

Home Consultancy Ltd

Development Viability Report for a development at Tavistock Works, Tavistock Road, Yiewsley, Middlesex, UB7 7QX

On behalf of Linea UB7 Ltd

January 2023

Report by Peter Griffiths CMCIH
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1.0 Instructions and Compliance with RICS Professional Statement

- 1.1 Home Consultancy Ltd (HCL) have been instructed by Linea UB7 Ltd to carry out a viability assessment of the proposed development of 34 new build apartments and make recommendations for a viable level of S.106 contributions and affordable housing provision in accordance with para 57 of the NPPF. The site currently has consent for 32 units.
- 1.2 HCL have not inspected the property.
- 1.3 This assessment is provided for the purposes of agreeing appropriate S.106 and affordable housing obligations and is not a valuation of the subject site or scheme. It is provided for the sole use of the party to whom it is addressed and the Local Planning Authority who will review it.
- 1.4 HCL accepts responsibility to the Client named at the start of this report alone that this report has been prepared with the skill, care and diligence reasonably to be expected of a competent consultant dealing with financial viability of developments but accept no responsibility whatsoever to any person other than the client themselves. As such it is exempted from the RICS "Red Book" (with the exception of PS 2 in relation to ethics, competency, objectivity and disclosures) on the basis of the parties negotiating and agreeing the planning obligations.
- 1.5 The Executive Summary may be extracted by the Local Planning Authority as a "Non-Technical Summary" in line with the requirements of para 21 of the NPPG.
- 1.6 This report may be made publicly available by the Local Planning Authority in accordance with its statutory duties and particularly in accordance with para 21 of the NPPG (Sept 2019).
- 1.7 HCL confirm compliance with the RICS Professional Statement "Financial Viability in Planning: Conduct and Reporting" May 2019. As required by the Professional Statement we confirm the following matters:

- a) We have acted with objectivity, impartiality, without interference and with reference to all appropriate available sources of information.
- b) We have identified no conflicts of interest or risk of conflicts in preparing this report.
- c) We are not working under a performance related fee agreement or on a contingent fee basis.
- d) We advocate reasonable, transparent and appropriate engagement between the parties in the planning process and we will do all that we can to assist in that process.
- e) All of the sub-consultants who have contributed to this report have been made aware of the Professional Statement and its requirements, they in turn have confirmed compliance with it.
- f) We have been allowed sufficient time since instruction to carry out this FVA bearing in mind the scale of the development and the status of the information as at the date of this report.

1.8 HCL have not yet carried out sensitivity testing as required by the RICS Professional Statement as we wish to agree with the local authority the parameters for such testing.

1.9 The status of this report is Final subject to any sensitivity testing that our Client or the Council may require.

2.0 Executive Summary

2.1 The site currently has consent for 32 residential units. Under a s73 application an application has been submitted for amendments to the scheme to increase the number of residential units to 34 comprising of the following mix:

- 16 x 1b 2 person units
- 13 x 2b 3 person units
- 1 x 2b 4 person units
- 4 x 3b 4 person units

2.2 The appraisal has been carried out using drawings provided for the scheme design by the applicant with the accommodation mix 0010-AD-ZZ-ZZ-SH-A-3000-P11 which is included at Appendix C.

2.3 We have carried out the viability assessment using the HCA DAT and a summary of the results is shown at Appendix A.

2.4 The assumptions we have made are set out in Section 5 of this report are generally in line with industry norms, reflective of the site conditions and the local market.

2.5 The benchmark land value of the site has been calculated on the basis of the consented scheme for 32 apartments. Our Alternative Use Value Calculation is set out in Appendix B and results in a value of -£456,577. We note that this figure is significantly below the BLV of £625,000 adopted by the Council's assessors Carter Jonas of this scheme in May 2021.

2.7 Based on the proposed scheme of 34 units the residual land value derived by the toolkit is -£122,605. This residual land value includes the removal of all planning obligations towards affordable housing. As the residual land value is still negative, and significantly negative considering the previously agreed Benchmark Land Value of £625,000 we consider that the application scheme does not generate a surplus over the benchmark land value to fund affordable housing on site or additional S.106 Contributions.

3.0 Development Description

- 3.1 The scheme provides for a residential block of flats.
- 3.2 The site is to be redeveloped with 34 units comprising the following mix:
 - 16 x 1b 2person units
 - 13 x 2b 3 person units
 - 1 x 2b 4 person units
 - 4 x 3b 4 person units
- 3.3 The increase in residential units to 34 in total leads to the removal of car parking from the site as approved in the 32 unit application.
- 3.4 The site was previously used as an office for Redrow Homes as a site office for the adjacent development at Padcroft Works to the north and COMAG I to the west.

4.0 Housing Market Outlook

- 4.1 Political, economic and financial uncertainty due to the war in the Ukraine and impacts of Brexit, is having a dramatic effect on energy prices, and inflation which in turn is having a negative effect on the general economy. Most commentators expect this to have an impact on housing transactions with implications for those wishing to rent or buy a property.
- 4.2 Fixed rate mortgages (both 2yr and 5yr) exceeded 6% in October 2022 which showed the increased uncertainty in the market with many products being withdrawn. Rates were less than 3% in July 2022. The current base rate is 100 basis points higher than it was in June 2022.
- 4.3 As a result of this more adverse outlook for borrowers, many valuers have revised down forecasts for the next two years and expect prices to fall overall in the period to 2024.
- 4.4 Prices will be under more pressure next year due to higher loan-to-income ratios. As supply and demand changes, the dominant theme of the next two years will be tighter budgets due to higher monthly interest and energy bills.
- 4.5 In addition to this, the current intention by the Government to end Help to Buy (closed for new applicants from 31st October 2022) will affect sales values of smaller units on developments and increase the time to sell units (and thus interest payable on development loans). It is yet to be seen whether First Homes will fill the void created by HtB's withdrawal, but the current evidence suggests lack of interest from developers.
- 4.6 The Bank of England has recently increased the base rate and indicated this may rise again over the next few months. They have also advised that over the short to medium term, the prospect of a recession is likely which will constrain income growth, applying a squeeze on the domestic economy. These factors have the potential to act as a further drag on house price growth, rental growth and transaction levels but the Government has indicated its intent to reduce regulatory burden and thus help the economy grow. For now there is no clear view on which outcome is likely which increases risk.

5.0 Policy Context

5.1 Core Strategy for Hillingdon Council

5.1.1 The Core Strategy was adopted in 2012 and the affordable housing policies are contained in policy H2. This states that on developments of 10 or more units 35% provision would be required with a mix of 70% for social rented and 30% intermediate tenures.

5.1.2 The policy goes on to say on viability "*Subject to viability and if appropriate in all the circumstances, the EVA indicates that 35% of all new units in the borough should be delivered as affordable housing, with an indicative tenure mix of 70% housing for social rent and 30% intermediate housing*"

5.1.3 If the proposals are unviable the applicant will be expected to demonstrate this with a detail open book provision of all the financial information, sufficient to enable the council or independent consultant to assess the viability position. This accords with para 10 of the NPPG which states that a financial viability assessment should be supported by appropriate evidence.

5.1.4 Local Plan Viability Assessment Assumptions for the subject scheme typology

Item	Local Plan Allowance
Sales values per m ²	£2,690 to £5,920
Base build per m ²	£860 to £1,425
Professional fees	10%
Contingency	10%
Sales & Marketing costs	2% GDV
Finance interest rate	7%
Finance fees	nla
Profit margin: Open market Affordable	20% on cost

5.2 National Planning Policy Framework (July 2021)

5.2.1 Para 56 sets out that "*Planning conditions should be kept to a minimum and only imposed where they are necessary, relevant to planning and to the development to be permitted, enforceable, precise and reasonable in all other respects. Agreeing conditions early is beneficial to all parties involved in the process and can speed up decision making. Conditions that are required to be discharged before development commences should be avoided, unless there is a clear justification.*

5.2.2 The framework, in paragraph 57, states that planning obligations normally required under S.106 agreements should only be sought where they meet all of the following tests:

- Necessary to make the development acceptable in planning terms;
- Directly related to the development; and
- Fairly and reasonably related in scale and kind to the development.

5.2.3 Para 58 goes on to say; *“Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.”*

5.3 National Planning Practice Guidance (Sept 2019)

5.3.1 Paragraph 2 states that the role of a financial viability assessment (FVA) is primarily at the plan-making stage. It is the responsibility of site promoters to engage in plan making and the price paid for land is not relevant justification for failing to accord with the relevant policies of the plan.

5.3.2 Paragraph 6 states that developers should have regard to the total cost of the relevant planning policies when buying land.

5.3.3 Paragraph 8 requires that the FVA should refer back to the information that supported the Local Plan making and explain the differences. Ultimately it is for the decision-maker having regard to the transparency of assumptions made in the FVA as to the weight to be applied to the FVA in coming to the final decision.

5.3.4 Paragraph 9 of the guidance advises that review mechanisms should be used where appropriate and there is no mention in the guidance of whether these should be pre or post-implementation or whether the size of a scheme impacts on the decision whether to use one.

5.3.5 Paragraph 10 states that any FVA should be supported by appropriate evidence and that the FVAs should be proportionate, simple, transparent and publicly available. This ethos is expanded upon in paragraphs 11-18 where the relative values and costs (including land value and profit) are discussed in further detail.

- 5.3.6 Paragraph 13 states that the benchmark land value should primarily be based on Existing Use Value (EUV) plus a premium and paragraph 14 expands upon this to say that the EUV should reflect the implications of abnormal costs, infrastructure, professional fees and be informed by market evidence.
- 5.3.7 Paragraph 15 states that the EUV is the value of the land in its existing without 'hope value'.
- 5.3.8 Paragraph 16 advises that the premium to be applied to the EUV should be a reasonable incentive to the landowner to bring forward the development whilst allowing for policy compliance. As a practice we have always taken this to mean that EUV plus a premium would equal market value as defined by the RICS Guidance Note 94/2012.
- 5.3.9 The guidance advises at para 17 that AUV should be based on a development that would fully comply with up to date plan policies. To such a value no landowner premium is to be added. If such an alternative use is being utilised as the benchmark, then the applicant should give a justification for why it is not being pursued

6.0 Model Inputs and Assumptions

6.1 Mix of Units

6.1.1 The appraisal has been carried out on the Scheme dated Dec 2022 (see accommodation schedule at Appendix C) which has the following mix of units:

16 x 1b2P units

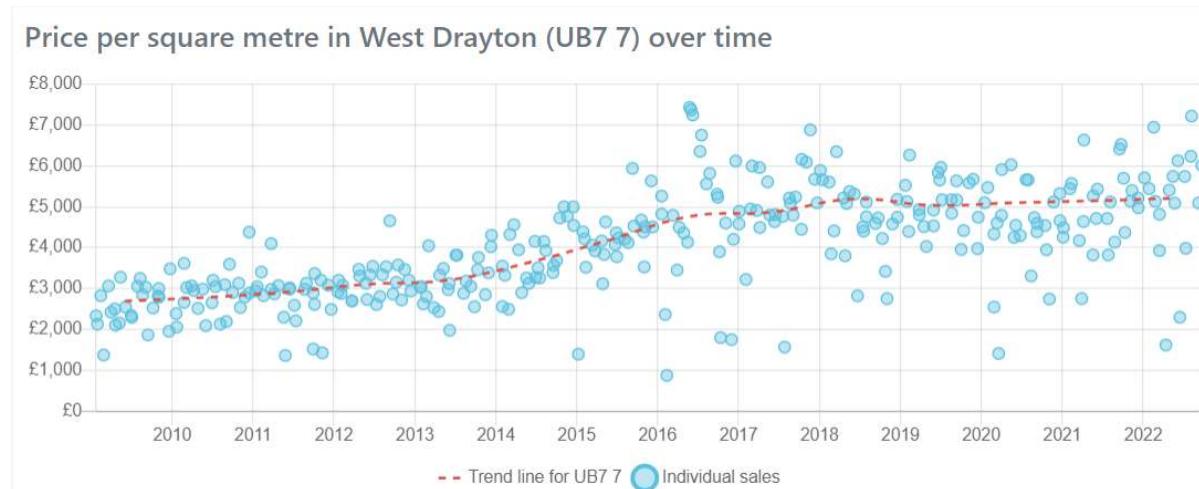
13 x 2b3P units,

1 x 2b4P unit

4 x 3b4P units

6.2 Market Research and Sale Prices

6.2.1 We have examined the local marketplace for recent sale transactions and as can be seen from the graph below the rate of overall sale price increase in UB7 has been slowing:



6.2.2 We have looked at the pricing for new build flats in this location currently on the market and adjusted these values to reflect the current market conditions and the removal of Help to Buy (HtB).

6.2.3 There is a limited amount of new build flats for sale within the local area¹ and those are priced at circa £4,300 per m². However, this is not a comparable development and therefore we have adopted an average price point of £595 per sqft (£6,404 per m²) which we consider to be reflective of the mix proposed. We consider that this equates to the prices achieved at Padcroft allowing for House Price Index increases adjusted for the lack of HtB availability.

¹ https://www.rightmove.co.uk/property-for-sale/find.html?locationIdentifier=USERDEFINEDAREA%5E%7B%22polyline%22%3A%22oyjyHl_vAiHx%5CC%40A%40oYm%40ab%40pNoC~YuEd%5DkR%60KThKp%40nXEdH%5C%7CWTnCy%40dNIB%7COFeBb%60Aj%5E~zAhWnJo%40iBokC%7DDipBidAwQ%22%7D&propertyTypes=flat&mustHave=newHome&dontShow=&furnishTypes=&keywords=

6.2.4 The final realisable sales values will of course be dependent on market conditions at the time of marketing and the final specification of the units and any sales incentives.

6.3 Development Timescale

6.3.1 We have allowed for a 6-month pre-commencement period with a year to build the development and sales taking place 6 months prior to build completion. A sales rate of 3 units per month has been allowed which is above the current level of market activity in outer London.

6.4 Build Costs

6.4.1 We have been provided a build cost plan by Rosewood Project Services with a total cost of £9,972,928 inclusive of Prelims, OH&P, 5% contingency and 10% professional fees.

6.5 Abnormal Costs

6.5.1 All costs are accounted for in the Build Cost provided by Rosewood.

6.6 General Development Cost Assumptions

6.6.1 Sales and Marketing costs have been taken at 2% in accordance with the Local Plan assessment.

6.6.2 The following s106 costs have been allowed for in accordance with the terms of the signed s106 agreement for the 32 unit scheme:

<u>Contribution</u>	<u>Amount (32 unit scheme) as approved</u>	<u>Amount pro rata for 34 unit scheme</u>
Affordable Housing	£ 21,353	£0
Air Quality	£ 20,541	£21,825
Carbon	£ 44,622	£47,411
Construction	£ 21,644	£22,997
Monitoring Fee	£ 6,451	£6,854
Open Space	£ 42,500	£45,156
Traffic Management Plan	£ 1,500	1,500

6.6.3 CIL costs have been calculated as follows:

- Total GIA of new development 3053.7m²
- Demolitions 367.00m²
- Chargeable Area 2,686.7m²
- Total for LBH = £142.30 * 2686.7 = £382,317
- Total for Mayor = £64.55 * 2686.7 = £173,426

- 6.6.4 At the current time a finance interest rate of 6% - 7% is applicable, depending on whether fees are inclusive or allowed for separately. The availability of credit is still an issue and many lenders are reluctant to fund developments. They will put a margin on their lending rates to suit. In this appraisal an interest rate of 7% has been adopted inclusive of fees which we regard to be relevant and appropriate for the subject scheme.
- 6.6.4 A developer's profit has been included in the appraisal at 17.5% of Gross Development Value (GDV) of the private housing. In the current climate with relatively limited credit supply, most lenders will not lend unless a margin of 20% of GDV is achieved. For small, less complex, 'oven ready' schemes competition is strong and a lower margin of 17/18% may be applicable.

6.7 Benchmark Land Value and Comparable Land Market Evidence

- 6.7.1 The benchmark land value of the site has been determined on the basis of the approved scheme for 32 units (which is the AUV of this site). On the basis of adopting the same inputs as for the replacement scheme (save for a reduction in the build cost to £9,961,376 and the published CIL liability notice of £463,762) we have calculated this to be -£456,577. The accommodation schedule is set out in Appendix E.
- 6.7.2 We note that the previously agreed Benchmark Land Value for this site was £625,000 which forms our overall view on whether this development is viable to make additional contributions towards Affordable Housing.

7.0 Conclusions

- 7.1 The benchmark land value of the site has been calculated on the basis of the consented scheme for 32 apartments. Our Alternative Use Value Calculation is set out in Appendix B and results in a value of -£456,577. We note that this figure is significantly below the BLV of £625,000 adopted by the Council's assessors Carter Jonas of this scheme in May 2021.
- 7.2 Based on the proposed scheme of 34 units the residual land value derived by the toolkit is -£122,605. This residual land value includes the removal of all planning obligations towards affordable housing. As the residual land value is still negative, and significantly negative considering the previously agreed Benchmark Land Value of £625,000 we consider that the application scheme does not generate a surplus over the benchmark land value to fund affordable housing on site or additional S.106 Contributions.

Ground rent

	Capitalised annual ground rent	
Social Rented	£0	
Shared Ownership	£0	
Affordable Rent	£0	
Open market (all phases)	£0	
Capitalised Annual Ground Rents		£0
TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME		£13,243,472
TOTAL BUILD COST OF RESIDENTIAL SCHEME	£9,928,030	
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME		£3,315,442

Non-Residential

	Cost	Values
Commercial	£0	£0
Retail	£0	£0
Industrial	£0	£0
Leisure	£0	£0
Community Use	£0	£0
Community Infrastructure Levy	£0	£0
CAPITAL VALUE OF NON-RESIDENTIAL SCHEME		£0
COSTS OF NON-RESIDENTIAL SCHEME	£0	
CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL		£0
GROSS DEVELOPMENT VALUE OF SCHEME		£13,243,472
TOTAL BUILD COSTS	£9,928,030	
TOTAL CONTRIBUTION TO SCHEME COSTS		£3,315,442

External Works & Infrastructure Costs (£)

	£0	Per unit	% of GDV	per Hectare
Site Preparation/Demolition	£0			
Balancing cost	£44,898	1,321	0.3%	
Services (Power, Water, Gas, Telco and IT)	£0			
Strategic Landscaping	£0			
Off Site Works	£0			
Public Open Space	£0			
Site Specific Sustainability Initiatives	£0			
Terraces and Balconies	£0			
External Works & Infrastructure Costs (£)	£0			
parkig costs	£0			
	£44,898		0.3%	

Other site costs

Fees and certification	0.0%	£0
Other Acquisition Costs (£)		£0

Site Abnormals (£)

De-canting tenants	£0
Decontamination	£0
Other	£0
Other 2	£0
Other 3	£0
Other 4	£0
Other 5	£0

Total Site Costs inc Fees**£44,898** 1,321Statutory 106 Costs (£)

Affordable Housing	£0	
Air Quality	£21,825	642
Carbon Offset	£47,411	1,394
Construction Mnagement	£22,997	676
Monitoring	£6,854	202
Open Space	£45,156	1,328
Traffic Management	£1,500	44
Health	£0	
Public Art	£0	
Flood work	£0	
Community Infrastructure Levy	£0	
Other Tariff	£0	
Total CIL	£555,743	16,345
0	£0	
Other 3	£0	
Other 4	£0	

Statutory 106 costs**£701,486** 20,632Marketing (Open Market Housing ONLY)

Sales/letting Fees	2.0%	per OM unit
Legal Fees (per Open Market unit):	£0	£264,869 7,790

Marketing (Affordable Housing)

Developer cost of sale to RP (£)	£0	per affordable unit
RP purchase costs (£)	£0	
Intermediate Housing Sales and Marketing (£)	£0	

Total Marketing Costs**£264,869****Total Direct Costs****£1,093,9284**Finance and acquisition costs

Land Payment	-£122,605	-3,606 per OM home	#DIV/0!	#DIV/0!
Arrangement Fee	£0	0.0% of interest		
Misc Fees (Surveyors etc)	£0	0.00% of scheme value		

Agents Fees	-£1,226
Legal Fees	-£920
Stamp Duty	-£6,130
Total Interest Paid	£117,461
Total Finance and Acquisition Costs	-£13,420

Developer's return for risk and profit**Residential**

Market Housing Return (inc OH) on Value	17.5%	£2,317,608	68,165 per OM unit
Affordable Housing Return on Cost	6.0%	£0	per affordable unit
Return on sale of Private Rent	0.0%	£0	#DIV/0! per PR unit

Non-residential

Office	£0
Retail	£0
Industrial	£0
Leisure	£0
Community-use	£0

Total Operating Profit £2,317,608

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

TOTAL COST	£13,243,471
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Surplus/(Deficit) at completion 1/8/2024	£1
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Present Value of Surplus (Deficit) at 1/4/2021	£0
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Scheme Investment MIRR 24.9% (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value	-0.9%	Peak Cash Requirement	-£3,197,259
Site Value (PV) per hectare	No area input per hectare	No area input per acre	

Residual Land valuation		£0
HCA DEVELOPMENT APPRAISAL TOOL		
SCHEME		SUMMARY
Site Address	Appendix B - Tavistock Works 32 unit AUV	Date of appraisal 01/04/2021
Site Reference		Net Residential Site Area
File Source		Author & Organisation
Scheme Description		Registered Provider (wheel)
Housing Mix (Affordable + Open Market)		
Total Number of Units	32	units
Total Number of Open Market Units	32	units
Total Number of Affordable Units	0	units
Total Net Internal Area (sq m)	1,955	sq m
% Affordable by Unit	0.0%	
% Affordable by Area	0.0%	
Density	No Area input	units/ hectare
Total Number of A/H Persons	0	Persons
Total Number of Open Market Persons	0	Persons
Total Number of Persons	0	Persons
Gross site Area	0.00	hectares
Net Site Area	0.00	hectares
Net Internal Housing Area / Hectare	-	sq m / hectare
		DETAIL

Average value (£ per unit)	Open Market Phase 1:	Open Market Phase 2:	Open Market Phase 3:	Open Market Phase 4:	Open Market Phase 5:	Total
1 Bed Flat Low rise	£348,469	£0	£0	£0	£0	
2 Bed Flat Low rise	£406,608	£0	£0	£0	£0	
3 Bed Flat Low rise	£486,704	£0	£0	£0	£0	
4 Bed + Flat Low rise	£0	£0	£0	£0	£0	
1 Bed Flat High rise	£0	£0	£0	£0	£0	
2 Bed Flat High rise	£0	£0	£0	£0	£0	
3 Bed Flat High rise	£0	£0	£0	£0	£0	
4 Bed + Flat High rise	£0	£0	£0	£0	£0	
2 Bed House	£0	£0	£0	£0	£0	
3 Bed House	£0	£0	£0	£0	£0	
4 Bed + House	£0	£0	£0	£0	£0	
Total Revenue £	£12,517,899	£0	£0	£0	£0	£12,517,899
Net Area (sq m)	1,955	-	-	-	-	1,955
Revenue (£ / sq m)	£6,404	-	-	-	-	-

CAPITAL VALUE OF OPEN MARKET SALES

Capital Value of Private Rental

Phase 1	£0
Phase 2	£0
Phase 3	£0
Phase 4	£0
Phase 5	£0
Total PR	£0

CAPITAL VALUE OF OPEN MARKET HOUSING

BUILD COST OF OPEN MARKET HOUSING inc Contingency £9,960,711 £ 3,618 psqm
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING £2,557,188

AH Residential Values

AH & RENTAL VALUES BASED ON NET RENTS

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)		£'000
RP Cross Subsidy (use of own assets)		£0
LA s106 commuted in lieu		£0
RP Re-cycled SHG		£0
Use of AR rent conversion income		£0

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING) £0
BUILD COST OF AFFORDABLE HOUSING inc Contingency £0 #DIV/0!
CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING

Car Parking

No. of Spaces	Price per Space (£)	Value
8	£15,000	£120,000

Value of Residential Car Parking £120,000
Car Parking Build Costs £0

Ground rent

	Capitalised annual ground rent	
Social Rented	£0	
Shared Ownership	£0	
Affordable Rent	£0	
Open market (all phases)	£0	
Capitalised Annual Ground Rents		£0
TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME		£12,637,899
TOTAL BUILD COST OF RESIDENTIAL SCHEME	£9,960,711	
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME		£2,677,188

Non-Residential

	Cost	Values
Commercial	£0	£0
Retail	£0	£0
Industrial	£0	£0
Leisure	£0	£0
Community Use	£0	£0
Community Infrastructure Levy	£0	£0
CAPITAL VALUE OF NON-RESIDENTIAL SCHEME		£0
COSTS OF NON-RESIDENTIAL SCHEME	£0	
CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL		£0
GROSS DEVELOPMENT VALUE OF SCHEME		£12,637,899
TOTAL BUILD COSTS	£9,960,711	
TOTAL CONTRIBUTION TO SCHEME COSTS		£2,677,188

External Works & Infrastructure Costs (£)

	Per unit	% of GDV	per Hectare
Site Preparation/Demolition	£0		
Balancing build cost	£665	21	0.0%
Services (Power, Water, Gas, Telco and IT)	£0		
Strategic Landscaping	£0		
Off Site Works	£0		
Public Open Space	£0		
Site Specific Sustainability Initiatives	£0		
Terraces and Balconies	£0		
External Works & Infrastructure Costs (£)	£0		
parkig costs	£0		
	£665		0.0%

Other site costs

Fees and certification	0.0%	£0
Other Acquisition Costs (£)		£0

Site Abnormals (£)

De-canting tenants	£0
Decontamination	£0
Other	£0
Other 2	£0
Other 3	£0
Other 4	£0
Other 5	£0

Total Site Costs inc Fees**£665** 21Statutory 106 Costs (£)

Affordable Housing	£21,353	667
Air Quality	£20,541	642
Carbon Offset	£44,622	1,394
Construction Mnagement	£21,644	676
Monitoring	£6,451	202
Open Space	£42,500	1,328
Traffic Management	£1,500	47
Health	£0	
Public Art	£0	
Flood work	£0	
Community Infrastructure Levy	£0	
Other Tariff	£0	
CIL	£463,762	14,493
0	£0	
Other 3	£0	
Other 4	£0	

Statutory 106 costs**£622,373** 19,449Marketing (Open Market Housing ONLY)

Sales/letting Fees	2.0%	per OM unit
Legal Fees (per Open Market unit):	£0	£250,358 7,824

Marketing (Affordable Housing)

Developer cost of sale to RP (£)	£0	per affordable unit
RP purchase costs (£)	£0	
Intermediate Housing Sales and Marketing (£)	£0	

Total Marketing Costs**£250,358****£10,834,107**Finance and acquisition costs

Land Payment	-£456,577	-14,268 per OM home	#DIV/0!	#DIV/0!
Arrangement Fee	£0	0.0% of interest		
Misc Fees (Surveyors etc)	£0	0.00% of scheme value		

Agents Fees	-£4,566
Legal Fees	-£3,424
Stamp Duty	-£22,829
Total Interest Paid	£100,556
Total Finance and Acquisition Costs	-£386,840

Developer's return for risk and profit**Residential**

Market Housing Return (inc OH) on Value	17.5%	£2,190,632	68,457 per OM unit
Affordable Housing Return on Cost	6.0%	£0	per affordable unit
Return on sale of Private Rent	0.0%	£0	#DIV/0! per PR unit

Non-residential

Office	£0
Retail	£0
Industrial	£0
Leisure	£0
Community-use	£0

Total Operating Profit £2,190,632

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

TOTAL COST	£12,637,899
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Surplus/(Deficit) at completion 1/8/2024	(£)
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Present Value of Surplus (Deficit) at 1/4/2021	(£)
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Scheme Investment MIRR 24.6% (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value	-3.6%	Peak Cash Requirement	-£2,804,318
Site Value (PV) per hectare	No area input per hectare	No area input per acre	

airc.design
circular@airc.design

Area Schedule

Reference	0010-AD-ZZ-ZZ-SH-A-3000-P11						
Project	Tavistock Works						
REV ID	P11						
Issue Date	08.12.2022						
Comments	Residential Accommodation Schedule Based on Client's Requirements						
Approved by	PS						

Residential Net Internal Area (Residential NIA)							
TOTAL			1B2P	2B3P	2B4P	3B4P	Winter garden (m ²)
Floor	Area	Description	1B2P	2B3P	2B4P	3B4P	NIA (m ²)
07		Seventh Floor		122			14.8 136.8
	07.01			61			7.4 68.4
	07.02			61			7.4 68.4
06		Sixth Floor	56.6	122			19.8 198.4
	06.01			61			7.4 68.4
	06.02			61			7.4 68.4
	06.03		56.6				5 61.6
05		Fifth Floor	106.6	122		76	32.8 337.4
	05.01					76	8 84
	05.02		50				5 55
	05.03			61			7.4 68.4
	05.04			61			7.4 68.4
	05.05		56.6				5 61.6
04		Fourth Floor	106.6	122		76	32.8 337.4
	04.01					76	8 84
	04.02		50				5 55
	04.03			61			7.4 68.4
	04.04			61			7.4 68.4
	04.05		56.6				5 61.6
03		Third Floor	106.6	122		76	32.8 337.4
	03.01					76	8 84
	03.02		50				5 55
	03.03			61			7.4 68.4
	03.04			61			7.4 68.4
	03.05		56.6				5 61.6
02		Second Floor	106.6	122		76	32.8 337.4
	02.01					76	8 84
	02.02		50				5 55
	02.03			61			7.4 68.4
	02.04			61			7.4 68.4
	02.05		56.6				5 61.6
01		First Floor	227.6	76			32.8 336.4
	01.01	M4-3		76			8 84
	01.02		50				5 55
	01.03	M4-3	60.5				7.4 67.9
	01.04	M4-3	60.5				7.4 67.9
	01.05		56.6				5 61.6
00		Ground Floor	164.5		80.9	80.5	325.9
	00.01	(no winter garden)	51.2				27.1 78.3
	00.02	M4-3 (no winter garden)			80.9		35.2 116.1
	00.03	(no winter garden)	58.5				12.7 71.2
	00.04	(no winter garden)	54.8				5.5 60.3

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Gross Internal Area (GIA)							
07		Seventh Floor					
		Residential					127.6
		Circulation					54.8
06		Sixth Floor					
		Residential					187.5
		Circulation					45.4
05		Fifth Floor					
		Residential					318.4
		Circulation					51.8
04		Fourth Floor					
		Residential					318.4
		Circulation					51.8
03		Third Floor					
		Residential					318.4
		Circulation					51.8
02		Second Floor					
		Residential					318.4
		Circulation					51.8
01		First Floor					
		Residential					317.5
		Circulation					52.7
00		Ground Floor					
		Residential					247.9
		Circulation					73.4
		Refuse					21.3
		Cycle Parking					55.1
		Car Parking					0
		Plant Room					100.4
TOTAL Communal Amenity Space							
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INITIAL COST PLAN

Project: Tavistock Works

Version: 08
Date: 11 January 2023

Description: Demolition of Existing Commercial Building and New build of 34 Apartments,

Client:



2B Redbourne Avenue
London N3 2BS

Prepared By: Rosewood Project Services Limited

Basing House
46 High Street
Rickmansworth
Herts.
WD3 1HP



Tavistock Works

Version: 03

Date: 11/01/2023

DRAWING SCHEDULE



Drawings used for Cost Plan: -

-  0010-ADE-XX-00-DR-A-0100_Proposed-Ground-Floor-S2-17
-  0010-AD-XX-01-DR-A-0101-05-Proposed-First-Floor.pdf
-  0010-AD-XX-02-DR-A-0102-08-Proposed-Second-Floor.pdf
-  0010-AD-XX-03-DR-A-0103-05-Proposed-Third-Floor.pdf
-  0010-AD-XX-04-DR-A-0104-05-Proposed-Fourth-Floor.pdf
-  0010-AD-XX-05-DR-A-0105-05-Proposed-Fifth-Floor.pdf
-  0010-AD-XX-06-DR-A-0106-05-Proposed-Sixth-Floor.pdf
-  0010-AD-XX-07-DR-A-0107-05-Proposed-Seventh-Floor.pdf
-  0010-AD-XX-08-DR-A-0108-03-Proposed-Roof-Plan.pdf
-  0010-AD-XX-ZZ-DR-A-0001-03-Existing-Site-Plan.pdf
-  0010-AD-XX-ZZ-DR-A-0225-03-Proposed-Section.pdf
-  0010-ADE-XX-ZZ-DR-A-0275_Proposed-South-Elevation-S2-07
-  0010-AD-XX-ZZ-DR-A-0276-03-Proposed-East-Elevation.pdf
-  0010-AD-XX-ZZ-DR-A-0277-03-Proposed-North-Elevation.pdf
-  0010-AD-XX-ZZ-DR-A-0278-03-Proposed-West-Elevation.pdf
-  539-CDA-ZZ-00-DR-A-01-0100-REV - GROUND FLOOR PLAN.pdf
-  539-CDA-ZZ-01-DR-A-01-0101-REV - FIRST FLOOR PLAN.pdf
-  539-CDA-ZZ-XX-DR-A-20-0200-REV - EXISTING SOUTH ELEVATION.pdf
-  539-CDA-ZZ-XX-DR-A-20-0201-REV - EXISTING EAST ELEVATION.pdf
-  539-CDA-ZZ-XX-DR-A-20-0202-REV - EXISTING WEST ELEVATION.pdf
-  539-CDA-ZZ-XX-DR-A-20-0203-REV - EXISTING NORTH ELEVATION.pdf
-  0010-AD-ZZ-ZZ-SH-A-3000-P03.pdf

Notes & Exclusions:

Excludes VAT

Cost Plan based on Drawings as listed in Drawing Schedule (above)

Structure: Assumed insitu RC Frame

No Basement Allowed

No specification made available

Current day pricing; no allowance for inflation

Allowance made for sprinklers

Heating Strategy based on Air Source Heat Pumps to radiators/Underfloor heating

No allowance made for comfort cooling

No allowance made for an Electrical Sub-station, as none is shown on drawings.

Project: **Tavistock Works**

Version: 08

Date: 11/01/2023



GRAND SUMMARY

2,774 m ² GIA Total	29,859 ft ²
--------------------------------	------------------------

		TOTAL PROJECT			
		£	£/m ² GIA	£/ft ² GIA	£/Unit
Demolition		£170,000	£61.28	£5.69	£5,000.00
Sub-structure		£563,125	£203.00	£18.86	£16,562.50
Structure - RC Frame		£777,047	£280.12	£26.02	£22,854.33
Envelope		£2,247,863	£810.33	£75.28	£66,113.62
Mechanical + Electrical		£1,509,218	£544.06	£50.54	£44,388.75
Lifts		£168,000	£60.56	£5.63	£4,941.18
Internal Fit-out		£1,708,576	£615.93	£57.22	£50,252.24
External Works		£51,025	£18.39	£1.71	£1,500.74
Utilities		£78,200	£28.19	£2.62	£2,300.00
		£7,273,054	£2,621.87	£243.58	£213,913.36
Prelims	12%	£872,766			
		£8,145,821	£2,936.49	£272.81	£239,582.96
Contractor's OH&P	6%	£488,749			
		£8,634,570	£3,112.68	£289.17	£253,957.94
Design Fees	10%	£863,457			
		£9,498,027	£3,423.95	£318.09	£279,353.73
Contingency	5%	£474,901			
Total Cost		£9,972,928	£3,595.14	£334.00	£293,321.42

Tavistock Works**HIGH LEVEL COST PLAN****Demolition**

Demolition	1 item	£150,000.00	£150,000.00
Prov Sum for asbestos - PROV SUM	1 item	£20,000.00	£20,000.00
		£170,000.00	£170,000.00

FLATS/DUPLEXES**Substructure**

CFA Piling	2,774 m2	£75.00	£208,050.00
Pile caps and ground beams	521 m2	£235.00	£122,435.00
RC slab to Basement	0 m2	£250.00	£0.00
E/O for waterproof concrete	0 m2	£50.00	£0.00
E/O for void former/clay board	0 m2	£45.00	£0.00
Excavate + cart away to form levels	261 m3	£55.00	£14,355.00
E/O for haz waste - say 25%	535 m3	£90.00	£48,150.00
Temporary works (Prov Sum)	m2	£150.00	£0.00
Retaining Walls - Contig Piling	m	£3,500.00	£0.00
Retaining Walls - Liner wall	m2	£250.00	£0.00
E/O for waterproof concrete	m2	£35.00	£0.00
RC walls, say 250 thick	m2	£200.00	£0.00
Waterproofing - Horizontal	m3	£75.00	£0.00
Waterproofing - Vertical	m3	£75.00	£0.00
Allowance for building drainage	2,774 m2	£7.50	£20,805.00
Attenuation	2,774 m2	£5.00	£13,870.00
Ground Floor Slabs, including external podium over basement	521 m2	£260.00	£135,460.00
Waterproofing to podium section	m2	£150.00	£0.00
			£563,125.00

Structure - RC Frame

RC frame, 250 slab + blade columns, inc. roof slab	2,774 m2	£240.00	£665,760.00
E/O 1st Floor transfer slab, say additional 500 mm thick	369 m2	£200.00	£73,837.27
Core walls	m2	£260.00	Included
Podium slab	0 m2	£250.00	£0.00
Waterproofing to podium	0 m2	£150.00	£0.00
Precast concrete staircases incl.landing (per flight)	7 nr.	£3,500.00	£24,500.00

Metalwork

Stair balustrading per flight	7 nr	£1,250.00	£8,750.00
Stair Wall rail per flight	7 nr	£600.00	£4,200.00

£777,047.27

Envelope

Aluminium Copper Windows	439 m ²	£450.00	£197,517.95
Curtain Walling to Winter Gardens	468 m ²	£750.00	£350,815.50
E/O for glazed louvres	156 m ²	£250.00	£38,883.79
Commercial Glazing	0 m ²	£750.00	£0.00
Brick, external skin to RC floors (Labour)	2,085 m ²	£125.00	£260,573.39
Brick, external skin RC floors (Materials)	2,085 m ²	£135.00	£281,419.26
E/O for Articulation	15%		£81,298.90
Render on blockwork external skin	110 m ²	£150.00	£16,524.00
E/O for curved work blockwork	110 m ²	£30.00	£3,304.80
Metal fretwork/louvre	6 m ²	£1,000.00	£5,740.49
Roller shutter doors	1 nr	£25,000.00	£25,000.00
Aluminium Copper Cladding to external services risers, including sub-frame	50 m ²	£800.00	£40,000.00
SFS/Metsec lining to inner face of external wall	2,667 m ²	£90.00	£240,030.00
Scaffolding	2,667 m ²	£80.00	£213,360.00
Allowance for external balconies: Steel plate fixed to RC structure	205 m ²	£950.00	£194,750.00
Terrace finishes	171 m ²	£250.00	£42,750.00
Aluminium Copper planters to edge of roofs	30 m ²	£1,500.00	£45,000.00
Frosted glass walls to amenity spaces	57 m ²	£1,200.00	£68,400.00
Flat roof	521 m ²	£125.00	£65,125.00
E/O for Green Roof	139 m ²	£80.00	£11,120.00
Allowance for lift overrun	1 nr	£15,000.00	£15,000.00
Roof Structure to 6th Floor Winter Gardens	205 m ²	£250.00	£51,250.00

£2,247,863.09**M&E**

Mechanical installation: CHP	34 nr	£24,000.00	£816,000.00
E/O for Air Source Heat Pumps	34 nr	£2,500.00	£85,000.00
E/O sprinklers	2,774 m ²	£25.00	£69,350.00
E/O wet riser	0 Landings	£3,000.00	Excluded
MAOVs	1 Cores	£25,000.00	£25,000.00
Electrical installation:			
E/O for enhanced lighting	0 nr	£2,500.00	£0.00
E/O for basic lighting controls	0 nr	£3,000.00	£0.00
E/O for Home entertainment cabling	0 nr	£1,000.00	£0.00
E/O Video phone entrance	0 nr	£600.00	£0.00
E/O Security	0 nr	£500.00	£0.00
E/O Disabled refuge	0 nr	£125.00	£0.00
E/O Stand-by generator	0 nr	£100,000.00	Excluded
Builders work in connection with services (5% of M & E cost)	5%	£1,437,350.00	£71,867.50

£1,509,217.50

Lifts

Passenger lifts	16 floors	£10,000.00	£160,000.00
Upgrade lift car finishes	0 cars	£10,000.00	£0.00
Disabled platform lift in WC duplex unit	0 item	£15,000.00	£0.00
Builders work in connection with services (5% of M & E cost)	5%	£160,000.00	£8,000.00
			£168,000.00

Internals - Residential**Drylining**

Screed + insulation	2,774 m2	£35.00	£97,090.00
Internal Party Walls	1,489 m2	£95.00	£141,455.00
Internal walls			
1 bed flat	16 nr	£7,500.00	£120,000.00
2 bed flat	14 nr	£8,250.00	£115,500.00
3 bed flat	4 nr	£8,750.00	£35,000.00
4 bed flat	0 nr	£9,250.00	£0.00
E/O for Duplex	0 nr	£2,500.00	£0.00
M/F ceiling	2,774 m2	£26.00	£72,124.00
E/O for fire/accountic insulation	0 m2	£15.00	£0.00
Allowance for access hatch and ladder	1 nr	£1,750.00	£1,750.00

Carpentry supply + fix - Private

1 bed flat	16 nr	£4,500.00	£72,000.00
2 bed flat	14 nr	£4,750.00	£66,500.00
3 bed flat	4 nr	£5,500.00	£22,000.00
4 bed flat	0 nr	£6,000.00	£0.00
Staircases to Duplex units	nr	£1,750.00	£0.00

Wardrobes

Private units - all bedrooms	56 nr	£800.00	£44,800.00
S/O units	0 nr	£650.00	£0.00
Rented units	0 nr	£650.00	£0.00

Kitchens

Private units	34 nr	£7,000.00	£238,000.00
HA units - Shared Ownership	nr	£4,000.00	£0.00
HA units - Affordable Rent	0 nr	£2,500.00	£0.00

Appliances

Private units - Kneff/Bosch	34 nr	£3,600.00	£122,400.00
E/O for wine cooler	0 nr	£750.00	£0.00
HA units - Shared Ownership - Bosch/Neff	nr	£3,600.00	£0.00
HA units - Affordable Rent - Contract	0 nr	£2,600.00	£0.00
Non recoverable VAT	1 item	£24,480.00	£24,480.00

Sanitaryware - Private

1 bed flat	16 nr	£2,600.00	£41,600.00
2 bed flat, 2 Bathroom	14 nr	£5,200.00	£72,800.00
3 bed flat, 2 Bathroom	4 nr	£5,200.00	£20,800.00
4 bed flat, 2 Bathroom	0	£5,200.00	£0.00

Tiling to Floors - Private:

1 bed 1 bath flat plus kitchen	16 nr	£950.00	£15,200.00
2 bed 2 bath flat plus kitchen	14 nr	£1,900.00	£26,600.00
3 bed 2 bath flat plus kitchen	4 nr	£1,900.00	£7,600.00
4 bed 2 bath flat plus kitchen	0 nr	£1,900.00	£0.00

Tiling to Walls

1 bed 1 bath flat plus kitchen	16 nr	£1,800.00	£28,800.00
2 bed 2 bath flat plus kitchen	14 nr	£3,600.00	£50,400.00
3 bed 2 bath flat plus kitchen	4 nr	£3,600.00	£14,400.00
4 bed 2 bath flat plus kitchen	0 nr	£3,600.00	£0.00

Decorations			
1 bed flat	16 nr	£1,900.00	£30,400.00
2 bed flat	14 nr	£2,200.00	£30,800.00
3 bed flat	4 nr	£2,400.00	£9,600.00
4 bed flat	0 nr	£2,600.00	£0.00
Enhanced decorations	0 nr	£1,000.00	£0.00
Carpet communal areas	427 m2	£25.00	£10,672.50
Carpet (Incl protection)			
Engineered wood floor to Halls+ Living Rooms	1,174 m2	£55.00	£64,545.25
Carpet to bedrooms	939 m2	£30.00	£28,165.20
Non rec vat 65% labour element x 20%			£13,439.78
Laytex	2,774 m2	£5.00	£13,870.00
Add for nosings / edgings etc	427 m2	£5.00	£2,134.50
Mastic			
1 bed 1 bath flat plus kitchen	14 nr	£225.00	£3,150.00
2 bed 2 bath flat plus kitchen	14 nr	£350.00	£4,900.00
3 bed 2 bath flat plus kitchen	4 nr	£350.00	£1,400.00
Ancillary Space			
Plant Room	0 nr	£400.00	Included
Bin Stores	0 nr	£200.00	Included
Cycle Storage	0 nr	£200.00	Included
Post boxes	34 nr	£200.00	£6,800.00
Cycle Racks	62 nr	£250.00	£15,500.00
Builders clean			
1 bed flat	16 nr	£500.00	£8,000.00
2 bed flat	14 nr	£750.00	£10,500.00
3 bed flat	4 nr	£850.00	£3,400.00
			£1,708,576.23
			£7,143,829.09
Total for Flats and Duplexes			
External Works			
External works - Blended rate	157 m2	£250.00	£39,250.00
Allowance for Section 278 Works	1 item		Excluded
Drainage	157 m2	£75.00	£11,775.00
Bin Stores	0 nr	£3,000.00	£0.00
			£51,025.00
Utilities			
Utility connections - Residential:	34 nr	£2,300.00	£78,200.00
New Substation	1 nr	£80,000.00	Excluded
			£78,200.00
			£7,273,054.09
			£7,273,054.09

Area Schedule

Reference	0010-AD-ZZ-ZZ-SH-A-3000-P03							
Project	Tavistock Works							
REV ID	P03							
Issue Date	21.01.2021							
Comments	Residential Accommodation Schedule							
Approved by	PS							

Floor	Area	Description	1B2P	2B3P	2B4P	3B4P	Amenity m ²	GIA Resi. m ²	GIA m ²
07		Seventh Floor		2			56.8	122	182.4
	07.01			61			7.4		
	07.02			61			7.4		
	Communal	Amenity Space					42		
06		Sixth Floor	1	2			144.4	178.6	232.9
	06.01			61			7.4		
	06.02			61			7.4		
	06.03		56.6				5		
	Communal	Amenity Space					124.6		
05		Fifth Floor	2	2		1	32.8	304.6	370.2
	05.01					76	8		
	05.02		50				5		
	05.03			61			7.4		
	05.04			61			7.4		
	05.05		56.6				5		
04		Fourth Floor	2	2		1	32.8	304.6	370.2
	04.01					76	8		
	04.02		50				5		
	04.03			61			7.4		
	04.04			61			7.4		
	04.05		56.6				5		
03		Third Floor	2	2		1	32.8	304.6	370.2
	03.01					76	8		
	03.02		50				5		
	03.03			61			7.4		
	03.04			61			7.4		
	03.05		56.6				5		
02		Second Floor	2	2		1	32.8	304.6	370.2
	02.01					76	8		
	02.02		50				5		
	02.03			61			7.4		
	02.04			61			7.4		
	02.05		56.6				5		
01		First Floor	4	1			135.4	303.6	370.2
	01.01	M4-3		76			8		
	01.02		50				5		
	01.03	M4-3	60.5				7.4		
	01.04	M4-3	60.5				7.4		
	01.05		56.6				5		
	Communal						102.6		
00		Ground Floor	1		1		36.1	132.1	493.5
	00.01		51.2				24.8		
	00.02	M4-3			80.9		11.3		
TOTAL			14	13	1	4	503.9	1954.7	2759.8
TOTAL		%	43.75%	40.63%	3.13%	12.50%			
TOTAL		Residential Units			32				
TOTAL		Amenity Space per Unit					15.7		

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Appendix F

		TOTAL PROJECT
		£
Prelims	12%	£7,264,629
Contractor's OH&P	6%	£8,136,384
Design Fees	10%	£8,624,568
Contingency	5%	£9,487,024
Total Cost		£9,961,376

Cost for 32 unit scheme including parking