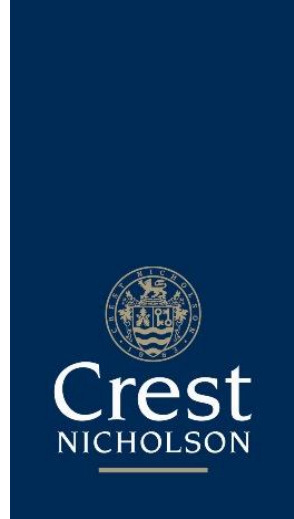


Our ref: PC/SL/NH003

23 January 2019

Nick Hibberd
Executive Director
Economy, Environment & Culture
Brighton & Hove City Council
Hove Town Hall
Norton Road
Hove
BN3 3BQ



Subject to Contract

Dear Nick

King Alfred Development, Hove

As requested, in advance of the Policy Resources & Growth Committee meeting, I am writing to confirm Crest Nicholson's commitment to enter into the Development Agreement and to work in partnership with the Council to deliver the new King Alfred development. This is an exciting project and we are confident that we can work together to deliver an exemplar development providing the new Council leisure facilities within a prominent new residential development on the seafront.

I am very pleased with the progress that has been achieved by our collective legal and project teams over the past few months, such that we now have a comprehensive contract that is agreed between the parties subject only to our respective final approvals.

I recognise it has taken time to reach this milestone, however this is a complex project which has presented significant issues to both parties. Not least the backdrop of some very challenging economic uncertainties surrounding Brexit and the impact this could yet have on the construction industry workforce and wider confidence and stability of the property market.

Our Executive Board considered the project on Monday, with a view to CNR being authorised to enter into the development agreement and commit to the significant investment required to progress the design and planning application over the next 12 months. In short, given the HIF funding offer which underpins the economics of the project, the Board agreed that in principle they remain willing to proceed with the development and to enter into the agreement. This commitment requires greater clarity on the form and timing of Brexit however, as certain scenarios could yet undermine the project's feasibility.

Crest Nicholson Regeneration

Crest House Pycroft Road Chertsey Surrey KT16 9GN
T: 01932 580333 F: 0870 336 3992

A Division of Crest Nicholson Operations Limited
Reg Office: Crest House, Pycroft Road
Chertsey, Surrey, KT16 9GN
Reg. Number 1168311 England

www.crestnicholson.com

Classified as General

As a business, we have been proceeding on the understanding that there would be an orderly Brexit deal agreed in January, with a view to the UK leaving the EU on 29 March with a known exit strategy in place. This would still create the conditions for the project to proceed and the agreements to be exchanged which we still hope and expect to be able to do within the next few weeks. I look forward to meeting the elected members myself shortly to confirm this position and answer any further questions they may have.

The current deadlock is most unhelpful and does not provide the basis for major investment decisions in the interim. Accordingly, as soon as we have greater certainty over the nature and form of the Brexit arrangement which we all hope and expect will be achieved shortly, and assuming this does give reasonable certainty over the future trading relations with Europe, then we will enter into the development agreement and commit the team and resources required to promote the scheme, develop the design and seek planning in accordance with the conditions and programme.

In the meantime, please let me know if you need any further information.

Yours sincerely

A handwritten signature in black ink, appearing to be 'S Black', with a horizontal line extending to the right.

Scott Black
Managing Director

Crest Nicholson Regeneration
Crest House Pycroft Road Chertsey Surrey KT16 9GN
T: 01932 580333 F: 0870 336 3992

A Division of Crest Nicholson Operations Limited
Reg Office: Crest House, Pycroft Road
Chertsey, Surrey, KT16 9GN
Reg. Number 1168311 England

www.crestnicholson.com

Classified as General