

STRATEGIC PROPERTY REPORT
LAND TO THE SOUTH OF RIVER ROAD
ARUNDEL, WEST SUSSEX BN18 9DH
PREPARED ON THE INSTRUCTIONS OF
ARUN DISTRICT COUNCIL

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30 April 2024
Our Ref: MLS/P

Arun District Council
Arun Civic Centre
Maltravers Road
Littlehampton
West Sussex BN17 5LF

Dear Sirs,

PROPERTY: LAND TO THE SOUTH OF RIVER ROAD, ARUNDEL, WEST SUSSEX BN18 9DH

Further to your instructions, we write to provide you with our strategic property advice relating to these premises, prior to the site being vacated by the Environment Agency (EA) in early September 2024. We have now had an opportunity to inspect the property and report as follows.

1.0 INTRODUCTION & INSTRUCTIONS

1.1 Identification and status of the author

The valuation has been carried out by Matthew Le Seelleur, B.A. (Hons), M.B.A., M.R.I.C.S., who is a RICS Registered Valuer with appropriate experience, knowledge and expertise to undertake these instructions.

We verify that we are not aware of any conflict of interest in preparing this report.

1.2 Client

This report has been prepared for Arun District Council (ADC), Arun Civic Centre, Maltravers Road, Littlehampton, West Sussex BN17 5LF.

1.3 Terms of engagement

We are instructed to provide advice in relation to securing the best income from the site for ADC.

1.4 Date of inspection

The Valuer inspected the property on Tuesday 22 April 2024, and has since carried out such enquiries and research into values as we considered appropriate in order to undertake this report.

2.0 THE PROPERTY

Known as River Road Carpark, the property is addressed as Land to the South of River Road, Arundel, West Sussex BN18 9Dh at HM Land Registry, Title Number WSX314122.

The property is presently (temporarily) occupied by the EA and is used as storage and a landing stage relating to works being undertaken to the river walls adjacent to the site. The EA have over boarded the site to protect the condition of the ground. From our limited visual inspection, the site appears to be tarmac covered and configured as a carpark, accommodating 14 medium sized motor vehicles, plus bicycle parking.

All of the boundaries are walled save for that fronting River Road, which is open. For the length of the site there is no pedestrian pavement on the southern side of River Road, and it appears that the whole site is at the same level as the Public Highway.

3.0 MARKET CONDITIONS & CONCLUSIONS

We are instructed to provide you with advice for securing the best income from this site. On the assumption that the site is returned to ADC with undamaged tarmac, the natural use for the site is for car parking. Redevelopment of the site may produce a higher capital return, albeit after significant capital investment, but we are instructed to focus on revenue. As such we believe that the carpark use provides the best use for the site.

ADC own and operate two public pay and display carparks in Arundel, being Crown Yard Short Stay Carpark and Fitzalan Pool Short Stay Carpark. Fitzalan Pool is not comparable to the subject premises, being south of the River Arun. Crown Yard is directly comparable, being within the centre of Arundel. Setting aside the Station Carpark, further car parking is available to the eastern end of Arundel on land owned by Arundel Castle Trustees Limited and Norfolk Trustees Limited.

Prices vary between the Carparks, which are scheduled below:

Crown Yard Carpark - 78 Spaces

08:00 - 18:00 every day (no exclusions)

£1.65 up to 1 hour

£2.20 up to 2 hour

£3.85 up to 3 hour

£6.05 up to 4 hour

£8.80 4+ hours

Fitzalan Pool Carpark - 151 Spaces

08:00 - 20:00 every day (no exclusions)

£1.50 up to 2 hours

£3.00 up to 4 hours

£5.00 4+ hours

Mill Road Carpark - 151 Spaces (approximate number)

08:00 - 18:00 every day (no exclusions)

£2.50 up to 3 hours

£3.50 between 3-4 hours

£5.00 4+ hours

Our research shows that the season ticket for parking at Fitzalan Pool is £318 per annum. This season ticket price only makes sense if the average revenue from the remaining spaces is lower than this sum.

Locally, season ticket pricing is dependent on the specific locality. In Chichester the District Council charge £627 for an annual ticket in the multi-storey car park located at the Avenue de Chartres, and £748 for a 'roving' ticket for access to the open-air car parks at the Cattle Market, Basin Road and Festival Theatre. Both Chichester season ticket options are available monthly, bi-monthly, quarterly etc., with the price payable set to a sliding scale which raises the shorter the length of season ticket.

Arun District Council also offer a menu of charging options for open-air carparks in the town centres of Bognor Regis and Littlehampton; being £484 for Monday to Friday parking, £550 for annual seven day a week parking and £165 for monthly permits. The Fitzleet multi-storey carpark also offers an annual ticket for £165, restricting the ticket holder to the third floor and above.

It is self-evident that there is a scarcity of season ticket options available in the centre of Arundel. Furthermore, the nature of the townscape, with a limited number of residential properties accommodating residents parking, leads us to believe that the highest/best prices will be paid by residents who wish to park close to home, as opposed to commercial/business commuters who will be willing to walk from Fitzalan to the centre of town.

You will hold the data to confirm what the average parking space revenue is for Crown Yard Carpark. In our view the site should be configured as 15 parking spaces, removing the bicycle parking, with a minimum one-year permit available on a renewable licence basis.

The annual licence fee should be the higher of:

- The average revenue from all the spaces in Crown Yard Carpark multiplied by a factor of two.
- The annual sum of £900 payable monthly in advance by standing order.

We believe that the licence fee should be index linked to RPI (all items) annually, and that each licensee should be responsible for ADC's costs in setting up and renewing the licences.

Our recommendation is that ADC police the parking rigorously to maintain revenue, and that the removal of illegally parked vehicles should be clearly signposted on site, together with punitive fines upon collection. Marketing of the spaces should begin at the earliest opportunity.

We trust that this report provides all the information required. However, we would be pleased to hear from you should you require further explanation or expansion on any of the points raised within the report.

Yours faithfully,



Matthew Le Seilleur
RICS Registered Valuer
For and on behalf of Flude Property Consultants

We write further to our earlier letter dated 30 April 2024, following which we have been asked to clarify why we have made the recommendation originally made, together with the lack of commentary on EV or Solar parking bays.

Dealing with our original recommendation first, we ask you to note that there is no established 'open market' rate for car parking in Arundel. We have shown that the season ticket price for a parking space in Fitzalan Pool is £318 per annum. Arundel Castle owned Mill Road Carpark also offer an annual ticket in the sum of £320. To the best of our knowledge these are the only season ticket offerings in the town.

We have discussed the ticket pricing with Arundel Castle, and although available, they do not actively advertise their season ticket. The Castle do not view the carpark as a source of revenue, and they take their pricing levels from the Fitzalan Pool Carpark, evidenced by the £5.00 cap for the 4+hour ticket. Furthermore, although there is a desire to increase car parking revenue, they are aware that most comparable Stately Homes and Castles have the land to offer free parking, which drives Arundel Castle to keep their ticket pricing to a minimum. Finally, the Castle are aware that they have not increased the season ticket price in over 14-years, and are likely to continue mirroring the Fitzalan Pool Carpark pricing.

During our initial investigations we noted that a private (forecourt) space was available in River Road in the monthly sum of £390, inclusive of fees & VAT (£4,680), which is still available at the time of writing this addendum. This private space is found at the entrance of Crown Yard Carpark.

The instructing officer was unable to provide any guidance on the revenue created by each space within the Crown Yard Carpark. We now understand that the average revenue from each space is £2,500 per annum (say £208 per calendar month £6.85 per day). This is added information, not previously known to us, and we now adjust our advice accordingly.

In our view, and on the assumption that the sum of £2,500 per annum is the correct average revenue from each space within Crown Yard Carpark, there is no economic benefit for ADC to enter into any agreement within the subject carpark which produces a lower sum per space. Market experience suggests that the scarcity of securing a dedicated parking space in Arundel would command a premium. There is no rule of thumb and, because this market is untested, we originally suggested that to secure the highest and best return for these spaces a starting point of "two times" the average income from Crown Yard Carpark would be prudent.

Considering that the private space at the entrance of Crown Yard Carpark is still unlet in the annual sum of £4,680 we can reasonably assume that this figure is above market rent. We calculate that the cost of parking 24hrs a day, every day for a year, in the Crown Yard Carpark is currently £3,212. Crown Yard Carpark is a public carpark and there will self-evidently be times during the peak season when it will not be possible to secure a space due to the volume of visitors to Arundel. We therefore believe that, on a season ticket basis, the open market rent for a private dedicated (available 24/7) space in River Road Carpark should exceed £3,212 per annum.

Without market transactions to provide the value of each space, we remain of the opinion that the market needs to be fully tested and in order to secure the best revenue your starting point should be 80% of the asking price of the private space at the entrance of Crown Yard Carpark, specifically £3,750 per annum. It may very well be that this sum exceeds the maximum sum achievable in the open market, however by starting at this price point ADC can review the sum if take-up is low.

Turning to the topic of EV Charger parking, the main barrier to provision is the availability of additional KVA (kilovolt-amperes) capacity in any locality. Unfortunately, the UK National Grid does not provide data on spare KVA capacity in our region, meaning that all agreements with EV Charging operators are subject to there being KVA capacity on site. Flude have been involved with several EV Charging transactions, which are typically structured with a 'base rent' per space, plus 'profit rent'. These agreements will comprise a formal commercial lease for whole car parks; or licences for specific spaces within existing car parks where EV demand is unknown/uncertain. The infrastructure and ongoing repairs of chargers etc., always sit with the provider and not the freeholder/landlord. Due to the operator's infrastructure costs, these agreements tend to be for periods of not less than 20 years. The base rent will often be subject to annual CPI adjustments.

We have discussed this specific site in detail with one of the EV Charging providers we know to be looking for sites along the south coast. Notwithstanding the uncertainty of whether there is KVA availability for River Road Carpark, and on the assumption that KVA is available, their view is that they would be able to commit to four 22Kw charges in this location; albeit with only two charges installed during the first year or two, in order to gauge demand.

With regard to the return in exchange for the two spaces dedicated to EV Charging, the 'base rent' per space would be £150 per annum and the profit rent (payable in addition to the 'base rent') would average between £350 - £1,100 per annum over a 20-year contract. The EV Charging operator has highlighted that there is unknown demand in this location hence the 'cautious' projections of profit rent.

Although the demand is unknown at this site, and again subject to there being sufficient KVA in this location, the EV Charging operator would intend to install sufficient infrastructure (and reserve KVA) to provide added 22Kw and 50Kw spaces if demand is sufficient. To illustrate how the power of the EV sockets can alter the outlook of a potential agreement, the 'base rent' of a 50Kw is £1,000 per annum, with exponentially higher 'profit rent'. For completeness, although this site is unlikely to be suitable for rapid/super-Charging the 'base rents' 75Kw chargers is £1,750-£2,000 per annum and £3,000-£4,000 per annum for 150Kw chargers (both rent levels attract a 20% profit share).

In summary, an existing EV Charging operator has considered the 'dwell time' in Arundel and believe that 22Kw chargers are right for this location. Once they have a record of demand in Arundel, they will be able to decide whether added 22Kw chargers, or 50Kw chargers, are economically viable; with commensurate increases in revenue for the added spaces required.

Should ADC wish to investigate the possibility of a blended solution, then Season Tickets can be offered for 12 spaces, with the remaining two spaces initially licenced for EV Charging. Otherwise, the highest short/medium term revenue will be from Season Ticket holders.

Apologies for the repetition, but EV Charging will only be possible at this site if sufficient KVA can be secured at this location, which is unknowable until an application for KVA is made by an EV Charging operator.

We hope that our addendum comments are of assistance, and will be happy to comment further if necessary.