

TOOLKIT REPORT - ORCHARD ROAD, RICHMOND, TW9 4NY

APPENDIX 7

Project Proposal

Customer: Exel Construction Ltd

Project: The Dairy 45 Flats

Location: Orchard Road Richmond TW9 4

Date: 30.7.11



Description	Total Value
Preliminaries	£869,390
Schedule of Work	
Demolition	£82,500
Ground Preparation (basement & ground floor slab)	£1,061,349
Ground Floor (steel/concrete)	£989,436
EBS elk Package - 1st floor upwards	£1,627,485
Roof Coverings	£226,742
Skirtings	£15,661
Wall Tiling	£38,975
Floor Finishes	£108,688
Kitchen Units	£213,750
Internal Doors	£116,261
Decorations	£79,576
Staircases	£14,400
Ceilings - plasterboard tacking	£26,051
Plastering	£70,591
Windows and doors (GF)	£20,000
Guttering	£9,785
External cladding	£63,204
External works (Provisional allowance)	£75,000
Electrical	£210,563
Drainage	£80,000
Sanitaryware	£45,100
Heating and Plumbing	£486,188
Schedule of Work Total	£5,661,303
Incoming Services	£,236,990
Fees	
Building Control	£,10,000
Premier Warranty	£,45,000
Designers Fees (Architect)	£,90,000
Designers Fees (Structural Engineer)	£,33,750
Sound testing	£,4,500
Air testing	£,4,500
SAP Calculations	EBS Elk
Code for Sustainable homes consultant	£,10,000
Total	£6,965,433
Overheads	8% £557,235
Total	£7,522,668
Profit	3% £225,680
Tender Sum	£7,748,348

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APPENDIX 8



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Our Ref: MAB/gb

29th September 2011

Dear Sirs

**PROPOSED MIXED USE DEVELOPMENT
EXPRESS DAIRIES SITE
ORCHARD ROAD, RICHMOND**

We have been sent floor plans prepared by Paul Brookes Architects showing a proposed mixed use development of the site and have been asked to provide our comments with regard to the potential for the commercial accommodation.

The entire scheme is to comprise a newly built contemporary residential and commercial mixed use scheme providing residential apartments on 1st to 4th floors with ground floor commercial covering the majority of the site.

We shall restrict our comments to the commercial premises.

The Richmond Market

The Richmond office market is one of the strongest in the south-west region, however the demand is for accommodation within a short easy walk of the mainline railway and underground station at George Street. Demand for offices falls off as soon as employees will have to walk further than 10 minutes and in particular where the walk is along a busy commercial thoroughfare such as the A316.

Within the immediate area there are a large number of commercial office schemes where accommodation has been available for over 12 months and in particular we refer to:

1. Forsythe House

This is a high quality development of a former self contained office building to provide individual suites from 800 sq ft. The majority of the accommodation remains available with up to 10,500 sq ft on offer at rental of £19.50 per sq ft. On site car parking is available at 1 space per 500 sq ft. Significant incentives are offered to tenants to take leases.

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2. Victoria Villas

Up to 6,600 sq ft is available in this mixed use scheme at a guide rental of £19.50 per sq ft. There are 3 units each with a car space available. These offices are fitted to a contemporary style and offer highly energy efficient accommodation which one would expect to be in particular demand in the market today. These premises have been available for over a year and substantial incentives are available to occupiers.

3. Cable House at the junction of Orchard rd with the A316 provides a mid-80s office building of 4,955 sq ft with 21 car spaces. This property has been offered as an office building and the only interest is for change of use to D class nursery which is currently proposed. The rental being agreed is in the order of £17.50 per sq ft for a nursery use on the net internal area.

4. Falstaff House on St George Road has 2 units 1200 and 1400 sq ft available at £19.50 per sq.ft.

5. Behind Forsyth House is 1-3 Elsinor Way where 3 buildings of 1800 sq ft with 5 car spaces each have been available since 2008 at £19.50 psf

6. The Press, Orchard Road

This new development adjacent to the subject scheme will provide approx 25,000 sq ft being developed and to be offered as small units.

Proposed Development

We have been provided with floor plans 4030 D 64 which show the majority of the commercial accommodation on the ground floor with a basement store area.

The scheme provides individual units around a courtyard from 48 sq m GIA to 754 sq m GIA with basement storage of 812 sq m.

The design of the units has windows overlooking the courtyard, service roads and perimeter walls to three elevations with interruptions for fire escapes from the residential above. The units will benefit from good levels of natural light at ground and first floor levels.

Floor plans do not show internal division to provide services such as WC's shower and kitchens which will be required.

The accommodation is designed to enable sub division if required.

Office Use

In the event that the premises are to be fitted for office use, then we believe they will require the following specification to offer high quality space:

- Raised access floor for data and telephone distribution.
- Air conditioning.
- Suspended ceiling or plastered ceiling.
- High quality lighting to a minimum of Cat 7 standard.
- Carpeting throughout.
- Plastered walls and decorations throughout.

- High quality WC facilities.
- On site shower facilities for male and female.
- Break out and kitchen areas.

Retail Showroom Use

We understand that the premises have a floor to ceiling height of 2.6-8 metres above the full access raised floor which may enable the premises to be used for retail showroom style operation.

We believe that the floor to ceiling height is too low to be used for a superstore style arrangement as these operators require greater volume and normally seek approx 3.5m.

The premises may have to be sub-divided into smaller units to provide a showroom / mall style type experience who could also utilize lower ground floor store accommodation. This will be able to be done looking at the layout.

The premises will need to be fitted / subdivided to enable occupiers to undertake their final fit out which will require the provision by the landlord of dividing walls, access arrangements, security lighting arrangements, security systems, WCs, and water supplies for kitchen break out areas.

The tenants would undertake their own internal fit out.

D Class Use

The premises may be suitable for a D2 leisure gym style user which would require an intensive fit out to include air conditioning, fresh air ventilation, lighting and substantial WC changing room and shower accommodation. Other D class users for medical consultants and similar may also be interested.

Storage

The premises may be suitable for a high value storage type solution or Data Centre, however the restricted floor to ceiling height will restrict for many storage users that will normally require to "double up" on the volume within a building.

Storage users will look at the accommodation in a shell basis subject to having services capped off to allow the provision of heating, cooling if appropriate and WC accommodation.

The basement area would only be useable for storage in conjunction with any of the aforementioned uses.

Potential Demand

We do not believe that there will be strong demand for these premises from any one particular use due to the location of the scheme. We recommend that negotiations take place to achieve a flexible planning use if possible. We have been involved in a scheme in Wands Worth with A, B and D class use and this has attracted a variety of uses from Clinics, Spa, to pure offices and a mixed office/crèche.

The development does not have prominence to the A316 to attract leisure or mainstream retail style operations.

The lack of onsite car parking for occupiers or their visitors is seriously detrimental to the viability of the scheme.

We are of the opinion that demand for this development will be limited without flexible use.

Marketing

In respect of marketing the premises, this would take effect on the commencement of the development to offer the accommodation as a pre-let opportunity.

We would not expect this to take place and would expect most interest to be once the accommodation is substantially built so occupiers can see the product available.

However in view of our poor opinion of its location and the amount of accommodation, we would suggest that a marketing period of 12 months following completion will be required to fully let the premises.

In addition, occupiers will be seeking substantial rent free periods to establish their businesses and undertake fit out if it is let in a shell condition. We would expect these rent free periods to be in excess of 12 months for a five year term certain. In respect of office lettings this may be longer and at Boat Race House in Mortlake rent free periods of 3 years were granted to achieve rentals of £15 psf pax.

Having regard to value, we believe that rentals may be achieved in the following range, following the marketing period and incentives.

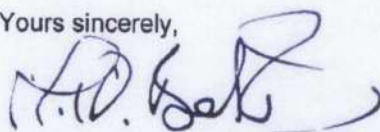
Office B1 use	£15.00-£17.50 per sq ft Net Internal Floor Area on the basis that the premises are fully fitted to a Grade A specification.
Retail Showroom style use	£10.00 - £14.00 a sq ft, the premises being let in shell condition but the services connected to enable easy fit out by the occupier.
Storage	£8.00-£10.00 per sq ft offered in shell condition.

We will be pleased to discuss the contents of this letter in greater detail.

This report is for the attention of the addressees only and should not be regarded as a formal valuation of the premises.

Kind regards.

Yours sincerely,



**MARK A BELSHAM BA (Hons) MRICS
DIRECTOR**

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