.14% profit on cost and 6.77% IRR (ungeared). This falls well below the Viability Condition of 16.5% profit on cost as outlined at Paragraph 8.21 of Mr. Morton's Evidence.
<b>Finance rate sensitivity</b>	3.26. Mr. Morton States at Paragraph 8.1 of his Evidence:  <i>"The RCF debt will be charged at an interest rate which is reviewed every three months (interest periods) and I understand is charged at a margin of between 2.5% and 3.25% above the Bank of England base rate."</i>
	3.27. As such the finance rate is variable, in line with fluctuations in the Bank of England base rate. The Bank of England base rate has increased 3.40% from 0.10% in January 2022 to 3.50% at the date of this report. <sup>1</sup>
	3.28. Despite this rapid recent increase in the Bank of England base rate, Mr. Morton fails to provide a sensitivity test on the finance rate. I have, however, undertaken my own sensitivity testing.
	3.29. I have undertaken a sensitivity analysis, testing the impact of increasing the finance rate in increments of 0.5% between 7.00% and 10.00%. I have undertaken this analysis using my phased replica of Mr. Morton's appraisal outlined in Paragraph 2.17 above. The results of the sensitivity analysis are provided in Table 1 below.
	3.30. The testing shows that increasing finance rate to 10.00% decreases the 'profit' amount to approximately -£40.4 million (-7.91% profit on cost), whilst decreasing finance rate to 7.00% increases 'profit' to approximately -£650,000 (-0.14% profit on cost).

<sup>1</sup> <https://www.bankofengland.co.uk/monetary-policy/the-interest-rate-bank-rate>

**Table 1:** Finance rate sensitivity test using phased replica of Mr. Morton's appraisal

	Interest Rate						
	7.00%	7.50%	8.00%	8.50%	9.00%	9.50%	10.00%
<b>Gross profit amount</b>	-£647,070	-£6,377,087	-£12,439,626	-£18,851,226	-£25,629,217	-£32,791,749	-£40,357,835
<b>Profit on Cost</b>	-0.138%	-1.340%	-2.580%	-3.859%	-5.174%	-6.526%	-7.913%

**Private sales values**

3.31. Mr. Morton States at Paragraph 8.19(b) of his Evidence:

*"The private residential values adopted by SPRL equate to an average of £386 psf, which reflects a premium of approximately 5% above the evidence I was able to establish. I concluded that that this was reasonable, given the 'regeneration premium' which I have noted being realised on other large scale transformative schemes."*

3.32. Mr. Morton states he has adopted a 5% premium. He does not state the figure to which this premium relates – i.e. what it is 'above' – and does not provide any comparable evidence to justify his position. I have therefore revisited the comparable evidence supplied in Table 10 of my Original Report, analysing the evidence on a rate per sq ft basis, with an additional 5% premium allowance. My analysis is provided in Table 2 below.

**Table 2:** Mr. Fourt Comparable Residential Sales Evidence

Development	Developer	Blended Sales Rate Per Sq Ft	
		+ 0.00%	+ 5.00%
Kings Chambers	TEJ Properties	£261	£274
Elm Bank	P&K Estates	£354	£371
The Spires	Morris Homes	£281	£295
Mistle Court	BDW	£281	£296
Paragon Park	Persimmon	£201	£211

3.33. With the exception of Elm Bank, Mr. Morton's blended sales rate is over 35.00% in excess of the blended sales values observed in comparable schemes. Elm Bank is a premium scheme located in the historic Stoke Park in the West of Coventry and includes luxury and high-specification apartments, bungalows and mews. The private gated development which has been sensitively restored would be of higher quality and location than the subject site. I therefore consider Mr. Morton's blended sales rate of £385 per sq ft to be optimistic.

3.34. Further, given Mr. Morton's sales rates are at a significant premium to those observed in Coventry historically, I consider a sensitivity analysis essential to demonstrate the impact on profit if Mr. Morton's sales values are not achieved. I discuss the absence of a sensitivity

	analysis in Mr. Morton's report in Section 2 above and further in Paragraphs 3.52 – 3.57 below.
<b>Grant Funding</b>	<p>3.35. Mr. Morton States at Paragraph 7.3 of his Evidence:</p> <p><i>"The WMCA grant is a very important component of the delivery strategy for the Scheme. Without it, I consider that the prospects for delivery would be considerably reduced, owing to the lack of currently identified sources of funding for costs such as land assembly and demolition."</i></p>
	<p>3.36. I have been provided very limited information regarding the grant funding, most notably regarding the timing of the drawdown arrangements, conditionality and claw-back provisions. As a result, it has not been possible to review the grant funding amount adopted and the timing of the receipt of the funding within Mr. Morton's appraisal. As with build cost, this is problematic as it is therefore not possible to reach a fully informed opinion regarding the robustness of the grant funding Mr. Morton has adopted for the purposes of his appraisal. I therefore do not consider it possible to reach a fully informed opinion regarding the viability of the Scheme using the current grant funding information available.</p>
<b>Commercial values</b>	<p>3.37. Mr. Morton states at Paragraph 8.16 of his Evidence:</p> <p><i>"I also sought specialised retail agency advice from KLM Real Estate, in its capacity as subconsultant to Deloitte LLP."</i></p>
	<p>3.38. Mr. Morton subsequently states at Paragraph 8.19.E of his Evidence:</p> <p><i>"The assumptions made for the retail rents appear to be reasonable and consistent with what KLM Real Estate has advised. The incentive allowances and investment yield adopted by SPRL are potentially optimistic given current economic uncertainty. However, given the relatively small contribution the retail elements make to overall GDV I did not consider this a significant concern."</i></p>
	<p>3.39. KLM Real Estate provide an estimated rental level of £2,903,175, whilst the developer, SPRL, reaches an estimated rental level of £3,051,985. Whilst there is limited difference between the two rental values, it is not clear why Mr. Morton has not adopted the rental value of his sub-consultant. This is consistent with Mr Morton's approach to the WT review of build costs (outlined in Paragraphs 3.10 – 3.13 above); in both cases Mr. Morton does not apply the input supplied by his sub-consultant, but instead uses the SPRL's figures.</p>
	<p>3.40. Further, Mr. Morton does not provide a breakdown of how he has arrived at the capital value of £249.82 psf from a rent of £3,051,985 per annum. Mr. Morton does not discuss</p>

	letting agency fees, letting legal fees and purchasers' costs. None of these costs have been explicitly included within Mr. Morton's appraisal attached at Appendix AM1.
<b>Presentation of Profit Metric</b>	3.41. Having reviewed Mr. Morton's Argus Developer replica appraisal attached at Appendix AM1, I note that the grant funding has been included as a negative cost within the cost section of the appraisal. It is common practice to present grant funding as a revenue, rather than a negative cost.
	3.42. Although inputting grant funding as a negative cost rather than a revenue does not alter the cashflow of the appraisal, it artificially decreases the gross cost amount for the purposes of the Argus Developer appraisal. By inputting grant funding as a negative cost, the total cost in Mr. Morton's appraisal is reduced from £426,172,083 to £354,354,492.
	3.43. Consequently, the Profit on Cost figure as reported on the Argus Developer appraisal summary is artificially inflated.
	3.44. To test the impact on inputting grant funding as a revenue rather than a negative cost, I have created a replica of Mr. Morton's appraisal. In my replica I have inputted grant funding as a revenue, this appraisal is attached at <b>Appendix 2</b> The appraisal produces a profit on cost figure of 10.20%, set against Mr. Morton's profit on cost figure of 12.28%.
<b>Profit figure and satisfying the Viability Condition</b>	3.45. Notwithstanding my comments regarding Mr. Morton's presentation of the profit metric in Paragraphs 3.41 – 3.44 above, Mr. Morton's appraisal at Appendix AM1 shows a profit on cost figure of 12.28%. This still falls below the Viability Condition of 16.5% as outlined at Paragraph 8.21 of Mr. Morton's Evidence.
	3.46. As a result, my instructing solicitor requested copies of Board Resolutions passed by Shearer and Hill that state that, in the event that profit on cost is under 16.50% (as stated in the development agreement), both parties will nevertheless proceed with the development. The request for Board Resolutions is outlined in the letter dated 6 January 2023, attached at Appendix 1 of this report.
	3.47. This evidence has not been forthcoming and therefore, under the viability position set out in Mr. Morton's report, there is no clear evidence that Hill or SPRL will proceed with the project.
	3.48. I have undertaken an analysis of Mr. Morton's appraisal to determine the increase in gross profit amount required for the Viability Condition to be satisfied. My analysis is outlined in Table 3 below. It should be noted that in undertaking this analysis I am not in agreement with the approach, revenues or values reported by Mr. Morton; I am assessing only the increase in profit amount required for Mr. Morton's appraisal to satisfy the Viability Condition.

**Table 3:** Increase in profit amount required for the Viability Condition to be satisfied (using Mr. Morton's appraisal replica)

	Mr. Morton appraisal (adopting grant as revenue)	Mr. Morton appraisal (Adopting grant as negative cost)
<b>Total cost</b>	£426,172,083	£354,354,492
<b>Profit</b>	£43,507,132	£43,507,132
<b>Profit on cost</b>	10.21%	12.28%
<b>Target profit on cost</b>	16.50%	16.50%
<b>Target profit amount</b>	£70,318,394	£58,468,491
<b>Profit delta</b>	£26,811,262	£14,961,359

3.49. My analysis shows that, using Mr. Morton's appraisal, an increase in gross profit amount of £26.8 million would be required for the Viability Condition to be satisfied when treating grant funding as revenue. This decreases to £15.0 million when treating grant funding as a negative cost. As set out in Paragraphs 3.41 -3.44 above, I consider this to be an incorrect approach.

3.50. Further, Mr. Morton states at Paragraph 8.16 of his Evidence:

*"It is also important to note that the Scheme projected profit equates to an anticipated financial return of approximately £43.5 million to the Developer, which in itself is a significant sum."*

3.51. Assessing a gross profit amount in isolation overlooks the purpose of a benchmark. The total costs in Mr. Morton's appraisal are approximately £426.2 million, which in itself is also a significant sum. This carries a certain amount of risk; should costs increase or revenues decrease, the developer requires an appropriate return otherwise the scheme may not be delivered.

**Cost and revenue sensitivity analysis**

3.52. Mr. Morton states at Paragraph 8.22 of his report:

*"In summary and as expanded upon within the proofs of evidence of Tony Parker (DR2.10) and Andy Fancy (DR2.4), the current Scheme calculated profit is agreed to be 12.3%. SPRL intends to proceed on that basis but is seeking to improve the profit level up to 16.5%. The likely range is therefore between 12.3% and 16.5% and the Council anticipates that SPRL will proceed within that range."*

3.53. As a result, it appears that Mr. Morton is relying solely upon Mr. Parker's and Mr. Fancy's Evidence when assessing the potential output sensitivity range for profit, rather than undertaking his own analysis.



	<p>3.54. The appraisal output profit on cost metric for both Mr. Morton and Mr. Parker is 12.3%, which Mr. Morton adopts as the bottom end of his range. In doing so, Mr. Morton fails to recognise any potential downside risk that may occur throughout the course of development.</p>
	<p>3.55. The Oxford Economics Economic Forecast, attached at <b>Appendix 3</b>, indicates that house prices are now 37% overvalued, with house prices projected to fall 13% over the next 2 years. Further, macro-economic factors such as the war in Ukraine are continuing to place upward pressure on construction costs. I therefore consider it important to undertake a sensitivity analysis on both revenue and cost in order to fully assess the risks associated with delivering the development. Mr. Morton has failed to undertake such a sensitivity analysis for his own appraisal.</p>
	<p>3.56. Failure to undertake a sensitivity analysis also runs contrary to RICS guidance as set out within Section 7 of the RICS Practice statement and guidance: Valuation of Development Property, to which I refer to in Section 2 of my Rebuttal, and which I attached to my Original Report as Appendix 4. For ease, Paragraph 7.1.4 of this statement and guidance states:</p> <p><i>“The simplest form of risk analysis is sensitivity analysis, which should be used to evaluate how changes to individual inputs (such as construction cost or sales values) might affect the valuation of development property. It should be undertaken in order to inform the valuation, which may lead the valuer to arrive at a different market value to the residual output single valuation outcome (while also considering any analysis of comparables).”</i></p>
	<p>3.57. Notwithstanding the above, Mr. Morton states the upper end of the likely range as being 16.50%, which I understand is the minimum required profit as set out in the Development Agreement.</p>

## 4. EVIDENCE OF MR. PARKER

<b>Hill's ability to finance the project</b>	<p>4.1. Much of Mr. Parker's evidence concerns the finance and funding of the Order Scheme (Refined Scheme) and satisfying the Viability Condition. As mentioned in Section 2 above, very little detailed evidence is provided to back up the statements made, and therefore it is difficult to undertake any form of analysis. I note that Mr. Morton has heavily relied upon Mr. Parker's funding calculation and other statements in apparently advising the Council and as presented in his Evidence.</p>
	<p>4.2. My comments below are therefore limited, without further information being available.</p>
	<p>4.3. Mr. Parker states at Paragraph 2.7 of his Evidence:</p> <p><i>"Notional equity comprises 40% of the total funding requirement of the scheme with notional debt the remaining 60%. This 40:60 split reflects the terms of the RCF and other residential development finance arrangements with most clearing banks."</i></p>
	<p>4.4. The total cost (construction cost, planning/design fees, sales and marketing costs and finance costs) as outlined in Mr. Parker's appraisal at Paragraph 7.24 of his Evidence is £426.2 million. Assuming the proposed 40:60 equity:debt split is adopted, this would require Hill to provide approximately £170.5 million of equity funding.</p>
	<p>4.5. Mr. Parker states at Paragraph 2.10 of his Evidence:</p> <p><i>"The Group's balance sheet sits at over £300 million with a net cash position of £100m."</i></p>
	<p>4.6. The total equity investment of £170.5 million therefore represents 170% of Hill's cash position, which I consider to be significant, particularly when considering Hill's current national pipeline, outlined at Appendix AF1 of Mr. Fancy's report. I have therefore requested the following information, which I consider critical to understanding Hill's ability to fund the scheme:</p> <ul style="list-style-type: none"> <li>a) A list of projects which the £100,000,000 is forward funding (including the requirements for each project); and</li> <li>b) Extent of headroom on the £220 million RCF.</li> </ul>
<b>Approach</b>	<p>4.7. Mr. Parker does not provide an explanation regarding his approach to financial modelling.</p>
	<p>4.8. Mr. Morton states at Paragraph 8.9 of his Evidence:</p> <p><i>"The development appraisal has been prepared on a bespoke template, created in Excel, which was developed by the Hill Group internally."</i></p>

	<p>4.9. I have therefore assumed that Mr. Parker’s appraisal is a summary of the model prepared on a bespoke Excel template. I have not had sight of the Excel model, which was included in my instructing solicitor’s information request dated 6 January 2023.</p>
<b>Build costs and allowances</b>	<p>4.10. Mr. Parker states at Paragraph 7.20 of his Evidence:</p> <p><i>“SPRL considers it would be commercially prejudicial to disclose its full elemental breakdown of cost assumptions but can advised that the overall gross build cost (inclusive of allowances for relevant fees) equates to approximately £408.3m.”</i></p>
	<p>4.11. Although Mr. Parker does not reference the THG Build Budget dated 25 October 2022, this is consistent with the build cost adopted by Mr. Morton. I have therefore assumed that Mr. Parker has relied on THG Build Budget.</p>
	<p>4.12. My comments set out at Paragraphs 3.10 – 3.13 above regarding build costs adopted within Mr. Morton’s appraisal are therefore also applicable to Mr. Parker. To summarise, I consider the level of detail provided with regard to costs for the purposes of Mr. Parker’s appraisal to be problematic as it is has not been possible to reach a fully informed opinion regarding the robustness of the costs and allowances adopted. I therefore do not consider it possible to reach a fully informed opinion regarding the viability of the Scheme using the current cost information available.</p>
<b>Finance rate</b>	<p>4.13. Mr. Parker states at Paragraph 2.9 of his Evidence:</p> <p><i>“The 7% financing costs modelled in the Scheme’s financial appraisal reflects this assumed 2.75% margin and a best estimate of future SONIA interest rates.”</i></p>
	<p>4.14. I consider the 7% finance rate adopted by Mr. Parker to be very low in the current debt market, when also taking into account recent movements in Bank of England base rate.</p>
	<p>4.15. Regardless of the finance cost put forward by Mr. Parker, in order to draw a conclusion that it is viable, and in order to consider whether all the necessary resources are likely to be available to deliver it, the Scheme needs to be viable at a ‘market’ rate of finance. This is crucial in the event that the Viability Condition is not met and the Developer withdraws, or if the Developer were to enter liquidation at any stage throughout the course of development, or to withdraw for some other reason.</p>
	<p>4.16. At present, I am of the opinion that 8.50% reflects an appropriate market level of finance. Commentary regarding my rationale behind this level of finance is set out at Appendix 7 of my Original Report.</p>

	<p>4.17. I should add that my comments on viability and finance above are in the context of the profit measures provided upon by Mr. Morton and Mr. Parker i.e. profit on cost. My own analysis relies on a Project IRR approach which is consistent with the industry approach set out in Section 2. Project IRR's are usually assessed on a without finance basis, i.e. if a Project IRR is viable it is usually deemed potentially capable of being financed. As a separate exercise it is useful to run a financial model relating to finance and funding which will vary from developer to investor to funder.</p>
<b>Finance rate sensitivity</b>	<p>4.18. My comments regarding Mr. Morton's failure to undertake a finance rate sensitivity analysis in Section 2 and at Paragraphs 3.10 – 3.14 above are also relevant to Mr. Parker's Evidence.</p>
<b>Private sales values</b>	<p>4.19. My comments regarding Mr. Morton's adopted private sales values in Section 2 and at Paragraphs 3.31 – 3.34 above are also relevant to Mr. Parker's Evidence.</p>
<b>BTR and Affordable Housing – revenue timing</b>	<p>4.20. In paragraph 2.6, Mr. Parker sets out a series of assumptions as to the funding sources of the Refined Scheme as follows:</p> <p><i>"2.6.1 Funding from the Hill Group;</i></p> <p><i>2.6.2 Pre-sale agreements for Affordable Housing and Build to Rent operators;</i></p> <p><i>2.6.3 Funding from West Midlands Combined Authority ("WMCA") and Coventry City Council ("Council"); and</i></p> <p><i>2.6.4 Revenue generated from sales and lettings of residential and commercial units."</i></p> <p>I note that Mr. Parker states in paragraph 7.28, bullet point 6:</p> <p><i>"Although the currently projected profit margin does not reflect the DA profit on cost target return, the 12.3% profit return still represents a very significant sum in the context of the Scheme, and a profit return which sits within the Hill Group's range of targets. SPRL intends to proceed on this basis if required but is working towards further enhancement of the profit margin nonetheless as indicated."</i></p>
	<p>4.21. It is unclear, from the matters identified in paragraph 2.6, which of them SPRL are reliant upon in order to justify the reduction of the Development Agreement profit on cost target from 16.8% to 12.3%. Notwithstanding funding from the Hill Group and WCMA, I note in particular that Mr. Parker identifies pre-sale agreements for affordable housing and build to rent operators. This would appear to be a further pre-condition, in addition to the conditions precedent, in my understanding of the Development Agreement.</p>

	4.22. If that is the case, the value of the affordable housing and build to rent element of the Refined Scheme represents 43.9% to the total development value. This is significant and represents in effect forward funding of the development.
	4.23. I have sought advice within my firm as to the likelihood of forward funding of the build to rent (“BTR”) element of the scheme. I have been informed that to date no BTR scheme of this scale and number of units has been forward funded in Coventry Town Centre. Forward funding of BTR has only occurred in more mature metropolitan centres with an existing initial mass of units within this sector.
	4.24. I therefore conclude, first, that this seems to be a further condition precedent that has potentially informed the lowering of the Development Agreement profit on cost target. Secondly, the forward funding of the BTR element has yet to be evidenced in Coventry and certainly not of the scale envisaged by the Refined Scheme.
<b>Grant funding</b>	4.25. My comments in Section 2 and at Paragraphs 3.10 – 3.16 above regarding Mr. Morton’s failure to provide a clear breakdown of grant funding, timing of the drawdown arrangements, conditionality and claw-back provisions are also relevant to Mr. Parker.
	4.26. Further, Mr. Parker states at Paragraph 7.10 of his Evidence:  <i>“The details of the bidders and specific assumptions adopted cannot be shared on the grounds of commercial sensitivity but can be noted as falling within a range of approximately £250 - £300psf with grant funding from Homes England”</i>
	4.27. No further detail is provided regarding Homes England funding in either Mr. Parker or Mr. Morton’s Evidence. As with WMCA and CCC funding, I require information regarding the Homes England funding, specifically in relation to the timing of the drawdown arrangements, conditionality and claw-back provisions, as well as the gross amount.
	4.28. Full details of the Homes England funding were requested by my instructing solicitor in their letter dated 6 January 2023.
<b>Presentation of Profit Metric</b>	4.29. My comments at Paragraphs 4.41 – 4.44 above regarding Mr. Morton’s presentation of grant funding as a negative cost, decreasing overall cost and artificially inflating the Profit on Cost figure are also relevant to Mr. Parker.
<b>Profit figure and satisfying the Viability Condition</b>	4.30. My comments at Paragraphs 3.45 – 3.51 above regarding Mr. Morton’s appraisal not satisfying the Viability Condition are also relevant to Mr. Parker.

	4.31. Without the Viability Condition being satisfied, there is potential uncertainty that the project will proceed at present. Board resolutions clearly stating that Hill will proceed on the basis of a reduced profit return have been requested (Paragraph 3.46 above).
<b>Cost and revenue sensitivity analysis</b>	4.32. My comments at Paragraphs 3.52 – 3.57 above regarding Mr. Morton’s failure to undertake a cost and revenue sensitivity analysis are also relevant to Mr. Parker.

## 5. EVIDENCE OF MR. FANCY

<b>Conditions precedent</b>	<p>5.1. Mr. Fancy states at Paragraph 2.9 of his Evidence:</p> <p><i>“The Condition Precedents included in the DA are explained in Alex Morton’s proof of evidence (DR2.5). In summary, the DA is a conditional contract, which provides for the grant of a long lease of 250 years to the Developer, <u>subject to</u> the following pre-conditions being satisfied.”</i></p> <p>Mr. Fancy subsequently provides seven conditions that must be satisfied. These are summarised as follows:</p> <ol style="list-style-type: none"><li>1) Ground survey condition;</li><li>2) Planning condition;</li><li>3) Highways condition;</li><li>4) Site assembly condition;</li><li>5) Funding condition;</li><li>6) Funding security condition; and</li><li>7) Viability condition.</li></ol>
	<p>5.2. I understand that at present none of the seven conditions have been satisfied. I therefore question how it can be certain that Hill will proceed with the development without all of the Conditions Precedents being satisfied.</p>

## 6. REVISED VIABILITY APPRAISALS FOLLOWING THE COUNCIL'S EVIDENCE

<b>Introduction</b>	6.1. I note that in overall terms there is not a significant difference between my net development value and that of Mr. Morton. As Mr. Morton and Mr. Parker have provided no information upon the timing of receipts over the 10-year development, I have made my own assumptions as set out in my Evidence.
	6.2. Mr Parker. assumes that the build to rent element of the scheme is capable of forward funding. I have been informed by colleagues in my Firm that to date there is no evidence of this in central Coventry at the quantum proposed. Timing of the disposal of the build to rent may affect the values adopted.
	6.3. As outlined in Paragraphs 3.10 – 3.13 and Paragraphs 4.10 – 4.12 and above, I do not consider there to be sufficient information currently available regarding build costs for me to adopt the figures provided by the Council.
	6.4. As outlined in Section 2 and at Paragraphs 3.10 – 3.16 and Paragraphs 4.25 – 4.28 above, I do not consider there to be sufficient information currently available regarding grant funding for me to adopt the figures provided by the Council.
	6.5. I have been provided with no overall appraisal showing the time of receipts and costs in respect of the Order Scheme (Refined Scheme) and therefore have had to make my own assumptions.
	6.6. The funding arrangements, drawdowns and how debt and equity will work in practice has not been set out for me to assess.
	6.7. No overall financial appraisal has been provided in order to model the Order Scheme (Refined Scheme). Mr. Parker has undertaken some calculations and fed these to Mr. Morton. Mr. Morton has presented a summary residual with inputs shown in effect as at “day 1”.
<b>Revised Viability Appraisals Scenarios</b>	6.8. I have produced a matrix outlining the different assumptions regarding BTR values, grant funding and build cost allowances adopted for each scenario test. The matrix is provided in Table 4 below:



**Table 4:** Matrix of inputs for revised appraisal inputs

Scenario	BTR Capital Value	Grant Funding	Build costs and allowances
1 (Base Scenario)	Council	Excluded	Gerald Eve
2	Council	Included	Gerald Eve
3	Council	Included	Council (assumed inclusive of professional fees, contingency and externals allowance)

6.9. The Argus Developer appraisal summaries for the three Scenario tests are provided at **Appendices 4a – 4c** together with sensitivity tables.

6.10 A summary of output profit amounts for each scenario test is provided below:

**Table 5:** Scenario Test Output Profit

Scenario	Gross profit	Profit on cost	IRR
1	-£261,287,567	-43.18%	-9.65%
2	-£141,019,227	-25.33%	-1.49%
3	-£109,732,787	-20.88%	-0.50%

6.11 The scenario test outputs outlined in Table 5 above show that the Order Scheme (Refined Scheme) is not viable and therefore not deliverable.

**Land cost sensitivity test**

6.12 Mr. Morton states at Paragraph 5.1 of his Evidence:

*“Funding security condition – the requirement for the Approved Funder to enter into a deed with the Council to observe and perform the obligations of the Developer under the DA, and to indemnify the Council for all costs required to achieve site assembly, to the extent such costs exceed a ‘site assembly cap’ of £27,968,789 (which includes costs in relation to CPO compensation, the consideration payable under private treaty acquisitions, surrenders, releases (including in relation to the rights of light) and/or extinguishment all as approved in accordance with the terms of this Agreement under the DA.*

6.13 So far as the “site assembly cap” is concerned, I understand that under the Development Agreement the developer indemnifies the Council for all costs above £27,968,789, including in relation to CPO compensation. I have therefore undertaken a sensitivity testing below illustrating the impact of the cost indemnified by the Council to the developer, above this site assembly cap, upon viability.

6.14 Consequently, I understand that the Developer is at risk to land acquisition costs over and above £27.97 million. I have therefore included land at £1 and undertaken a sensitivity test,

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increasing in increments of £1,000,000 up to land acquisition costs of £4,000,000. My sensitivity test results are provided in Table 6 below.

**Table 6:** Land acquisition cost sensitivity analysis

	Land Value: Fixed Land Value				
	-1	-1,000,001	-2,000,001	-3,000,001	-4,000,001
Gross profit	-261,287,567	-263,918,549	-266,549,531	-269,180,513	-271,811,495
Profit on cost	-19.805%	-19.992%	-20.177%	-20.362%	-20.546%
IRR	-9.6538%	-9.7137%	-9.7731%	-9.8320%	-9.8903%

6.15 Table 6 illustrates downside risk to the development scheme if the site assembly cap is exceeded, even marginally. I comment upon site assembly and deliverability in Section 5.

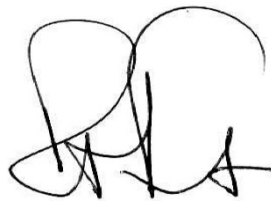
## 7. CONCLUSIONS

7.1.	I have considered the evidence of Mr. Morton, Mr. Parker and Mr. Fancy (the Council's Evidence).
7.2.	There are a considerable number of documents, reports and calculations referred to in the Council's Evidence which have not been provided, notwithstanding requests made from my instructing solicitors. This has put me at a significant disadvantage in reviewing the Council's Evidence and I reserve my position to make further comments should this information in part or whole be made available.
7.3.	<p>I have identified a number of overarching matters in respect of the Council's Evidence which I consider are material to the viability and deliverability of the Order Scheme (Refined Scheme) and summarised as follows:</p> <ul style="list-style-type: none"> <li>a) Professional guidance and assessment of viability;</li> <li>b) Finance and funding;</li> <li>c) My understanding of the breakdown and impact of grant;</li> <li>d) Risk and appropriate return proxy;</li> <li>e) Sensitivity analysis;</li> <li>f) Transparency of the supporting Evidence of the Council; and</li> <li>g) Deliverability</li> </ul>
7.4.	No overall financial model / appraisal has been provided in the Council's Evidence. References to calculations and inputs are made, and a summary residual appraisal with hardcoded "day 1" inputs, from which conclusions are drawn as to the reasonable prospect of the Order Scheme (Refined Scheme) being delivered, are all that is provided.
7.5.	There is a significant lack of detail and transparency in respect of the inputs adopted. No information upon the grant drawdown has been provided.
7.6.	No cashflow showing receipts and costs over the 10-year development period has been presented.
7.7.	No cashflow has been provided to demonstrate how the Order Scheme will be financed and funded.
7.8.	No sensitivity testing has been provided.
7.9.	No justification has been provided to demonstrate why profit measures identified in the Development Agreement have been reduced.
7.10.	On the basis of my review of the Council's Evidence, and my Evidence to date, I conclude that it has not been demonstrated that the Order Scheme (Refined Scheme) is viable or deliverable.

## 8. STATEMENT OF TRUTH AND DECLARATION

<b>Statement of Truth</b>	8.1.	I confirm that I have made clear which facts and matters referred to in this report are within my own knowledge and which are not. Those that are within my own knowledge I confirm to be true. The opinions I have expressed represent my true and complete professional opinions on the matters to which they refer. I understand that proceedings for contempt of Court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.
<b>Declaration</b>	8.2.	I confirm that my report has drawn attention to all material facts which are relevant and have affected my professional opinion.
	8.3.	I confirm that I understand and have complied with my duty to the Inquiry as an expert witness which overrides any duty to those instructing or paying me, that I have given my evidence impartially and objectively, and that I will continue to comply with that duty as required.
	8.4.	I confirm that I am not instructed under any conditional or other success-based fee arrangement.
	8.5.	I confirm that I have no conflicts of interest of any kind other than those already disclosed in my Report.
	8.6.	I confirm that I am aware of and have complied with the requirements of the rules, protocols, and directions of the Inquiry.
	8.7.	I confirm that my Report complies with the requirements of the RICS – Royal Institution of Chartered Surveyors, as set down in the RICS Practice Statement Surveyors acting as expert witnesses.

**Signature**



**Date**

**xx January 2022**

