

Financial Viability Assessment



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Planning Documentation

Design and Access Statement

Vol. 1 - Outline Component

Design and Access Statement

Vol. 2 - Detailed Component

Design Guidelines

Planning Statement

Statement of Community Involvement

Environmental Statement

Drainage Strategy

Flood Risk Assessment

Masterplan Daylight and Sunlight Report

Internal Daylight Report

Ecological Walkover

Unexploded Ordinance Desk Study

Outline Fire Safety Strategy

Transport Assessment

Framework Residential Travel Plan

Framework Workplace Travel Plan

Local Model Validation Report

Outline Delivery and Servicing Management Plan

Outline Construction Logistics Plan

Outline Construction Environmental Management Plan

Outline Site Waste Management Plan

Sustainability Statement

Planning Utilities Statement

Energy Assessment

Historic Desk-Based Assessment

Arboricultural Method Statement

Arboricultural Impact Assessment

Wind Microclimate Assessment



FINANCIAL VIABILITY ASSESSMENT GRAHAME PARK - STAGE B (PLOTS A TO Q)

Prepared by Inner Circle Consulting for Notting Hill Genesis

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1 INTRODUCTION

This Financial Viability Assessment ('FVA') is submitted on behalf of Choices for Grahame Park - Notting Hill Genesis ('the Applicant') in support of the Hybrid Planning Application for the development of Grahame Park Stage B Plots A-Q ('the Proposed Development').

This assessment will review the viability of the Proposed Development at Grahame Park.

The application submitted is for the following development:

Hybrid planning application for the demolition of 630 residential units and existing commercial, retail and community floorspace, and the phased redevelopment of Plots 10-12 of Grahame Park comprising a full planning application for the redevelopment of Plot A and an outline planning application for the redevelopment of Plots B to Q for up to 2,088 residential units and up to 5,950sqm (GEA) of flexible non-residential floorspace.

Full planning permission is sought for the demolition of 113 existing homes and the redevelopment of Plot A comprising the erection of 5 buildings between 3 and 11 storeys to provide 209 new homes and 440sq m (GEA) of non-residential floorspace (Use Class A1, A2, A3, B1), landscape, public open space and public realm, associated car parking, cycle spaces and other associated works.

Outline planning permission (scale, layout, landscaping and appearance reserved) for the demolition of 517 existing residential units, buildings and structures on Plots B to Q, and the redevelopment of the site in a series of phases to provide up to 1,879 new homes and up to 5,510 sqm (GEA) of non-residential floorspace within classes A1, A2, A3, A4, B1, D1 and D2 including a community centre and children's day nursery in buildings ranging in height from 3 storeys to 15 storeys, with associated public open space, hard and soft landscaping, public realm, car parking spaces, and cycle parking spaces, stopping up and diversion of Lanacre Avenue and associated works.

Grahame Park is a local authority owned housing estate in London Borough of Barnet constructed in the 1960s and 70s, which has been allocated for comprehensive regeneration by both regional and local planning policy. Following a successful ballot of residents, the applicant (then Genesis Housing Association) was appointed by LB Barnet to redevelop the estate in phases. The contractual relationship between LB Barnet and Notting Hill Genesis is governed by a Principal Development Agreement (PDA).

Following the delivery of 685 new homes plus commercial uses in stage A of the regeneration programme, the applicant submitted a planning application to LB Barnet for 1,083 homes on Stage B Plots 10-12 in May 2018. However, the application was refused on the direction of the Mayor of London, principally due to the proposed net loss of social rent units. Therefore, the current scheme seeks to develop a new planning application for Stage B that meets the Mayor's emerging planning policy.

The FVA should be read in junction with the Planning Statement, Design & Access Statement and Affordable Housing Statement.

2 THE PROPOSED SCHEME

The next stage of regeneration covered by the planning application comprises 13 plots which will be delivered in 3 broad phases, as indicated in the phasing plan in Appendix A. This appraisal is based on an illustrative masterplan complying with the planning application as included in the Design and Access Statement submitted with the application. This illustrative scheme includes 196,811 square metres (GIA) of development and significant infrastructure provision including:

- 2,088 residential homes of which 50% will be affordable housing, complying with policy requirements and the Mayor's emerging planning policy;
- Three energy centres housing air source heat pumps;
- Commercial/retail/flexible workspace units; and
- Community facilities including a Community Centre, children's day nursery, health centre and housing management office.

Table 1 shows the breakdown of the assumed development floorspace by use.

Table 1. Floorspace by use

Proposed Use Class	GIA (m2)
Residential	184,406
Parking podiums	7,669
Commercial	2,667
Community	2,069
TOTAL	196,811

2.1 Housing Proposals

The Proposed Development is residential-led. This section provides an overview of the housing proposals of the scheme.

2.1.1 Tenure Mix

1,045 of the 2,088 homes (subject to grant funding) are proposed to be affordable, which represents more than 50% in terms of units, habitable rooms and floorspace. Of these, 346 are Social Rent/London Affordable Rent which meets the Mayor's emerging policy requirement for no net loss of social rent floorspace. Of the 346, 32 are expected to be let at target rents to existing permanent tenants who will be offered relocation within the scheme (referred to as Social Rent homes from here on). The remainder will be released for General Needs housing at London Affordable Rents.

Table 2. Tenure mix

Tenure	Units	Tenure mix		Affordable split
Private sale	1,043	50%	50%	
Shared Ownership	699	33%	50%	67%
London Affordable Rent	314	15%		33%
Social Rent	32	2%		
Total homes	2,088			

2.1.2 Unit Size Mix

The proposed scheme provides a range of unit sizes appropriate to the site.

Table 3. Unit size mix

Unit Type	Affordable		Private		Total	
	Units	% of Units	Units	% of Units	Units	% of Units
Studio	0	0%	75	7%	75	4%
1 Bed	540	52%	430	41%	970	46%
2 Bed	429	41%	415	40%	844	40%
3 Bed	53	5%	123	12%	176	8%
4 Bed	22	2%	0	0%	22	1%
5 Bed	1	0%	0	0%	1	0%
Totals	1045	100%	1043	100%	2088	100%

The 1,045 affordable homes are proposed as a range of tenures and sizes to meet the decant needs of the existing estate, local housing need and affordability.

Table 4. Affordable housing detailed size mix

	Shared Ownership	London Affordable Rent	Social Rent	Totals
Studios	0	0	0	0
1B2P (Flat)	417	106	17	540
2B3P (Flat)	60	59	0	119
2B4P (Flat)	222	82	6	310
3B5P (Flat)	0	16	1	17
3B6P (Flat)	0	27	2	29
3B6P (House)	0	7	3	10
4B6P (Flat or House)	0	17	2	19
5B6P (House)	0	0	1	1
Total	699	314	32	1045

2.2 Non-residential uses

As delivery will be over a 15 year period, outline permission is being sought for a flexible quantum of non-residential floorspace up to specified floorspace limits by use class. The exact mix of commercial uses will be determined through reserved matters applications over the course of the project reflecting market conditions at the time of each application. This FVA is based on an indicative commercial mix as illustrated in the Design and Access Statement, comprising 2,667 sqm of retail, leisure and workspace uses to support the residential development. This figures includes the 402 sq m of A1,A2,A3,B1 space within the detailed planning application.

2.3 Community facilities

The outline application also seeks consent for a number of community facilities to replace and renew existing facilities that it is proposed to demolish. The requirement to provide these facilities is included in the Principal Development Agreement (PDA) between the applicant and LB Barnet and is also expected to be enshrined in the Section 106 agreement attached to the planning permission. The PDA specifies in cash terms the contribution that Notting Hill Genesis is required to make to the provision of these facilities and provides a mechanism for uprating these contributions to reflect inflation up to the point at which they are built. Any additional funding required to increase the size of these facilities beyond the PDA budgets would have to be provided by the Council. As such, the cost of developing these facilities is treated in the financial appraisal as a cash contribution rather than being incorporated into the construction costs. No income is included for the community facilities as the facilities are expected to be let at peppercorn rents.

2.4 Construction programme

An indicative construction programme has been developed and optimised for financial viability by supporting the sales strategy and minimising borrowing requirements.

Appendix A shows the indicative plot by plot construction sequence. Once the two plots in Phase 1 have been constructed on a site that is already decanted and ready for demolition, the phasing moves from the south of the site (closest to the tube station and adjacent to the housing blocks recently completed as part of earlier development phases) to the north, building value all the time. The existing community facilities will be relocated from Phase 3 into new premises in Phase 2, allowing Phase 3 to be demolished between 2026 to 2028 allowing a 'clean slate' for the construction of Phase 3 which includes the highest value plots facing on to Heybourne Park.

The programme is based on prudent build rate assumptions and an average sales rate for private sale homes of 5 per month as agreed with the applicant's sales team. The build rate is slowed to ensure it doesn't run more than 6 months ahead of sales with the result that programme runs until completion of Phase 3 in 2034.

Table 5. Indicative construction programme

	Phase 1	Phase 2	Phase 3
Total homes	428	859	801
Start on site (demolition)	Jan 2020	Sept 2022	Dec 2026
First handover	June 2022	Sept 2024	Dec 2028
Practical Completion	Aug 2025	Dec 2028	Oct 2034

3 APPRAISAL METHODOLOGY

3.1 Residual Appraisal

The residual approach is adopted to assess the viability of the development. In this approach, the residual land value is calculated by removing Total Scheme Costs with profit from the Gross Development Value (GDV) of a site. The residual land value is then compared with the value of the current land as a benchmark. The affordable housing contribution is viable if the value of the residual land value is higher than the benchmark land value. However, if the value of the residual land value is lower than the benchmark land value, the development is deemed economically not viable.

The benchmark land value of the existing Grahame Park Estate has been assumed to be zero on the basis that under the PDA, the Council will make the land available at zero cost. To more easily assess the financial feasibility of the scheme, the financial model has been structured to calculate the level of return achieved by deducting the total scheme costs excluding profit from the total GDV. The residual amount in this case is the profit level which can be compared with the target profit.

3.2 Cashflow model

Argus Developer ('Argus') has been used to appraise the proposed development proposal. Argus is a development appraisal tool widely used in the development industry. It has been accepted by local planning authorities for financial viability assessment and at planning appeals.

Argus is a cash-flow model, which profiles the scheme income and expenditure over the period of the development. The finance charges can be accurately calculated over the development period with the cash-flow approach. This approach is particularly useful for a complex scheme with phased arrangements like Grahame Park.

The model provides a sound basis to test scheme viability to deliver the maximum proportion of affordable housing in accordance with planning policy.

Should it be useful, an electronic version of the Argus appraisal can be made available to facilitate interrogation of the appraisal.

The applicant's project team, including architects, cost consultants, technical specialists, agents and valuers, has been involved from the outset to ensure robust inputs and assumptions. The inputs and assumptions of the appraisal are mainly bespoke and are set out in the following two sections.

3.3 Inflation

'Present day' (Quarter 2, 2019) costs and values are used throughout the appraisal.

4 INCOME ASSUMPTIONS

This section provides further information on the development value assumptions within the financial appraisal and how they have been arrived at.

4.1 Residential values – private sale

Savills has reviewed the proposals and undertaken an analysis of the Colindale market with a number of local comparable schemes:

1. Beaufort Park (Berkeley)
2. Colindale Gardens (Redrow)
3. Silverworks (Galliard)
4. TNQ (NEAT)
5. Trinity Square (Barratt)
6. The Rushgrove (L&Q)

Savills adjusted the values of each plot in accordance with site specific circumstances of the proposed development. Features including proximity to local transport, aspect, unit type, amenity etc. have been taken into account for the valuation. Based on Savills' opinion of value for each unit size in each plot, Table 6 shows average sales values of the private sale homes across the scheme. Savills' report is included as Appendix C.

Table 6. Private sales values

Unit Type	Homes	Average value	Total GDV	£/sqm Rate	£/sqf Rate
Studios	75	£296,067	£22,205,000	£7,591	£705
1B2P (Flat)	430	£378,744	£162,860,000	£7,573	£704
2B3P (Flat)	57	£466,316	£26,580,000	£7,557	£702
2B4P (Flat)	358	£502,772	£179,992,270	£6,632	£616
3B5P (Flat)	103	£648,912	£66,837,900	£7,478	£695
3B6P (Flat)	8	£662,500	£5,300,000	£6,734	£626
3B6P (House)	12	£645,000	£7,740,000	£5,972	£555
Total/Average	1043	£452,076	£471,515,170	£7,132	£684

4.2 Ground Rents

No ground rents have been assumed. This is in line with Notting Hill Genesis appraisal methodology based on risk around future national policies on ground rents. It is also the case that the PDA requires any ground rent income to be reinvested in a community fund and therefore it could not be counted as income for the scheme.

4.3 Affordable Housing Values

It is proposed that Notting Hill Genesis will purchase the affordable housing. The affordable housing values were calculated based on Notting Hill Genesis' investment criteria.

There is a cashflow advantage to the scheme from the affordable tenures because Notting Hill Genesis will pay for all units over the construction period (from Golden Brick through to Practical Completion).

Key assumptions include:

Social Rent – is based on target rents for Social Rent and positive net present value calculated over 60 years from practical completion.

London Affordable Rent – is based on benchmark rents for London Affordable Rent as set by the GLA and positive net present value, calculated over 60 years from practical completion.

Shared Ownership – is based on achieving a cap of total costs (including admin, marketing and funding costs) as a proportion of the open market value of the unit at 82.5%. Shared Ownership values have been reviewed and confirmed as in line with market expectations by Savills (see Appendix C).

The previous scheme was included in the GLA's 2018-21 programme and the GLA Housing and Land team have indicated their willingness to include the revised scheme in the programme and to provide the maximum grant rates possible. On this basis the following grant rates have been assumed within the calculations of affordable values:

- £60,000 per Social Rent/London Affordable Rent home; and
- £28,000 per Shared Ownership home.

These assumptions result in the average values across the scheme for each tenure type shown in Tables 7 and 8.

Table 7. Shared Ownership values

Unit type	Homes	Average Open Market Value	Shared Ownership affordable value	Total GDV	£/sqm Rate	£/sqf Rate
1B2P (Flat)	417	£363,134	£281,769	£117,497,636	£5,634	£523
2B3P (Flat)	60	£413,183	£320,329	£19,219,720	£5,191	£482
2B4P (Flat)	222	£464,894	£360,825	£80,103,146	£4,759	£442
Total/Average	699	£399,749	£310,187	£216,820,501	£5,239	£487

Table 8. Affordable Rent values

Tenure	Homes	Net Rent per property £/pw	Service Charge per property £/pw	Gross Rent per property £p/w	Affordable value per home	Total affordable value
Social Rent						
1B2P (Flat)	17	£114	£35	£149	£87,184	£1,482,129
2B4P (Flat)	6	£145	£39	£184	£154,123	£924,740
3B5P (Flat)	1	£164	£44	£208	£144,166	£144,166
3B6P (Flat)	2	£173	£44	£217	£144,166	£288,333
4B5PW Flat	3	£180	£44	£224	£144,166	£432,499
4B6P House	2	£185	£44	£229	£169,506	£339,011
5B8P House	1	£202	£44	£246	£187,330	£187,330
London Affordable Rent						
1B2P (Flat)	106	£164	£39	£203	£155,425	£16,475,076
2B3P	59	£164	£39	£203	£163,354	£9,637,863
2B4P (Flat)	82	£164	£39	£203	£163,255	£13,386,876
3B5P (Flat)	16	£173	£44	£217	£172,231	£2,755,696
3B6P (Flat)	27	£173	£44	£217	£171,159	£4,621,299
3B6P (House)	7	£173	£44	£217	£171,444	£1,200,105
4B6P Maisonette	10	£182	£44	£226	£179,559	£1,795,592
4B6P House	7	£182	£44	£226	£179,270	£1,254,890
Total/Average	346				£158,745	£54,925,607

4.4 Commercial values

There are 2,667 square metres of commercial/retail area proposed across the scheme to provide local shops and services for the development and workspace for local people. The intention is that Notting Hill Genesis' Commercial Services team will manage the commercial properties. They have provided capital values based on the local market for commercial property.

Comparables in the immediate vicinity are hard to find but in the 1.5 mile radius over the last 12 months we have found:

- 9 retail deals achieving rents from £14.40 to £15.30/sqft with an average letting time of 12 months

- 6 office deals achieving rents from £16.20 to £17.60/sqft with an average letting time of 18 months

The location is considered tertiary for commercial uses, which comes with risk of attracting suitable occupiers who will in most cases be local sole traders with weaker covenant strength. The provision of varying levels of fit-out is considered essential to all units and this will still require relatively high inward investment from incoming tenants.

Given the flexible nature of the floorspace in the planning application, we have assumed a blended rate of £16/sqft at 7.5% yield with 12 month's rent allowance for marketing & rent free and rounded the value up to £200/sqft (£2,153 per sqm). This provides a total Gross Development Value for the commercial space of £5,741,518.

No income is assumed within the appraisal for the community facilities as they are proposed to be run on a not for profit basis.

4.5 Car parking values

We have allocated a capital value to residential car parking spaces that are located either within parking podiums (undercroft) or in parking areas around the edges of blocks including on-street spaces where these will not be on public highway.

We have assumed that the following spaces will not have any value:

- Accessible spaces - these will be made available free of charge to disabled residents;
- Spaces that are within the curtilage of individual town houses - these will be sold or let as part of the house; and
- Spaces allocated to Social and London Affordable Rent properties - the number of spaces allocated to these uses is calculated based on the proportion of all homes comprised by these tenures i.e. 18%.

Table 9 calculates a capital value based on capitalising a monthly rental value per space as provided by Savills (see Savills report Appendix C).

Table 9. Car parking values

Parking location	Income generating spaces	Monthly rent per space	Annual Rent per space	Yield	Capitalised rent per space	Total GDV
Undercroft	167	£75	£900	6.0%	£15,000	£2,505,000
Surface	254	£50	£600	6.0%	£10,000	£2,540,000
Total	421					£5,045,000

5 COST ASSUMPTIONS

This section provides further information on the cost assumptions within the financial appraisal and how they have been arrived at.

5.1 Build Costs

Cost Consultants Arcadis have prepared a scheme-specific cost estimate for the scheme based on measured areas (Appendix D). Significant value engineering savings have been identified to improve the financial viability of the scheme and these are reflected in the cost estimate.

The total build cost as supplied by Arcadis is £556.7 m which represents a cost per square metre including prelims, OHP, contractor design fees and risk of £2,976 per square metre. The cost breakdown is summarised in Table 10.

Table 10. Construction cost build up

Item	Cost estimate £000s
Facilitating Works	19,841
External Works and Services	41,130
Building Works	352,474
Preliminaries (16%)	65,534
Contractor's Design Fees (4.5%)	21,380
Overhead and Profit (6%)	29,790
Risk Allowance (5%)	26,507
Total	556,657

5.2 Professional Fees

The levels of professional fees shown in Table 11 have been assumed which are allowances based on typical benchmarks and fee rates from the Applicant's consultant procurement framework.

Table 11. Summary of professional fees

Item	Allowance (proportion of construction cost)
Pre-contract design and planning fees (including Architect, Engineers, Transport Consultant, Cost Consultant, Project Manager, Surveys, Planning Fees, Rights to Light costs, Legal fees).	4.0%
Post-contract (contractor) design fees (included in construction cost above)	4.5%
Employers Agent and Independent Certifier	1.3%
Total	9.8%

5.3 Sales & Marketing Fees

An allowance of 3% private sale GDV has been included within the appraisal for sales and marketing costs based on applicant's assumptions and in line with industry standards. A capital cost of £1,500,000 is also included in the first phase for construction of a sales and marketing suite on site.

5.4 Development management allowance

The Applicant charges a development management allowance to cover its internal costs in managing development. This is set at 2% of construction cost which is in line with industry standards. Note that within the financial model this is applied to the private market homes only as the development management fees for the affordable tenures will be paid by the entity acquiring these homes and are taken into account in calculating the capital value of these tenures.

5.5 Community Infrastructure Levy and S.106 contributions

The Applicant has carried out an estimation of the CIL requirement based on borough CIL rates and Mayoral CIL 2. It has been assumed that a full offset can be achieved for the existing residential floorspace being demolished as part of the scheme and affordable relief secured for all relevant units. The indicative CIL calculation is included as Appendix B. This results in a total CIL liability of £16.3m. In reality this is a 'best case' scenario as the amount of offset available will depend on the timing of demolition and construction of each phase.

A Section 106 contribution of £4.64m has been included which is in line with the draft Section 106 agreement that was in negotiation during consideration of the 2017 planning application for the same site. The assumed breakdown of Section 106 items is set out in Table 12.

Table 12. Section 106 Contributions assumed

Item	Budget
Bus services improvements	£840,000
Health facilities	£2,762,792
Travel Plan Incentive Fund & monitoring	£349,900
Off site tree planting	£82,500
Highway Adoption Commuted Sums	£400,000
Allowance for other items	£208,800
Total	£4,643,992

5.6 Community facilities costs

As noted in Section 2.3, in addition to CIL and Section 106 contributions, the Applicant is required under the PDA with LB Barnet to pay for the re-provision of certain existing community facilities on the estate up to a specified cost limit (see Table 13). These costs have been included in the appraisal as a fixed contribution to be incurred when the plots expected to house the new facilities are constructed. The exception is the health centre contribution which has been added to the Section 106 allowance on the basis that, subject to NHS confirmation, the health centre is most likely to be relocated off-site and the scheme contribution secured through the Section 106 agreement.

Note that the PDA contributions are indexed linked so will be uprated in line with inflation to the point when the facilities are provided.

Table 13. Community facility contributions

Community facility	PDA specified contribution	Assumed contribution
Community Centre	£3,226,655	£3,226,655
Health Centre (assume Section 106 payment)	£2,762,792	Included in S106 budget (Table 12)
Children's Centre	£1,872,915	£1,872,915
Improvements to Heybourne Park	Not specified	£2,000,000
Total	£7,862,362	£7,099,570

5.7 Site Assembly Costs

As with all local authority estate renewal projects of this kind, there is a significant cost involved in rehousing existing residents of the estate and buying back leasehold properties which were sold under Right to Buy.

The estate to be demolished includes 63 residential leaseholders and 46 secure tenants (eligible for home loss and disturbance compensation).

Home loss and disturbance compensation is set by legislation. In addition, in line with the original offer to leaseholders, owner occupiers who bought their homes before the regeneration of the estate was agreed are entitled to an interest free 'Shared Equity' loan to purchase a new property meeting their needs on or off the estate. Based on the latest discussions with leaseholders it has been assumed that 6 such loans will be made.

The Applicant already has an active leaseholder buy backs programme so has accurate, up to date, information on buy back costs. In addition, earlier phases of the estate regeneration have involved relocation of tenants so the costs of this are also well established.

There are also a number of existing commercial tenants on the estate who will be eligible for compensation and an appropriate property cost estimate has been included in the acquisition costs budget.

It has been assumed that a Compulsory Purchase Order is likely to be required. The costs associated with this are included in the appraisal under the London Borough of Barnet costs line (see Section 5.8 below).

Table 14 shows the site assembly costs budget.

Table 14. Site assembly costs

Item	Total Cost	Units	Average Cost per Unit
Residential leaseholder buy backs:			
Market value of properties bought back	£13,770,183	63	£218,574
Stamp duty	£507,595	63	£8,057
Legal Fees (purchaser and vendor)	£201,600	63	£3,200
Purchaser valuation	£42,525	63	£675
Vendor valuation and independent advisor	£230,885	63	£3,665
Home loss	£1,244,250	63	£19,750
Disturbance	£630,000	63	£10,000
Shared Equity Loans	£1,206,426	6	£201,071
Shared Equity On-costs (Stamp Duty and Legal Fees)	£96,536	6	£16,089
Offsite provision for large household	£500,000	1	£500,000
Commercial interests buy backs (including CPO and Landlord and Tenant compensation)	£1,700,000	34	£50,000
Secure tenant rehousing (home loss and disturbance)	£220,000	32	£6,875
Grand Total	£20,350,000		

5.8 Regeneration costs

Under the PDA, LB Barnet is responsible for rehousing all of the non-secure tenants, for making one or more compulsory purchase orders to secure vacant possession, for transferring the land to the Applicant through appropriate legal mechanisms and for ongoing support to the project through regular meetings and monitoring of project delivery. For this role the council is entitled to claim costs back from the project, subject to submission of appropriate evidence of eligible costs and subject to a cap on certain costs. Based on Council costs to date and the PDA allowances, the budget includes £200,000 pa for 20 years plus a £750K allowance for Council costs associated with Compulsory Purchase Orders, giving a total of £4.75m.

The PDA also specifies that £120,000 per annum from the project be made available for Social and Economic Regeneration projects on the estate to ensure that local residents are involved in and benefit from the regeneration and that we create a sustainable legacy of community-led

organisations. Including contributions already made, twenty years of contributions are assumed, totalling £2.4m.

5.9 Contingency

An allowance of 1% of construction cost is included for client contingency as part of the appraisal. This is considered low for a project at this stage of development.

5.10 Development Finance Costs

All of the project income and costs have been profiled across the project programme to create a comprehensive development cashflow. The development will be funded through a loan from the Applicant's parent organisation Notting Hill Genesis to the Applicant. Development finance costs have been calculated based on an interest rate of 4.5% with no finance fees which represents the Notting Hill Genesis standard inter-company lending rate and is considerably lower than a typical private developer borrowing rate.

6 MODELLING RESULTS

This section provides a summary of the appraisal and assesses scheme viability.

6.1 Appraisal results

Table 15 summarises the inputs and results of the appraisal. The full appraisal cashflow is available for interrogation if required.

Table 15. Development appraisal summary

	(£,000)
Scheme Revenue	
Private Sales	£471,515
Affordable Housing	£271,746
Commercial	£5,742
Car parking sales	£5,045
Gross Development Value (GDV)	£754,048
Scheme Costs	
Site Assembly	£20,350
Build Cost	£556,657
Professional fees	£29,559
CIL & S106	£20,902
Community Facilities (Health Centre included in S106 above)	£7,100
Development Management allowance	£5,698
Regeneration costs	£7,150
Sales & Marketing	£15,645
Contingency	£5,567
Finance costs	£23,984
Total Scheme Cost incl Finance Costs (TSC)	£692,612
Appraisal	
Profit	£61,436
Profit on total GDV	8.1%
Profit on private sale GDV (including commercial properties & car parking)	12.7%

As noted in Section 3.1, the appraisal has been structured so that the level of developer profit is the output of the appraisal. For the Proposed Development as described, the profit is estimated

as £61.4m which represents 8.1% of the Gross Development Value of the scheme or 12.7% of the private sale income (including commercial properties and car parking).

6.2 Assessment of scheme viability

The National Planning Policy Framework (NPPF) states that viability should 'provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable'.

In accordance to GLA Supplementary Planning Guidance 2017, proposed rates of profit should take account of the 'individual characteristics of the scheme, the risks related to the scheme, and comparable schemes.' It is therefore clear that the proposed developer's return should be risk adjusted to reflect the actual risk of the scheme.

As previously noted, the landowner (LB Barnet) has agreed to provide the land at nil value subject to being compensated for its costs in bringing forward the scheme. What therefore needs to be assessed is whether the level of developer profit expected to arise from the Proposed Development represents a competitive return sufficient to make the scheme deliverable.

The Applicant considers that an appropriate return is 20% profit on private sale GDV based on the risk associated with scheme complexity as a long-term estate regeneration scheme, significant upfront costs, further survey work required, and the sensitivity of major construction works.

A private developer would typically also expect a return on the affordable homes. The Applicant does not have a target for profit on affordable housing, reflecting the fact that the Applicant is owned by a Housing Association which has a mission to provide affordable housing and is willing to commit to purchasing the affordable homes at the values set out in this document, thus removing a substantial element of risk on those homes.

The Applicant has undertaken significant value engineering and has modelled different scenarios in terms of tenure mix and phasing in order to optimise scheme viability without compromising on the quality of the scheme or the provision of affordable housing. The Proposed Development is believed to be an optimal policy-compliant scheme for the site.

Table 14 demonstrates that the Proposed Development derives a profit on private sale GDV (including commercial units and car parking) of 12.7%. It is evident that the developer's return delivered by the Proposed Development does not meet an acceptable risk-adjusted market return of 20%. The viability gap is £35m.

However, bearing in mind it is a long term estate regeneration project and due to the nature of the parent organisation, the Applicant is willing to accept a lower than usual margin to progress the development, in the hope that rising residential values may enable a higher level of return to be achieved over time.

7 CONCLUSION

This financial viability appraisal has been prepared and submitted based on the predicted income, costs and scheme phasing based on the submitted planning application.

The appraisal model demonstrates that the Proposed Development providing the proposed quantum of affordable housing and wider planning obligation contributions drives a developer's return of profit on private sale GDV of 12.7%, considerably below a market return of 20%.

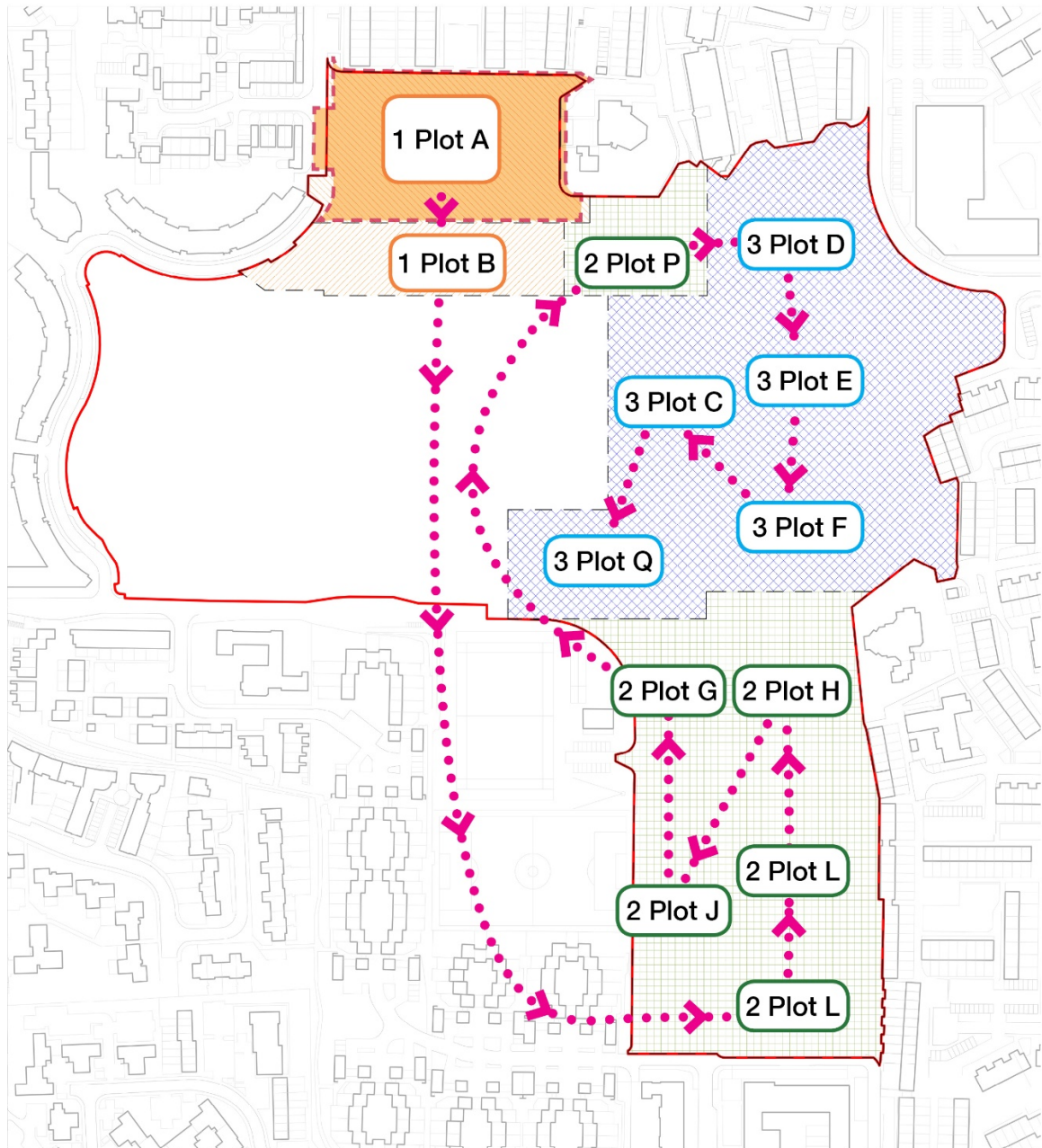
The Proposed Development is therefore unable to provide any additional affordable housing or other planning contributions beyond those assumed in the financial appraisal.

The key benefits of proceeding with the Proposed Development are:

- Replacement of ageing poor quality housing with 2,088 high quality new homes;
- 1,045 affordable homes (50%);
- No net loss of social rent housing;
- £41m investment in local infrastructure and the public realm, including a new road providing access through the site and a new, more direct, route for local buses;
- Re-provision of existing community facilities with new facilities;
- 2,667 sq m of commercial uses creating a vibrant place and providing jobs for local people in the long term;
- Improvements to Heybourne Park – new landscaping, sports, leisure and play facilities;
- New play facilities across the scheme;
- A highly sustainable scheme that meets the GLA's and the Council's environmental objectives; and
- A scheme that could only be delivered by a housing association, as the low profit level would not make the scheme financially attractive for a private developer.

Overall, it is considered by the Applicant that more than the optimal planning contributions are being offered for the Proposed Development.

APPENDIX A. INDICATIVE DEVELOPMENT PHASING PLAN



APPENDIX B: INDICATIVE CIL CALCULATION

		Mayoral CIL	Barnet CIL	
	<i>Applies to:</i>	<i>All floorspace excluding health and education</i>	<i>Residential and retail</i>	Notes
	Chargeable floorspace (sq m GIA):			
i.	Retail (A1-A3)	1,425	1,425	
ii	Bar (A4)	238		
iii	Workspace (B1)	1,005		
iv	Community Centre (D1/D2)	880		
v	Residential (including parking podiums)	192,075	192,075	
A	Total new chargeable floorspace (sq m GIA)	195,622	193,500	Total of i to v above
B	Floorspace to demolish (sq m GIA)	58,899	58,899	
C	Net new floorspace	136,723	134,601	A minus B
D	Demolished floorspace as proportion of total floorspace	30.1%	30.4%	A divided by B
E	Proposed new affordable housing floorspace	100,630	100,630	
F	Affordable floorspace not eligible for relief	30,298	30,631	D x E
G	Affordable floorspace eligible for relief	70,332	69,999	E - F
H	Floorspace eligible for CIL	66,391	64,602	C - G
I	CIL rate (including indexation)	£ 60	£ 190	
J	CIL payable	£ 3,983,476	£ 12,274,290	H x I
	Total Mayoral and Borough CIL payable	£	16,257,765	

APPENDIX C. SAVILLS' MARKET REPORT

DRAFT

Market Report, Grahame Park, Stage B, Plots A-Q, NW9

11th September 2019

1. Introduction

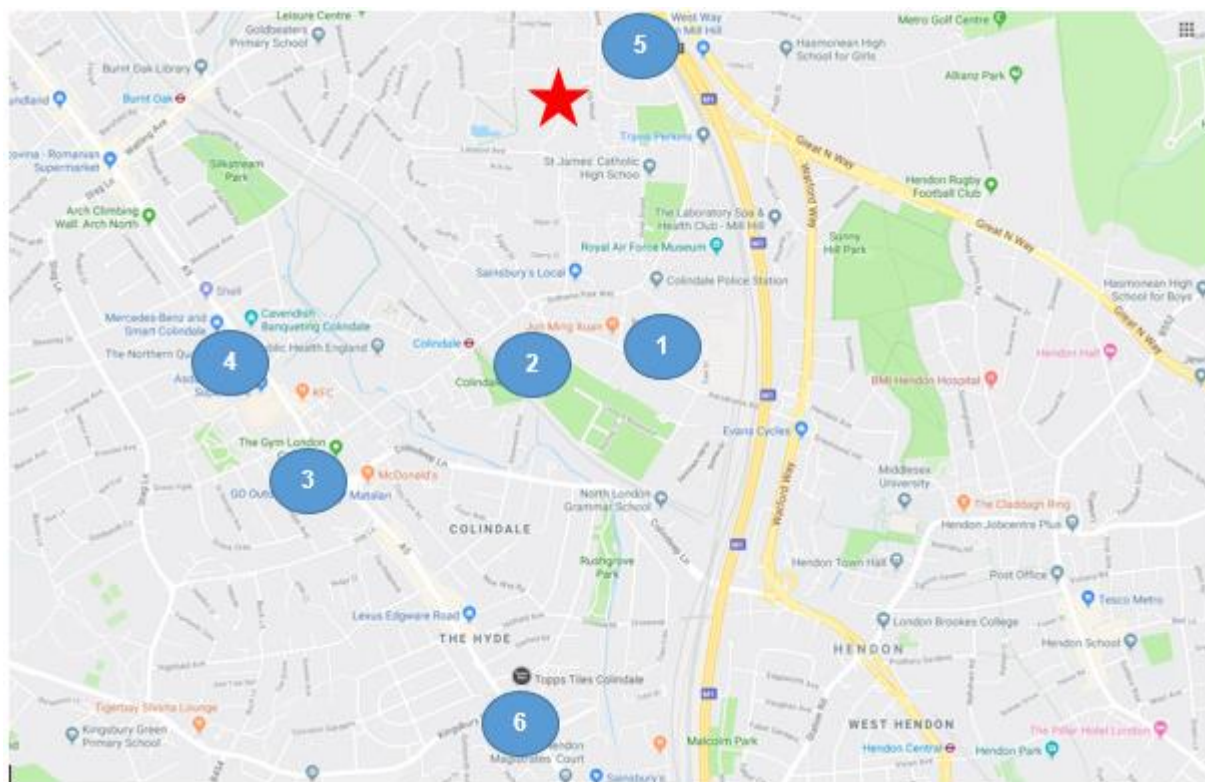
Savills have been asked to provide advisory services to Notting Hill Genesis (the Client) for their development at Grahame Park Stage B, Plots A-Q, NW9 (the Site). The main scope of work includes:

- A table of relevant comparable properties within Colindale and the surrounding area
- Commentary of the scheme compared to other schemes in the area
- The average values per unit size for each plot as per our previous values
- Car parking on site
- Sales rate per month
- Affordable values

The site in this report refers to Grahame Park Stage B, Plots A-Q. The site will provide 2,088 units, 1,043 of which are private, 699 are shared ownership and 346 are affordable rent.

Savills has been asked by Notting Hill Genesis to undertake an analysis of the Colindale market to help inform the achievable residential values for the next Phase of the Grahame Park regeneration. This initial analysis will then form the basis for value optimisation throughout the scheme in order to ensure a market facing application is sought, which also maximises the site's commercial potential.

2. Residential New Build Comparables



Ref.	Development	Developer	No. Units	Asking £ft²	Achieved £ft²	Status
1	Beaufort Park	Berkeley (St. George)	2,580	£693	£660	In construction
2	Colindale Gardens	Redrow	2,900	£601	£556	In construction
3	Silverworks	Galliard	227	£589	£567	Complete
4	TNQ	NEAT	462	£563	£550	In construction
5	Trinity Square	Barratt	396	£530	£586	In construction
6	The Rushgrove	L&Q	386	£640	-	In construction

Grahame Park, NW9

Scheme Analysis



2.1. Beaufort Park, NW9 5HA

Developer	Berkeley (St. George)
Average £ per sq ft	£663/sq ft (Achieved)
Total units	2,580
Total private units	1,368
No. Floors	19
Private Unit mix	Current phase (C5-12), 424 private units (517 total).
Amenities	24hr concierge, luxury spa and gym, dance studios, nursery, business centre 8 acres of landscaped parkland and courtyards, shopping and restaurants,
Specification	Custom designed kitchens, Villeroy & Boch chinaware, Vado taps. Siemens appliances and air-conditioned living spaces in 'Premier' units.
Transport links	0.3 miles to Colindale Tube
Walking time to Colindale Station	5 minute walk
Local authority	London Borough of Barnet
PC	2011- ongoing
Current Status	At the end of Q2 2019 the situation was as follows: - Chapman, Carvell, Constantine, Carleton, Capri and Sterling total 412 units, sold out and complete - Castleton is 42 units, completes from Q3 to Q4 2019 and is sold out. - Celeste is 92 units, completes from Q3 to Q4 2019 and 87 have sold. - Cornelia is 43 units, completes from Q3 2019 and Q1 2020 is sold. Capital values are similar to that of the subject site for one and two bed apartments. There are more amenities than the Subject site and Berkeley have built value over time.



Grahame Park, NW9

Scheme Analysis



Achieved Values

Address	No bedrooms*	Type	Tenure	Price Paid	Sq M	Sq ft	£/sq ft	Date
Flat 1 Castleton House, 26 Aerodrome Road	1	F	L	£389,950	51	549	£710	Jun- 2019
Flat 8 Castleton House, 26 Aerodrome Road	1	F	L	£370,825	53	570	£651	Jun- 2019
Flat 9 Castleton House, 26 Aerodrome Road	1	F	L	£370,000	50	538	£688	Apr- 2019
Flat 15 Castleton House, 26 Aerodrome Road	1	F	L	£380,000	51	549	£692	Apr-2019
Flat 23 Castleton House, 26 Aerodrome Road	1	F	L	£368,950	51	549	£672	Apr-2019
Flat 26 Castleton House, 26 Aerodrome Road	1	F	L	£381,800	54	581	£657	May- 2019
Flat 31 Castleton House, 26 Aerodrome Road	1	F	L	£381,800	51	549	£695	May- 2019
Flat 34 Castleton House, 26 Aerodrome Road	1	F	L	£420,000	54	581	£723	May- 2019
Flat 5 Celeste House, 1 Caversham Road	1	F	L	£364,855	52	560	£652	May- 2019
Flat 3 Castleton House, 26 Aerodrome Road	2	F	L	£470,450	70	753	£624	Apr- 2019
Flat 5 Castleton House, 26 Aerodrome Road	2	F	L	£465,000	70	753	£617	Apr-2019
Flat 11 Castleton House, 26 Aerodrome Road	2	F	L	£463,000	65	700	£661	Apr- 2019
Flat 24 Castleton House, 26 Aerodrome Road	2	F	L	£465,000	67	721	£644	Apr-2019
Flat 32 Castleton House, 26 Aerodrome Road	2	F	L	£468,604	67	721	£649	Jun- 2019
Flat 35 Castleton House, 26 Aerodrome Road	2	F	L	£483,000	65	700	£690	Jun- 2019
Flat 6 Castleton House, 26 Aerodrome Road	2	F	L	£534,000	77	829	£644	Apr- 2019
Flat 7 Castleton House, 26 Aerodrome Road	2	F	L	£540,000	77	829	£651	Mar- 2019
Flat 12 Castleton House, 26 Aerodrome Road	2	F	L	£538,350	77	829	£649	Apr- 2019
Flat 13 Castleton House, 26 Aerodrome Road	2	F	L	£535,575	77	829	£646	May- 2019
Flat 28 Castleton House, 26 Aerodrome Road	2	F	L	£540,000	77	829	£651	May- 2019
Flat 36 Castleton House, 26 Aerodrome Road	2	F	L	£550,000	77	829	£663	Jun- 2019

Source: Molior

*We have made assumptions on no. bedrooms based on minimum standards guide

Grahame Park, NW9

Scheme Analysis



2.2. Colindale Gardens (Phase 1), NW9 5JE

Developer	Redrow	
Average £ per sq ft	£556/sqft (Achieved)	
Total units	2,900	
Total private units	2,320	
No. Floors	2-21	
Unit mix	2,320 Private 580 Intermediate	
Amenities	Parking available. 4 acre central park. Concierge. Gym, sauna & steam room.	
Specification	Siemens appliances. Sottini sanitary ware. Timber flooring with under floor heating throughout	
Transport links	0.1 miles to Colindale Tube	
Walking time to Colindale Station	3 minute walk	
Local authority	London Borough of Barnet	
PC	Q1 2018 – Q1 2020 (Phase 1)	
Current Status	At the end of Q2 2019 - Serenity, Reverence, Lassen, Newington Houses and The Park Collection are 300 units, all complete and sold. - Blocks U & T are 211 BTR units for L&Q PRS also complete. - Orchard Quarter is 122 units, completed Q2 2019, 120 have sold. - Maple House and May House are 74 units, will complete Q1 2020, 35 have sold (15 in Maple, 20 in May). - Javelin and Jasmine are 87 units, will complete Q4 2019, were launched mid-January 2019 and 32 have sold (all in Jasmine). - 30 houses, will complete in Q4 2019, four have sold. - Blocks H and K are 36 and 75 units respectively, are under construction but have not yet been launched. - Help to Buy is available. The average size of the evidenced units are quite large bringing down the £/sqft substantially. Smaller units achieving close to £615/sq ft. The one and two bed apartments are similar in value to the subject site. Multi phased mixed use scheme.	

Grahame Park, NW9

Scheme Analysis



Achieved Values

Block	No bedrooms *	Type	Tenure	Price Paid	EPC-SqM	Sq ft	£/sq ft	Date
Flat 2, Paddington House, 10 Felar Drive	1	F	L	£345,000	52	560	£616	May-2019
Flat 4, Paddington House, 10 Felar Drive	2	F	L	£422,400	63	678	£623	Feb- 2019
Flat 6, Paddington House, 10 Felar Drive	2	F	L	£460,800	72	775	£595	Feb- 2019
Flat 8, Paddington House, 10 Felar Drive	4	F	L	£600,000	103	1,109	£541	Mar- 2019
Flat 9, Paddington House, 10 Felar Drive	2	F	L	£417,000	62	667	£625	Feb- /2019
Flat 11, Paddington House, 10 Felar Drive	4	F	L	£626,440	104	1,119	£560	Feb- 2019
2 Felar Walk	5	F	L	£590,000	120	1,292	£457	May- 2019
4 Felar Walk	5	F	L	£692,400	127	1,367	£507	May- 2019
5 Felar Walk	5	F	L	£715,000	140	1,507	£474	May- 2019
7 Felar Walk	4	F	L	£600,000	116	1,249	£480	Jun- 2019
8 Felar Walk	4	F	L	£665,000	116	1,249	£532	Mar- 2019
Flat 1, Paddington House, 10 Felar Walk	2	F	L	£475,200	77	829	£573	Feb- 2019
Flat 3 Paddington House, 10 Felar Walk	4	F	L	£600,000	96	1,033	£581	Feb- 2019
Flat 5 Paddington House, 10 Felar Walk	2	F	L	£470,000	77	829	£567	Feb- 2019
Flat 1 Quince House, 9 Felar Walk	2	F	L	£490,000	77	829	£591	Apr- 2019
Flat 2 Quince House, 9 Felar Walk	3	F	L	£540,000	88	947	£570	Feb- 2019

Source: Molior

*We have made assumptions on no. bedrooms based on minimum standards guide

Grahame Park, NW9

Scheme Analysis



2.3. Silverworks, NW9 0EB

Developer	Galliard	
Average £ per sq ft	£598/sqft	
Total units	227	
Total private units	191	
No. Floors	6 max	
Private Unit mix	27 x studio, 48 x 1 bed, 86 x 2 bed, 23 x 3 bed, 6 x 4 bed house	
Amenities	Extensive communal landscaped grounds, secure underground parking available	
Specification	Balcony, terrace or garden to each property; Smeg integrated kitchen appliances, natural oak flooring	
Transport links	0.5 miles to Colindale Tube, 1 mile from Hendon mainline station, 10 minute drive to M1	
Walking time to Colindale Station	10 minutes' walk to Colindale Tube	
Local authority	London Borough of Brent	
PC	Q3 2018	
Current Status	March 2019- The development sold out during Q1 2019 having completed during Q3 2018. Some large units in the below comparables bring the £/psf down. But the one and two bed prices are similar to that of the subject site.	

Achieved Prices

Unit	Floor	Bed	Approx Area		Achieved price (£)	Achieved £/SqFt	Date
			SqM	SqFt			
B302	3	1	59	635	£380,000	598	Aug-18
F006	House	4- House	130	1400	£710,000	507	Jul-18
G03	G	1	70	757	£410,000	542	Jun-18
H403	4	2	73	781	£500,000	640	May-18
F005	House	4- House	130	1400	£737,000	526	Apr-18
D05	G	1	65	695	£475,000	683	Mar-18
H205	2	2	73	781	£500,000	640	Feb-18
D001	G	3	111	1200	£630,000	525	Jan-18

Source: Galliard Homes

Grahame Park, NW9

Scheme Analysis



2.4. The Northern Quarter (TNQ), NW9 0EQ

Developer	NEAT	
Average £ per sq ft	£563 (Asking)	
Total units	462	
Total private units	295	
No. Floors	19 max	
Private Unit mix	118 x 1 bed, 163 x 2 bed, 14 x 3 bed	
Amenities	Concierge, Secure car and bicycle parking, landscaped courtyards, gym, crèche, retail and leisure	
Specification	Under-floor heating throughout, balcony with external lighting and EcoTherm decking, Symphony kitchen with Zanussi appliances,	
Transport links	1 mile to Colindale Tube	
Walking time to Colindale Station	15- 20 minutes' walk	
Local authority	London Borough of Brent	
PC	85 units had completed by Q3 2016. The remaining units will complete in tranches throughout 2017	
Current Status	June 2019- The cladding is being replaced on the tower, which contains 48 units and completion has now been put back until Q1 2020. The scheme sold out in Q2 2017 and officially none of the buyers have rescinded their contracts on the basis that prices have risen since they originally exchanged. Hamptons plans to launch 35 're-sale' units when a firm end date is known.	

Asking Prices

Unit	Floor	Bed	Approx Area		Asking price (£)	Asking £/SqFt	Date
			SqM	SqFt			
E.02.06	2	2	76	814	£420,000	£516	Mar-17
E.03.02	3	2	73	789	£430,000	£545	Mar-17
E.04.05	4	2	67	717	£450,000	£628	Mar-17
E.04.06	4	2	76	815	£425,000	£521	Mar-17
E.04.07	4	2	78	844	£445,000	£527	Mar-17
E.05.02	5	2	84	901	£460,000	£511	Mar-17
E.05.07	5	2	82	888	£455,000	£512	Mar-17
E.07.05	7	1	54	581	£340,000	£585	Mar-17
E.08.05	8	1	54	577	£345,000	£631	Mar-17
E.09.01	9	1	55	597	£350,000	£586	Mar-17
E.09.04	9	2	75	805	£465,000	£578	Mar-17

Grahame Park, NW9

Scheme Analysis



E.10.03	10	2	67	720	£455,000	£632	Mar17
E.10.04	10	2	75	803	£480,000	£598	Mar-17
E.11.02	11	3	115	1,240	£635,000	£512	Mar-17

Source: Molior

Achieved Prices

Unit	Floor	Bed	Approx Area		Achieved price (£)	Achieved £/SqFt	Date
			SqM	SqFt			
E.02.05	2	2	67	717	£405,000	£565	Jun-18
D.05.16	5	1	47	504	£315,000	£625	Jun-16

2.5. Trinity Square

Developer	Barratt	
Average £ per sq ft	£571/sq ft (Achieved)	
Total units	396	
Total private units	372	
No. Floors	9	
Private Unit mix	56x maisonettes, 74x Dwelling houses (1, 2 and 3 bedrooms homes)	
Amenities	Car parking for all homes, landscaped gardens	
Specification	Private rear garden, balcony or terrace for each unit	
Transport links	Travel incentives inc Oyster credit, car club membership and cycle vouchers. Burnt Oak and Colindale Station within 1 mile	
Walking time to Colindale Station	0.9 miles, 15-20 minute walk	
Local authority	London Borough of Brent	
PC	Last PC Q2 2020.	
Current Status	July 2019- The scheme sold out at the end of Q2 2019. It completed with the exception of 20 houses that are sold but will only be able to commence when the existing site compound has been removed. They are billed to complete at the beginning of 2021. Arguably a weaker location than the subject site, with limited access to amenities and infrastructure, mostly houses and car reliant.	

Achieved Prices

Block	No bedrooms *	Type	Tenure	Price Paid	SqM	Sq ft	£/sq ft	Date
Flat 3, 39 Coxwell Boulevard	1	F	L	£325,000	53	570	£570	Jan- 2019
Flat 6, 42 Coxwell Boulevard	1	F	L	£315,000	53	570	£552	Jan- 2019
Flat 8, 45 Coxwell Boulevard	1	F	L	£320,000	53	570	£561	Feb- 2019
Flat 11, 48 Coxwell Boulevard	1	F	L	£320,000	53	570	£561	Jan- /2019
Flat 30, 1 Trobridge Parade	1	F	L	£422,000	55	592	£712	Jun-2019
Flat 4, 6 Trobridge Parade	1	F	L	£315,000	53	570	£552	Jan- /2019

Grahame Park, NW9

Scheme Analysis



Flat 5, 6 Trobridge Parade	1	F	L	£465,000	53	570	£815	Feb- 2019
Flat 6, 6 Trobridge Parade	1	F	L	£367,000	59	635	£577	Feb- 2019
Flat 9, 6 Trobridge Parade	1	F	L	£320,000	53	570	£561	Feb-2019
Flat 7, 43 Coxwell Boulevard	2	F	L	£445,000	73	786	£566	Jan- 2019
Flat 7, 44 Coxwell Boulevard	2	F	L	£445,000	73	786	£566	Jan-2019
Flat 11, 43 Coxwell Boulevard	2	F	L	£445,000	73	786	£566	Feb- 2019
Flat 14, 43 Coxwell Boulevard	2	F	L	£435,000	71	764	£569	Jan- 2019
Flat 3, 6 Trobridge Parade Grahame Park Way	2	F	L	£400,000	65	700	£571	Feb- 2019
Flat 4, 40 Coxwell Boulevard	2	F	L	£470,000	82	883	£532	Feb- 2019
Flat 5, 41 Coxwell Boulevard	2	F	L	£450,000	75	807	£557	Feb-2019
Flat 9, 46 Coxwell Boulevard	2	F	L	£475,000	82	883	£537	Jan- 2019
Flat 10, 47 Coxwell Boulevard	2	F	L	£450,000	75	807	£557	Jan-2019
Flat 13, 50 Coxwell Boulevard	2	F	L	£475,000	83	893	£531	Jan-2019
Flat 19, 5 Trobridge Parade	2	F	L	£470,000	84	904	£519	Jun- 2019
Flat 7, 6 Trobridge Parade	2	F	L	£465,000	83	893	£520	Feb- 2019
Flat 10, 6 Trobridge Parade	2	F	L	£450,000	82	883	£509	Mar- 2019

Source: Molior

*We have made assumptions on no. bedrooms based on minimum standards guide

Grahame Park, NW9

Scheme Analysis



2.6. The Rushgroves (Homebase NW9)

Developer	L&Q	
Average £ per sq ft	£640/ sqft (Asking)	
Total units	386	
Total private units	308	
No. Floors	Eight blocks of apartments 6-8 storeys and a building of 14 storeys and 3 terraced blocks comprising housing and duplex apartments	
Amenities	Business hub, Café, car and cycle parking, storage and plant space located at basement level with private and shared residential external amenity space and landscaping.	
Transport links	1 mile to Colindale Tube	
Walking time to Colindale Station	20 minutes' walk	
Local authority	London Borough of Barnet	
Current Status	July 2019- Construction is progressing with completions due to run from Q4 2019 through to Q1 2021. 178 private units have switched to affordable leaving 130 to be sold. Two additional units had sold by the end of Q2 2019, out of 53 in a block called Arber House. The current pricelist shows 1- beds from £352,500, 2- beds from £430,000 and an average of £640 psf. Price reductions averaging 4% have been applied during Q2 2019. Lesser location than the subject site.	

Asking

Plot ref	Floor	Bed	GIA		Asking Price	£/ sq ft	Date
			Sq Ft	Sq M			
A01.01	1	2	938	87	£552,500	£589	Jun- 2019
A01.02	2	2	717	67	£430,000	£600	Jun- 2019
A02.01	2	1	579	54	£382,500	£661	Jun- 2019
A02.04	2	1	568	53	£377,500	£665	Jun- 2019
A05.01	5	1	566	53	£382,500	£676	Jun- 2019
A05.05	5	2	846	79	£537,500	£635	Jun- 2019
A06.02	6	1	539	50	£352,500	£654	Jun- 2019

Source: Molior

Achieved

Block	No bedrooms *	Type	Tenure	Price Paid	SqM	Sq ft	£/sq ft	Date
24, Rookery Close	6	S	F	£680,000	135	1,453	£467	Nov- 2018
28, Rushgrove Avenue	6	S	F	£737,000	141	1,518	£485	Dec- 2018

Source: Molior

*We have made assumptions on no. bedrooms based on minimum standards guide

3. Grahame Park vs Competitors

The Grahame Park development is one of several in and around Colindale and Burnt Oak. The scheme is large in scale and its main competitors in terms of scale and ambition are of course Beaufort Park and Colindale Gardens. These two sites have the benefit of the brand names of Berkeley and Redrow respectively, they have significant presence in the market and can rely on many repeat investors to buy into their schemes which often means they drive a premium over other developers. They benefit also from their proximity to the station and the extensive amenities they provide, Berkeley Homes have been on site for nearly a decade and have built value and “place” through their phasing. The ambition and scale of Grahame Park is similar to the aforementioned but may lack some of the “brand power” to attract buyers. Savills have priced the subject site from a sales perspective as of 2019, we believe that there is a small discount to Beaufort Park in part because of the location and positioning of some of the residential stock. Blocks B,C,P&Q are of higher or competing value due to their outlook and design, whereas blocks G, J, E, F have lower capital value units as their outlook and design drives less value (Linear blocks, overlooking the school or road). Importantly the capital values achieved at Beaufort Park for one and two bed comparables are similar to that of Grahame Park Stage B.

Other comparables of note include TNQ a nearby scheme in its latter phases which now has experienced problems with cladding following on from the changes in regulations following on from the Grenfell Tower disaster. This is now somewhat historic having sold out in 2017 but the market has not increased a great deal in this location and the scheme sits below the key comparables in value terms in part due to its location and also its lack of amenities but is a good comparison for the weaker blocks on the subject site.

The Silverworks scheme by Galliard lies to the east of Colindale station and is arguably in a better location in terms of access to the underground and existing amenities. The scheme launched in 2015 and although much smaller in scale sold successfully completed early in 2019. The scheme provided little itself in terms of amenities, was limited to 6 storeys in height, and the mix had marginally more larger units (in percentage terms) which would lower the pound per square foot. However of the evidence above, many of the one and two bed comparables are similar in capital value terms

Two schemes that also provide evidence of sales are Rushgroves and Trinity Square. Trinity Square is in a lesser location to that of the subject site and is predominantly a scheme of houses and maisonettes all of which lie closer to M1. They command a lower pound per square foot as a result of being larger units but the capital values are similar to that of the large units at Grahame Park. How Savills believe that the site will offer more than Trinity Square in terms of amenity and is closer to the underground access.. The Rushgroves by L&Q is still under construction, the site lies further away from Colindale and closer to Hendon mainline station, which is a weaker location. The Rushgroves completes later this year and has been selling units at a discount to generate sales absorption.

In conclusion Savills believes the most similar schemes to that of Grahame Park Stage B, are Beaufort Park and Colindale Gardens, not only in terms of scale but also similar locations. It is Savills belief they are, and will continue to be the main comparables as and when the subject site is delivered. The capital values are marginally stronger at Beaufort Park demonstrating the Berkeley brand and also the superior location in terms of access to the underground.

3.1. Pricing Methodology

As well as assessing the blocks and their position on the site we also considered Grahame Park Stage B as a masterplan. The site is linear in nature, it runs essentially north to south wrapping around the park at the northern end. The relatively low rise nature of the scheme means that the main driver for value will be based around accessibility to infrastructure and visibility of the open space. The blocks based around the park are also designed in a way which creates dual aspect units and maximises views, which help drive value. The dual aspect element, coupled with the views of the park enable them to command a 'premium' over the blocks overlooking the existing housing stock, Lanacre Avenue and the school. The internal layout of the apartments is often overlooked but in this case the "mansion block" typology works well given feedback from buyers in the market, in terms of open plan living and hierarchy of space.

The lesser plots were assessed, again based on their aspect and proximity to amenities, with units overlooking the dated second hand stock achieving lower values than those overlooking a newly curated courtyard, such as block K is superior to block J.

Whilst pricing each individual unit we took account the aspect or view from the apartment, assessing difference between, for example, a courtyard view and one overlooking Lanacre Avenue, the difference between each floor whether the view improves or not, the type of unit and its size. Smaller units that are well laid out in general command a higher pound per square foot and the key drivers for purchasers, layout, outlook, access to infrastructure etc.

It is key to remember that the capital values are the key element to be considered, affordability is stretched and purely evaluating pound per square foot can be misleading. We believe the pricing at the Subject site is competitive in the market and remains within reach for many buyers.

4. Average Values

Private sales values

Unit Type	Homes	Average value	Total GDV	£/sqm Rate	£/sqf Rate
Studios	75	£296,067	£22,205,000	£7,591	£705
1B2P (Flat)	430	£378,744	£162,860,000	£7,573	£704
2B3P (Flat)	57	£466,316	£26,580,000	£7,557	£702
2B4P (Flat)	358	£502,772	£179,992,270	£6,632	£616
3B5P (Flat)	103	£648,912	£66,837,900	£7,478	£695
3B6P (Flat)	8	£662,500	£5,300,000	£6,734	£626
3B6P (House)	12	£645,000	£7,740,000	£5,972	£555
Total/Average	1043	£452,076	£471,515,170	£7,132	£684

The average values above we believe are achievable in the current market, the pound per square foot values in this location may look high, but that is due to the sheer number of "smaller" units in the mix. You will note from the number of homes in each typology that the bulk of units are two beds or below (88%), thus driving up the pound per square foot value even if the average capital values remain at sensible levels for the area and the designed proposed product.

In terms of how the units compare in the market the unit prices sit similar or below those being achieved at Beaufort Park who set the benchmark for the area. The scale and ambition for the scheme should be to provide a similar level of product and quality to that designed by Berkeley.

Grahame Park, NW9

Scheme Analysis



OMV	A	B	C	D	E	F	G	H	J	K	L	P	Q
Studio								£300,000	£275,000	£315,000		£325,000	
1B2P	£360,000	£400,000	£400,000	£365,000	£370,000	£365,000	£360,000	£360,000	£345,000	£365,000	£360,000	£395,000	£400,000
1B2PW	£395,000												
2B3P	£425,000		£470,000	£400,000	£400,000	£400,000	£390,000	£400,000		£465,000	£420,000		
2B3PW	£450,000												
2B4P	£465,000	£532,000	£570,270	£465,000	£465,535	£466,000	£460,000	£462,500	£445,000	£475,000	£465,000	£525,000	£530,000
3B5P		£675,000	£675,860				£540,000		£545,000			£665,000	£670,000
3B6P		£618,125											
3B5PM	£545,000	£620,000	£620,000									£620,000	£625,000
3B6PM	£605,000			£620,385	£645,000	£625,000		£625,000		£675,000	£625,000		
3B6PH						£642,500		£645,000					
4B6PM	£585,000			£598,000	£675,000	£655,000		£642,500			£645,000		
4B6PH	£692,500			£650,000	£685,000								
5B6PH	£700,000												

The above table lays out the plot by plot values for each typology. The values around plots B&C are the highest demonstrating the benefits of their design and their outlook over the park and open space

5. Shared Ownership Values

In our role of pricing the scheme Savills have also assessed the shared ownership values from a market basis. Based on current values and the assumption the LB of Brent and GLA income thresholds/policy remain the same, Savills believe that the values currently are achievable and importantly affordable.

Unit type	Homes	Average Open Market Value	Shared Ownership affordable value	Total GDV	£/sqm Rate	£/sqf Rate
1B2P (Flat)	417	£363,134	£281,769	£117,497,636	£5,634	£523
2B3P (Flat)	60	£413,183	£320,329	£19,219,720	£5,191	£482
2B4P (Flat)	222	£464,894	£360,825	£80,103,146	£4,759	£479
Total/Average	699	£399,749	£310,187	£216,820,501	£5,239	£502

6. Car Parking

Car parking across London is a hot topic with many boroughs demanding lower ratios of parking where they are able. In a location such as Colindale rents for car parking spaces are in the region of £75 pcm for undercroft, £50 pcm for a specified surface space on a non-adopted street. Savills normal letting strategy would be to offer the parking as available by separate negotiation for an individual unit. This allows flexibility in securing lets but also to retain parking spaces for any tenancies that do not require a space. Parking should be prioritised to the larger units (2 beds +). Any retained spaces not required for the larger units can be used to facilitate requirements for parking on studio and 1 beds.

The 'right to park' spaces at Beaufort Park (underground) were being sold for circa £100pcm – in 2016, where there is a lot of development the number of parking spaces becomes reduced and prices go up.

In other schemes we have seen £50/£60 pcm as the going rate. This would be for undercroft. On a non-adopted street would be 70% of this figure. Savills would suggest circa £50-£75pcm with a 30% discount to create interest this would equate to £50pcm rental for surface parking.

7. Sales Rates and Commentary

We expect the scheme to achieve an average sales rate of 4-5 units per month, with more sales being done at the relevant seasonal launches and around targeted marketing spend. There is a negative correlation between values and sales rates, and the suggested sales rate of 4-5 units per month is based on the pricing in this document. If those prices were to be increased then the sales rate will be at risk of slowing. It is difficult to quantify the exact impact at this stage with the uncertainty in both political and economic spheres, but with other significant new build developments in the area it is important that the scheme is priced sensitively.

Sales rate will also be impacted by the time of year the scheme is launched. In general, the peak month is September while the market starts to slow down by December. However, the market is increasingly unpredictable given the current political uncertainty.

7.1. Sales Strategy to maintain a consistent rate of Sale

Sales The key elements of a successful marketing strategy for the Site are highlighted in the list below:

- Significant budget should be set aside to maximise sales rate. The best exponents of this are Ballymore who consistently perform well in sales rates and generate huge interest in their schemes. They focus spend on marketing and common areas that help create place and drive value.
- An on-site sales and marketing suite and show units (ideally two) would be required in time for the domestic launch.
- The sales and marketing suite would need to be as close to a main road as possible and with parking available. For a site of this size we would expect a reasonable size marketing suite.
- International exhibition sales events could be considered to accelerate sales rates and ensure that launch sales are maximised and sales values are benchmarked – in particular these would be most successful on earlier phases/newer releases.
- Comparable developments have achieved average sales rates of 4-6 sales per month, broadly in line with those suggested at the Site.
- Initiatives (such as Help to Buy) should be utilised within 6 months from practical completion in order to accelerate sales, if required before 2023.
- In order to ensure that sales rates are maintained and don't drop off mid-scheme or in later phases, each phase is recommended to adopt its own identity or brand. This will help ignite new interest and build fresh momentum. Slightly different building design and specification will also ensure that rates are maintained and, in many instances, prices can be increased as a result of new interest.
- Alternative uses of residential such as Build to Rent and Bulk deals can also be considered to keep sales rates optimised or improved (if construction programme is quicker than indicated).

7.2. Supply

The supply of new homes in London has fallen drastically short of demand since the early 2000s. Although supply levels have been growing since 2011, there is still a shortfall of homes when compared to the London Plan's revised minimum target of 42,000 homes per year from 2015 to 2025.

High levels of demand for housing in London are driven by employment growth in excess of the UK average, population growth, and the expansion of a world class higher education sector. This leads to significant levels of in-migration and levels of income growth above the UK average.

Over the next five years, we forecast there to be just under 38,500 total net homes built on average each year. This falls below the target of 66,000 as referenced in the Draft London Plan and significantly below our home delivery target of the 94,000 homes needed per year to improve affordability.

Our analysis of future supply against demand indicates that the largest supply shortfall will continue in the lower mainstream market segment below £450psf and in the sub-market rent segment, as well as a shortfall in the mid mainstream segment with values ranging between £450psf and £700psf.

Recent analysis indicates that supply in the upper mainstream and lower prime segments is increasing. In fact, we expect that these segments will become oversupplied with marginal oversupply in the upper prime and super prime markets. We therefore believe the risk of bringing forward 500+ homes at Grahame Park over the next 10-12 years is mitigated.

8. Conclusion

Grahame Park Stage B is a large site which will change the offer in the market and help to alter the perception of Colindale. The number of private and shared ownership units will mean there is an element of sales risk especially given the volume of local supply in the area in the next few years. In light of that supply it is important that the private units are priced accordingly in order to achieve a consistent sales rate. The plots around the park will command the highest capital value which will compete with the better located comparables such as Beaufort Park and Colindale Gardens. The less prime plots will not command the same values but they are still remaining affordable, which is key in a scheme this size to maintain a steady level of absorption. Phasing and the release of the premium product will be important to achieve those values.

When undertaking the pricing Savills acknowledged the position of units within blocks as well as their views and how values increase with each floor. The blocks overlooking the existing housing are priced differently than those overlooking the park, not only because of outlook but also the design of the units and how dual aspect can benefit the units.

The pricing should support a consistent rate of sale providing it is buoyed with an extensive and consistent marketing campaign. The most successful developers invest heavily in their marketing and the common parts of their buildings to set them apart from the competition. As mentioned in the supply document there remains high demand for the price point and it is Savills belief that to maintain a rate of sale product differentiation and what a developer offers buyers is integral to success.

Important Note

Finally, in accordance with our normal practice, we would state that this report is for general informative purposes only and does not constitute a formal valuation, appraisal or recommendation. It is only for the use of the persons to whom it is addressed and no responsibility can be accepted to any third party for the whole or any part of its contents. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent, which will not be unreasonably withheld.

Our findings are based on the assumptions given. As is customary with market studies, our findings should be regarded as valid for a limited period of time and should be subject to examination at regular intervals.

Whilst every effort has been made to ensure that the data contained in it is correct, no responsibility can be taken for omissions or erroneous data provided by a third party or due to information being unavailable or inaccessible during the research period. The estimates and conclusions contained in this report have been conscientiously prepared in the light of our experience in the property market and information that we were able to collect, but their accuracy is in no way guaranteed.

DRAFT

APPENDIX D. ARCADIS COST ESTIMATE

DRAFT

Heybourne Park

Order of Cost Estimate Nr 3.1

17/09/2019

for

Notting Hill Genesis



Section 1. Executive Summary

1.1 Project Overview

- This Order of Cost Estimate looks to carry out a commercial appraisal for the proposed residential development (residential and commercial areas plus associated enabling, infrastructure and external works) at Heybourne Park, NW9 based on the outline designs which has been prepared by Patel Taylor.

Residential	Commercial	Parking
GIFA (m²)	GIFA (m²)	
184,406	2,667	7,669

TOTAL residential and commercial
GIFA (m²)
187,073

- Arcadis costs are based on Patel Taylor's design information as detailed at Section 2.2 of the report. The Net Internal Areas have been calculated through the measurement of the soft design freeze drawings. Net Internal Areas and Gross Internal Areas have been measured by Arcadis. Improving the efficiency of some/ all of the blocks will have a positive impact on cost and will need to be discussed throughout the design development process.
To achieve this improvement:
 - This OCE 3.1 captures the next differences compared to OCE 3.
 - Removes the basements to Plots B, E, H & L.
 - Removes the podiums to Plots B (1,860m²), C (1,334m²), P (863m²) & Q (1,327m²).
 - Reviews the external works cost Under VE 1. (Adjusted temporary car park to Plot A only and removal of E/O Phasing allowance).
 - Reviews the facilitating works cost under VE 1. (Adjustment for asbestos removal to existing dwellings from £3k to £2K and allowance adjustment for works to underpass).
 - Reviews the efficiency to all Plots except A, B, C, P & Q assuming a recovery of 50% efficiency difference from the OCE2 to OCE3 under VE 2.
 - Facade @£525/m² (on face) for Plot A and blended facade rate for rest of Plots @£475/m² (on face).
 - Reduction of the net cost for specifications of £20/m² GIA.
 - Zero Carbon only net cost as the On-costs can be saved if this is paid directly by NHG.
 - Post-contract design fees reduced by 0.5%
- Blocks are modelled based on social rent, shared-ownership and private specification, the specs for PRS plots have been assumed the same as private to offer a level of flexibility on these tenures.

1.2 Financial Summary

- Within this Order of Cost Estimate Nr.3.1, we have now carried out detailed cost modelling exercises for all 13 nr plots on a plot by plot basis. As a result we have captured each elemental item per block independently, showing an individual build cost for each plot taking into consideration plot specific efficiencies and abnormalities.

Construction cost residential, commercial and parking only	Rate (£/m²) with contingency	Rate (£/m²) without contingency
£ 556,656,550	£ 2,976	£ 2,834

It is assumed that a blended sales value of between £550-£600 psf will be achieved.

- Extra over allowances are included at this stage to cover requirements for wheelchair units (assumed at 10%), London New Homes and Zero
- The construction of parking/podiums (where applicable) have been priced separately but included as part of the individual block / plot costs to provide an overall build cost (exclusive of site wide facilitating and external works, and project on-costs) for each plot. Please refer to the Financial Summaries overleaf for further detail.
- Site wide facilitating works and external works, drainage and external services have been priced.
- Arcadis has made a number of assumptions with regard to specific specification items, these have been updated by the results obtained when undertaking the Cost Plan Plot A, notably:
 - Facade treatment - a blended solid/ glazed allowance of £525/m² for Plot A and £475/m² blended cost for the rest of Master Plan (on face). This assumes a predominant brickwork facade at a solid to glazing ratio of 65:35. Facade areas used in the preparation of this report, will need to be cross-checked and verified by Patel Taylor.
 - Substructure - £1,400/m² (footprint) allowance for piled foundations to courtyard, mansion and linear blocks. £400/m² (footprint) allowance for parking/podiums.
 - Townhouses - it is assumed that the construction of the townhouses incorporated as part of a courtyard block, are constructed as per the apartment block i.e. piled foundation, RC frame.
 - Balconies - £10,000 allowance per unit for bolt-on solution or reinforced concrete balcony - exact requirement to be confirmed.
 - Frame and upper floors - £225/m² (GIFA) for courtyard, mansion, linear blocks and town-houses.
 - Services - blended allowance of £40,000/apartment for mechanical and electrical services (this excludes MVHR, lifts and sanitaryware which is priced elsewhere).
- Internal fit-out specifications and allowances included vary dependent on unit size and tenure type. The following highlights the typical allowances included within the cost models produced for the different unit & tenure types:
 - Kitchens - £3,000 to £9,000 per unit
 - Bathrooms & En suites - £2,000 to £3,500 per unit
 - Floor finishes - £50/m² to £80/m²
 - Wall finishes - £8/m² to £80/m²
 - Plasterboard ceiling - £35/m²
 - Internal partitions - £210/m
 - Apartment entrance doors - £1,000/nr; Internal doors; generally £350-400/nr
- Arcadis recommend that a detailed review and appraisal is undertaken by Notting Hill Genesis. The review should consider other factors such as demographics, target market, number of similar planned developments in the vicinity, and other key appraisal scores such site location, price growth potential, demand profile, and transport accessibility.

Section 2. Basis of Estimate

2.1 Basis of Costs

- The costs assume the works will be competitively tendered to gain the best possible price, and also on the basis of a design and build procurement route.
- The figures contained in this Order of Cost Estimate are for budgetary purposes only. Due diligence should be carried out by clients/agents on any development/land appraisal undertaken
- The Order of Cost Estimate is provided strictly in accordance with the Arcadis LLP Terms of Business, available from Arcadis LLP, 34 York Way, London, N1 9AB
- The GIFAs are indicative and subject to design development and could vary as a consequence of site surveys, Planning and Building Control requirements, depth of external façade zone, building tolerances, etc.
- The GIFA has been calculated based on the measurement of each individual plot, based on the drawing information received on the latest soft design freeze information.
- The NIA of each plot has been calculated on a plot by plot basis to capture accurately type and tenure.
- The costs are based on Q2 2019 prices, with no allowance for inflation.

2.2 Schedule of Information Used

Patel Taylor

- 529-PTA-MP-RF-SK-A-0102_P05
- 529-PTA-MP-RF-SK-A-0103_P04
- 529-PTA-MP-RF-SK-A-0104_P04
- 529-PT-SK-0072_P04
- 529-PT-SK-0096_P06
- 529-PTA-A0-GF-DR-A-2100 S2-P04
- 529-PTA-A0-01-DR-L-2101 P01
- 529-PTA-A0-02-DR-L-2102 S2-P02
- 529-PTA-A0-03-DR-A-2103 S2-P04
- 529-PTA-A0-04-DR-A-2104 S2-P03
- 529-PTA-A0-05-DR-A-2105 S2-P02
- 529-PTA-A0-06-DR-A-2106 S2-P02
- 529-PTA-A0-07-DR-A-2107 S2-P04
- 529-PTA-A0-08-DR-A-2108 S2-P04
- 529-PTA-A0-09-DR-A-2109 S2-P02
- 529-PTA-A0-10-DR-A-2110 S2-P02
- 529-PTA-A0-RF-DR-A-2111 S2-P01
- 529-PTA-B-ZZ-PL-A-0001 S2-P06
- 529-PTA-C-ZZ-PL-A-0001 S2-P03
- 529-PTA-D-ZZ-PL-A-0001 S2-P03
- 529-PTA-E-ZZ-PL-A-0001 S2-P03
- 529-PTA-F-ZZ-PL-A-0001 S2-P03
- 529-PTA-H-ZZ-PL-A-0001 S2-P03
- 529-PTA-GJ-ZZ-PL-A-0001 S2-P05
- 529-PTA-K-ZZ-PL-A-0001 S2-P03
- 529-PTA-L-ZZ-PL-A-0001 S2-P03
- 529-PTA-P-ZZ-PL-A-0001 S2-P01
- 529-PTA-Q-ZZ-PL-A-0001 S2-P01

Curtins

- 071344-CUR-00-00-DR-C-9000 P01
- 071344-CUR-00-00-DR-C-9001 P01
- 071344-CUR-00-00-DR-C-9002 P01
- 071344-CUR-00-00-DR-C-9003 P01
- 071344-CUR-00-00-DR-C-9004 P01
- 071344-CUR-00-00-DR-C-9005 P01
- 071344-CUR-00-00-DR-C-9006 P01
- 071344-CUR-00-00-DR-C-9007 P02
- 071344-CUR-00-00-DR-C-9008 P02
- 071344-CUR-00-00-DR-C-92000 P01
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Max Fordham

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Section 3. Assumptions & Exclusions

The following key assumptions and exclusions have been made in the preparation of the Order of Cost Estimate:

3.1 Key Assumptions

It is assumed a piled foundation will be adopted for plot types: Courtyard, Mansion and Linear, subject to further investigations and design.

The façade treatment will be of a medium specification (predominantly brickwork), including elements of glazing; however, alternatives could be considered as part of design development. Individual block/ plot costs assume a blended rate of £525/m² (on elevational area) for both the solid and glazed facade treatments for Plot A and £475/m² for the rest of the Master Plan (on face).

Blockwork/RC internal wall for unit separation.

It has been assumed the development will achieve Secured by Design certification.

It has been assumed the development will be built to Lifetime Homes standards.

It has been assumed that no allowance for off-site services works upgrades is needed anymore as confirmed by MF.

This estimate includes allowances for internal diversions and/or upgrades to the existing services for the proposed development. These are provisional allowances that are to be confirmed by the providers. This is based on Max Fordham recommendations.

Units are assumed to be constructed to a mid-range Private Sale, Shared Ownership and Affordable Rent specification. Costs assume sales values of between £550 to £600 psf are achieved.

A Risk Allowance of 5% has been included - 2.5% for design development and 2.5% for general risk allowance / contingencies.

Main Contractor's Preliminaries have been included at 16% based on market intelligence.

Main Contractor's Overheads & Profit have been included at 6% based on market intelligence.

Main Contractor's Design Fees have been included at 4.5% on the assumption that it will be a Design & Build procurement route.

All residential net and gross internal areas stated in the estimate have been assumed based on check measures of the latest soft design freeze drawing information provided by Patel Taylor.

It has been assumed that the parking/podium GIAs are excluded from the overall plot GIFA. Areas such as plant room, cycle store, bin store, etc are deemed to be within the GIFA.

It has been assumed that some of the residential units will be built to accommodate wheelchairs; assumed percentages stated on the estimate summaries.

Allowances have been assumed for external related works. Landscaping and podium finishes have not been provided for the current Master Plan, as a result of this during the DTM was agreed to use the previous allowances as these should be very similar.

Assumed total vacant possession to enable asbestos survey and removal (allowance included, see overleaf) prior to demolition.

An allowance has been provided for contamination to existing parkings as per Curtins recommendation.

Assumed no temporary support or propping required to adjacent structures; and no additional works required due to the proximity of the railway line to the Southern Boundary

All works to be in normal working hours.

Building Regulations can be met with the current proposed design.

Assumed no works outside of the site boundary other than areas stated. These areas consist of playground areas to the north-west of the site within Grahame Park.

Commercial space has been allocated an allowance of £400/m² fit-out except for Plot A which is based on the detail design.

Assumed private roof terraces require balustrades/railings.

Assumed parking/podiums above ground level will require boundary walls/fencing.

Sprinklers have been allowed for to residential NIA areas only, and exclude parking/podium and commercial areas.

MVHR allowance is deemed to be included within the provided London New Homes allowance.

Permanent energy centre allowance for the estate to the north of this proposed development. Number of units and duration of service provided to be determined.

Assumed roof finishes to be brown/green roofs and 25% area for paved solutions.

Section 3. Assumptions & Exclusions

No allowance has been made for transfer slabs across all plots other than stated.

Wardrobe allowance has been assumed as 1nr per unit to master bedroom. This allowance also includes an allowance for 2nr shelving.

All roads to be constructed to adoptable standard has to be clarified by NHG.

Assumed 50nr new tree's.

Attenuation strategy and proposed drainage strategy has been priced based on Curtins' drawings.

Allowance for enabling works and diversion to services has been provided.

Allowance has been made for asbestos removal from existing buildings.

Quantity of PV panels as per Energy Strategy workshop agreement (10% of commercial GIFA)

Staircase and lifts reach roof level for plant roof access to 3 blocks. Also, these blocks will have screen to cover the plant rooms.

None semi-basement parking as per latest design.

Groundworks to Plot Q allowance included as per Curtains sketch May 2019

An allowance for raised planters has been added to all courtyards plots.

Works to existing park are excluded.

An allowance for temporary parking has been included only for Plot A. This should be reviewed to ascertain areas.

MEP to parkings includes an allowance for car charging points.

Concierge area to PRS blocks included in residential GIFA.

Tarmac finish allowed to parking areas under podium.

Allowance included for Under Floor Heating to apartment areas.

3.2 Key Exclusions

- 1 No allowance has been made for ground remediation other than existing parking areas.
- 2 Any structural support or enhancement works of any nature (temporary or permanent) to adjacent or adjoining buildings.
- 3 Abnormal site conditions beyond those identified.
- 4 Costs arising from impact on trade of local businesses.
- 5 Ecological related costs following ecological surveys.
- 6 Any costs associated with archaeological related costs following investigations.
- 7 Road closures.
- 8 Legislation changes.
- 9 Aftercare & Maintenance.
- 10 Costs arising from the discovery and subsequent removal of asbestos (except where stated).
- 11 Fees, VAT and inflation
- 12 Rights of light payments and or charges.
- 13 Planning delay mitigation costs.
- 14 Financing, legal, advertising & marketing costs.
- 15 Code for Sustainable Homes requirements as this is now withdrawn.
- 16 Planning requirements e.g. S278, S106, stopping up orders, CIL etc.
- 17 Works beyond the boundary of the site, including external services or highway alteration works.
- 18 Traffic related costs resulting from Traffic Impact Assessment / Transport Assessment.
- 19 Maintenance of hard and soft landscaped areas beyond 12 months defects liability period.
- 20 Decommissioning of existing CHP's and sub-stations.
- 21 Temporary Lawn.
- 22 Blinds, AOV, Fire Hydrants

Section 4. Heybourne Park Avenue Configuration

4.1 Financial Summary

OCE 3.1				
Element	Quantity	Unit	Rate	Total cost Residential & Commercial
FACILITATING WORKS AND BUILDING WORKS				
Facilitating Works:				
Site preparation; generally	84,533.51	m²	20	£ 1,690,670
Demolition of existing structures (approx. quantity)	231,849.20	m3	30	£ 6,955,476
Breaking up of existing foundations	18,360.08	m²	100	£ 1,836,008
Disposal of contaminated car parking demolition material	3,096.00	m3	400	£ 1,238,401
Contamination and asbestos removal (allowance per phase prior to exact requirements)	0.99	prov	2,000,000	£ 1,977,392
Works to existing underpasses (assumed demolition and engineering filling)	0.99	prov	700,000	£ 692,087
Off-site infrastructure works/upgrades	-	prov	2,000,000	£ -
Allowance for temporary boilers	0.99	prov	950,000	£ 939,261
Trees removed / retained	0.99	nr	137,500	£ 135,946
Service Diversions	0.99	prov	4,425,775	£ 4,375,746
SUB-TOTAL				£ 19,840,988
Building Works:				
Plot A - (Courtyard plot)				
Residential GIA	18,600	m²	1,779	£ 33,081,921
EO; allowance for wheelchair units (assumed 10% of units)	21	nr	2,500	£ 51,750
EO; allowance for London New Homes requirements	207	nr	3,000	£ 621,000
EO; Zero Carbon	207	nr	1,850	£ 382,950
Car parking	1,427	m²	1,050	£ 1,498,350
Commercial area	402	m²	1,200	£ 482,400
Commercial fit-out	402	m²	100	£ 40,200
SUB-TOTAL				£ 36,158,571
£/m2 (resi area and commercial excluding podium area)				
Plot B - (Mansion plot)				
Residential GIA	19,338	m²	1,884	£ 36,426,925
EO; allowance for wheelchair units (assumed 10% of units)	22	nr	2,500	£ 56,000
EO; allowance for London New Homes requirements	224	nr	3,000	£ 672,000
EO; Zero Carbon	224	nr	1,850	£ 414,400
SUB-TOTAL				£ 37,569,325
£/m2 (resi area and commercial excluding podium area)				
Plot C - (Mansion plot)				
Residential GIA	15,374	m²	1,801	£ 27,691,827
EO; allowance for wheelchair units (assumed 10% of units)	17	nr	2,500	42,500
EO; allowance for London New Homes requirements	170	nr	3,000	510,000
EO; Zero Carbon	170	nr	1,850	314,500
Commercial area	478	m²	1,200	573,600
Commercial fit-out	478	m²	400	191,200
SUB-TOTAL				£ 29,323,627
£/m2 (resi area and commercial excluding podium area)				
Plot D - (Courtyard plot)				
Residential GIA	13,977	m²	1,722	24,065,841
EO; allowance for wheelchair units (assumed 10% of units)	15	nr	2,500	38,250
EO; allowance for London New Homes requirements	153	nr	3,000	459,000
EO; Zero Carbon	153	nr	1,850	283,050
Car parking	853	m²	1,050	895,650
Commercial area	181	m²	1,200	217,200
Commercial fit-out	181	m²	400	72,400
SUB-TOTAL				£ 26,031,391
£/m2 (resi area and commercial excluding podium area)				
Plot E - (Courtyard plot)				
Residential GIA	18,115	m²	1,737	31,460,445
EO; allowance for wheelchair units (assumed 10% of units)	21	nr	2,500	52,250
EO; allowance for London New Homes requirements	209	nr	3,000	627,000
EO; Zero Carbon	209	nr	1,850	386,650
Car parking with basement	1,652	m²	1,050	1,734,600
Commercial area	224	m²	1,200	268,800
Commercial fit-out	224	m²	400	89,600
SUB-TOTAL				£ 34,619,345
£/m2 (resi area and commercial excluding podium area)				
Plot F - (Courtyard plot)				
Residential GIA	12,008	m²	1,803	21,654,802
EO; allowance for wheelchair units (assumed 10% of units)	14	nr	2,500	34,000
EO; allowance for London New Homes requirements	136	nr	3,000	408,000
EO; Zero Carbon	136	nr	1,850	251,600
Car parking	849	m²	1,050	891,450
Commercial area	285	m²	1,200	342,000
Commercial fit-out	285	m²	400	114,000
SUB-TOTAL				£ 23,695,852
£/m2 (resi area and commercial excluding podium area)				
Plot G - (Linear plot)				
Residential GIA	6,181	m²	1,697	10,492,031
EO; allowance for wheelchair units (assumed 10% of units)	7	nr	2,500	18,000
EO; allowance for London New Homes requirements	72	nr	3,000	216,000
EO; Zero Carbon	72	nr	1,850	133,200
SUB-TOTAL				£ 10,859,231
£/m2 (resi area and commercial excluding podium area)				
Plot H - (Linear + Townhouses plot)				
Residential GIA	14,442	m²	1,757	25,378,134
EO; allowance for wheelchair units (assumed 10% of units)	15	nr	2,500	37,750
EO; allowance for London New Homes requirements	151	nr	3,000	453,000

Section 4. Heybourne Park Avenue Configuration

4.1 Financial Summary

OCE 3.1				
Element	Quantity	Unit	Rate	Total cost Residential & Commercial
EO; Zero Carbon	151	nr	1,850	279,350
Car parking with basement	1,284	m²	1,050	1,348,200
SUB-TOTAL				£ 27,496,434
£/m2 (resi area and commercial excluding podium area)				
Plot J - (Linear plot)				
Residential GIA	18,024	m²	1,838	33,127,935
EO; allowance for wheelchair units (assumed 10% of units)	23	nr	2,500	56,500
EO; allowance for London New Homes requirements	226	nr	3,000	678,000
EO; Zero Carbon	226	nr	1,850	418,100
Commercial area	642	m²	1,200	770,400
Commercial fit-out	642	m²	400	256,800
SUB-TOTAL				£ 35,307,735
£/m2 (resi area and commercial excluding podium area)				
Plot K - (Courtyard plot)				
Residential GIA	11,454	m²	1,690	19,356,299
EO; allowance for wheelchair units (assumed 10% of units)	12	nr	2,500	28,750
EO; allowance for London New Homes requirements	115	nr	3,000	345,000
EO; Zero Carbon	115	nr	1,850	212,750
Car parking	482	m²	1,050	506,100
Commercial area	170	m²	1,200	204,000
Commercial fit-out	170	m²	400	68,000
SUB-TOTAL				£ 20,720,899
£/m2 (resi area and commercial excluding podium area)				
Plot L - (Courtyard plot)				
Residential GIA	16,904	m²	1,756	29,681,375
EO; allowance for wheelchair units (assumed 10% of units)	20	nr	2,500	50,500
EO; allowance for London New Homes requirements	202	nr	3,000	606,000
EO; Zero Carbon	202	nr	1,850	373,700
Car parking with basement	1,122	m²	1,050	1,178,100
Commercial area	285	m²	1,200	342,000
Commercial fit-out	285	m²	400	114,000
SUB-TOTAL				£ 32,345,675
£/m2 (resi area and commercial excluding podium area)				
Plot P - (Mansion Block)				
Residential GIA	8,553	m²	1,863	15,937,926
EO; allowance for wheelchair units (assumed 10% of units)	10	nr	2,500	24,000
EO; allowance for London New Homes requirements	96	nr	3,000	288,000
EO; Zero Carbon	96	nr	1,850	177,600
SUB-TOTAL				£ 16,427,526
£/m2 (resi area and commercial excluding podium area)				
Plot Q - (Mansion Block)				
Residential GIA	11,436	m²	1,861	21,283,698
EO; allowance for wheelchair units (assumed 10% of units)	13	nr	2,500	31,250
EO; allowance for London New Homes requirements	125	nr	3,000	375,000
EO; Zero Carbon	125	nr	1,850	231,250
SUB-TOTAL				£ 21,921,198
£/m2 (resi area and commercial excluding podium area)				
External Works, Drainage & External Services				
External works, drainage and external services (see breakdown overleaf)		item		£ 41,129,789
SUB-TOTAL: FACILITATING AND BUILDING WORKS				£ 413,444,973
Cost/m2 (Based on resi GIFA+commercial)	£ 187,073	m²		£ 2,210.07
Cost/ft2 (Based on resi GIFA+commercial)				£ 205
Main Contractor's Preliminaries @	16%			£ 65,533,740
Main Contractor's Design Fees @	4.5%			£ 21,380,383
Main Contractor's Overheads & Profit @	6%			£ 29,790,000
TOTAL: BUILDING WORKS ESTIMATE				£ 530,149,095
Cost/m2 (Based on resi GIFA+commercial)	£ 187,073	m²		£ 2,834
Cost/ft2 (Based on resi GIFA+commercial)				£ 263
Project/Design Team Fees				Excluded
Other Development/Project Costs				Excluded
BASE COST ESTIMATE				£ 530,149,095
Risk Allowance				£ 26,507,455
Inflation Allowance				Excluded
COST LIMIT - Q2.2019				£ 556,656,550
Cost / m2 (Based on resi GIFA + commercial)	£ 187,073	m²		£ 2,976
Cost / ft2 (Based on resi GIFA + commercial)				£ 276
UNIT COST	2,088			£ 266,597.96
Cost/ft2 (Based on GIFA residential & commercial)	187.073	m²		£ 2,976
Cost/m2 (Based on GIFA residential, commercial & podium)	194,742	m²		£ 2,858

Section 5. Facilitating Works (Site Wide)

Included in main financial summary, section 4.1

Section 6. External Works, Drainage & External Services (Site Wide)

Heybourne Park					
Element	Quantity	Unit	Rate	Total (£)	
External Works, Drainage & External Services					
Roads, paths, pavings and surfacings					
Primary Streets (incl Parking Bays); street lighting and drainage	5,420.05	m2	350	1,897,019	
Secondary Streets (incl Parking Bays); street lighting and drainage	4,836.72	m2	350	1,692,852	
Paved Roads (incl Parking Bays); street lighting, street trees and drainage	9,088.13	m2	370	3,362,608	
Standard 2m Wide Paved Footpaths	5,119.49	m2	150	767,923	
Kerbs	3,437.71	m	55	189,074	
Car Park with drainage	5,199.57	m2	350	1,819,851	
Temporary Car Parks	11,343.36	m2	225	2,552,255	
Other Tarmac Surfaces with drainage	191.81	m2	350	67,133	
Other Paving	11,909.88	m2	150	1,786,482	
E/O Temporary works allowance	0.00		5%	706,760	
E/O Phasing allowance	0.00		5%	706,760	
Fence and gates to plot J parking bays	0.99	item	15,000	14,831	
Soft landscaping, planting and irrigation systems					
Soft landscaping @ 75% open areas 650mm	14,084.53	m2	50	704,226	
External planting @ 25% open areas 650mm	4,694.84	m2	100	469,484	
Trees allowance including tree pit, grills and irrigation	49.44	nr	3,000	148,305	
Allowance for irrigation system	18,779.37	m2	5	93,897	
Podium external works finishes					
Soft Landscaping Podium areas 150mm	1,192.37	m2	50	59,619	
Hard Landscaping Podium areas	4,500.56	m2	125	562,570	
Raised Planters	588.28	lm	250	147,069	
Walls, trees, furniture and others to podium areas	6.92	item	15,000	103,814	
Podium railings	200.71	m	250	50,177	
Playground areas					
0-5 years (Allowance rubber crumb and equipment)	2,939.41	m2	300	881,822	
5-12 years (Allowance rubber crumb and equipment)	2,036.72	m2	300	611,017	
12+ years	1,433.62	m2	300	430,085	
Nursery (Allowance rubber crumb and equipment)	626.84	m2	300	188,051	
Street Furniture - Allowance	0.99	nr	650,000	642,655	
Sub Total: Site Works				20,656,336	
External Drainage					
Building drainage - foul water (GIFA of buildings area)	184,959.08	m2	15	2,774,386	
Building drainage - surface water (GF footprint)	23,903.80	m2	15	358,557	
Site drainage - surface water (to hard surface areas other than roads already incl.)	17,029.37	m2	15	255,441	
Attenuation strategy	0.99	item	2,133,017	2,108,914	
New foul/surface water strategy	0.99	item	2,766,153	2,734,896	
Sub Total: External Drainage				8,232,193	
External Services					
External services connections - Residential	2,062.43	nr	1,000	2,062,428	
New services infrastructure to water, comms, gas & electricity	0.99	item	2,904,115	2,871,299	
External services connections - Commercial	9.89	nr	20,000	197,740	
External lighting for open areas	60,630.05	m2	15	909,451	
Energy centers and street distribution	2,062.43	nr	2,931	6,045,433	
PV	263.69	m2	400	105,475	
Bus Stop with shelter, digital display and connections	1.98	nr	25,000	49,435	
Sub Total: External Services				12,241,260	
External Works, Drainage and External Services Total (Carried to Financial Summaries)					41,129,789

Section 7. Accommodation and Area Schedule

7.1 Accommodation and Area Schedule

Grahame Park Configuration	Other Uses (m²)	NIA (m2)	GIA (m2)	NIA:GIA Ratio
Plot A		13,690	18,600	74%
Plot B		14,906	19,338	77%
Plot C		11,547	15,374	75%
Plot D		10,680	13,977	76%
Plot E		13,244	18,115	73%
Plot F		9,100	12,008	76%
Plot G		4,584	6,181	74%
Plot H		10,764	14,442	75%
Plot J		13,108	18,024	73%
Plot K		8,416	11,454	73%
Plot L		12,014	16,904	71%
Plot P		6,368	8,553	74%
Plot Q		8,421	11,436	74%
Parking/Podium	7,669			
Commercial		2,667	2,667	100%
TOTAL	7,669	139,509	187,073	74.57%

* Net Internal Areas and Gross Internal Areas have been measured from the drawings provided by PT.

Contact

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