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By Lisa Walton at 4:59 pm, Sep 07, 2022



Porthcressa
St Marys
Isles of Scilly
Cornwall TR21 0JQ.

Mrs L. Walton,
Chief Planning Officer,
Council of the Isles of Scilly,
Town Hall,
The Parade,
St Marys,
Isles of Scilly TR21 0LW.

6th September 2022

Dear Lisa,

Land at Porthcressa – Construction of two dwellings

Thank you for your letter dated 5th September addressed to my colleague, Barry Coupe. I note you are seeking assurances that the land is suitable, and viable, for local needs development.

As you are aware, in addition to my work with Island Architects I also deal with a wide range of property matters on the islands, in an agency capacity (letting and sales) and as a Chartered Surveyor.

There is clearly a pressing and urgent need for local housing. We are regularly fielding requests for accommodation from the public, health and education sectors, as well as from private individuals. Any future development that increases the local housing stock will help to alleviate the imbalance between supply and demand, and contribute towards a moderation of property values.

Our recent experience of marketing plots of land for S106 housing suggests there is significant demand from local people, currently in rented accommodation, looking to own their own homes. These prospective owners have clearly carried out their own appraisals and have concluded that development is viable.

Please find attached sensitivity analysis for the land at Porthcressa, assessing likely site value against varying (i) completed property values and (ii) development costs. Our “best estimate” is shown highlighted in yellow, showing:

Completed Value per cottage (based on 20% discount to unfettered value): £440,000

Overall Build Cost per cottage (based on £3,500 psm plus 10%): £308,000

Predicted Site Value per cottage: £132,000

Best / worst scenarios demonstrate site values of £320,000 / -£14,500 respectively.

For your information, guide prices on Sea View plots A & B at Telegraph were £120,000 and £110,000 respectively. Both sites are currently "Sale Agreed". See

<https://www.sibleysonscilly.co.uk/Properties/SalesDetail?UnitTypeID=214> and

<https://www.sibleysonscilly.co.uk/Properties/SalesDetail?UnitTypeID=215>

A building plot at Pilot's Retreat (building slab complete) is currently being marketed at £150,000.

See: https://scillyestateagents.com/properties_wp/freehold-building-plot/

We are therefore confident that development of the land for S106 housing is financially viable.

The land at Porthcressa will provide two new, high-quality homes of appropriate scale, in an enviable location with sea views. Occupation of these homes will be restricted, in perpetuity, to persons meeting the Council's Specific Local Needs criteria, and re-sale values will therefore be dictated by what is affordable to this market.

It is interesting that most local housing seems to be found mainly in secondary areas, with prime sites reserved for the letting and second home markets. In contrast, the land at Porthcressa will offer the opportunity for local people to acquire the kind of home normally reserved for wealthy mainland buyers. Isn't it right that local people should also have the opportunity to live on coastal sites and enjoy sea and island views?

I trust this is helpful, but please advise if you require additional information.

Yours sincerely,

Ian Sibley

Ian Sibley BSc MRICS