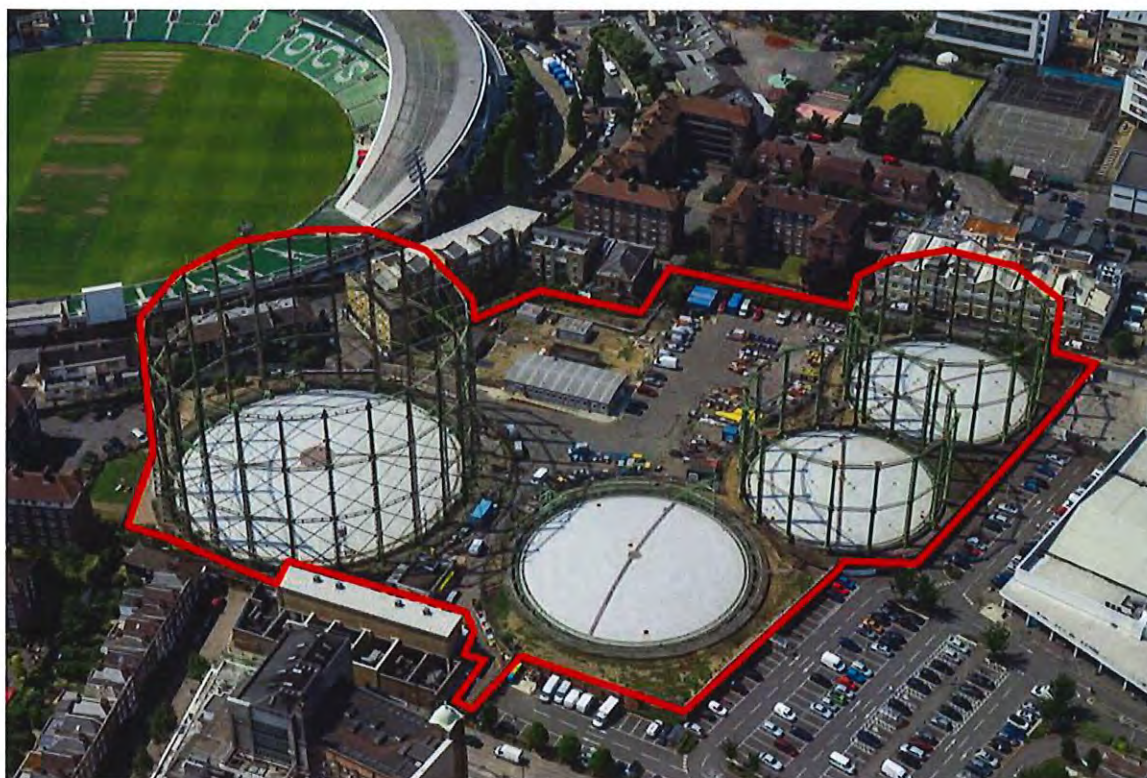


Oval Gasworks

Lambeth, SE11



**A Report on the Financial Viability of the Provision of Affordable
Housing and other Planning Contributions**

January 2018

Berkeley
Designed for life

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Executive Summary

This report sets out the development appraisal inputs for the proposed redevelopment of the Oval Gasworks Site in order to reach an agreement with the Greater London Authority on the current level of affordable housing. The scheme currently proposes an affordable housing provision of 35% by habitable room.

The Site comprises approximately 2.0 hectares (4.9 acres) and is located in the London Borough of Lambeth. The site is currently a redundant gasholder site occupied by Scotia Gas Networks. Due to changes in technology, gas is no longer stored in gasholders but can be compressed and stored in the distribution network, requiring a much smaller area of land for the equipment. This allows the majority of the land to be released for development.

In order to release the site for residential development there are considerable costs to be incurred in demolishing the existing gasholders and associated infrastructure and decontaminating the land. Furthermore one of the gasholders is a Listed structure which is to be fully refurbished and incorporated into the development. The development must bear the cost of this refurbishment and the long term maintenance of the structure. These costs are detailed in this report.

The planning application proposes a significant employment building referred to as The Generator and the delivery of 738 new homes and extensive public realm. The site attracts a significant CIL payment.

The appraisal is based on a residual valuation using a Benchmark Land Value (BLV). The report details the range of methodologies considered in reaching an appropriate BLV. The main focus is on the value of an alternative redevelopment within the existing industrial use class. The costs associated with this scheme would be considerably lower than a residential development as it would not require the same level of decontamination and moving of existing infrastructure. Also it would not require the refurbishment and associated on going costs of the Listed gasholder structure.

The appraisal is supported by evidence provided from specialist independent cost and valuation consultants.

The appraisal resulting from the inputs detailed in this report, based on present day values and costs, demonstrates that the scheme is not currently capable of delivering more than 35% affordable housing.

1. Introduction

- 1.1 The purpose of this report is to set out the value and cost of the proposed development and to provide an assessment of the resulting viability.
- 1.2 The Site comprises approximately 2.0 hectares (4.9 acres) and is in Oval Ward within the London Borough of Lambeth. It is bound by a Tesco store to the North, Montford Place to the east, Kennington Oval and the Oval Cricket Ground to the south and Vauxhall Street to the west. A detailed description of the site and location plans can be found in the Market Research Report in the appendices.
- 1.3 The Site is occupied by Scotia Gas Networks (SGN) infrastructure including 4 no. redundant gasholders, overground pipes, a Pressure Reduction Station (PRS) which are to be either dismantled or relocated to enable the redevelopment of the Site.
- 1.4 One of the existing gasholders is a Listed structure which is required to be retained in the redevelopment. The frame will be dismantled and refurbished before being reconstructed around a new residential block.

2. Development Proposals

- 2.1 The planning application proposes 738 dwellings along with commercial floor space, retention of the Listed gas holder, a basement car park and new vehicular and pedestrian links.
- 2.2 The description of the development for which planning permission is sought is as follows:

Demolition of existing buildings and structures including temporary disassembly of listed gas holder no.1, demolition of locally-listed gas holders 4 and 5, redevelopment to provide a mixed-use development comprising the re-erection of restored gas-holder no1, erection of new buildings ranging from 4-18 storeys to provide 738 residential units (Class C3), 10,160 sqm of Class B1 office and Class B1 shared working space incorporating ancillary café and space for community use, 800 sqm for waste-management use, 147sqm of Class D1 community space , the provision of a new publically accessible open space, new pedestrian and vehicle routes, accesses and amenity areas, basement level car park with integral servicing areas, provision of new gas governor and substation, and other associated works including works of de-contamination.

3. Viability Appraisal Methodology

3.1 Development viability is a key factor in determining the level of affordable housing and this is recognised by planning policy.

3.2 The viability appraisal for the proposed development has been prepared in line with current practice including guidance recently published by the RICS 'Financial Viability in Planning' and guidance provided in the Mayors Affordable Housing and Viability SPG (August 2017). In particular the following definition of viability is noted from the RICS guidance:

'An objective financial viability test of the ability of a development project to meet its costs, including the cost of planning obligations, whilst ensuring an appropriate site value for the landowner and a market risk adjusted return for the developer in delivering that project'.

3.3 The residual valuation has been prepared using Argus. The model adopts a fixed land value and calculates the resulting margin. The assessment of development viability targets a benchmark return of 15% IRR based on present day values, although regard is also had to other measures such as the return of Gross Development Value.

3.4 The following sections provide further detail on the inputs used within the appraisal.

4. Revenues

Private Residential

- 4.1 Cushman & Wakefield and Knight Frank have provided their opinions of market value for the proposed development. Berkeley have also undertake its own valuation based on extensive market knowledge in this area of London. A Market Research Report is enclosed in Appendix 2.

This report provides commentary on the current market conditions and reviews the comparable new build schemes and the second hand market in the area.

- 4.2 Cushman & Wakefield and Knight Frank's indicative pricing for the proposed development are [REDACTED] respectively. Based on Berkeley's experience and research, and taking the views of the two agents into account, a blended figure of [REDACTED] has been used in the appraisal.

Affordable Housing Values

- 4.3 The affordable housing values have been assessed by Berkeley Partnership Homes who are responsible for all of the affordable housing contracts for the Berkeley Group. The values are based on recent experience of prices paid by RPs for comparable affordable housing products across the Group.
- 4.4 The value of shared ownership is an average of [REDACTED]. This assumes household income levels within the maximum threshold of £90,000, although in practice it is likely that the assumed mix of units will be deliverable with a range of incomes well within this limit.
- 4.5 The value of the rented properties is an average of [REDACTED] and are assumed to be all at Local Housing Allowance levels. The rents per week, and the proportion of market value based on our current estimate of market rental values is set out below:

Type	Rent Per Week (including service charge)	Current % of Market Rent
1 bed	£204.08	50%
2 bed	£265.29	45%
3 bed	£330.72	45%

- | Land Use | Use Classes | Maximum Floorspace (NIA) sqft | Rent (psf) | Yield |
|--|-------------|-------------------------------|------------|-------|
| Offices (Block 3) | B1 | 62,975 | ████ | ████ |
| Generator Space (Block 3 Ground Floor) | B1 | 29,445 | ████ | ████ |
| Commercial (Block 4 Ground Floor) | B1c | 7,320 | ████ | ████ |
| TOTAL | | 99,740 | - | - |

Car Parking

- ## Ground Rents

- 9

5. Land Value

- 5.1 Gerald Eve (GE) has been appointed to advise on a Market Value (MV) for the land. Their report is provided in Appendix 4.
- 5.2 Berkeley has considered a number of bases of land value in order to establish an appropriate Benchmark Land Value for the purposes of the viability:
- 5.3 **Existing Use Value:** The specialist nature of the current existing use on the site means that little value can be attributed to them. It is possible to consider open storage as a short term option for the land around the existing gasholders but it is considered that the value attributable to this is too low to be considered a reasonable benchmark value as it would not represent a competitive return for the landowner as required by the NPPF.
- 5.4 **Alternative Development within the Existing Use Class:** GE's report considers the value of an alternative commercial development on the land. Taking account of the lower level of remediation and other costs that would be required compared to a residential development, the land value on this basis is [REDACTED]
- 5.5 **Lambeth Local Plan Viability Study Land Value Benchmark:** Berkeley has previous experience of establishing a Benchmark Land Value for a gasholder site at Prince of Wales Drive, Battersea. In that instance the value was established based on the local plan viability study benchmark for industrial land value plus the cost of remediation as a benchmark for the minimum figure that the land would need to generate for the landowner in order for the site to be released, assuming that the landowner was undertaking the remediation.
- 5.6 In this case the current owner, SGN, is not undertaking the remediation themselves but passing that liability onto Berkeley. The base benchmark figure without the addition of remediation costs should therefore represent the equivalent benchmark land value in this case.
- 5.7 The Lambeth Local Plan Viability Study prepared by BNP Paribas in February 2013 sets out a number of benchmark values depending on location and use type. The benchmark for storage and distribution buildings in the Vauxhall area is £14 million / ha. The Benchmark Land Value for the subject site is therefore **£28 million** based on this methodology. This ignores any land price indexation since the date of that report.
- 5.8 **Comparable Land Transactions:** GE's report considers the value of the subject land based on comparable land transactions to establish a market value in accordance with RICS guidance. Their conclusion is a value of [REDACTED]

- 5.9 The various methodologies outlined above result in a range of potential Benchmark Land Values from [REDACTED]
- 5.10 We therefore believe that a Benchmark Land Value of [REDACTED] is an appropriate value for the purposes of this viability assessment.

6. Build Costs

6.1 A detailed Cost Plan can be found in Appendix 5.

6.2 There are a number of abnormal costs specific to the Site which contribute to the build cost, including:

- Demolition of existing buildings
- Dismantling and breaking out of gasholders
- Gas main diversion works
- Remediation
- Re-provision of gas infrastructure
- Dismantling, refurbishment and reinstallation of the Listed Gasholder Structure and minor refurbishment and retention of elements of the smaller gasholders.
- Relocation costs for Scotia Gas Networks to move off site to enable the redevelopment.

6.3 These works total [REDACTED] Several of the items are significant costs to be incurred prior to the development commencing in order to prepare the site for redevelopment:

6.4 The scheme build cost, excluding these abnormal costs, equates to [REDACTED]

Other Costs

6.5 No allowance is made for estate void costs. This is the costs for the maintenance of the estate that fall on the residents before the scheme is fully occupied and must be borne by the developer until completion of all of the units.

6.6 An allowance is included for the long term maintenance of the Listed gasholder frame. The costs have been considered following consultation with Argent at King's Cross. The frame will require annual inspection and repainting every 10 years. We have estimated that these costs amount to [REDACTED] over 25 years. We have allowed a figure of [REDACTED] as a net present value of these payments as a 'dowry' to the estate at the outset. The alternative would be to include this cost as a sinking fund in the estate charge. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

7. Other Costs

Sales and Marketing Fees

- 7.1 A figure of [REDACTED] includes all of Berkeley's costs of marketing including commissions to agents, on site sales staff, sales and marketing suite and show apartments, marketing materials and advertising.

Legal Fees

- 7.2 A figure of [REDACTED] per unit is included for legal costs and fees in respect of the sale of each unit.

S106 & CIL

- 7.3 An indicative CIL calculation for inclusion in the viability appraisal is enclosed in Appendix 6. Figures figure of [REDACTED] have been calculated for Mayoral and Borough CIL respectively.
- 7.4 In addition to CIL, a S106 contribution of [REDACTED] has been assumed although the detailed breakdown of this figure is yet to be agreed with Lambeth.

8. Sales Rates

- 8.1 Berkeley has reviewed other comparable Berkeley Group schemes in close proximity which have been selling over a number of years and more recent schemes such as the Prince of Wales Drive development at Battersea. These projects provide evidence of a scheme average sales rate of [REDACTED] per month. This rate has been adopted for this appraisal although it should be noted that Berkeley consider the risks associated with achieving this rate of sales over the life of this project to be significant given the uncertain market and political circumstances.

9. Development Margin

- 9.1 In order to determine whether the proposed development is viable it is necessary to benchmark a rate of return that is acceptable to Berkeley Group and its shareholders, whilst also being accepted as reasonable by the council and its assessors.
- 9.2 The scale of this redevelopment results in an [REDACTED] therefore the most appropriate measure of return is using an Internal Rate of Return (IRR) which takes account of the time value of money. This principle has been accepted on the other sites in the borough and the GLA.
- 9.3 We have adopted a target benchmark IRR of [REDACTED]% which is consistent with our approach on similar schemes recently agreed with the GLA.

10. Viability Appraisal - Outcome

- 10.1 The viability appraisal can be seen in Appendix 7. Based on all of the inputs as detailed in this report produces a return of [REDACTED] IRR.
- 10.2 The viability position is therefore below an acceptable range with 35% affordable housing.
- 10.3 To achieve an IRR of [REDACTED] the affordable housing level would fall to 17.5% by Hab Room.
- 10.4 This demonstrates that the planning application scheme is delivering a betterment of 17.5% affordable housing.

OVAL GAS WORKS

Stage 2 Cost Plan I Draft

January 2018



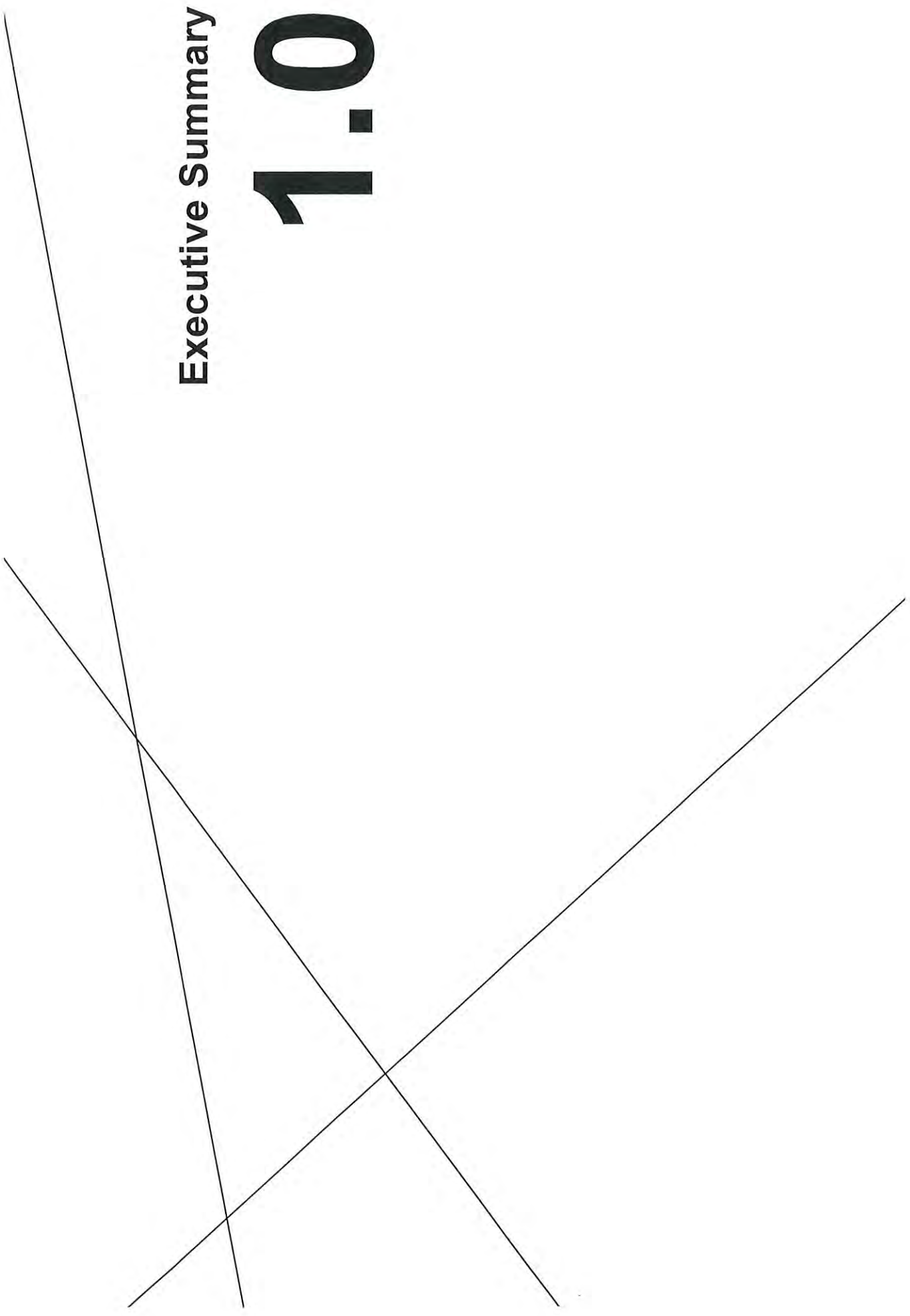
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2	Cost Plan

Report No.	Issue No.	Issue Date	Parties Sent to	Prepared By	Checked By	Reviewed By
2	2	31/01/2018	Berkeley Homes	Wayne Stathakis	Mia Human	Patrick McNamara
Authorised by			Patrick McNamara	Date	31 January 2018	

Executive Summary

1.0



1.0 EXECUTIVE SUMMARY

1.1 Introduction

This estimate has been prepared by AECOM Ltd for Berkeley Homes (Central London) and provides a Stage 2 Cost Plan for the proposed new Oval Gas Works Development at the site located in Oval.

The estimate is based upon the design information prepared for Berkeley Homes by Grid, as issued to AECOM on the 31st October 2017.

The proposed development will consist of 4 buildings comprising: 4 residential apartment blocks with a shared commercial block. Each block provides retail/commercial space at ground level.

- The superstructure will be built on top of a podium slab. Below the podium slab is a single storey basement.
- The estimate currently assumes a traditional Reinforced Concrete frame to the residential apartment blocks and commercial block.
- The facade to the scheme generally comprises a brick outer skin with glazing and a combination of inward and outward balconies. The feature residential block has a solid cladding with glazing and a combination of inward and outward balconies.

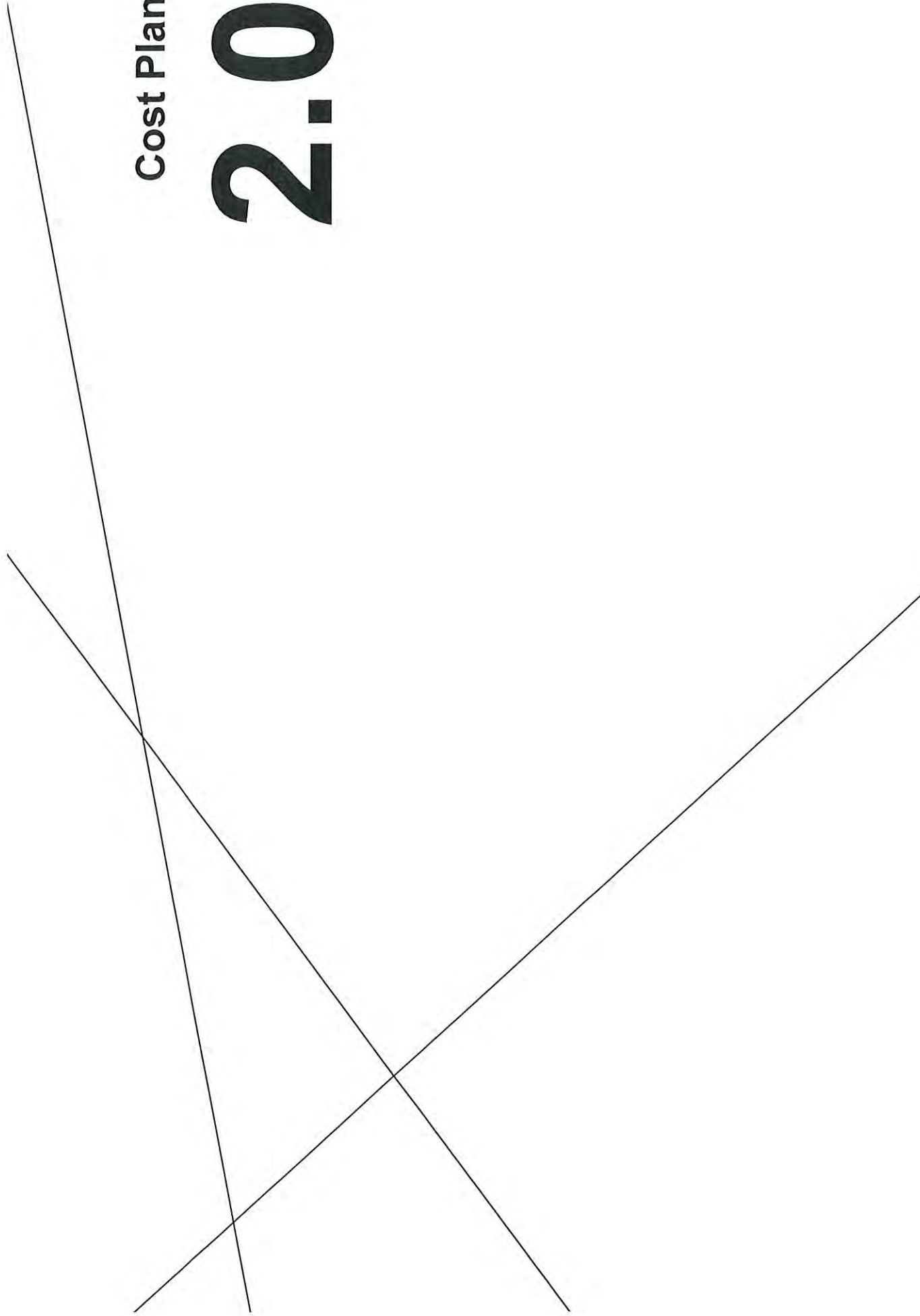
Rates within this estimate are dated Q4 2017 and provide a "current day price". Tender Price Inflation has been excluded from this estimate.

A high level list of assumptions and exclusions is included in Section 3 of the report.

Adjustment made to omit groundworks which are covered under the Decontamination budget.

Cost Plan

2.0



Oval Gas Works
COST PLAN
31 January 2018
COST SUMMARY

Description	%	Social	Apartments Intermediate	Private	Sub Total	Commercial (shell only)	Retail (shell only)	TOTALS
Unit Numbers								
Sq Ft								
Av Size unit sq ft								
Standard Build								
£/ sq ft								
Inc's Energy and Part L								
Abnormals								
£/ sq ft								
Cat A								
£/ sq ft								
Prelims On Standard & Abnormals								
£/ sq ft								
Main Contractor OH&P								
£/ sq ft								
Fees								
£/ sq ft								
Risk Provision								
£/ sq ft								
Totals								
£/ sq ft								

[illegible]

Oval Gas Works

Basis and Assumptions

- 1 Costs represent a present day rice, at Q4 17 base date, and assumes an immediate start on site
- 2 The Cost Plan is based on Grid Architects plan
- 3 All areas have been taken with the following storeys: Block 1 (Lwr Grd to L9), Block 2 (Grd to L7), Block 3 (Grd to L17) & Block 4 (Grd to L15)
- 4 Storey heights have been assumed as 3.2m for residential blocks with a ground floor of 4m
- 5 Drawings used listed below:
- 6 16016 - PL_099 - Basement Plan
- 7 16016 - PL_119 to 130 - Plot 1
- 8 16016 - PL_140 to 148 - Plot 2
- 9 16016 - PL_160 to 178 - Plot 3
- 10 16016 - PL_180 to 196 - Plot 4
- 11 16016 - PL_100 - Site Plan
- 12 16016 OGW_Acc Schedule_Rev S - 2017-11-27- Schedule for BH Internal Use
- 13 Basement covers one level whilst Block 1 has been treated as a Lower Ground structure and not a basement structure
- 14 External works based on landscape drawing (16016 - PL_100 - Site Plan)
- 15

Exclusions

- 1 Legal fees; planning/building control fees; statutory fees; site surveys; monitoring costs; environmental audits; wind studies; third party fees/costs; other fees.
- 2 Site acquisition fees/costs, air rights, rights to light (or any other third party compensation settlements), over sailing licences, sale or letting fees/costs and other developer's costs.
- 3 Capital allowances or other incentives/grants.
- 4 Network Rail TfL costs.
- 5 Client finance costs and insurances.
- 6 Monitoring of adjacent buildings, and work to existing buildings.
- 7 Local Authority charges, road closures, etc.
- 8 Project insurances.
- 9 Overall project contingency.
- 10 Independent Commissioning Management fees (assumed to be included in the separate budget for professional fees).
- 11 BREEM/Code for Sustainable Homes assessment costs.
- 12 Site investigation costs.
- 13 Value Added Tax (VAT).
- 14 Fitting out beyond shell to retail areas.
- 15 GLA Cycle scheme, if required.
- 16 Abnormal ground conditions over and above allowance made in Cost Plan.
- 17 Out of hours working.
- 18 Marketing costs other than the provision of a marketing suite
- 19 Feature hoarding.
- 20 Effects of working condition restrictions, such as Section 61 or Environmental Management Plans.
- 21 Compactor/Refuse chutes.
- 22 Artwork, furniture, internal planting and the like.
- 23 Landlord furniture and fittings.
- 24 Reinforcement for electrical network
- 25 External benches, bollards, planter boxes, dustbins etc
- 26 Demolitions have been allowed for under a separate budget

Oval Gas Works

Abnormals Summary

ELEMENT	Quant	Unit	Rate	Total
Abnormals as per Cost Plan				
Demolition • Demolition, site clearance & assoc utility diversions & disconnections				
Basement Piling • Sheet wall and CFA Piling				
Basement Structure • Slab, columns, walls, ramps				
Utilities • Service Connections, substations, infrastructure upgrades				
External Works • External Works				
Sundry Abnormals • Leisure Suite fit out • Management Suite fit out • Retail fit out				
Façade Cleaning • Building maintenance unit tracked				
Total Abnormals				

Oval Gas Works

Demolition & Enabling Works

ELEMENT	Quant	Unit	Rate	Total
Demolition - Demolition of gas holders based on estimate by Eneotech - Removal and refurbishment of Gas Holder Structure to Block 1 - cost advised by BH - Additional allowance for refurbishment of gas holder frames following advice from Argent - Risk element to the above - say	1 1 1 1	item item item item	 	Excluded Excluded Excluded Excluded
Site Preparation - Site preparation; including removing ground bearing slab and surface obstructions - Extra over cost for removal of tarmacadam surfaces (non hazardous rate allowed)	1 1	 m ²	 	 Excluded
Services Services diversions & disconnections	1	item		
Total Demolition and Enabling excl. Preliminaries, Fees & Risk				

Oval Gas Works

Incoming Utilities

ELEMENT	Quant	Unit	Rate	Total
Electric				
HV offsite	2			
HV onsite	2			
LV onsite	2			
Substation - Equipment	2			
LV distribution internally	2			
Testing and commissioning	2			
Substation - Build Cost	2			
Connection to retail units	2			
Potable Water				
Desktop studies	2			
Offsite installation	2			
Connection to existing supply	2			
Onsite mains installation	2			
Water meters	2			
Connection to retail units	2			
Testing and chlorination	2			
Infrastructure Charges				
Potable water residential charges	2			
Commercial Infrastructure charges	2			
Foul & Surface Water				
Offsite installation	2			
Connection	2			
Onsite installation	2			
Connection to retail units	2			
Residential Infrastructure charges	2			
Commercial Infrastructure charges	2			
Communication Network - BT				
Telecoms Mast	2			
Offsite work	2			
Build new manhole chamber offsite	2			

Oval Gas Works

Incoming Utilities

ELEMENT	Quant	Unit	Rate	Total
Onsite duct installation	1	m	100	100
Chamber allowance	1	chamber	100	100
Gas				
Offsite mains installation - MP	1	m	100	100
Offsite connection	1	connection	100	100
Onsite mains installation to Energy Centre only	1	m	100	100
Testing and commissioning	1	test	100	100
Medium pressure meter and governor rig	1	rig	100	100
Allowance for supplies to commercial units	1	unit	100	100
District Heating				
Primary Network				
Pipe work from Energy Centre to units	1	m	100	100
Secondary Network				
Pipe work from primary to buildings	1	m	100	100
Valves and chambers for pipe work - allowance only	1	valve	100	100
Energy Centre				
Plant only - no civil allowance	1	unit	100	100
4.5MW Thermal Energy Centre	1	unit	100	100
Roughly 6KW per unit allowance	1	unit	100	100
Reinforcement				
Electricity				
Awaiting further information from UKPN	1	unit	100	100

Incoming Utilities

ELEMENT	Quant	Unit	Rate	Total
ASSUMPTIONS:				
General				
Asset adoption allowances for services excluded				
Electric				
HV connection available within 50m of site boundary				
All substations located internally. No requirement for civil costs in this plan				
Potable Water				
Connection available within 50m of site boundary				
Works undertaken in 4no phases				
Includes potable infrastructure charges				
No allowance provided for asset adoption				
Foul & Surface Water				
Assumed connection available within 25m of site boundary				
Includes foul water infrastructure charges				
Assumed combined surface and foul network onsite				
Communication Network - BT				
Available network capacity connection within 25m of site boundary				
BT adoption only				

Oval Gas Works

Incoming Utilities

ELEMENT	Quant	Unit	Rate	Total
Gas				
Medium pressure connection available within 25m				
Supplies not required for residential use				
Energy centre supply required at medium pressure				
District Heating				
Allowance for primary pipe work to supply on site only				
Assumed primary pipe work to be minimal 300mm				
Assumed secondary pipe work sizes to be max 75mm				
Allowance only for valves and chambers - scope required				
Energy Centre costs are an allowance only pending scope				
Reinforcement				
Water network not required				
Gas network not required				
BT network not required				

Substructure (main basement & block 2)

Basement GIA (m²)
Storeys

9,750

1

DESCRIPTION	Quant	Unit	Rate	Total
Basement				
• Mobilisation	1			
• Sheet Piling to basement perimeter	1			
• Allowance for propping to sheet piling	1			
• Concrete retaining wall cast against sheet piling	1			
• Bulk excavation to form basement; including disposal (single level basement) Depth of excv taken 6m - First 1.83m dealt with in Decontamination	1			
• Extra over allowance for disposal of contaminated soil - under separate budget	1			
• Allowance for site dewatering; to dispose of locally	1			
• Allowance for Surface treatment above ground - compaction	1			
• Allowance for excavating obstructions - no details	1			
Piling				
• Piling mat, regrade on completion, access ramps, including temporary roads	1			
• Allowance for CFA Piles	1			
• Piling obstructions/Standing Time	1			
• Allowance for cutting tops of piles	1			
• Allowance for disposal of arisings from CFA piles	1			
• Pile Caps; including excavation, rebar, concrete and formwork etc Allowance say 456 nr.	1			
Groundworks				
• Capping beam	1			
• Allowance for underpinning adjacent properties	1			
• Allowance for bases to tower cranes (EO P'Caps and piles) - Number advised by BH	1			
Drainage				
• Below ground drainage	1			
• Allowance for attenuation services	1			

Substructure (main basement & block 2)

Basement GIA (m²)
Storeys

9,750
1

DESCRIPTION	Quant	Unit	Rate	Total
Basement Slab - Waterproofing solution to Basement foundation slab - Reinforcement for 300mm thick slab - assume 140Kg/m³ - Concrete slab - 300mm thick - Allowance for movement joints - Allowance for voids and penetrations (2 per core) - Insulation to habitable areas - residential & gym				
Lift Pits & bases Construction of lift pits				
Structure - Reinforced concrete slabs; 500mm thick overall - Reinforced concrete slabs; 500mm thick to landscaped podium at ground floor - Extra over for insulation to underside of ground floor slab - Concrete frame allowance - Allowance for staircases, including balconies - Allowance for ramps - Block and Cavity drain/Lining wall - Concrete walls to core walls & plant area walls				
Internal Fit-out - Blockwork walls to BOH area (Excl area adjacent to exit ramp) - 4.5m height - Allowance for balustrades/parking barriers/bollards etc - Floor sealer to BOH areas - Floor finish to lobby floors - Floor finish to car park - road markings - Finishes to walls (Generally) - Allowance for signage - Plant Doors (Single) - Plant Doors (Double)				

Oval Gas Works

Substructure (main basement & block 2)

Basement GIA (m²)
Storeys

9,750
1

DESCRIPTION	Quant	Unit	Rate	Total
- Plant Doors to UKPN rooms (Single) - Plant Doors to UKPN rooms (Double) - Internal Doors (Single) - Allowance for Glazed Double doors				
Mechanical & Electrical Installations				
- Mechanical Systems - Comms System (Fire, Security, BMS) - Electrical Installation (Lighting, power etc) - Car Charging Points (20% of car spaces) - BWIC				
Miscellaneous Items				
Allowance for cycle racks				
BLOCK 2				
Basement				
- Mobilisation - Allowance for site dewatering; to dispose of locally - Allowance for Surface treatment above ground - compaction				
Piling				
- Piling mat; regrade on completion, access ramps, including temporary roads - Allowance for CFA Piles - Piling obstructions - Allowance for cutting tops of piles - Allowance for disposal of arisings from CFA piles - Pile Caps; including excavation, rebar, concrete and formwork etc Allowance say 58 nr.				

Oval Gas Works

Substructure (main basement & block 2)

Basement GIA (m²)
Storeys

9,750
1

DESCRIPTION	Quant	Unit	Rate	Total
Drainage Below ground drainage				
Basement Slab - Waterproofing solution to Basement foundation slab - Reinforcement for 300mm thick slab - assume 140Kg/m³ - Concrete slab - 300mm thick - Allowance for movement joints - Allowance for voids and penetrations (2 per core) - Insulation to habitable areas				
Lift Pits & bases Construction of lift pits				
Total Costs excl. Preliminaries, Fees & Risk				

Oval Gas Works

Substructure (Block 1)

Basement GIA (m²)
Storeys

2,914
1

DESCRIPTION	Quant	Unit	Rate	Total
Basement				
• Mobilisation	1	Day	100	100
• Sheet Piling to basement perimeter (curved on plan)	1	Day	100	100
• Allowance for propping to sheet piling	1	Day	100	100
• Concrete retaining wall cast against sheet piling - curved on plan	1	Day	100	100
• Bulk excavation to form basement; including disposal (single level basement) Depth of excv taken 6m - First 1.83m dealt with in	1	Day	100	100
• Extra over allowance for disposal of contaminated soil - under separate budget	1	Day	100	100
• Allowance for site dewatering; to dispose of local	1	Day	100	100
• Allowance for Surface treatment above ground - compaction	1	Day	100	100
• Allowance for excavating obstructions - nr details	1	Day	100	100
Piling				
• Piling mat, regrade on completion, access ramps, including temporary roads	1	Day	100	100
• Allowance for CFA Piles	1	Day	100	100
• Piling obstructions/Standing Time	1	Day	100	100
• Allowance for cutting tops of piles	1	Day	100	100
• Allowance for disposal of arising from CFA piles	1	Day	100	100
• Pile Caps; including excavation, rebar, concrete and formwork etc Allowance say 136 nr	1	Day	100	100
Groundworks				
• Curved Capping beam	1	Day	100	100
• Allowance for bases to tower cranes (EO P'Caps and piles) - Number advised by BH	1	Day	100	100
Drainage				
• Below ground drainage	1	Day	100	100
• Allowance for attenuation services	1	Day	100	100

Substructure (Block 1)

Basement GIA (m²)
Storeys

2,914
1

DESCRIPTION	Quant	Unit	Rate	Total
Basement Slab - Waterproofing solution to Basement foundation slab - Reinforcement for 300mm thick slab - assume 140Kg/m³ - Concrete slab - 300mm thick - Allowance for movement joints - Allowance for voids and penetrations (2 per core) - Insulation to habitable areas - residential & gym				
Lift Pits & bases Construction of lift pits				
Structure - Reinforced concrete slabs; 500mm thick overall - Reinforced concrete slabs; 500mm thick to landscaped podium at ground floor - Extra over for insulation to underside of ground floor slab - Concrete frame allowance - Allowance for staircases including balustrades - Allowance for ramps - Block and Cavity drain/Lining wall - Concrete walls to core walls - Skylight to gym area - Balustrade to skylight				
Internal Fit-out - Blockwork walls to BOH area - 4m height - Blockwork walls to Gym - 3m height - Allowance for balustrades etc - Floor sealer to BOH areas - Floor finish to gym area - Floor finish to lobby areas and circulation areas				

Oval Gas Works

Substructure (Block 1)

Basement GIA (m²)
Storeys

2,914
1

DESCRIPTION	Quant	Unit	Rate	Total
• Finishes to walls (Generally) • Allowance for signage • Plant Doors (Single) • Plant Doors (Double) • Internal Doors (Single) • Allowance for Glazed Double doors • Allowance for Gym Fit Out • Construction of Gym and Pool				
Mechanical & Electrical Installations • Mechanical System • Comms System (Fire, Security, BMS) • Electrical Installation (Lighting, power etc) • BWIC				
Miscellaneous Items • Allowance for cycle racks				
Total Costs excl. Preliminaries, Fees & Risk				

Block 1

Storeys (Ground & above) 17,371
GIA (m²) 10
£/ft² GIA

ELEMENT	Quant	Unit	Rate	Total	£/ft² GIA
Substructure Incl in Basement Cost	1	item	Excl	0	0.0
Frame & Upper Floors - Concrete frame, core & upper floors - Core Walls					
Stairs - Stairs, handrails, balustrades, etc. (1nr; 10 stories) - Stairs, handrails, balustrades, etc. (1nr; 8 stories) - Stairs, handrails, balustrades, etc. (1nr; 7 stories)					
Roof - Roof waterproofing & finish (slab included in frame & upper floors) - EO roof terrace at various levels - Allowance for abseil system - Allowance for access hatch & ladder - Allowance for 2nr cowls to mansion block roof for ventilation of riser shafts/lobby cores - Lift over-run - Balustrade to roof terraces - Balustrade to ground floor landscape area					
External Walls, Windows & Doors <u>Above Ground</u> - Allowance for external skin including glazing, solid external finish, insulation and metsec frame internally; Facetted (saw tooth finish) - Acoustic measures to Block 1 south side - Balconies - including all finishes and balustrades etc - Curved Balconies - 4th floor and up - Ground floor patios - finish elsewhere - Parapet Wall allowance					

Oval Gas Works

Block 1

GIA (m²) 17,371
Stores (Ground & above) 10

ELEMENT	Quant	Unit	Rate	Total	£/ft² GIA
Internal Walls, Partitions & Doors					
• Internal Party Walls/Partitions between units					
• Internal Passage walls					
• Internal Doors (riser and staircase doors)					
Wall Finishes					
• Circulation Areas / Lift Lobbies (incl skirting)					
Floor Finishes					
• Circulation Areas / Lift Lobbies					
Ceiling Finishes					
• Circulation Areas / Lift Lobbies					
Fittings, Furnishings & Equipment					
• Entrance and reception areas finishes					
• Fittings & equipment					
• Cores fittings & Equipment					
• Management suite fit out on ground floor					
Mechanical & Electrical Installations					
• Mechanical Installation					
• Electrical Installation					
• Allowance for air conditioning to common parts					
• Allowance for fire stopping					
• Feature lighting to entrance					
• BWIC					
Lifts					
• Lift Installation (7 storeys)					
• Lift Installation (8 storeys)					
• Lift Installation (9 storeys)					
• Lift Installation (11 storeys)					
Total Shell & Core Costs excl. Preliminaries, Fees & Risk					

ELEMENT	Quant	Unit	Rate	Total	£/ft² GIA
Substructure Incl in Basement Cost	1	item	Excl	0	0.0
Frame & Upper Floors - Concrete frame, core & upper floors - Core Walls					
Stairs Stairs, handrails, balustrades, etc. (2nr; 8 stories)					
Roof - Roof waterproofing & finish (slab included in frame & upper floors) - EO roof terrace at various levels - Allowance for abseil system - Allowance for access hatch & ladder - Allowance for cowls to mansion block roof for ventilation of riser shafts/lobby cores - Lift over-run - Balustrade to roof terraces					
External Walls, Windows & Doors Above Ground - Allowance for external skin including glazing, brick finish, insulation and frame internally - Projecting Balconies - including all finishes and balustrades etc - Ground floor patios slab - Finish elsewhere - Parapet Wall allowance					
Internal Walls, Partitions & Doors - Internal Party Walls/Partitions between units - Internal Passage walls - Internal Doors (riser and staircase doors)					

Block 2

Stores (Ground & above) 7,959
8

ELEMENT	Quant	Unit	Rate	Total	£/ft² GIA
Wall Finishes					
• Circulation Areas / Lift Lobbies (incl skirting)					
Floor Finishes					
• Circulation Areas / Lift Lobbies					
Ceiling Finishes					
• Circulation Areas / Lift Lobbies					
Fittings, Furnishings & Equipment					
• Entrance and reception areas finishes					
• Fittings & equipment					
• Cores fittings & Equipment					
• Management suite fit out on ground floor					
Mechanical & Electrical Installations					
• Mechanical Installation					
• Electrical Installation					
• Allowance for air conditioning to common parts					
• Allowance for fire stopping					
• Feature lighting to entrance					
• BWIC					
Lifts					
• Lift Installation (9 storeys)					
Total Shell & Core Costs excl. Preliminaries, Fees & Risk					

Block 3 - Commercial

Stores (Ground & above) 11,303
8

ELEMENT	Quant	Unit	Rate	Total	£/ft² GIA
Substructure Incl in Basement Cost	1	item	Excl	0	0.0
Frame & Upper Floors - Concrete frame, core & upper floors - Core Walls					
Stairs Stairs, handrails, balustrades, etc. (2nr; 8 stories)					
Roof - Roof waterproofing & finish (slab included in frame & upper floors) - EO roof terrace at various levels - Allowance for Skylight - Balustrade to skylight - Allowance for abseil system - Allowance for access hatch & ladder - Allowance for 2nr cowls to mansion block roof for ventilation of riser shafts/lobby cores - Lift over-run - Balustrade to roof terraces					
External Walls, Windows & Doors Above Ground - Allowance for external cladding - Parapet Wall allowance					
Internal Walls, Partitions & Doors Internal walls, partitions and doors allowance					
Wall Finishes Circulation Areas / Lift Lobbies (incl skirting)					

Block 3 - Commercial

Stores (Ground & above) 11,303
GIA (m²) 8
£/ft² GIA

ELEMENT	Quant	Unit	Rate	Total	£/ft ² GIA
Floor Finishes					
• Circulation Areas / Lift Lobbies					
Ceiling Finishes					
• Circulation Areas / Lift Lobbies					
Fittings, Furnishings & Equipment					
• Entrance and reception areas finishes					
• Fittings & equipment					
• Reception Desk					
• Turnstiles					
• Cores fittings & Equipment					
Mechanical & Electrical Installations					
• Mechanical and Electrical Installation - Shell & Core					
• Feature lighting to entrance					
• Toilet Block allowances (full fitout)					
• BWIC					
Lifts					
• Lift Installation (9 storeys)					
• Extra over for fire fighting lift					
• Extra over for goods lift					
Total Shell & Core Costs excl. Preliminaries, Fees & Risk					

ELEMENT	Quant	Unit	Rate	Total	£/ft ² GIA

Block 3 - Residential

Stores (Ground & above)
GIA (m²)
16,536
18

ELEMENT	Quant	Unit	Rate	Total	£/ft² GIA
Substructure	1	item	Excl	0	0.0
• Incl in Basement Cost					
Frame & Upper Floors					
• Concrete frame, core & upper floors					
• Core Walls					
Stairs					
• Stairs, handrails, balustrades, etc. (1nr; 11 storeys; 1nr; 18 storeys;)					
Roof					
• Roof waterproofing & finish (slab included in frame & upper floors)					
• EO roof terrace at various levels					
• EO for podium slab thickening					
• Allowance for abseil system					
• Allowance for access hatch & ladder					
• Allowance for 2nr cowls to mansion block roof for ventilation of riser shafts/lobby cores					
• Lift over-run					
• Balustrade to roof terraces					
External Walls, Windows & Doors					
<u>Above Ground</u>					
• Allowance for external skin including glazing, solid external finish, insulation and metsec frame internally					
• Outward Balconies - including all finishes and balustrades etc					
• Parapet Wall allowance					
Internal Walls, Partitions & Doors					
• Internal Party Walls/Partitions between units					
• Internal Passage walls					
• Internal Doors (riser and staircase doors)					

Block 3 - Residential

Stores (Ground & above)
GIA (m²)
16,536
18

ELEMENT	Quant	Unit	Rate	Total	£/ft² GIA
Wall Finishes • Circulation Areas / Lift Lobbies (incl skirting)					
Floor Finishes • Circulation Areas / Lift Lobbies					
Ceiling Finishes • Circulation Areas / Lift Lobbies					
Fittings, Furnishings & Equipment • Entrance and reception areas finishes • Fittings & equipment • Cores fittings & Equipment • Management suite fit out on ground floor					
Mechanical & Electrical Installations • Mechanical Installation • Electrical Installation • Allowance for air conditioning to common parts • Allowance for fire stopping • Feature lighting to entrance • BWIC					
Lifts • Lift Installation (11 storeys) • Lift Installation (12 storeys) • Lift Installation (19 storeys)					
Total Shell & Core Costs excl. Preliminaries, Fees & Risk					

Block 4

Stores (Ground & above) 19,754
GIA (m²) 16

ELEMENT	Quant	Unit	Rate	Total	£/ft² GIA
Substructure	1	item	Excl	0	0.0
• Incl in Basement Cost					
Frame & Upper Floors					
• Concrete frame, core & upper floors					
• Core Walls					
Stairs					
• Stairs, handrails, balustrades, etc. (3nr)					
Roof					
• Roof waterproofing & finish (slab included in frame & upper floors)					
• EO roof terrace at various levels					
• Allowance for abseil system					
• Allowance for access hatch & ladder					
• Allowance for 2nr cowls to mansion block roof for ventilation of riser shafts/lobby cores					
• Lift over-run					
• Balustrade to roof terraces					
External Walls, Windows & Doors					
<u>Above Ground</u>					
• Allowance for external skin including glazing, solid external finish, insulation and metsec frame internally					
• Outward Balconies - including all finishes and balustrades etc					
• Balconies - including all finishes and balustrades etc					
• Ground floor patios - finish elsewhere					
• Parapet Wall allowance					
Internal Walls, Partitions & Doors					
• Internal Party Walls/Partitions between units					
• Internal Passage walls					
• Internal Doors (riser and staircase doors)					

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Block 4

Stores (Ground & above) 19,754
GIA (m²) 16
£/ft² GIA

ELEMENT	Quant	Unit	Rate	Total	£/ft² GIA
Wall Finishes					
• Circulation Areas / Lift Lobbies (incl skirting)					
Floor Finishes					
• Circulation Areas / Lift Lobbies					
Ceiling Finishes					
• Circulation Areas / Lift Lobbies					
Fittings, Furnishings & Equipment					
• Entrance and reception areas finishes					
• Fittings & equipment					
• Cores fittings & Equipment					
Mechanical & Electrical Installations					
• Mechanical Installation					
• Electrical Installation					
• Allowance for air conditioning to common parts					
• Allowance for fire stopping					
• Feature lighting to entrance					
• BWIC					
Lifts					
• Lift Installation (17 storeys)					
• Lift Installation (12 storeys)					
• Lift Installation (9 storeys)					
• Goods Lift (2 storeys)					
Total Shell & Core Costs excl. Preliminaries, Fees & Risk					

Private fitout summary

NIA (ft²) 335,794

ELEMENT	Quant	Unit	Rate	Total	£/ft² GIA
Internal Walls, Partitions and Doors					
• Partitions Generally					
• Internal lining to external façade (incl insulation)					
• Extra over for wedi board / reinforcements etc (wet rooms only)					
• Apartment front doors					
• Internal apartment doors (single)					
• Internal apartment doors (double)					
• Allowance for miscellaneous walls and doors					
Wall Finishes					
• Paint generally to all dry lined walls / linings					
• Allowance for skirtings					
• Allowance for preparation works					
• Stone to bathroom walls (100% coverage)					
• Glass / mirror to bathroom walls (40% coverage)					
• Extra over allowance for feature walls (assume 10% of walls)	0	m²	0	Excluded	0.0
• Splashback to kitchens - included in kitchen budget	0	m²	0	Included	0.0
Floor Finishes					
• Raised floor or insulation and screed					
• Stone to bathroom / cloakroom floors					
• Tiled skirtings					
• Carpet to bedrooms					
• Kitchen floors					
• Hard flooring to all other areas					
Ceiling Finishes					
• Flat plasterboard ceiling, plaster and paint					
• Bulkhead detailing to kitchens (FCU access)					
• Access panels					

Intermediate fitout summary

NIA (ft²) 54,404

ELEMENT	Quant	Unit	Rate	Total	£/ft² GIA
Internal Walls, Partitions and Doors • Partitions Generally • Internal lining to external façade (incl insulation) • Extra over for wedi board / reinforcements etc (wet rooms only) • Apartment front doors • Internal apartment doors (single) • Allowance for miscellaneous walls and doors					
Wall Finishes • Paint generally to all dry lined walls / linings • Allowance for skirtings • Tile to bathroom walls (100% coverage)					
Floor Finishes • Raised floor or insulation and screed • Vinyl to bathroom / cloakroom floors • Tiled skirtings • Carpet to bedrooms • Kitchen floors • Flooring to all other areas					
Ceiling Finishes • Flat plasterboard ceiling, plaster and paint • Access panels					
Fittings, Furnishings & Equipment Kitchens - Band 1 1 Bed; Kitchen allowance 2 Bed; Kitchen allowance 3 Bed; Kitchen allowance					
General • Allowance for bathroom joinery / vanity units • Allowance for bathroom fittings generally					

Intermediate fitout summary

NIA (ft²) 54,404

ELEMENT	Quant	Unit	Rate	Total	£/ft² GIA
• Allowance for bath panel • Allowance for access hatch to soil and vent pipe • Allowance for Wardrobes to apartment • Structure for pipe casings • Heat exchanger pattress • Allowance for acoustic sealing • Allowance for mastic sealing • Allowance for builders clean					
Mechanical & Electrical Installations • £/ft² allowance based on NIA • Builders work					
Total Shell & Core Costs excl. Preliminaries, Fees & Risk					

Social fitout summary

NIA (ft²) 116,304

ELEMENT	Quant	Unit	Rate	Total	£/ft² GIA
Internal Walls, Partitions and Doors					
• Partitions Generally	1	m²	100	100	100
• Internal lining to external façade (incl insulation)	1	m²	100	100	100
• Extra over for wedi board / reinforcements etc (wet rooms only)	1	m²	100	100	100
• Apartment front doors	1	m²	100	100	100
• Internal apartment doors (single)	1	m²	100	100	100
• Allowance for miscellaneous walls and doors	1	m²	100	100	100
Wall Finishes					
• Paint generally to all dry lined walls / linings	1	m²	100	100	100
• Allowance for skirtings	1	m²	100	100	100
• Tile to bathroom walls (100% coverage)	1	m²	100	100	100
Floor Finishes					
• Raised floor or insulation and screed	1	m²	100	100	100
• Vinyl to bathroom / cloakroom floors	1	m²	100	100	100
• Tiled skirtings	1	m²	100	100	100
• Carpet to bedrooms	1	m²	100	100	100
• Kitchen floors	1	m²	100	100	100
• Flooring to all other areas	1	m²	100	100	100
Ceiling Finishes					
• Flat plasterboard ceiling, plaster and paint	1	m²	100	100	100
• Access panels	1	m²	100	100	100
Fittings, Furnishings & Equipment					
Kitchens - Band 1					
1 Bed; Kitchen allowance	1	m²	100	100	100
2 Bed; Kitchen allowance	1	m²	100	100	100
3 Bed; Kitchen allowance	1	m²	100	100	100
General					
• Allowance for bathroom joinery / vanity units	1	m²	100	100	100
• Allowance for bathroom fittings generally	1	m²	100	100	100

Social fitout summary

NIA (ft²) 116,304

ELEMENT	Quant	Unit	Rate	Total	£/ft² GIA
• Allowance for bath panel • Allowance for access hatch to soil and vent pipe • Allowance for Wardrobes to apartment • Structure for pipe casings • Heat exchanger pattress • Allowance for acoustic sealing • Allowance for mastic sealing • Allowance for builders clean					
Mechanical & Electrical Installations • £/ft² allowance based on NIA • Builders work					
Total Shell & Core Costs excl. Preliminaries, Fees & Risk					

Oval Gas Works

External Works including Section 278 works

ELEMENT	Quant	Unit	Rate	Total
• Courtyard build up				
• Lawn				
• Shrub Planting				
• Paving Type 1 - High quality unit paving - Vehicular grade				
• Paving Type 2 - High quality flag paving				
• Paving Type 3 - Exposed aggregate insitu concrete with joint inlay pattern - Vehicular				
• Paving Type 4 - High quality flag paving				
• Paving Type 5 - Breodon gravel				
• Paving Type 6 - Plank stepping stones				
• Hedge				
• Trees - large including tree pit and associated grills				
• Trees - small including tree pit and associated grills				
• Allowance for Climbers				
• Allowance for Feature Green wall to boundary wall				
• Allowance for water feature to centre of Block 1 - 64m2				
• Construction of bridge to Block 1 - 55m2				
• Balustrades to bridge to Block 1				
• Floor finish to bridge to Block 1				
• External lighting to bridge to Block 1				
• Railings to Ramp				
• Steps to site				
• Linings to lightwells allowance				
• External Lighting				
• Technology - CCTV etc				
• Allowance for play equipment				
• Allowance for art strategy				
• Allowance for benches / fittings etc				
• Allowance for other sundry furniture (seating, bins, bird boxes etc)				
• Allowance for barriers / access control				
• Allowance for housing to services enclosures				
• Allowance for main site signage				
• Allowance for sustainability (carbon tariff)				
• Allowance for section 278 works				

Section 278 works

ELEMENT	Quant	Unit	Rate	Total
• Removal of surface course to area being resurfaced				
Road surface overlay comprising:				
- Surface course 40mm HAPAS TSCS 14				
- Binder course 60mm AC 20 HDM bin 40/60				
- Laid on existing road base				
• Granite kerb 150x300mm				
• Joint where new surface meets existing surface				
• Road/Line marking				
• Removal of existing paving and scraping back beneath existing paving 900 x 600 x 65 new paving slabs				
- 30mm sand mortar bed				
• - C7.5P compacted concrete base 100mm (150mm within 1m of road)				
- Granular sub-base type 1 150mm (100mm within 1m of road)				
- Class 1 general granular fill (depth varies)				
• 1.5m x 1.5m tree planter				
• 1.5m x 1.5m grill to tree planters				
• Large trees to Planters				
• Allowance for re-instating tactile 'blister' paving				
• Allowance for resetting manhole lids/gratings				
• Allowance for working around existing services/utilities				
• Allowance for street lighting (not shown on drawings; possible retention of existing)				
• Allowance for street signs; provisional				
• Allowance for traffic management				
• Management and overheads				
• Contingency - e.o. risk				

Oval Gas Works
738 Scheme with 35% AH

Development Appraisal
The Berkeley Group
01 February 2018

APPRAISAL SUMMARY

THE BERKELEY GROUP

Oval Gas Works
738 Scheme with 35% AH

Summary Appraisal for Merged Phases 1 2 3 4

Currency in £

REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
Block 3	135	88,183			
Block 3 Intermediate	75	44,601			
Block 4	152	101,862			
Block 4 Intermediate	14	9,803			
Block 4 Rent	67	53,063			
Block 1	215	145,752			
Block 2 Rent	80	63,242			
Totals	738	506,506			

Investment Valuation

Office	
Manual Value	
Generator Space	
Manual Value	
Car Parking	
Manual Value	
Commercial B1	
Manual Value	
GR	
Manual Value	
Car Parking	
Manual Value	
Car Parking	
Manual Value	

GROSS DEVELOPMENT VALUE

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Purchaser's Costs

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NET DEVELOPMENT VALUE

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Oval Gas Works
738 Scheme with 35% AH
NET REALISATION

OUTLAY

ACQUISITION COSTS

Fixed Price

Stamp Duty
Agent Fee
S106 Allowance
Mayoral CIL
LB Lambeth CIL
Carbon Levy

Other Acquisition
Neighbourly costs

CONSTRUCTION COSTS

Construction

62,975 ft²
29,445 ft²
7,320 ft²
88,183 ft²
44,601 ft²
101,862 ft²
9,803 ft²
53,063 ft²
145,752 ft²
63,242 ft²
606,748 ft²

Rate ft²

Cost

Other Construction

Enabling/remediation/abnormals
Frame Maintenance Fund

MARKETING & LETTING

Marketing

DISPOSAL FEES

Oval Gas Works

738 Scheme with 35% AH

Sales Legal Fee

FINANCE

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)

Total Finance Cost

TOTAL COSTS

PROFIT

Performance Measures

Profit on Cost%

Profit on GDV%

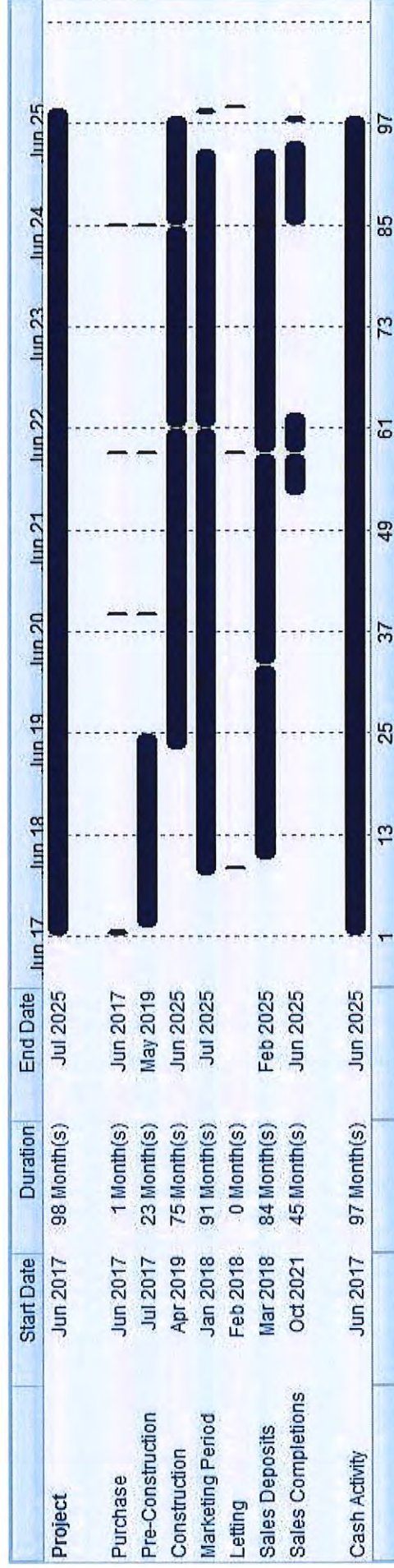
Profit on NDV%

IRR

Oval Gas Works
738 Scheme with 35% AH

Project Timescale Summary		
Project Start Date	Jun 2017	
Project End Date	Jul 2025	
Project Duration (Inc Exit Period)	98 months	

All Phases

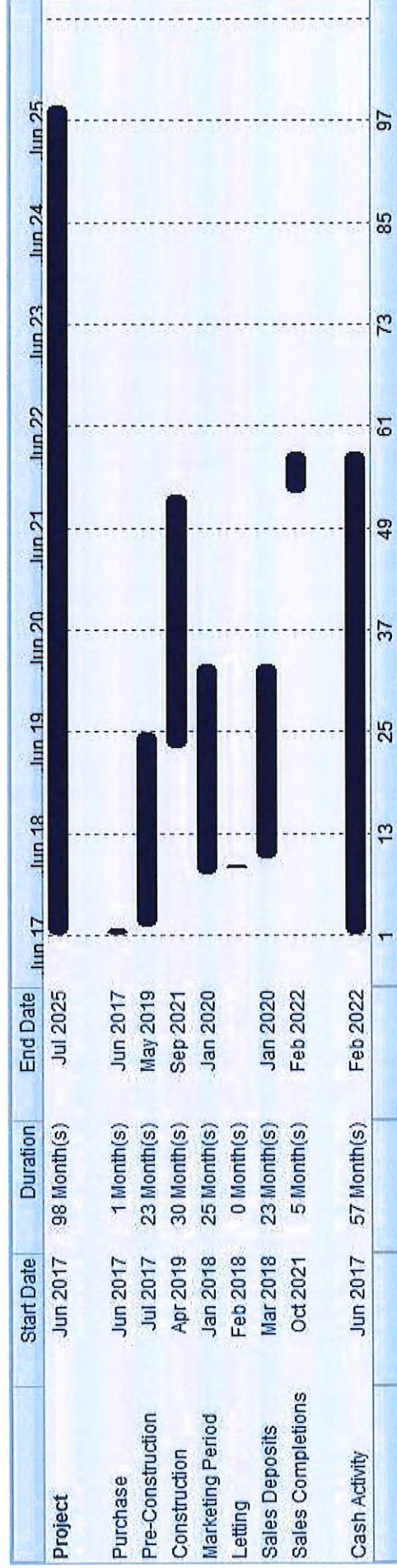


TIMESCALE AND PHASING GRAPH REPORT

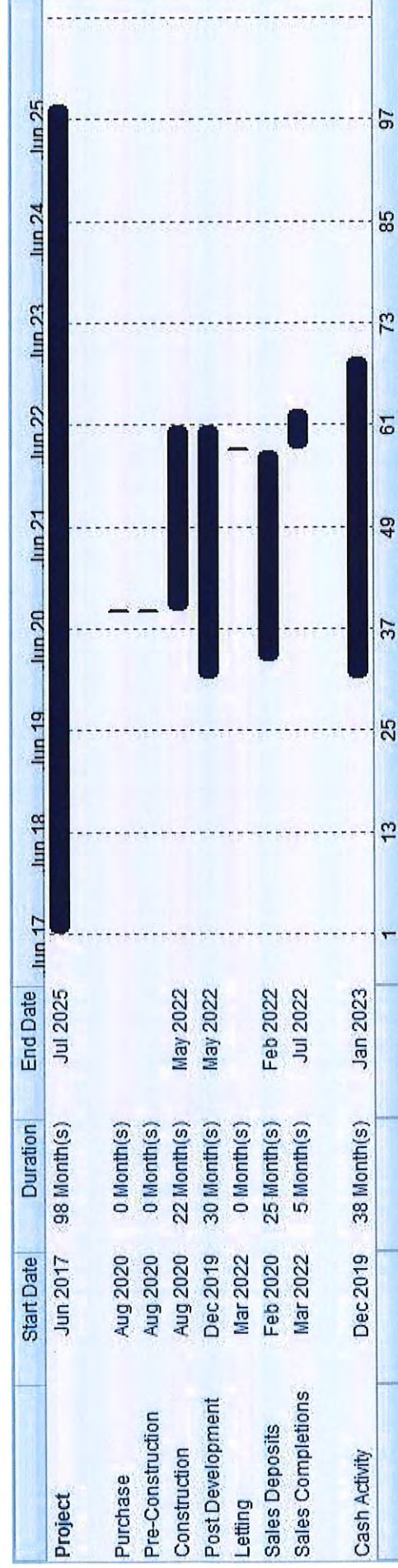
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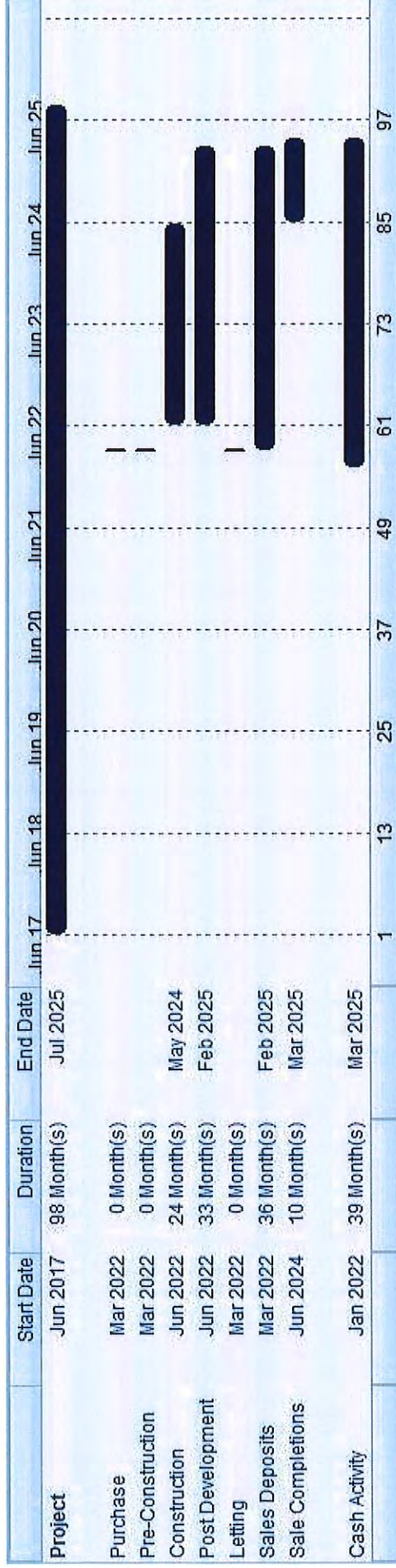
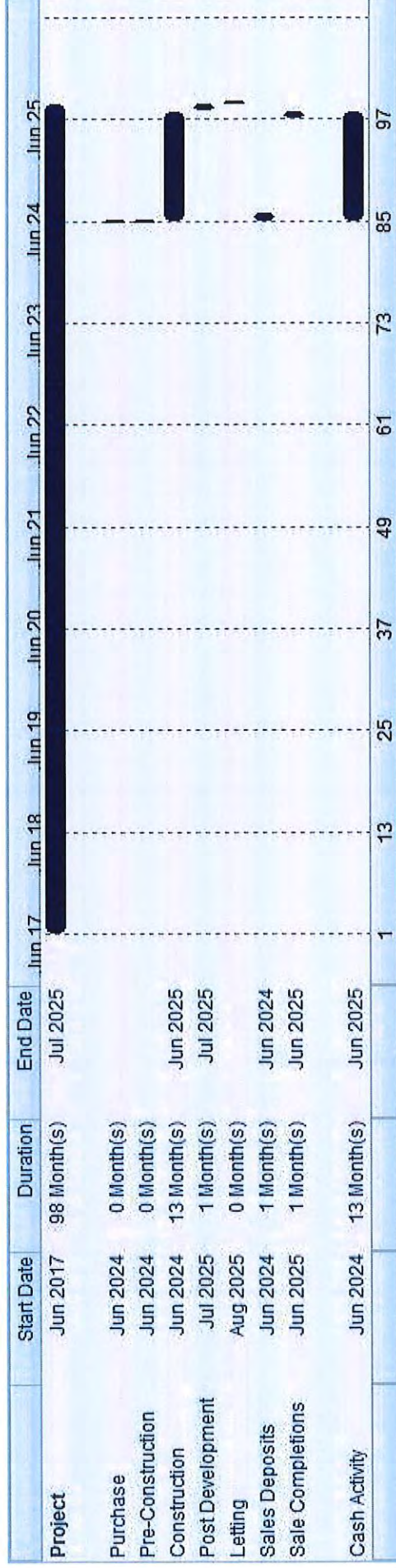
Oval Gas Works
738 Scheme with 35% AH

Phase 1, Block 3



Phase 2, Block 4



**Oval Gas Works
738 Scheme with 35% AH****Phase 3, Block 1****Phase 4, Block 2**

Oval Gas Works
738 Scheme _max 17.5%HR AH

Development Appraisal
The Berkeley Group
01 February 2018

APPRAISAL SUMMARY

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Oval Gas Works
738 Scheme_max 17.5%HR AH

Summary Appraisal for Merged Phases 1 2 3 4

Currency in £

REVENUE	Units	ft²	Rate ft²	Unit Price	Gross Sales	Adjustment	Net Sales
Sales Valuation							
Block 3	178	113,754					
Block 3 Intermediate	32	19,030					
Block 4	152	101,862					
Block 4 Intermediate	14	9,803					
Block 4 Rent	67	53,063					
Block 1	215	145,752					
Block 2	74	58,499					
Block 2 Rent	6	4,743					
Totals	738	506,506					

Investment Valuation

Office	
Manual Value	
Generator Space	
Manual Value	
Car Parking	
Manual Value	
Commercial B1	
Manual Value	
GR	
Manual Value	
Car Parking	
Manual Value	
Car Parking	
Manual Value	

GROSS DEVELOPMENT VALUE

Purchaser's Costs

NET DEVELOPMENT VALUE

APPRAISAL SUMMARY

THE BERKELEY GROUP

Oval Gas Works
738 Scheme_max 17.5%HR AH

NET REALISATION

OUTLAY

ACQUISITION COSTS

Fixed Price

Stamp Duty
Agent Fee
S106 Allowance
Mayoral CIL
LB Lambeth CIL
Carbon Levy

Other Acquisition
Neighbourly costs

CONSTRUCTION COSTS

Construction

Office
Generator Space
Commercial B1
Block 3
Block 3 Intermediate
Block 4
Block 4 Intermediate
Block 4 Rent
Block 1
Block 2
Block 2 Rent
Totals

ft²
62,975 ft²
29,445 ft²
7,320 ft²
113,754 ft²
19,030 ft²
101,862 ft²
9,803 ft²
53,063 ft²
145,752 ft²
58,499 ft²
4,743 ft²
606,865 ft²

Rate ft²

Cost

Other Construction
Enabling/remediation/abnormals
Frame Maintenance Fund

MARKETING & LETTING

Marketing

APPRAISAL SUMMARY

THE BERKELEY GROUP

Oval Gas Works

738 Scheme_max 17.5%HR AH

DISPOSAL FEES

Sales Legal Fee

FINANCE

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)

Total Finance Cost

TOTAL COSTS

PROFIT

Performance Measures

Profit on Cost%

Profit on GDV%

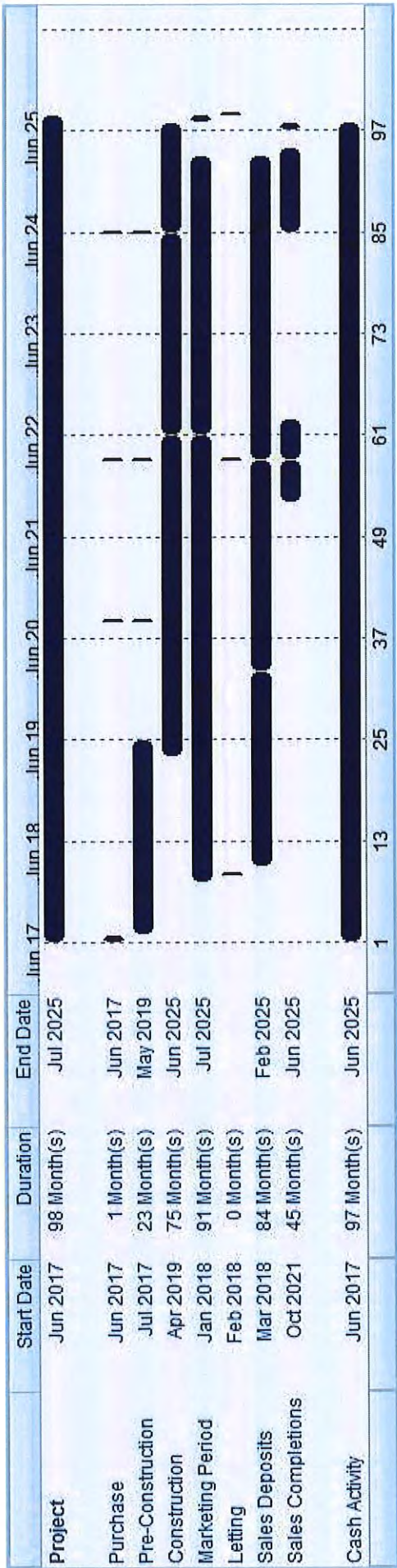
Profit on NDV%

IRR

Oval Gas Works
738 Scheme_max 17.5%HR AH

Project Timescale Summary		
Project Start Date	Jun 2017	
Project End Date	Jul 2025	
Project Duration (Inc Exit Period)	98 months	

All Phases

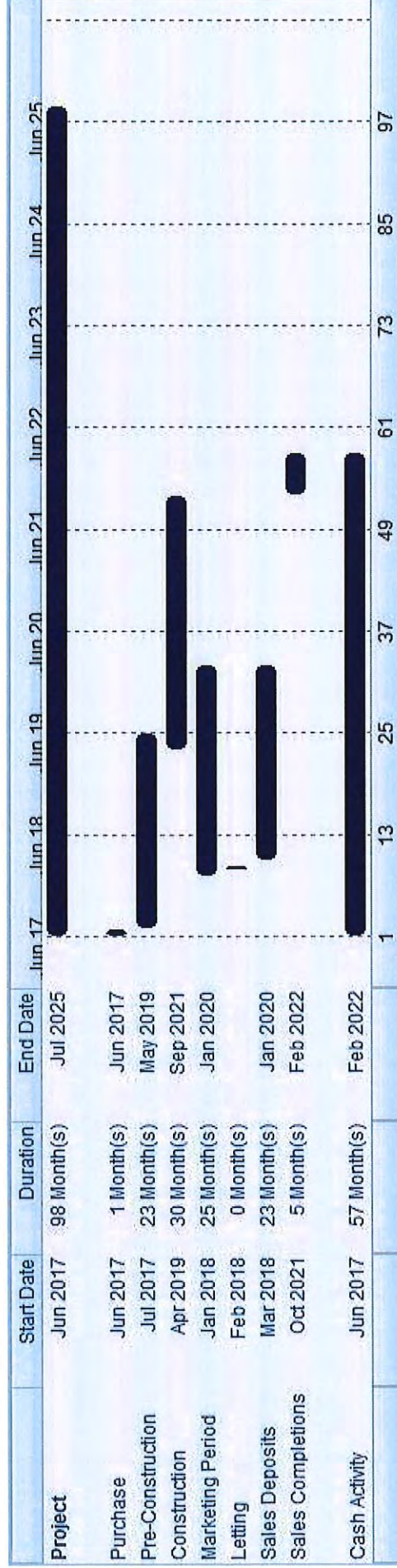


TIMESCALE AND PHASING GRAPH REPORT

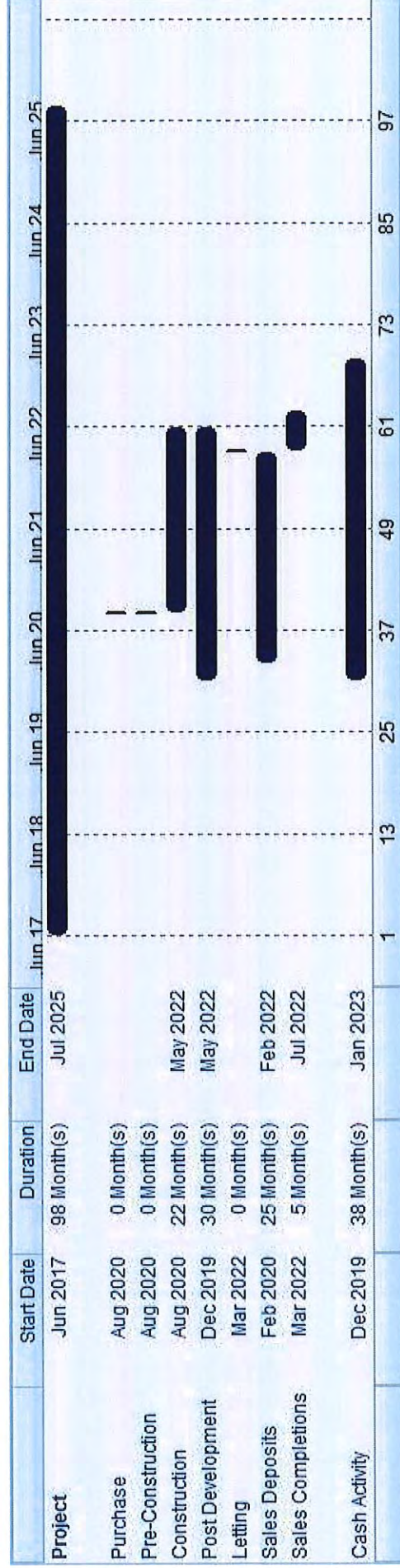
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Oval Gas Works
738 Scheme_max 17.5%HR AH

Phase 1. Block 3

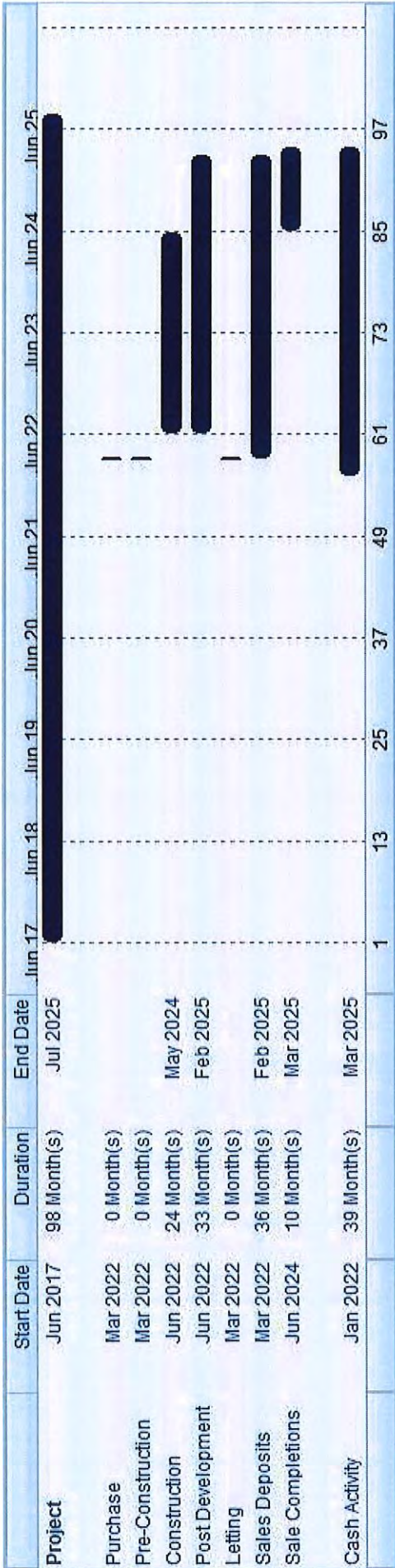


Phase 2. Block 4

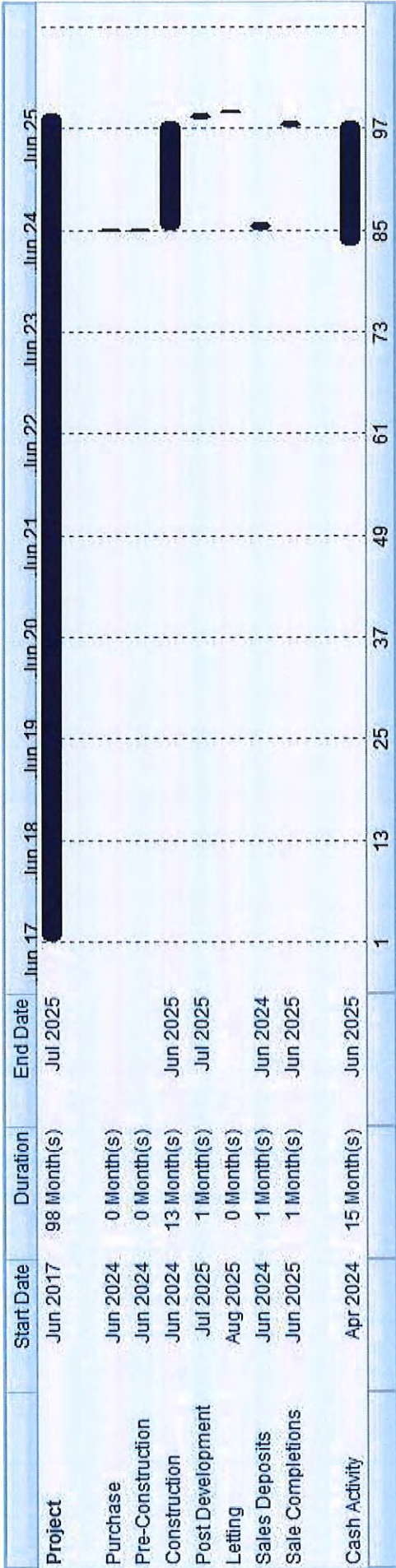


Oval Gas Works
738 Scheme_max 17.5%HR AH

Phase 3, Block 1



Phase 4, Block 2



Oval Gas works Abnormal Costs

Item	Details	Main Scheme		Industrial (EUV) Scheme	
		Cost	Comments	Cost	Comments
1.0	SGN Costs				
1.1	Gas Main Diversionary Works	£ [REDACTED]	Included to facilitate basement construction	£ [REDACTED]	Included due to need to change levels and construct units over existing mains.
1.2	Phase 2 (permanent) Gas Governor Installation	£ [REDACTED]	Existing Gov. removed	£ [REDACTED]	- Existing gas governor retained in current position
1.3	Temporary Gas Governor	£ [REDACTED]	Temp Governor reqd during build.	£ [REDACTED]	- Existing gas governor retained in current position
1.4	Depot relocation from Oval to Sydenham				
1.5	Depot relocation	£ [REDACTED]	SGN depot relocated to Sydenham	£ [REDACTED]	Included as SGN existing compound is not retained within proposed scheme.
1.6	SGN Kennington Oval Site Investigation	£ [REDACTED]		£ [REDACTED]	- Not required as SGN remain on site
1.7	SGN Sydenham Site Investigation	£ [REDACTED]		£ [REDACTED]	- Not required as SGN remain on site
1.8	SGN Legal & Professional Fees	£ [REDACTED]		£ [REDACTED]	- Excluded as SGN remain on site
2.0	Demolition & Enabling Costs				
2.1	Demolition of GH 2, 4 & 5 (inc. water removal and de-sludge)	£ [REDACTED]		£ [REDACTED]	
2.2	GH 1 disassembly, refurbishment & re-erection	£ [REDACTED]		£ [REDACTED]	- GH1 is left in original position
2.3	GH 1 Sludge removal and dewatering	£ [REDACTED]	- inc below	£ [REDACTED]	- inc below
2.4	Costs to restore part of GH 4 & 5 for retention in landscaping	£ [REDACTED]		£ [REDACTED]	- Columns not required in this scheme
2.5	GH1 Bond to secure restoration	£ [REDACTED]		£ [REDACTED]	- Columns not required in this scheme
2.6	Site Remediation Cut and Fill	£ [REDACTED]	Refer Coleman quote 2.319	£ [REDACTED]	Separate estimate provided by Coleman for AUV scheme.
2.7	Site preparation; including removing ground bearing slab and obstructions	£ [REDACTED]	- Included in main scheme cost plan	£ [REDACTED]	Figure taken from AECOM cost plan
Total		£ [REDACTED]		£ [REDACTED]	