

21st November 2014

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Dear Landowner,

Does Mayfield Market Towns want your land? Some facts...

The hearing in relation to the Horsham District Plan was completed yesterday and clarified a number of important points of evidence which we believe will be of interest of any landowner who has, or is considering, signing any form of agreement with Mayfield Market Towns (MMT).

Any landowner is unlikely to receive high value for their land, after costs, as evidenced by MMT representative, Mr Rhodes.

To convince the Inspector their plan was viable, MMT had to explain how they would pay for the infrastructure required for a New Town away from the strategic network, which is more expensive than building onto existing settlements as in the Horsham and Mid-Sussex District Plans. MMT stated that this was achievable by land acquisition at a net cost of land purchase of £30-40k per acre, less than 10% of normal development land values. This means the infrastructure is funded by the current owners of the proposed site selling their land below development prices.

In property and land option agreements, the price to be paid is normally expressed as a price per acre, but this is often not the amount actually received by the owners. The developer will usually deduct their costs, including promotion, infrastructure etc. which MMTs plans show will run into hundreds of millions of pounds. Unless MMT buy the land outright, you will not be sure of what value you will get; and the value of any "option" could be very different from what you expect.

Mayfields' threat to use Compulsory Purchase Orders (CPOs) at low value was dismissed

MMT has regularly and publicly suggested that it would be able to use CPOs to acquire the land to build MMT at low value. Evidence from LAMBS' Counsel and the MPs, made it clear that use of CPOs is impossible without Council support (which MMT does not have); and even if it was possible the value offered would be based on normal development value once the land was allocated.

Any suggestion by MMT that landowners who do not sign options will lose out or will be simply built round when MMT was (inevitably) constructed has been shown to be false by the number of landowners who have signed LAMBS' letter expressing no current intent to sell to MMT.

There is no urgency. Nothing is inevitable. MMT has no "political support". The Council's plans do not include MMT.

LAMBS believe that as a result of the recent hearings Mayfields will be very actively trying to get landowners to sign option agreements before the evidence outlined above becomes widely known.

The quickest way for residents and landowners to return to a 'normal life', and achieve a sensible value for their land or property if and when they wish to sell, is to remove the uncertainty of Mayfields.

We would strongly encourage anyone who is approached with any offer, or has signed an option but is confused as to what they will actually receive, to take formal and professional advice. You can contact LAMBS at lamborg@gmail.com who can provide information and contact with other landowners; Horsham District Council Planning department; or an independent Land Agent or solicitor.

Kind regards,

LAMBS Committee
Locals Against Mayfields Building Sprawl

See over Evidence Note:

Evidence from Horsham District Plan Examination

Tuesday 18th November 2014 Matter 16 - 'New Market Town'

Recordings of the hearing are available on the Lambs website at:
www.lambs.org.uk/mayfields-face-a-wall-of-opposition/

John Rhodes of Quod speaking for Mayfields:

“Mayfields is not willing to pay the sort of money that might be expected for instance for allocated land on the edge of Southwater or Horsham or Burgess Hill because of the expected land desired obligation to provide infrastructure and affordable housing.

“Savills advise through this letter that the land is being acquired at an aggregate price in the region of £50,000 to £70,000 an acre which if you then net off the ability to re-sell the farm houses being acquired relates to prices in the region of £30,000 to £40,000 an acre. It is on that basis that the scale of value that I have identified has already been assembled.”

Landmark Chambers Barrister, Richard Turney speaking for LAMBS:

“The values quoted in the Savills report are not the values representing development value for the land. If the site is to be allocated, those [allocated values] are the prices that will have to be paid. That is the case even if there is a compulsory purchase order. Mr Rhodes is simply wrong to suggest there will be no scheme world valuation because any land owner would be entitled to apply for a certificate of alternative development, they would therefore be entitled to have full residential land value. That is critically important to the viability of the scheme because the Savills report is entirely predicated on achieving these very low land acquisition costs.

“They don't own the land, they have to acquire it – people are not willing to sell it and they will charge a premium. If it is necessary to Compulsorily Purchase it will be at residential land values. Those are the facts and it completely undermines the Savills assessment and it goes to the heart of deliverability.”

Mr Turney on Compulsory Purchase:

“There needs to be a compelling case in the public interest including NO alternatives... that is NO alternatives... not ones which we might prefer, but NO alternatives to housing delivery. So that means when you are looking at a site which is dependent on compulsory purchase you have to bear in mind that that site will only be deliverable if the other sites simply cannot be delivered. That is the position in CPO law.”
