

## MARKETING / PLANNING VIABILITY REPORT

### HOPPER HUTS AT THE GRANARY, ROCK FARM, NETTLESTEAD, KENT, ME18 5HT

#### 1. Instructions

Sibley Pares Chartered Surveyors have been requested by Virginia Gillece to provide a marketing / planning viability report in respect of the Hopper Huts at The Granary, Rock Farm, Nettlestead, Kent, ME18 5HT.



#### 2. Background

The Hoppers are a series of Grade II Listed buildings which are deemed to be of important character to the Kentish countryside due to the links with the hop growing past [providing residential accommodation for the seasonal hop pickers. The client would like to bring the buildings back into use and full repair and to restore these buildings but clearly their former use is no longer viable and therefore an alternative use must be sought.

We have been asked, as part of this report, to consider the alternative options for the buildings. We understand the preferred option is that of conversion to residential dwellings but Maidstone Borough Council advise that under policy DM31 it should be demonstrated that alternative business uses such as offices or tourism uses are not viable.

### 3. Location

The property is situated off a narrow lane off Gibbs Hill (itself a narrow single track country road) 0.5 miles from the junction which joins the B2015 Maidstone Road. It is 30 miles from Central London and more locally, 6.5 miles West of Maidstone Town Centre and 4 miles from Kings Hill, West Malling.

The closest local amenities are in Watringbury, approx. 1 mile away, which has a variety of small local retail outlets, petrol service station and hotel. Watringbury Station has services to London Charing Cross, via Tonbridge, in 1 hour 16 minutes.

### 4. Description

The property is formed of two “L” shaped single storey buildings with the entranceway in between the two structures which opens up into a central open courtyard currently laid to lawn in its entirety.

The two building blocks themselves are virtually identical in size and constructed with solid brick elevations under a pitched profile metal sheet roof with each block having 10 door openings and various small timber framed windows.



Internally, there are various division walls creating a series of small rooms with evidence of some of the original internal walls having been removed at some stage.

These were originally constructed as “Hopper Huts” for residential accommodation for seasonal hop pickers.



**5. Accommodation/Floor Areas**

The accommodation is split into two “L” shaped buildings as follows: -

Right Hand Buildings	Gross Internal Area	168 sq m	1,808 sq ft
Left Hand Buildings	Gross Internal Area	168 sq m	1,808 sq ft
Total	Gross Internal Area	336 sq m	3,616 sq ft

The total site area is approximately 0.25 Acres

**6. Planning History**

The local planning authority website provided the following history online:

The local planning authority (Maidstone Borough Council) has the following on the Hopper Huts only (there are various other applications on the surrounding buildings):

Ref. No: 19/501664/PNQCLA | Status: Application Withdrawn▪ Prior Notification for a proposed change of use of 2no.agricultural buildings and any land within the curtilage to 2no. dwellinghouses (Class C3) and for associated operational development. For its prior approval to:

- Transport and Highways impacts of the development
- Contamination risks on the site
- Flooding risks on the site
- Noise impacts of the development
- Whether the location or siting of the building makes it otherwise impractical or undesirable for the use of the building to change as proposed
- Design and external appearance impacts on the building.

This application refers to the proposed change of use from the Hopper Huts to 2no. residential dwellings which was later withdrawn.

## 7. Alternative Options and Estimate of Costings

Due to the nature of the structure and the listing status of the buildings, alternative options will be limited. The letter from Louise Welsford of Maidstone Borough Council suggests that alternatives could be office use or a tourism use. Each of these suggestions is considered as follows.

Tourism is an option to be considered, this could include holiday lets or some form of destination use such a microbrewery or distillery. The latter use would have limited demand in this locality and would not be compatible with the adjacent residential property. Both or similar uses would require significant expenditure to put the property in to a condition that would facilitate this and meet the necessary compliance standards and the returns that could be made would not be justified by the costs and so an option explored but ultimately not recommended as detailed below.

The alternative is office use which in theory would be more attractive and viable in the market but still has its limitations. An office use would naturally attract a lot more vehicle movements as there would be an increase of cars to the site on a daily basis. The access road is narrow and may cause unwanted congestion. The other issue will be the configuration of the space with the market demand for offices generally being open plan, bright and modern accommodation. The listed buildings will have significant impact on this as glazing to the front and removing division walls will likely be unfavourable with the Listed Buildings officer.

In order to get an understanding of approximate costs to bring the building into repair, we have utilised the RICS Building Cost Information Service (BCIS) to look at reinstatement values. The average price for Agricultural Storage Buildings is £857 per sq m. Usually for a Listed Building, we would add a premium to this as build costs for listed buildings are in excess of that of a non-listed building, usually 10% would be appropriate.

Using the same method as described above, the primary alternative commercial uses would be office or a tourism use. The build / conversion costs for this will be variable depending on the precise use, but a summary is set out below. For this I have again adopted the average BCIS price although there is not a specific "tourism" building so I have looked at Artists' Studios and I have adopted office (air conditioned). I have also considered residential use as a viable alternative. The figures can then be approximated as follows;

Artist studios	Build Cost = £1,637 per sq m + 10% = £1,800 psm Total Cost = £604,800, say <b>£605,000</b>
Offices (air conditioned)	Build Cost = £2,105 per sq m + 10% = £2,315 psm Total Cost = £777,840, say <b>£778,000</b>
'One-off' Housing, detached	Build Cost = £1,972 per sq m + 10% = £2,169 psm Total Cost = £728,784, say <b>£729,000</b>

## 8. Market Demand and Comparable Evidence

When looking at market demand and ascertaining alternative uses, we need to have regard to the viability of each use including the likely return on the investment. Below is a selection of comparable lettings so that we can draw conclusions as to future rental values once the property is refurbished and in lettable condition for the various options.

Tourism and Office Units:

**Unit 5 The Courtyard, Ryarsh, West Malling, ME19 5AA:** this is a former stable block of very similar configuration to the subject building (photo below) with central courtyard providing parking, also located in a semi-rural location. These stables were refurbished to an excellent standard and have full height glazing to the front and provide open plan office accommodation. Most recently let in 2020 reflecting £17 per sq ft.



**Unit 1 Harbourland Business Court, Maidstone, ME14 3DN:** this is a former mixed retail and builders yard situated in a small courtyard just outside Maidstone town centre. Very similar setup to the subject building (photo below) with small central courtyard providing parking. These buildings were refurbished to a more basic specification and have smaller, cellular office accommodation. Currently under offer reflecting £13.50 per sq ft.



**Lime Trees, Rock Farm, Nettlestead, ME18 5HT:** Converted stable block at Rock Farm which is now let out as holiday lets. The prices are based on £529 - £835 per week. Taking an average of £682 per week and assuming it is let only at 65% of the year and deducting running costs this would show an annual income of £23,000 per annum.



Since the Covid-19 pandemic the office market has been very slow but there are signs of the market coming back in recent months as the position begins to improve. Office rates will vary depending on the specification and facilities available.

Residential

**1 Upper Mill, Watringbury, Maidstone, ME18 5PD:** Detached "U" shaped single storey 3-bed bungalow of 1,604 sq ft. 1980s build but internally modern fittings plus swimming pool and separate garage. Sold Dec 2020 for £515,000 reflecting £321 psf.





## 9. Conclusions

Based on the figures above and notwithstanding demand at this stage, on the face of it, it would appear unviable to go to the expenditure of refurbishing based on the return received. Based on these figures, the approximate returns are as follows:

Use	Conversion Costs	Potential Capital Value	Profit / Viability
Tourism	£605,000	£480,000	- £125,000
Office	£778,000	£613,000	- £165,000
Residential	£729,000	£1,265,000	+ £536,000

Based on the figures above, it is clear that only one of the suggested options, the residential conversion, is viable financially. The figures obviously make certain assumptions and we have drawn from our experience with regards the potential lettable of the various uses.

As a tourism use of some kind, it will be very difficult to spec build not knowing precisely what type of operator may show interest in the unit and, equally, this type of operator will generally not be prepared to wait while a building is being refurbished.

As an office use, if the building was refurbished to a good standard and parking was made available (a minimum of 12 parking spaces would be required for this much accommodation) then it is likely it would let but, it still shows a loss as the refurbishment costs would outweigh the value of the completed offices. I also feel that as an office use there would be a significant increase in vehicle movements to and from the site which is likely to be seen as unfavourable from a planning point of view.

The residential option is the only viable option financially and whilst that is not the only consideration from a planning perspective it is not viable for any alternative use and therefore to bring the properties back into good repair and condition it is my opinion that this is the only financially viable route.

I hope this report is sufficient for your purposes however if you have any further questions please do not hesitate to contact me.

Yours sincerely



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**SIBLEY PARES CHARTERED SURVEYORS**