

**Advanced Project Management
ACBA6010**

**Development Proposal Report on the
Lace House**

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Contents

1) Introduction	3
1a) History	3
1b) Location	3
1c) Proposed Development	3
1d) Market Research	5
2) Identification of Capital Cost.....	8
2a) Stamp Duty.....	9
2b) Construction Cost.....	9
2c) Quantity Surveyor & Architect Costs	10
2d) Estate Agents.....	10
2e) Contingency	11
3) Similar Development -	11
4) Risk and Opportunities	12
5) Return on Investment (ROI)	14
6) Summary	14
7) References	15
Appendix A – Listed Building Checks	16

1) Introduction

1a) History

Lace House in Brighton has a rich history dating back to the late 1760s, when it began as Woodgate's Library, a two-storey wooden building with a Doric colonnade. In 1784, Andrew Crawford expanded it to include Brighton's post office. By the 1820s, George Phillips leased the property, becoming confectioner to King George IV. In the 1830s, it was divided to house a milliner. In 1925, J. Carlish & Co rebuilt it as a car showroom, later taken over by Newmans & Co, who added the famous black china cat to deter birds from damaging the cars. Various automotive businesses, including Jaguar and Triumph dealers, occupied the building. In 1974, it was converted into offices, now known as Lace House, a lasting symbol of Brighton's rich architectural and social heritage.



Image 1) Ford Dealers from late 1950s – *DH Design (2015, October 10)*.

1b) Location

The Lace House is located within the heart of Brighton, a short walk to the city centre, only 0.1 mile from Brighton Pier and the sea front. Its central location makes it an attractive area for individuals who want access to local shops, restaurants and entertainment, this makes the property desirable to property developers.

With the Lace house being near the Train station gives the ease of travelling direct to London within an hour a viable option for interest of London commuters to the property. Located just 35 minutes (28 miles) from London Gatwick Airport, Lace House offers the convenience of easy access for overseas travel.

1c) Proposed Development

The building following the closure of the office block has fallen into disrepair with no maintenance, with the location being so proximity to the main area of pubs can clubs which the building has been subject to some vandalism.

The proposed development consists of converting the dilapidated office block which has recently fallen into a state of disrepair to a up market and modern block of apartments consisting mainly of 1 & 2 bedrooms, concentrating on top grade fixtures and fittings as standard.

From the research found in Appendix A. The Lace House, 39 – 40 Old Steine has not been given a listed building status. This gives the development some flexibility in what materials and changes that can be done to the property. Although this is the case, the proposed design plans to utilise the existing floor areas to minimize any demolition & structural works to the property, below shows the area provided on each floor:-

Gross Internal Floor Areas

Accommodation	Area (m2)
Existing - Basement Floor	96.5
Existing - Ground Floor	85.8
Existing - First Floor	91.5
Existing - Second Floor	92.5
Existing - Third Floor	92.5
Existing - Fourth Floor	68.4
Existing and Proposed Building Totals:	527.2

Image 2) Existing & Proposed Floor Area's – DH Design (2015, October 10).

Proposed Floor Plans

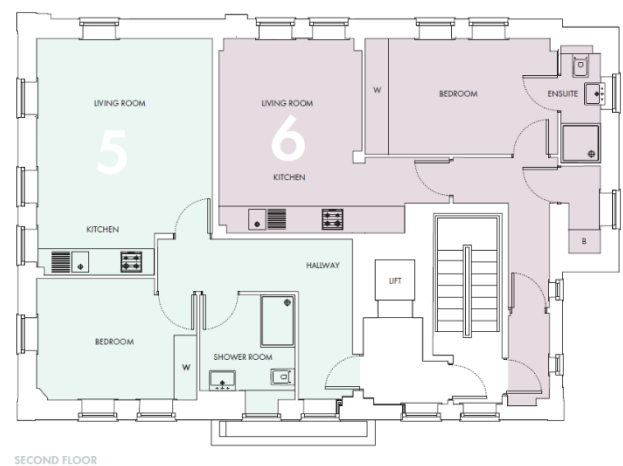
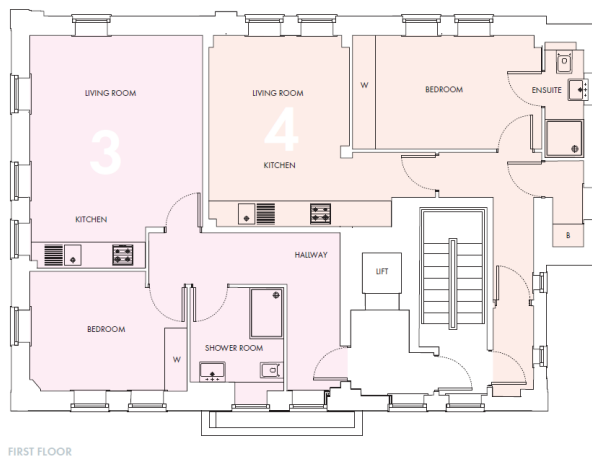
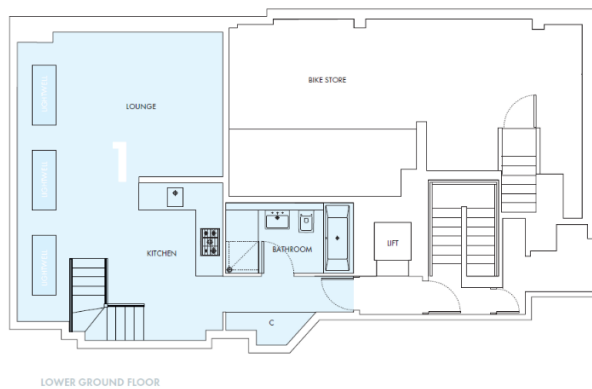




Image 3) Proposed Floor Plans - Oakley Property (2017).

1d) Market Research

To estimate what the market value of the proposed apartments would be the following research has been broken down into 4 separate categories. These are:-

- 1 Bedroom Apartment – Currently on the market.
- 2 Bedroom Apartment – Currently on the market.

Due to the lack of houses sold in the last 12 months locally to the lace house the sold house prices have been excluded to ensure the valuation of each apartment aligns with current valuations. There are many factors that could increase or decrease the market value such as:-

- Location (Sea front, sea view, city centre, close to local amenities, crime rate)
- Property condition (Modernised, cosmetic update, full renovation or dilapidated)
- Property facilities (Balcony, parking, lift or stairs)
- Apartment level (Penthouse, middle level or Lower Ground level)

To establish a solid expected valuation & simplest method to ensure a consistency approach is to establish the cost per square metre. This will give a good range to understand the lower market value and higher market value depending on the planned quality of finish that is targeted.

1-Bedroom Apartment – Currently on the market

	£375,000 Offers over 1 bed • 1 bath • 1 reception • 743 sq. ft Kings Road, Brighton BN1 Spacious 1-Bedroom Beachfront Apartment with incredible views! This spacious 1-bedroom beachfront apartment is a fantastic ... Leasehold Call Email		£225,000 Guide price 1 bed • 1 bath • 1 reception Kings Road, Brighton, East Sussex BN1 **guide price: £225,000 - £250,000** Tucked away at the back of an historic seafront building in the beating heart of ... Leasehold Reduced Call Email
	£280,000 Guide price 1 bed • 1 bath • 1 reception • 744 sq. ft Marine Parade, Brighton BN2 *Guide Price £280,000 - £295,000* Holding a prime position on Kemptown Seafront, this beautiful apartment enjoys sea views ... Chain free Share of Freehold Reduced Call Email		£350,000 Guide price 1 bed • 1 bath • 1 reception • 568 sq. ft Marine Parade, Brighton BN2 **guide price £350,000 - £375,000** This home combines elegance with functionality, featuring a versatile interior that fits ... Share of Freehold Call Email

£230,000 Guide price
1 bed • 1 bath • 1 reception
Atlingworth Street, Brighton BN2

A Guide Price of £230,000 To £240,000 A beautifully presented one bedroom apartment situated in a central and sought after ...

Leasehold Reduced

Call Email

£500,000 Offers over
1 bed • 1 bath • 1 reception • 824 sq. ft
Marine Parade, Brighton BN2

Taking pride of place on the first floor of a Grade II Listed Regency townhouse on Kempdown Seafront, this bright and ...

Share of Freehold

Call Email

£270,000 Guide price
1 bed • 1 bath • 1 reception • 473 sq. ft
North Street, Brighton BN1

Guide Price: £270,000 - £290,000 This modern apartment boast a spacious reception room, one double bedroom with built in ...

Chain free Leasehold Reduced

Call Email

£325,000 Offers over
1 bed • 1 bath • 1 reception
Lower Rock Gardens, Brighton BN2

Just two minutes from Brighton's iconic beach and five from the Pier, this impeccably renovated, one-bedroom apartment ...

Chain free Share of Freehold Reduced

Call Email

£325,000
1 bed • 1 bath • 1 reception
West Street, Brighton, East Sussex BN1

Completed in 2006, Avalon is one of Brighton City Centre's most exciting and prestigious developments. Behind its curved ...

Leasehold

Call Email

£375,000
1 bed • 1 bath • 1 reception
Kings Road, Brighton BN1

Whitlock and Heaps are pleased to offer this exclusive apartment situated in a highly sought-after seafront location, this ...

Chain free Reduced

Call Email

House Name	Property Price	Floor Area (m ²)	Cost per m ²
Kings Road, Brighton BN1	£375,000	64.69	£5,796.88
Kings Road, Brighton BN1	£225,000	44.17	£5,093.96
Marine Parade, Brighton BN2	£280,000	69.09	£4,052.68
Marine Parade, Brighton BN2	£350,000	54.51	£6,420.84
Atlingworth Street, Brighton BN2	£230,000	33.10	£6,948.64
Marine Parade, Brighton BN2	£500,000	76.60	£6,527.42
North Street, Brighton BN1	£270,000	43.90	£6,150.34
Lower Rock Gardens, Brighton BN2	£325,000	53.22	£6,106.73
West Street, Brighton, East Sussex BN1	£325,000	50.64	£6,417.85
Kings Road, Brighton BN1	£375,000	79.60	£4,711.06

Table 1 – 1-Bedroom Market Research - Zoopla (2025).

The above table shows the cost per metre square from 10 properties that are currently on the market. Its shows that for a 1-bedroom apartment surrounding the Old Steine area offers a area property value range between £4,052.68 to £6,948.64 per meter square. The average price per meter square is £5,819.94.

2 Bedroom Apartment – Currently on the market

£375,000
2 beds • 1 bath • 1 reception • 626 sq. ft
11 Marlborough Place, Brighton BN1

Stylish & Contemporary Two-Bedroom Flat in the Heart of Brighton

Leasehold

Call Email

£350,000
2 beds • 1 bath • 1 reception • 679 sq. ft
Old Steine, Brighton BN1

A lovely two-bedroom third floor flat with fantastic partial sea views. The property comprises: Communal entrance, hall, ...

Chain free Leasehold

Call Email

£425,000 Guide price
2 beds • 2 baths • 1 reception
Old Steine, Brighton BN1

Guide price £425,000 - £450,000. Spacious and beautifully presented two bedroom apartment with a great size patio garden and two ...

Share of Freehold Reduced

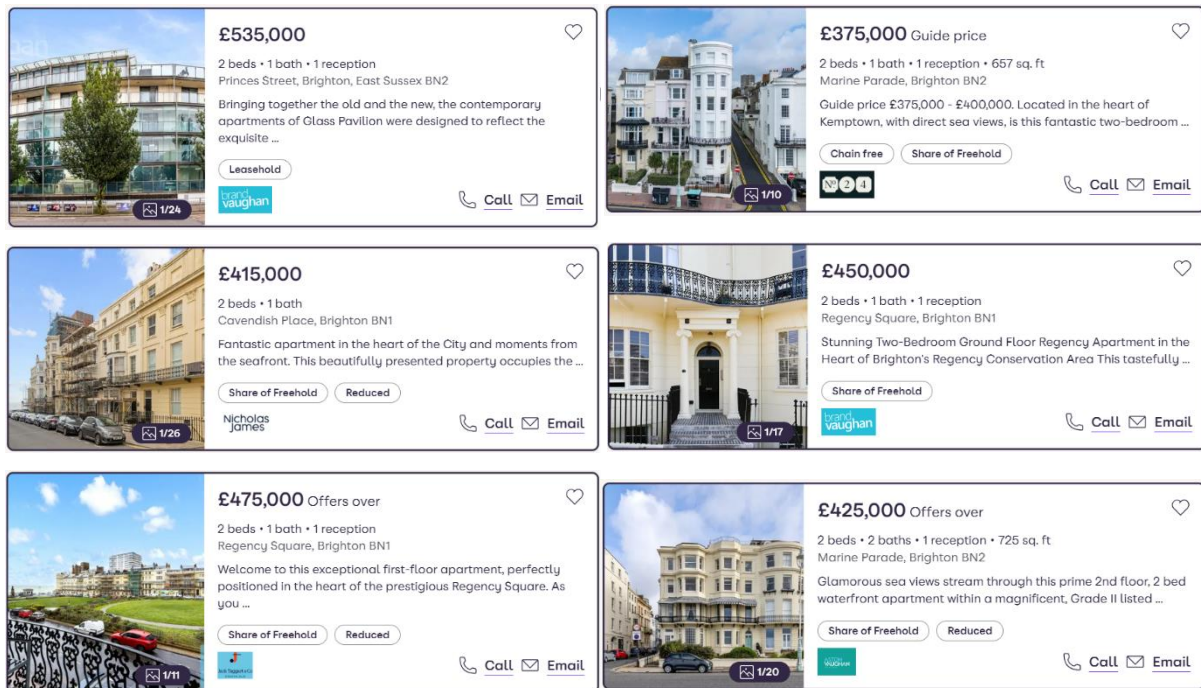
Call Email

£450,000 Guide price
2 beds • 2 baths • 1 reception
Old Steine, Brighton, East Sussex BN1

£450,000 - £500,000 King & Chasemore are proud to introduce this stunning second floor converted apartment in the heart of ...

Chain free Leasehold Reduced

Call Email



House Name	Property Price	Floor Area (m ²)	Cost per m ²
11 Marlborough Place, Brighton BN1	£375,000	59.20	£6,334.46
Old Steine, Brighton BN1	£350,000	48.17	£7,265.93
Old Steine, Brighton BN1	£425,000	93.00	£4,569.89
Old Steine, Brighton, East Sussex BN1	£450,000	85.20	£5,281.69
Princes Street, Brighton, East Sussex BN2	£535,000	75.00	£7,133.33
Marine Parade, Brighton BN2	£375,000	61.00	£6,147.54
Cavendish Place, Brighton BN1	£415,000	69.12	£6,004.05
Regency Square, Brighton BN1	£450,000	66.50	£6,766.92
Regency Square, Brighton BN1	£475,000	68.35	£6,949.52
Marine Parade, Brighton BN2	£425,000	67.36	£6,309.38

Table 2 – 2-Bedroom Market Research - Zoopla (2025).

The above table shows the cost per metre square from 10 properties that are currently on the market. It shows that for a 2-bedroom apartment surrounding the Old Steine area offers a area property value range between £4,569.89 to £7,265.93 per meter square. The average price per meter square is £6,076.27.

With the proposed design and the anticipation that the quality of the build will be of a high standard and the target buyers are professional working couples, the aim would be to achieve close to the higher end of the range for both 1-bedroom & 2-bedroom apartments. The calculation of cost for the proposed apartment is based off the higher value of the range with the expected high end fixtures and furnishes.

Table X below shows price per meter square would be after the expected inflation rate of 3.2% in 2025 & 2.1% in 2026.

Property Type	Current Market Value	1 Year Market Value (+3.2%)	2 Year Market Value (+2.1%)
1-Bedroom Apartment	£6,948.64/m ²	£7,171.00 /m ²	£7,321.59 /m ²
2-Bedroom Apartment	£7,265.93/m ²	£7,498.44 /m ²	£7,655.91 /m ²

Table 3 – Proposed market value per meter square

Based on the information shown in Table 3, the estimated apartment values are as follows: -

Flat No.	Property Type	Floor Area	Market Value Post Construction
Flat 1	2-Bedroom Apartment	80.35m ²	£615,152
Flat 2	1-Bedroom Apartment	41.02m ²	£300,332
Flat 3	1-Bedroom Apartment	45.66m ²	£334,304
Flat 4	1-Bedroom Apartment	42.20m ²	£308,971
Flat 5	1-Bedroom Apartment	45.74m ²	£334,890
Flat 6	1-Bedroom Apartment	42.82m ²	£313,510
Flat 7	1-Bedroom Apartment	47.44m ²	£347,336
Flat 8	1-Bedroom Apartment	40.92m ²	£299,599
Flat 9	2-Bedroom Apartment	68.39m ²	£523,588
Total market value of all apartments			£3,377,682

Table 4 – Total market value of all apartments

2) Identification of Capital Cost

When looking at developing an office block into residential flats, the company will be subject to a substantial amount of capital cost. Capital costs are one-off / upfront payments during the purchase & development of the project. These capital costs include the following: -

- Acquisition costs (Purchase price of property, stamp duty land tax, legal fees, surveyor fee)
- Planning & Building Regulations Applications (Planning fee & building control fees)
- Construction costs (Labour, materials & infrastructure upgrades)
- Overheads (Insurances, temporary services such as toilets, water & power & site security)
- Contingency (Unexpected costs)

For the proposed development of Lace house converting the office block to residential apartments the following is identified as the total capital costs associated with the development.

Capital cost	Total Cost	Reference
Purchase price of office block	£1,316,500.00	-
Stamp Duty Land Tax	£55,325.00	See Section 2a
Construction Cost	£1,449,800.00	See Section 2b
Surveyors	£31,895.60	See Section 2c
Architect	£65,241.00	See Section 2c
Estate Agent	£40,532.19	See Section 2d
Contingency (10%)	£144,980.00	See Section 2e
Total Capital Cost	£3,104,273.79	-

Table 5 – Total Capital Cost

2a) Stamp Duty

Stamp Duty Land Tax (SDLT) was introduced by the Finance ACT of 2003, which imposes tax obligation on land transaction involving any estate, interest, right, or power in or over land in England and Northern Ireland. *Gajurel, R. (2025, March 6)*

Detailed calculation

This is a breakdown of how the total amount of SDLT was calculated based on the rules from 17 March 2016

Purchase price bands (£)	Percentage rate (%)	SDLT due (£)
Up to 150,000	0	0
Above 150,000 and up to 250,000	2	2,000
Above 250,000+	5	53,325
Total SDLT due		55,325

Image 4) Stamp Duty Land Tax Calculator - UK Government (2025, April 22)

2b) Construction Cost

The initial construction cost can be done by using SPONs to provide an estimated average cost per square feet of floor area. This will provide an accurate estimate of what the renovation cost of turning the office block into apartments.

Item	Unit	Range £	
Private Developments			
single detached houses	m ²	2000.00	to 2550.00
two and three storey houses	m ²	2050.00	to 2650.00
Apartments/flats generally			
standard quality, 3–5 storeys	m ²	2475.00	to 3150.00
warehouse/office conversion to apartments	m ²	2725.00	to 3500.00
high quality apartments in residential tower – Inner London	m ²	3275.00	to 4225.00
Hotels (including fittings, furniture and equipment)			
luxury city-centre with conference and wet leisure facilities	m ²	4400.00	to 5600.00
business town centre with conference and wet leisure facilities	m ²	3200.00	to 4125.00
mid-range with conference and leisure facilities	m ²	2500.00	to 3150.00
budget city-centre with dining and bar facilities	m ²	2200.00	to 2800.00
budget roadside excluding dining facilities	m ²	1900.00	to 2450.00
Hotel accommodation facilities (excluding fittings, furniture and equipment)			
bedroom areas	m ²	1325.00	to 1650.00
front of house and reception	m ²	1675.00	to 2175.00
restaurant areas	m ²	1975.00	to 2525.00
bar areas	m ²	1775.00	to 2225.00
function rooms/conference facilities	m ²	1675.00	to 2175.00
Students residences			
large budget schemes with en-suite accommodation	m ²	1675.00	to 2175.00
smaller schemes (40–100 units) with mid range specifications	m ²	2050.00	to 2625.00
smaller high quality courtyard schemes, college style	m ²	2800.00	to 3575.00

Image 5) SPONs Construction Cost - AECOM Ltd (2023)

Based on the information in Image 5 the estimated cost for a private development of Apartments to a standard quality 3-5 storeys is between £2475.00 - £3150.00. Because the proposed development is to provide a high-quality standard fixtures and fittings, but with the anticipation of keeping costs minimal a construction value of £2750.00 will be used for the proposal.

The table below shows the cost of each level and gives the total cost of construction for the whole building.

Apartment Level	Floor Area	Cost
Lower Ground Floor	96.5m ²	£265,375
Ground Floor	85.8m ²	£235,950
First Floor	91.5m ²	£251,625
Second Floor	92.5m ²	£254,375
Third Floor	92.5m ²	£254,375
Fourth Floor	68.4m ²	£188,100
Apartment Total	527.2m²	£1,449,800

Table 6 – Construction Cost Per Level

2c) Quantity Surveyor & Architect Costs

The role of a quantity surveyor starts from preparation phase through to the construction phase where they provide advise on costs, prepare and maintain cost plans, prepare and define tender documents, advise on the cost of variations and advise on contractual matters. They play a pivotal role in the projects contractual and cost management of a project. Based on SPONs the mean cost of a quantity surveyor is 2.2% of the construction cost. With the construction cost of £1,449,800, the estimated quantity surveyors cost is £31,895.60.

Quantity Surveying Services Benchmark	Mean	Lower Quartile (Not complicated projects)	Upper Quartile (Complicated/Sophisticated project)
	2.2%	1.9%	3.4%

Image 6) SPONs Quantity Surveyor Cost - AECOM Ltd (2023)

The Architect is responsible for the design & compliance of the design inline with the local authority's requirements to successfully achieve both planning and building regulations compliance. Based on SPONs the mean cost of an Architect is 4.5% of the construction cost. This gives the estimated cost of an Architect of £65,241.00.

Architectural Services Benchmark	Mean	Lower Quartile (Not complicated projects)	Upper Quartile (Complicated/Sophisticated project)
	4.5%	3.6%	7.0%

Image 7) SPONs Architect Cost - AECOM Ltd (2023)

2d) Estate Agents

An estate agent acts as link between buyers and sellers during the procurement or clearance of land or property. Estate agents can also assist in sourcing, negotiating, and securing sites, as well as managing sales upon completed units. Their involvement is key in ensuring that land or buildings are acquired at market value and that completed properties reach the appropriate market efficiently. The fees paid to estate agents for acquisition services form part of the project's capital cost, as they are directly tied to securing the land or property necessary to deliver the project. When doing a refurbishment projects, it is key to establish a good relationship with the estate agent to target the best market price at a reasonable estate agents fee.

"Estate agent fees can vary from less than 1% to as much as 3.5%, depending on a number of factors - including how many estate agents are selling your property." Maunder, S. (2022, November 29)

With the overall value of the project being over £3.3million, several estate agents will be enticed to have the project apart of their portfolio so a lower estate agent fee should be achievable. For the proposal 1% of the 'Market Value Post Construction' should be achievable.

Market Value Post Construction = £3,377,682

1% Estate Agent Fee = £33,776.82

Estate Agent Fee (+ 20%VAT) = £40,532.19

2e) Contingency

The recommended percentage for a contingency fund is between 5 to 10% of the total budget, but this may vary depending on project complexity and past experiences. *Multiproject (2024, September 1)*.

From the recommended percentage of contingency, the range should be between 5% and 10% of the total capital cost. For the proposed project this range is between £72,490.00 - £144,980.00 this contingency will be available for any potential issues that may arise during the construction. For this project the existing layout will be retained, and all the improvements will be mainly internal fixtures and furnishings so there is less of a risk of finding a major structural issues during the renovations. Although this is the case, a 10% (144,980.00) contingency will be allowed for this development plan to be conservative.

3) Similar Development -

A similar development in Brighton & Hove to The Lace House is The Preece House, where its was an existing commercial building and renovated into a residential apartment with an extended level with 5 additional apartments.



Image 8) Preece House - *McLoughney, D., MCIAT (2023)*

The developer for the Preece House is Westmade Properties Ltd, who acquired the property in December 2022. The gross development value is £22.5million which will produce comprise of 59 residential units.

The key features of the development are the design and materials used, by keeping the current character of the building and adding a contemporary style with the extension. The extension includes a communal area of a roof garden which promotes a sustainable design and serving as a wind barrier.

The property offers 32 Parking spaces and up to 60no. bicycles spaces which encourages a sustainable transport option which The Lace House provides a storage area but unable to provide direct parking, only limited permit parking is available at a significant cost. *Hunt, L. (2024, October 26)*

The project is still under development so the completion & final property valuations cannot be compared to The Lace House valuations.

4) Risk and Opportunities

Identifying the risks and opportunities of a project proposal is critical part of the proposal. Highlighting the potential risks that could result in the project failure such as over expenditure, market fluctuations & other technical factors.

Although risks are a key factor to a project failure, risks offer opportunities where cost savings or competitive advantages are achievable. By identifying both it give all stakeholders the insight of the risks associated and any potential mitigating factors to eliminate or reduce the risk, this increasing the potential success of the project.

Below is the risk matrix that highlight the scoring system for the project risk register.

Likelihood	Consequences				
	Insignificant <i>Risk is easily mitigated by normal day to day process</i>	Minor <i>Delays up to 10% of Schedule Additional cost up to 10% of Budget</i>	Moderate <i>Delays up to 30% of Schedule Additional cost up to 30% of Budget</i>	Major <i>Delays up to 50% of Schedule Additional cost up to 50% of Budget</i>	Catastrophic <i>Project abandoned</i>
Certain <i>>90% chance</i>	High	High	Extreme	Extreme	Extreme
Likely <i>50% - 90% chance</i>	Moderate	High	High	Extreme	Extreme
Moderate <i>10% - 50% chance</i>	Low	Moderate	High	Extreme	Extreme
Unlikely <i>3% - 10% chance</i>	Low	Low	Moderate	High	Extreme
Rare <i><3% chance</i>	Low	Low	Moderate	High	High

Image 9) Risk Matrix - Jeaembuuit, O. (2020, June 17).

Project Risk Register

Project Risk Register												
Project Name		Lace House, Brighton			Completed by		T.Mills		Date	28/04/2025		
Risk ID	Risk Category	Title	Description of Risk or Opportunity	Consequence / Primary Impacts	Without Controls			Controls		With Controls		
					Consequence	Frequency	Significance	Manageability	Risk mitigation Plan	Consequence	Frequency	Significance
1	Cost	Under project cost estimate	During the initial proposal building, underestimating the project costs can lead to overspendature	Project Overspend / Company liquidation	5	3	15	80% Control	Undertake a proposal development to pre project. Assign a quantity surveyor before committal to undertake an accurate estimate of the proposal development.	2	3	6
2	Cost	Material cost increase	Projected costs at the start of the project based off current material costs. Material costs can fluctuate depending on material availability.	Underestimate on material cost	4	1	4	80% Control	Contingency required on the project to allow for any potential material cost increases.	2	1	2
3	Time	Over run on planned schedule	2year planned schedule for completion, by overrunning on the schedule can cause increased interest from bank loan.	Project Delay / Additional unplanned expenditure	4	3	12	70% Control	Create a live schedule with moving dates as the project progresses. Allows for contingency within the schedule for any potential delay.	2	3	6
4	Planning	Change of use	The risk of not accepting the change of use from a commercial property to a residential property	Project Stop	5	3	15	60% Control	Provide detailed project plans to planning officers with reassurance that the building will be maintained as is. Ensure that the current characteristics of the building is maintained	2	3	6
5	Planning	Modern building techniques	Opportunity to integrate modern techniques to the building.	Providing sustainability through design & future proofing the building	3	5	15	90% Control	Implement modern techniques or technologies into the property to provide a more sustainable & eco friendly building to reduce its operational carbon footprint.	1	5	5
6	Building Control	Enhancing the thermal efficiencies	Improvement of the buildings thermal properties to reduce heat loss	Increased energy performance.	3	3	9	100% Control	Allow for internal layer of wall insulation, insulation between each level & upgrade of windows & doors to minimise the heat loss. Although reduction in floor area.	2	3	6
7	Building Control	Enhance of building properties	Improvement of all building properties (fire, noise, ventilation & window & doors)	Improved property properties	3	3	9	100% Control	Use suitable materials to increase the buildings properties	1	3	3
8	Market Demand	Over availability of provided properties	Upon completion of the development, the possibility of the property market being over populated with what is being provided	Competitive market / Achieve less than planned market value	5	3	15	50% Control	Ensure the ROI allows for both a competitive market.	2	3	6
9	Market Demand	No availability of provided properties	Upon completion of the development, the possibility of the property market being limited and being high demand.	Non-Competitive market / Achieve more than planned market value	5	3	15	50% Control	Research and check planning portal for any potential developments that end the same time as proposed. Undertake in-depth market research for how long the provided takes to sell.	2	3	6
10	Economic Factors	Economic Crash	Crash in the Countries economical market causing a less active property market & forcing lower property price	Achieve less than planned market value	5	3	15	30% Control	Remain vigilant to economical activities to predict the state of the market upon completion.	4	3	12
11	Economic Factors	Thriving Economy	Means there is substantial movement in the market and increased demand for property requirements	Achieve planned or more than planned market value	5	3	15	30% Control	Remain vigilant to economical activities to predict the state of the market upon completion.	4	3	12
12	HSE/CDM	Public Risk	Risk during construction with a high volume of public traffic	Public Safety	5	5	25	80% Control	Provide Suitable site protection including addition height fencing and protective barriers. Scaffolding limited to the working are to avoid enticing public interaction	1	5	5
13	Existing Building Condition	Structural Integrity	Unforeseen structural issues	Additional costs & safety factors	5	5	25	100% Control	Undertake Structural assessments prior to purchasing the property to ensure the structural integrity of the building is in order.	1	5	5
14	Existing Building Condition	Iconic Building Stature	Keeping key building features can benefit and make the property known as a well know statement within the area	Attractive within the property market	3	2	6	50% Control	Keep the properties aesthetics by preserving key features such as the China Cat on the Lace house to establish it as an iconic feature of the local area	1	5	5
15	Site Location	Safety	Location in the city centre means limited space constraints & public safety issues	Public Safety	5	5	25	70% Control	Ensure suitable location for vehicle parking is available, coordinate deliveries so materials arrive on site when required to limit storage requirements,	2	5	10
16	Site Setup	Marketing	With the site security around the property and opportunity to market the proposed development on the fencing.	Increase Marketing opportunity	3	5	15	100% Control	Provide marketing banners surrounding the property, due to the high volume of public traffic, marketing will be increased	1	5	5
17	Location	Proximity to amenities	Attractive location within walking distance to the sea, city centre, bus & train station	Attractive location	1	3	3	100% Control	Highlight during advertisement the proximity of amenities as a benefit of the property.	1	3	3
18	Location	Limited Parking Availability	Only a small amount of permit parking available at the proposed property at an additional cost.	Parking restrictions / Less attractive to the property market	4	4	16	20% Control	Provide alternative parking solutions or promote a sustainable lifestyle in not requiring a vehicle for transport	2	4	8

5) Return on Investment (ROI)

Ultimately for the return on investment it's imperative that the total expenditure is less than the total return.

$$ROI = \text{Capital Cost} < \text{Total Market Value of Project}$$

The capital cost will be covered by bank loan and the planned completion for the project is 2 years. The Capital Cost should include the interest occurred by the loan payments.

Loan Type	Property Value	Mortgage Term	Mortgage Amount	
☒ Repayment ☐ Interest Only	£ 3,377,682	25	£ 3,104,273	UPDATE RESULTS

Lender Name	Initial Rate	Monthly Repayments	Product Fees	Annual Cost
 Investec	5.30% initial rate Fixed for 2 years then 7.40% (variable)	£18,694.00 Repayments	£17,471.00 Product Fees	£233,063.14 Annual Cost
Representative Example more info	7.15% APRC	Max LTV 95%	CHECK IF YOU QUALIFY	

Image 10) Mortgage Rate – Leonard, T. (2025, April 24)

Proposed Capital Cost = £3,104,273.79

Capital Cost after 1 year of 5.3% Interest = £3,104,273.79 x 1.053 = £3,268,800.30

Capital Cost after 1 year of 5.3% Interest = £3,268,800.30 x 1.053 = £3,442,046.72

The Lace House ROI is as follows: -

- Cost of Investment: £3,442,046.72
- Total Revenue: £3,377,682
- Net Profit = £3,377,682 - £3,442,046.72 = - **£64,364.72**

6) Summary

Following the appraisal undertaken on the Lace House development, the return on Investment (ROI) analysis for the Lace House in Brighton has revealed a loss of £64,364.72. This outcome indicates that the current strategy is not generating a sufficient revenue to cover the initial investment and associated costs, suggesting it is not a worthwhile investment for the company to undertake the project.

To achieve a profitable outcome, there are 2 many factors that impact the proposal. These are the costs of the initial acquisition cost of £1,316,500.00 & the construction cost of £1,449,800.00.

Acquisition of a property is difficult to control with other competitors potentially be interested in the project, market value expectation of the property owner and other underlying factors. The key area where costs can be controlled is by reducing the construction cost. Although a high-quality material with the fixtures and finishes were the planned outcome but a less cost option may be suitable and still achieve the same market price range giving the properties location and access to Brighton.

One factor that would make the proposal profitable without altering the acquisition cost & the construction cost it to remove the 10% contingency of £144,980.00. This would make the project £80,615.28 profitable, which is a 2.34% Return on investment. However, even with this adjustment, the project would still not be a worthwhile project and at a high risk with no contingency if any issues arise.

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Appendix A – Listed Building Checks

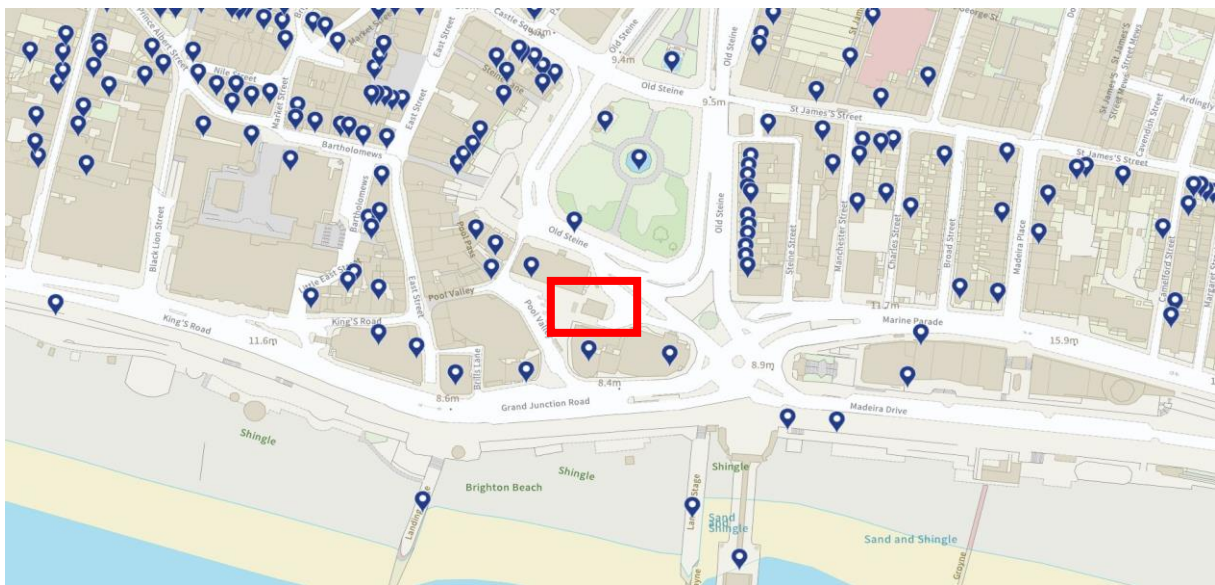


Image 11) Map of Listed buildings - *Historic England* (2025, April 22)

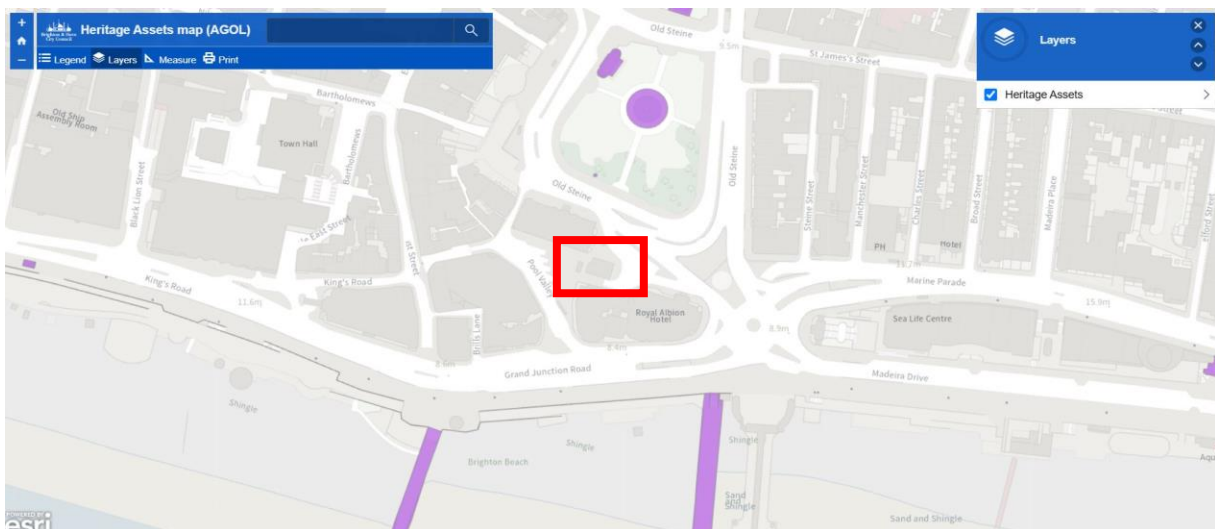


Image 12) Map of Heritage Asset Map - *Brighton & Hove City Council* (2025)

Old Steine, Brighton

	Brighton War Memorial	North	2	26 August 1999
	Egyptian Campaign Memorial	North	2	20 August 1971
	Royal York Buildings including bus depot	South	2	13 October 1952
	Statue of Queen Victoria	North	2	20 August 1971
	Statue of Sir John Cordy Burrows		2	26 August 1999
	The Royal Albion Hotel and attached walls, piers and railings	South	2*	13 October 1952
	The Royal Pavilion		2	13 October 1952
	The Victoria Fountain		2	13 October 1952
	Tram Shelter and Public Toilets		2	21 October 1993
3	and attached railings	North	2	13 October 1952
4	and attached railings	North	2	30 October 1952
6 and 7	and attached railings	East	2	13 October 1952
8	and attached railings	East	2	20 August 1971
9 and 10	and attached railings	East	2	13 October 1952
11	and attached railings	East	2	13 October 1952
12	and attached railings	East	2	13 October 1952
20	and attached railings	East	2	13 October 1952
21	and attached railings	East	2	20 August 1971
22	and attached railings	East	2	20 August 1971
23	and attached railings	East	2	13 October 1952
24 and 25		East	2	20 August 1971
26	and attached railings	East	2	13 October 1952
27	and attached railings	East	2	20 August 1971
28	and attached railings	East	2	13 October 1952
29	and attached railings	East	2	20 August 1971
30	and attached railings	East	2	13 October 1952
31		East	2	20 August 1971
44	and attached railings	South	2	13 October 1952
47		South West	2	20 August 1971
51	and attached railings	West	2	26 August 1999
52		West	2	13 October 1952
53		West	2	20 August 1971
54		West	1	13 October 1952
55		West	2	13 October 1952
56		West	2	11 April 1985

Image 13) Map of Listed buildings - Brighton & Hove City Council (2020)