
Optimum Viable Use Report

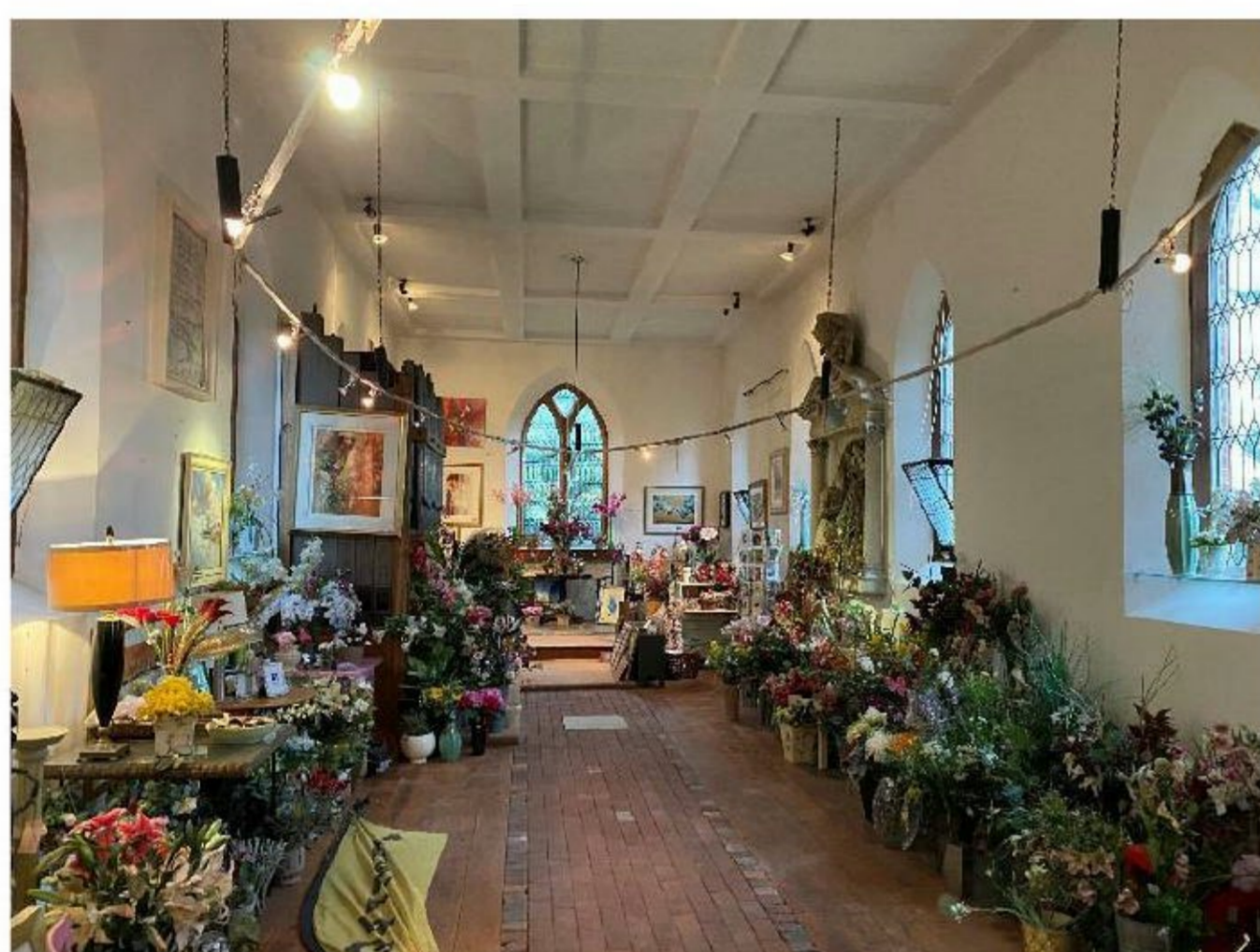
Former St Martins Church
Mockbeggar Lane
Ibsley
Ringwood
BH24 3PP

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1.3. Summary of Recent History

As indicated by the above photograph, the Property has most recently been occupied as an art gallery and flower shop with residential accommodation to the rear. A kitchen and bathroom are provided on the ground floor, with a mezzanine level comprising a bedroom above.

The previous owner made the decision to cease trading in 2022 and sell the Property, which we understand was largely due to a lack of footfall.

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2. Recent Marketing Campaign

2.1. Breadth of Marketing

Knight Frank had previously been instructed to dispose of the Property in 2020 and despite an article in the Daily Mail providing significant exposure, they were unable to secure a purchaser.

On 21st March 2022, Savills were instructed to dispose of the Property. Marketing was launched on 27th April 2022 and comprised:

- An email campaign, circulating the brochure to a database of c.700 applicants. The email was opened 738 times.
- Two sale boards, one fronting Salisbury Road (A338) and one fronting Mockbeggar Lane.
- A press release in the Salisbury Journal.
- A listing on Savills website, which received 366 views.
- A listing on the CoStar website, which received 222 views.
- A listing on the Rightmove website.
- A listing on the EGI Property Link website.

The Property was marketed by way of informal tender, meaning a bid deadline was fixed from the outset, which is used to focus interested parties and generate competitive tension. The marketing period spanned 7.5 weeks, slightly more than the standard 6 week period, ensuring all interested parties had sufficient time to complete their due diligence.

As detailed above, the marketing campaign was comprehensive and Savills were confident they had left no stone unturned in reaching prospective purchasers.

2.2. Interest Received

Savills received 27 enquiries, from which 18 parties agreed to receive the information pack, containing further legal and technical detail relating to the Property. Only four parties agreed to view the Property. Please find a summary of the viewing feedback which was reported to the vendor below.

| Interested Party | Feedback |
|--------------------|--|
| Private Individual | Expressed an interest in the Property for residential conversion of a single dwelling. |
| Private Individual | Expressed an interest in the Property for residential conversion. Queried site opportunities such as parking provision and access. |
| Private Individual | Expressed an interest in the Property for either a form of commercial or residential use. |
| Private Individual | Expressed an interest in the Property for residential conversion of a single dwelling. |

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2.3. Offers Received

The bid deadline occurred on 17th June 2022. At this stage, one offer was received, from a private individual intending to demolish the Property and replace it with seven flats. The agent had previously advised that consent to demolish would be highly unlikely.

The offer was not deemed to be credible and was significantly below the asking price, therefore was ultimately declined.

2.4. Auction

In light of the lack of interest received, the vendor chose to place the Property into an auction in the hopes of securing a disposal. Marketing launched with Savills Auction Team on 26th July 2022, including a further email campaign and website listings. Only one party agreed to view the Property, who was interested in converting the Property to a single dwelling. The auction took place on 1st September 2022 and the Property failed to sell.

Following the auction, one other party viewed the Property, with a view to residential conversion, however chose not to submit an offer.

A sale was ultimately agreed to the private individual who attended the auction. This party is now the applicant requesting a change of use and instructed Savills to prepare this report.

2.5. Marketing Summary

Despite three comprehensive marketing campaigns, interest in the Property was very limited and the only offers received were with a view to residential conversion. It is therefore my professional opinion that we can conclude residential use is the only economically viable use and therefore is the Optimum Viable Use.

3. Alternative Uses

3.1. Methodology

Notwithstanding the above conclusion, I will also assess each of the feasible uses for the Property and consider why they may or may not be economically viable.

Having considered the design and layout of the Property, as well as its location and setting, I consider that the Property could feasibly be occupied for the following uses:

- Church or Other Religious Facility
- Retail (including an Art Gallery)
- Office
- Food and Beverage
- Community Hall
- Creche or Day Nursery

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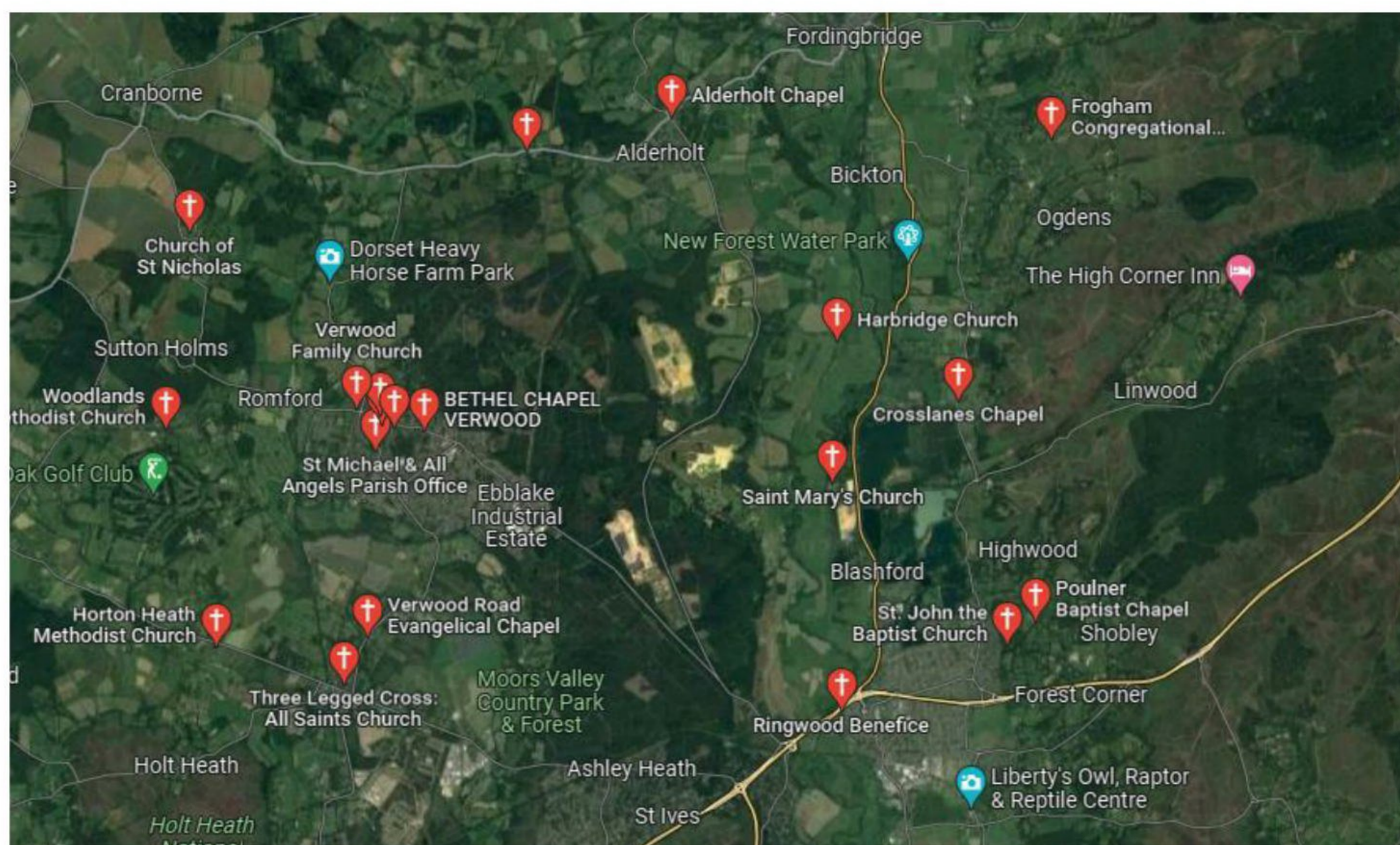


3.2. Church or Other Religious Facility

The physical Property is of course well-suited to use as a church or other religious facility, having been constructed for this purpose. This said, the last service was held at the Property over 60 years ago.

Google maps shows 16 churches with a five mile radius of the Property. Crosslanes Chapel is situated 0.7 miles from the Property by road and offers multiple services a week. All Saints Church is situated 0.7 miles from the Property by road and offers monthly services. St Mary's Church, Ellingham is situated 1.0 mile from the Property and offers services every Sunday. There are in fact only four houses in between St Mary's Church and the Property.

It is therefore my opinion that there is no demand for an additional church facility in the local area, therefore this use would not be economically viable. This conclusion is supported by the marketing campaign which did not receive a single enquiry hoping to restore the Property to its former use.



3.3. Retail

The interior of the Property is certainly capable for a variety of retail uses, including an art gallery as has been demonstrated by the previous owner. However, these business are largely dependent on footfall. The Property is quite isolated and there is no other retail offering within Ibsley.

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The retail market has been struggling since the rise of online shopping, worsened again by the Covid-19 pandemic. The 'death of the high street' is well documented, with the public favouring the convenience of out-of-town retail parks. There is a clear correlation between the survival of retail areas and the provision of entertainment and leisure facilities in the vicinity. As a result, many Local Planning Authorities are regenerating their high streets by bringing facilities such as cinemas, bowling allies and gyms into the town centre in the hopes of driving footfall, which will in turn support the retail offering.

Given the Property's isolated setting and absence of surrounding businesses to drive footfall, it is my opinion that a retail use at the Property would not be economically viable. This conclusion is supported by the marketing campaign which did not receive a single enquiry for any type of retail use.

3.4. Office

The Covid-19 pandemic has had a significant impact on the office market. An increase in flexible working has led to many occupiers downsizing and reduced demand for office space.

Even prior to the pandemic, demand for office space was generally concentrated on the major towns and cities. In this region, office demand is focused within Bournemouth, Poole and Southampton. Following the pandemic, proximity to town centre amenities has become even more of a priority for occupiers, in order to attract staff back into the office and deter working from home.

Market demand is for modern, high quality, flexible spaces with air-conditioning, LED lighting and ultrafast fibre broadband. Sustainable and energy efficient buildings has also become a key requirement due to many companies ESG (Environmental, Social and Governance) objectives and growing consumer pressure. The Property lacks any of these characteristics. I would suggest the works required to improve the space to meet occupier requirements, even partially, would cause greater harm to the significance of the asset than the proposed residential use.

In addition, the Property only has one car parking space. It does not appear feasible to create additional car parking on the Property without tarmacking over the graveyard, causing severe harm to the significance of the asset. Furthermore, there are no public car parks in the vicinity.

Office space in secondary locations such as this, which cannot utilise public car parks, typically provide 1 parking space for every 200-400 sq ft of internal floor area. It is incredibly rare to see an office with less than 1 parking space for every 500 sq ft. We would therefore expect a property of this size to have between 6-13 parking spaces. There is a bus stop circa 100m from the Property, however the nearest train station is 13.6 miles away in Bournemouth, meaning occupiers cannot rely upon public transport for their staff either.

Overall, occupier requirements are inconsistent with the physical characteristics of the Property, in particular the lack of parking provision, as well as its location. Therefore it is my opinion that an office use at the Property would not be economically viable. This conclusion is again supported by the marketing campaign which did not receive a single enquiry for office use.

3.5. Food and Beverage

In parallel to the above, food and beverage uses such as a public house, restaurant or café would also require customer car parking. Particularly in the absence of a train station or any footfall from surrounding uses. For comparison, the private car park at Old Beams Inn pub to the north of the Property is approximately 40% of the overall site area, with the remainder comprising the footprint of the pub itself and outdoor seating areas.

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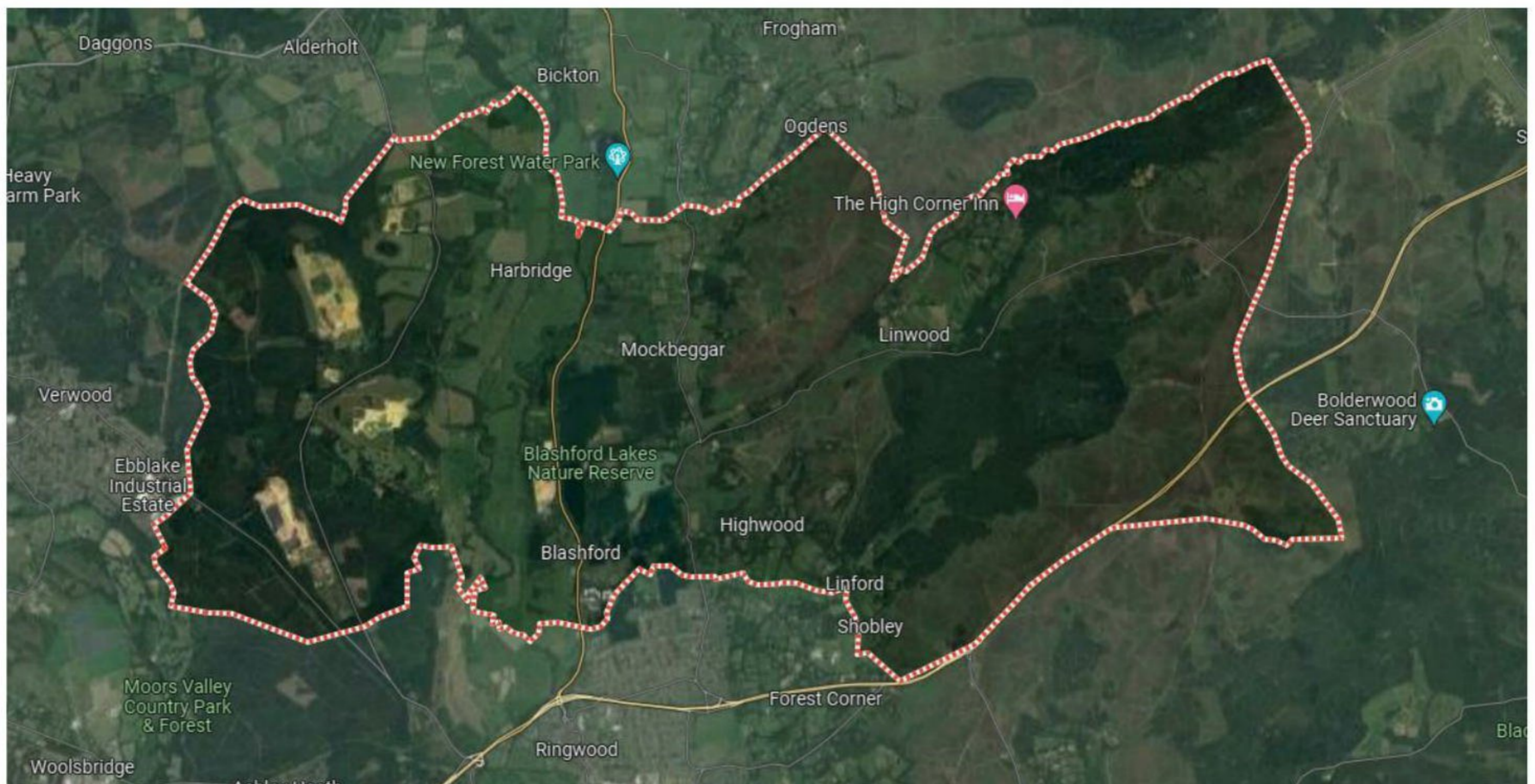


Furthermore, the physical characteristics of the Property are poorly suited to creating a commercial grade kitchen or receiving produce deliveries, particularly due to the narrow entrance gates and arched doorway.

Overall, I would suggest any type of food and beverage use is unlikely to be compatible with the Property and would not be economically viable without on-site customer car parking.

3.6. Community Hall

The existing Ibsley Village Hall is situated 1.0 mile north east of the Property. Likewise, Ellingham Hall is situated 1.0 mile south west of the Property. Both community halls appear to remain fit for purpose and available for hire. The entire parish of Ellingham, Harbridge and Ibsley which is approximately 7 miles wide and is shown on the plan below, has a population of only 1,166 persons, as of the 2021 census.



It is therefore my opinion that Ibsley and the surrounding parish is adequately served by the existing facilities. With no demand for additional facilities, further evidenced by the absence of any such enquiries during marketing, we can therefore conclude that use as a community hall would not be economically viable.

3.7. Creche or Day Nursery

The final use I consider may be feasible at the Property is a creche or day nursery. Whilst certainly not ideal, this use may be able to overcome the lack of parking if parents or carers are only staying for a very short duration whilst dropping off or collecting their children.

This said, the Early Years Foundation Stage Statutory Framework, which governs the standards for learning, development and care for children from birth to age five, requires that all early years providers must have access to an outdoor play area. A graveyard is clearly not conducive to outdoor play, therefore I suggest use as a creche or day nursery would not meet statutory requirements and is therefore not an economically viable use.

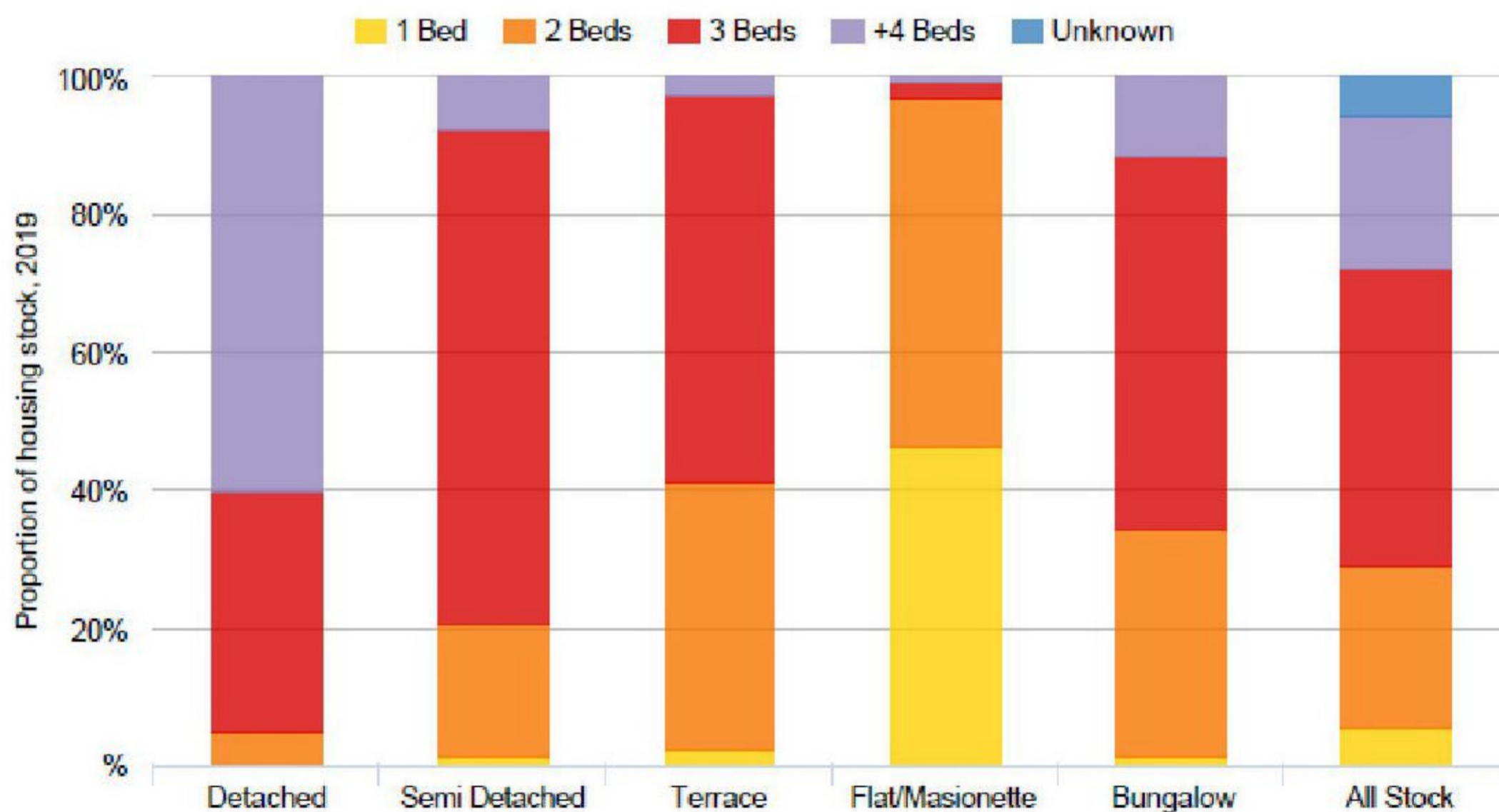
4. Scale of Residential Development

I have also been asked to comment on the scale of residential development which is likely to be economically viable at the Property. To this end, I have had regard to the existing housing stock within Ibsley and the surrounding area, as well as local demographics, to understand whether residential conversion with fewer bedrooms

4.1. Existing Housing Stock

Firstly, the existing housing stock within five miles of the Property is predominantly detached (including bungalows), comprising approximately 65% of the total stock. Of the detached properties, the vast majority have four or more bedrooms, approximately 25% have three bedrooms and only 5% have two bedrooms, as shown on the graph below.

Housing Stock by Number of Bedrooms within a Five Mile Radius of the Property



Source: Valuation Office Agency: Council Tax Stock of Properties (2019)

This data suggests that in keeping with the surrounding area, demand for a two bedroom detached property is likely to be low, with three bedrooms being acceptable and four or more bedrooms being favourable.

4.2. Local Demographics

I have also had regard to Experian’s ‘Mosaic’ consumer classification data, which analyses a range of variables to categorise members of the public into one of 15 categories, based upon similar socioeconomic characteristics. As shown on the chart below, the majority of people living in the surrounding area fall within two of the top three most affluent

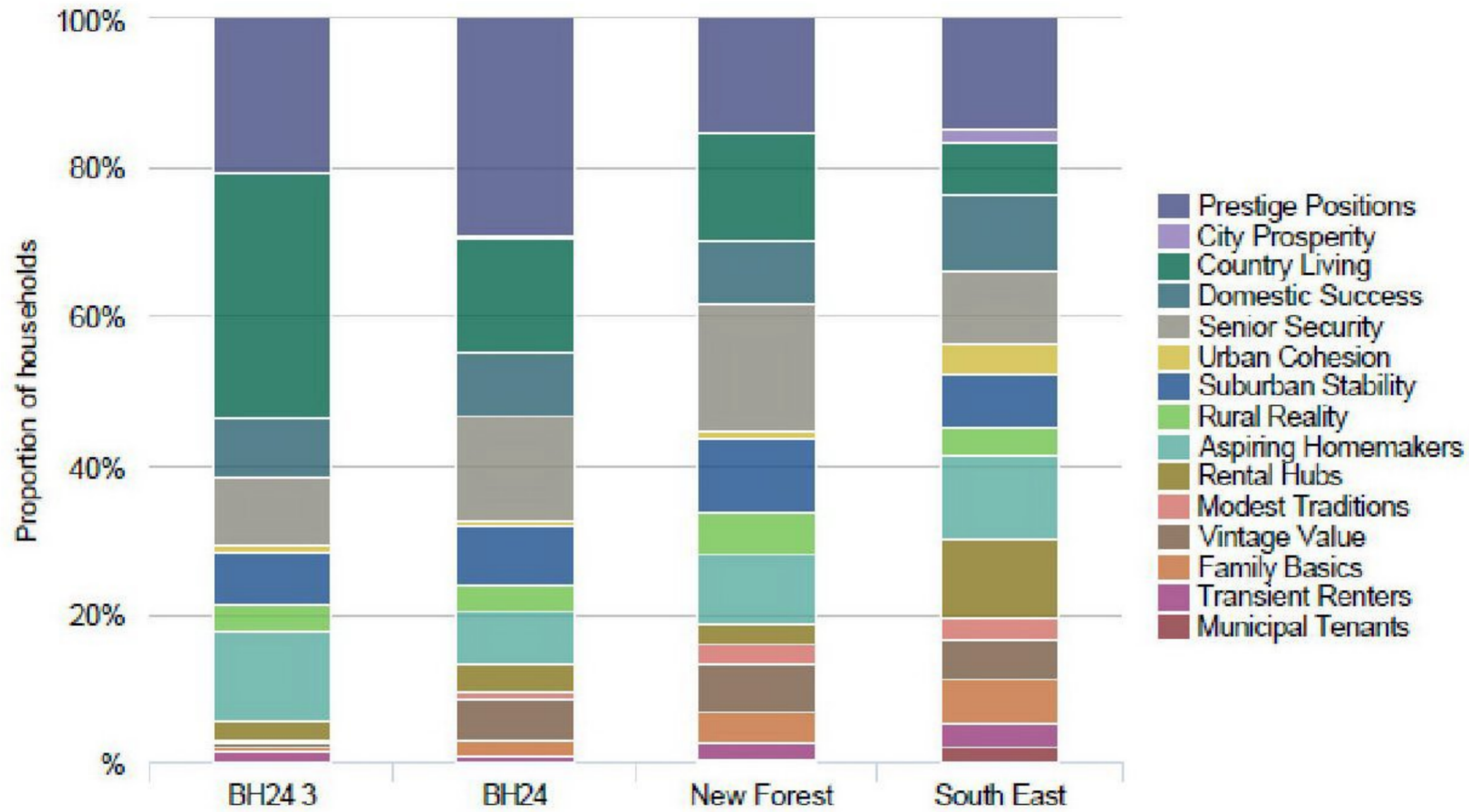
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categories, being 'Prestige Positions' and 'Country Living'. The category known as 'City Prosperity' is clearly not relevant to this rural location.

Resident Demographics



Source: Experian Mosaic UK 7

| Mosaic Group | Description |
|---------------------|--|
| Prestige Positions | Established families in large detached homes living upmarket lifestyles |
| City Prosperity | High status city dwellers living in central locations and pursuing careers with high rewards |
| Country Living | Well-off owners in rural locations enjoying the benefits of country life |
| Domestic Success | Thriving families who are busy bringing up children and following careers |
| Senior Security | Elderly people with assets who are enjoying a comfortable retirement |
| Urban Cohesion | Residents of settled urban communities with a strong sense of identity |
| Suburban Stability | Mature suburban owners living settled lives in mid-range housing |
| Rural Reality | Householders living in less expensive homes in village communities |
| Aspiring Homemakers | Younger households settling down in housing priced within their means |
| Rental Hubs | Educated young people privately renting in urban neighbourhoods |
| Modest Traditions | Mature homeowners of value homes enjoying stable lifestyles |
| Vintage Value | Elderly people with limited pension income, mostly living alone |
| Family Basics | Families with limited resources who budget to make ends meet |
| Transient Renters | Single people renting low cost homes for the short term |
| Municipal Tenants | Urban residents renting high density housing from social landlords |

This data further suggests that the residential market within Ibsley is primarily driven by demand for large family homes. Given the significant costs involved in restoring and converting the Property for residential use, without undertaking a detailed financial appraisal, it appears unlikely that the demand for and value of a one or two bedroom property would make the cost of those works viable.

5. Conclusion

In summary, having reviewed the suitability of a range of alternative uses, it is my professional opinion that residential use is the only economically viable use for the Property. Planning Practice Guidance therefore specifies that residential use is the Optimum Viable Use.

Furthermore, following three comprehensive marketing campaigns, there has been no serious interest for any use other than residential. To my knowledge of the two marketing campaigns undertaken by Savills, the only other offer received was with the intention of demolishing the Property and erecting a block of seven flats. Given the lack of interest received, should residential use not be permitted, it appears likely the Property would become obsolete and at risk of deterioration. Therefore, it is also my opinion that the current proposed scheme is the one which would could the least harm to the significance of the asset.



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