

**EAST HAMPSHIRE CIL EXAMINATION**

**SUPPLEMENTARY REPRESENTATIONS ON BEHALF OF LAMRON ESTATES LTD**

**ISSUE 3(c) and ISSUE 5**

The table below provides more information on the specific matters raised in the Examiner's questions.

<b>Item</b>	<b>EHDC Figure</b>	<b>Lamron Figure</b>	<b>Comments</b>
<b>Capital Value Per Room</b>	£100,000	£75,000 - £85,000	<i>Figure based on recent Lamron hotel projects in Fleet &amp; Basingstoke and proposal in Alton</i>
<b>Rental Income</b>	£139,950	£4,500 - £4,750 per room	<i>It is not clear where the EHDC figure comes from (100 room hotel is the model) so a direct comparison is difficult</i>
<b>Build Costs</b>	£1479 per m <sup>2</sup> = BCIS figure	£55,000 - £60,000 per room (For a 16m <sup>2</sup> budget hotel room this equates to £3,750 per m <sup>2</sup> )	<i>Lamron's figure is empirical and includes external works and fit out.</i>
<b>Fees</b>	7% (of what?)	12% of build cost	<i>It is unclear where EHDC's 7% comes from</i>
<b>Profit Levels</b>	20%	20%	
<b>Existing Site Values</b>	£900,613 (Worked example site area = 2787m <sup>2</sup> = 0.69 acres)	£750,000 - £1,000,000 per acre (For 0.69 acres = £517,500 – £690,000)	<i>Why is your estimate so much lower? Based on greenfield rates rather than brownfield?</i>

Notes

The above figures cited by Lamron are based on empirical data in North Hampshire comprising a new Premier Inn at Fleet (completed in 2014); a Premier Inn at Basingstoke (under construction); and a proposed Premier Inn at Alton (at an advanced pre-application stage).

In contrast, it is not clear from the EHDC spreadsheet (Appendix 8) or the brief description in the Viability Report (Section 7.9) how the EHDC figures are derived.

15<sup>th</sup> May 2015