



Review of the Viability Report on the Development of 1 – 9 Sandycombe Road TW9 2EP

20 units 16/48900

On behalf of The London Borough of Richmond upon Thames

May 2017

S Devitt

FOI Exemption Section 41 & 43 (2) Private and Confidential

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CONTENTS

- 1.0 Instructions
- 2.0 Executive Summary
- 3.0 Policy Context
- 4.0 Assessment Inputs and Assumptions
- 5.0 BPC Assessment and Conclusions

Appendices

- Appendix A GLA Toolkit BPC Appraisal
- Appendix B Summary of BPC Market Research

1.0 Instructions

- 1.1 Bespoke Property Consultants (BPC) has been instructed by London Borough of Richmond upon Thames Council to review the applicant's viability assessment of the proposed development at 1-9 Sandycombe Road TW9 2EP
- 1.2 In carrying out this review, BPC has been issued with a report dated January 2017 by Knight Frank which assesses the viability of the proposed development.
- 1.3 BPC have not inspected the property.
- 1.4 This assessment is provided for the purposes of agreeing appropriate S.106 and affordable housing obligations and is not a valuation of the subject site or scheme. It is provided for the sole use of the party to whom it is addressed. It is confidential to the addressee and their professional advisors. Bespoke Properties Ltd accepts responsibility to the Client named at the start of this report alone that this report has been prepared with the skill, care and diligence reasonably to be expected of a competent consultant, but accept no responsibility whatsoever to any person other than the client themselves.
- 1.5 Neither the whole nor any part of the report nor any reference thereto may be included in any published document, circular, or statement, or published in any way, without the prior written approval of Bespoke Properties Ltd of the form and context in which it may appear and should remain confidential in accordance with the terms of the Freedom of Information Act.

2.0 Executive Summary

- 2.1 We have reviewed the report by Knight Frank dated January 2017. This relates to application 16/4890 a mixed use development including 20 residential units
- 2.2 We have carried out an independent appraisal of the scheme and the results of this are shown at Appendix A.
- 2.3 We have reviewed the inputs and assumptions used by Knight Frank as set out in Section 4 below and found them on the whole to be reasonable.
- 2.4 We have carried out our own appraisal based the inputs adopted by the applicant.
- 2.5 This appraisal shows a residual land value of £1,706,000 which is below the benchmark land value of £1,860,000 by £154,000 and therefore the proposed scheme is technically not viable and could not provide additional S. 106/affordable housing contributions. It would however deliver a 10% return to the landowners (as allowed by para 173 of the NPP/f) which is at the lower end of the landowner expectations in the current market.

3.0 Policy Context

3.1 NPPF

- 3.1.1 Para 173 of the NPPF states 'To ensure viability, the costs of any requirements likely to be applied to the development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.'
- 3.1.2 The NPPF therefore allows for a profit for the developer, which reflects the risks in developing and funding the scheme.
- 3.1.3 The NPPF also allows for a 'return' to encourage the land owner to bring the site forward for development. This 'return' or premium is generally dependent on three factors:
- i) The planning status of the site and the lawful alternative uses it can be used for
 - ii) The aspirations and needs of the landowner
 - iii) The need of the local authority to see the scheme developed

3.2 Planning Practice Guidance March 2014

- 3.2.1 The Department for Communities and Local Government provided Planning Practice Guidance on 6th March 2014. This includes a section on viability, with site specific viability covered in the sub section on Viability and Decision Taking.
- 3.2.2 In this sub section the guidance states that "in making decisions, the local planning authority will need to understand the impact of planning obligations on the proposal. Where an applicant is able to demonstrate to the satisfaction of the local planning authority that the planning obligation would cause the development to be unviable, the local planning authority should be flexible in seeking planning obligations. This is particularly relevant for affordable housing contributions which are often the largest single item sought on housing developments. These contributions should not be sought without regard to individual scheme viability. The financial viability of the individual scheme should be carefully considered in line with the principles in this guidance."

3.2.3 The guidance then continues to set out some general principles on how the key factors of gross development value, costs, land value and the competitive return to developers and land owners should be calculated and evidenced. This is really a summary of established known good practice in the sector.

3.3 Changes to NPPG November 2014

3.3.1 Thresholds

The Planning Practice Guidance relating to the Ministerial Statement of 28 November states that “there are specific circumstances where contributions for affordable housing and tariff style planning obligations (section 106 planning obligations) should not be sought from small scale and self-build development:

Contributions should not be sought from developments of 10 units or less, and which have a maximum combined gross floorspace of no more than 1,000m² unless the Council has an up to date planning policy supported by current evidence.

In designated rural areas, local planning authorities may choose to apply a lower threshold of 5-units or less. No affordable housing or tariff-style contributions should then be sought from these developments. In addition, in a rural area where the lower 5-unit or less threshold is applied, affordable housing and tariff style contributions should be sought from developments of between 6 and 10-units in the form of cash payments which are commuted until after completion of units within the development. This applies to rural areas described under section 157(1) of the Housing Act 1985, which includes National Parks and Areas of Outstanding Natural Beauty”

3.3.2 In the absence of specific guidance it is our view that the area threshold should be based on GIA, as per the CIL, that the 1,000 sqm threshold would be inclusive of any commercial space within the development and that CIL will remain payable even if S.106 contributions are not.

3.3.3 Vacant building credit. The Planning Practice Guidance also states that “where a vacant building is brought back into any lawful use, or is demolished to be replaced by a new building, the developer should be offered a financial credit equivalent to the existing gross floorspace of relevant vacant buildings when the local planning authority calculates any affordable housing contribution which will be sought. Affordable housing contributions would be required for any increase in floorspace.

3.3.4 Where there is an overall increase in floorspace in the proposed development, the local planning authority should calculate the amount of affordable housing provision required from the development as set out in their Local Plan. A pro-rata 'credit' should then be applied which is the equivalent of the gross floorspace of any relevant vacant buildings being brought back into use or demolished as part of the scheme and deducted from the overall affordable housing contribution calculation. The vacant building credit applies where the building has not been abandoned." The DCLG have subsequently confirmed that the credit applies to both financial contributions and the provision of units.

4.0 Assessment Inputs and Assumptions

4.1 Assessment methodology

4.1.1 Both the applicant's and BPC's appraisals use the GLA Development Control Toolkit.

4.2 Unit Mix

4.2.1 The scheme comprises 20 residential units and 535m² of commercial space as set out in the accommodation schedule of the applicant's report.

4.3 Values of residential units

4.3.1 The values used within the applicant's appraisal are based on comparable evidence gathered in 2016

4.3.2 The comparative data used by Bespoke Property Consultants is based on market research undertaken on the internet, for similar properties sold in the locality of the proposed development (listed with floor areas in Appendix C). An average value per square metre of £7,484, for 2 bed units is used to assess the actual achievable value of the units.

4.3.3 Although the values assessed by BPC vary on individual units compared to the Knight Frank estimates, the total value of the residential units is only approximately 3% between the two estimates. We have therefore adopted the Knight Frank price schedule for our report, which is marginally higher overall.

4.3.4 The assumptions used by the applicant and BPC for Ground Rents were agreed when the previous application for this site was made in 2016. A figure of £181,818 is included in the appraisal for the capitalized value.

4.3.5 By combining the capital value of the apartments, commercial space and ground rents gives a total gross development value (GDV). The BPC estimate is £13,013,000 and the applicant's estimate is £12,669,000

4.4 Development Timescale

4.4.1 The construction period for the development is assumed to be fifteen months, which is appropriate for this size of scheme.

4.5 Build costs

4.5.1 A summary build cost analysis is included in the report by Knight Frank. This estimate was based on a cost plan by Harribin resulting in a build cost figure of £6,468,227. This includes allowance for the costs of construction over a sewer; BT cable and gas main.

4.5.2 The cost plan has for the previous scheme had been reviewed by Silver DCC cost consultants and the difference in costs was less than 1%. The revised cost plan shows an increase in costs of approximately 2.5%. Silver report that general tender price inflation is 5% over the period since the original cost plan was assessed. Therefore by comparison of the current original cost plan to the cost plan for the amended scheme shows that it is acceptable.

4.5.3 The Bespoke Property Consultants' appraisal has been undertaken apportioning the overall cost to the residential and commercial proportionally having regard to the gross areas of those elements. This shows a higher cost for the residential build and a lower cost for the commercial than assumed by the applicant. However, the overall cost is in line with the values agreed for the previous scheme.

4.5.4 Abnormal costs – since the previous scheme additional costs relating to CO2 omissions and charges by Network Rail have been identified totaling £99,971. We believe these are reasonable and we have included them in our appraisal.

4.6 Other assumptions

4.6.1 Professional Fees – This figure was previously agreed with the earlier application and is included at 12%.

4.6.2 Contingency - the applicant's cost plan allows a contingency of 5% which we believe is appropriate for this type of development.

4.6.3 CIL – The Borough CIL has been estimated at £360,379 and Mayoral CIL at £101,788 using the information supplied by the applicant, and the Council should verify this figure before the application is decided.

- 4.6.4 Sales and Marketing – The applicant has allowed 3.5% We have allowed 3% which is Toolkit default and is consistent with our previous appraisal for this site
- 4.6.5 Finance costs – an interest rate of 6.75% has been used by the applicant, which as an ‘all inclusive’ rate, to cover bank lending fees, is acceptable.
- 4.6.6 Profit – the applicant has adopted a figure of 17.5% of GDV for the return for risk and profit, which is consistent with the figure agreed in relation to the last application for this site and must therefore be acceptable to the applicant, albeit lower than we are experiencing in the current market.

4.7 Benchmark Land Value

- 4.7.1 Knight Frank have based their assessment of viability on an Existing Use Value of £1,550,000. This is an opinion of value based on a valuation by local surveyors.
- 4.7.2 We believe the rents quoted and the yield applied are reasonable and appropriate for the type of property. We have carried out a check calculation which shows that with a premium of 20% to reflect an incentive for the landowner to sell, the benchmark land value would be £1,860,000. We consider that this is a reasonable figure and have used this as our comparator for viability purposes.

4.8 Commercial uses

- 4.8.1 The commercial elements comprise an area of 535m²
- 4.8.2 A rent of £301/m² has been assumed by the applicant and we agree that this is supported by market evidence from the Knight Frank report reflecting similar sized accommodation in similar locations and of a similar quality.
- 4.8.3 As noted above the build cost for the commercial element is apportion by area related to overall build cost identified in the cost plan.

5.0 BPC Assessment and Conclusions

- 5.1 We have re-run the appraisal, taking account of all the comments on the applicant's inputs and assumptions as noted above. The results of this analysis are shown at Appendix A to this report. The main changes between our assessment and the Knight Frank submission is the apportionment of build cost between the residential and commercial elements
- 5.2 Our own assessment of the scheme shows a residual site value of £1,706,000 which is below the benchmark land value of £1,860,000 without any allowance for affordable housing. This suggests that the scheme is technically not viable and could not support additional affordable housing or S.106 contributions. It would however deliver a 10% return to the landowners (as allowed by para 173 of the NPP/f) which is at the lower end of the landowner expectations in the current market.

Appendix A

----- Site Details -----

Use these arrows to navigate Toolkit pages. You should ensure there are no warning messages on a page before continuing.

Site Address	1-9 Sandycombe Road TW9 2EP
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Site Reference	
Application Number	16/4890
NLUD Reference	
UPRN or Grid Reference	

Scheme Description	20 flats 535m2 commercial
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Development Control Model - Greater London Authority - 2014

For queries on viability, development schemes and the Toolkit generally, please contact Dr Andrew Golland - Tel: 01162 701 772 and E-Mail: drajg@btopenworld.com

For queries on spreadsheets and technical aspects of the Toolkit (including bug reports and feature requests), please contact Dr Adam Watkins - Tel: 07746 809 748, and E-Mail: Toolkits@Dread-IT.co.uk

----- **Basic Site Information** -----

You must complete this page

Site Area	
Total Size of Site In Hectares	0.143

Dwellings	
<input type="checkbox"/> Number of Dwellings (Density is then calculated)	20
<input type="checkbox"/> Density (Enter a value, or choose from the listbox)	139.86
	users own value

You can test a percentage increase or decrease on the resulting density by either entering a value in the box below, or by using the buttons.

Percentage increase/decrease	%	<input type="button" value="Reset"/>
Resulting Number of Dwellings	20	
Resulting Density	140 dph	

----- **Toolkit Application** -----

There are two ways to use the Toolkit;

Choose from either:-

Option 1 - Forward Planning

Select this option for policy testing and development control using benchmark unit types and data

or

Option 2 - Scheme Specific Appraisal

Select this option for assessing a scheme using specific unit types and data. Some benchmark data is available

← --- **Mix of Units and Tenures** --- →

There are two ways to determine how the total number of units in the scheme is distributed between the different dwelling types and tenures.

You can either enter units:-

By Percentage

Enter the percentage of units to assign to each dwelling type and the percentage to assign to each tenure.

or

By Quantity

Enter the number of dwellings to assign to each dwelling type and tenure combination

← --- Unit Types by Percentage --- →

Select a previously saved percentage mix from the list below or select "Scheme Specific Values" from the list and enter your own values in the white cells

Scheme Specific Values

Warning:
Total Percentage must equal 100%

		Percentage of total	Number of units of this type
Studio flat		0.0%	0.0
Flats	1 bed	0.0%	0.0
	2 bed	0.0%	0.0
	3 bed	0.0%	0.0
	4 bed	0.0%	0.0
Terrace / town house	2 bed	0.0%	0.0
	3 bed	0.0%	0.0
	4 bed	0.0%	0.0
Semi / detached	2 bed	0.0%	0.0
	3 bed	0.0%	0.0
	4 bed	0.0%	0.0
Total		0.0%	0.0

← ----- Tenure Mix by Quantity ----- →

Enter the number of units in the white cells of the table below.

Warning: Total units does not match that previously given		Sale	Affordable					Total Affordable	Overall Total (Affordable plus Sale Units)
			Low Cost Sale	Equity Share	Shared Ownership	Intermediate Rent	Affordable rent		
Studio flat									
Flats	1 bed								
	2 bed								
	3 bed								
	4 bed								
Terrace/ town house	2 bed								
	3 bed								
	4 bed								
Semi/ detached	2 bed								
	3 bed								
	4 bed								
Total units									
% of Total									

Expected Total Number of Units 20

Percentage purchased by purchaser for Shared Ownership	<input type="text"/>
Percentage purchased by purchaser for Low Cost Sale	<input type="text"/>
Percentage purchased by purchaser for Equity Share	<input type="text"/>

← --- Tenure Mix by Percentage --- →

Enter the percentage of the total number of dwellings to assign to each tenure in the white cells below. The percentage is applied evenly across all dwelling types, this may lead to values which are not whole numbers.

Percentages must all add to 100%

		Sale	Affordable				Total Affordable	Overall Total (Affordable plus Sale Units)
			Low Cost Sale	Equity Share	Shared Ownership	Intermediate Rent		
Studio flat								
Flats	1 bed							
	2 bed							
	3 bed							
	4 bed							
Terrace/town house	2 bed							
	3 bed							
	4 bed							
Semi/detached	2 bed							
	3 bed							
	4 bed							
Total Units								
% of Total								

Percentage purchased by purchaser for Shared Ownership	<input type="text"/>
Percentage purchased by purchaser for Low Cost Sale	<input type="text"/>
Percentage purchased by purchaser for Equity Share	<input type="text"/>

← Flats →

The Toolkit needs to have additional information about flats.
Enter the number of storeys in the box below

Total number of floors in the scheme:

← ----- **Market Values** ----- →

Select a previously saved set of market values from the list below or Select "Scheme Specific Values" from the list and enter your own values in the white cells

Scheme Specific Values

You can adjust all market values by entering a percentage in the box to the right.

Description of Unit Type		Total Units	Market Value	Adjusted Market Value
Studio flat				
Flats	1 bed			
	2 bed			
	3 bed			
	4 bed			
Terrace / town house	2 bed			
	3 bed			
	4 bed			
Semi / detached	2 bed			
	3 bed			
	4 bed			

← ----- Rents ----- →

For the Affordable and Intermediate tenures you can either apply a percentage reduction to the benchmark rental value or enter your own value.
 For Social Rent you can enter your own rental value per week.
 If you leave any blank then the benchmark value for that row will be used.

		Benchmark MARKET values £ per week	Affordable Rent			Intermediate Rent			Social Rent		
			Total Units	Benchmark Reduction	User values £ per week	Total Units	Benchmark Reduction	User values £ per week	Total Units	Benchmark values £ per week	User values £ per week
Studio flat		£161.69	-			-			-		
Flats	1 bed	£161.69	-			-			-		
	2 bed	£203.87	-			-			-		
	3 bed	£239.01	-			-			-		
	4 bed	£267.13	-			-			-		
Terrace / town house	2 bed	£203.87	-			-			-		
	3 bed	£239.01	-			-			-		
	4 bed	£267.13	-			-			-		
Semi / detached	2 bed	£203.87	-			-			-		
	3 bed	£239.01	-			-			-		
	4 bed	£267.13	-			-			-		

-- Rental Costs & Capitalisation --

These values are used to calculate capitalised value when no grant is available. If you wish to use your own values then you can enter them in the white cells below. If you leave any blank then the Toolkit Value for that row will be used

Social Rent		Benchmark	User Values	
Costs per annum	Management	£555.00		per dwelling (+30% for flats)
	Maintenance	£550.00		per dwelling (+10% for flats)
	Voids/bad debts	4.38%		of gross rent
	Repairs reserve	0.38%		of development costs
Capitalisation		7.00%		of net rent

Shared Ownership		Benchmark	User Values	
	Rent	2.75%		of gross rent
Capitalisation		7.00%		of net rent

Affordable Rent		Benchmark	User Values	
Costs per annum	Management costs	6.00%		of gross rent
	Maintenance	£1,260.00		per dwelling
	Voids/bad debts	6.00%		of gross rent
Capitalisation		7.00%		of gross rent

Intermediate Rent		Benchmark	User Values	
Costs per annum	Management costs	6.00%		of gross rent
	Maintenance	£1,260.00		per dwelling
	Voids/bad debts	6.00%		of gross rent
Capitalisation		7.00%		of gross rent

← ----- Development Costs ----- →

Toolkit values will be used unless you enter your own value in the white cells. The CSH level is for reference purposes only.

Build Costs per sq m		
Building Type	Toolkit Values	User Values
Flats (40+ storeys)	£3,494	
Flats (16-40 storeys)	£2,623	
Flats (6-15 storeys)	£2,037	
Flats (5 & less storeys)	£1,497	£3,615.55
Houses <= 75m2	£1,113	
Houses > 75m2	£976	
Code for Sustainable Homes level (3-6)		

Exceptional Development Costs	
Total For Scheme	
Cost per dwelling	
Cost per hectare	
Cost per habitable room	No Info

Other Development Costs			
Additional Cost	Toolkit Values	User Values	
Professional Fees %	12.0%		of build costs
Interest rate (Market)	6.75%		of build costs (Sale, Equity Share and Low Cost Sale units)
Interest Rate (Affordable Housing)	6.75%		of build costs Rental tenures and Shared Ownership)
Marketing Fees	3.0%		of market value
Developers Return	20.0%		of market value applies to market housing
Contractors Return	6.0%		of development costs (excl finance) (affordable housing)
Construction Period (1+ Years)		1.30	

You may also enter SCHEME totals for other exceptional costs. Enter the name of the cost in the left hand cells and the SCHEME value in the right hand cell

Costs incurred for Sustainable homes level of 3,4, 5 or 6	£	-
Network Rail	£	99,971
<Enter cost description>	£	-
<Enter cost description>	£	-

← **----- Planning Obligations -----** →

For each type of contribution you may either enter a total figure (for that row) or you may enter values per unit (for each tenure). If you choose the second option, the Toolkit will calculate the total obligation 'cost' for the scheme.

To enter one total value for a row, tick the corresponding box in the "Enter Total?" column and enter a value in the "User Total" column : To enter the values by tenure leave the box un-ticked

	Input by Total		Input by Unit						Calculated Total (Affordable and Sale)
	Enter Total?	User Total	Sale	Affordable					
				Low Cost Sale	Equity Share	Shared Ownership	Intermediate Rent	Affordable Rent	Social Rent
Education Contribution	<input type="checkbox"/>								£0
Highway works	<input type="checkbox"/>								£0
Contribution to public transport	<input type="checkbox"/>								£0
Contribution to community facilities	<input type="checkbox"/>								£0
Provision for open space	<input type="checkbox"/>								£0
Contribution to public art	<input type="checkbox"/>								£0
Environmental improvements	<input type="checkbox"/>								£0
Town centre improvements	<input type="checkbox"/>								£0
Waterfront improvements	<input type="checkbox"/>								£0
Support for employment development	<input type="checkbox"/>								£0
Employment related training	<input type="checkbox"/>								£0
Other	<input checked="" type="checkbox"/>								£0

Does CIL apply on this scheme? Yes No Please select Yes or No

Total for Scheme	£0
Total for Scheme per hectare	£0
Total for Scheme divided by total number of units	£0
Total for Scheme divided by number of sale units	£0

← - Community Infrastructure Levy - →

You must enter CIL in one of two ways. Either as a calculated figure or by entering a pre-calculated figure.

- CIL is a calculated figure
- CIL is a pre-calculated figure

Overall Borough CIL	£	360,379
Overall Mayoral CIL	£	101,788

Total pre-calculated CIL	£	462,167
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For each type of contribution you may either enter a total figure (for that row) or you may enter values per unit (for each tenure). If you choose the second option, the Toolkit will calculate the total obligation 'cost' for the scheme.

To enter one total value for a row, tick the corresponding box in the "Enter Total?" column and enter a value in the "User Total" column : To enter the values by tenure leave the box un-ticked

	Input by Total		Input by Unit						Calculated Total (Affordable and Sale)	
	Enter Total?	User Total	Sale	Affordable						
				Low Cost Sale	Equity Share	Shared Ownership	Intermediate Rent	Affordable rent		Social Rent
European Union funding										£0
Local Authority capital grant	<input type="checkbox"/>									£0
Other regeneration funding										£0
English Heritage grant										£0
Lottery grant										£0
Contribution from Payment in Lieu fund										£0
Employer contribution										£0
Capitalised ground rent figure	<input type="checkbox"/>	£181,818								£181,818
Other (1)	<input type="checkbox"/>									£0
Other (2)										£0
Other (3)										£0

Total for Scheme	£181,818
Total for Scheme per hectare	£1,271,455
Total for Scheme divided by total number of units	£9,091
Total for Scheme divided by number of sale units	£9,091

← - Revenue from Affordable Housing - →

Please choose the method by which the payment is made by the affordable housing provider to the developer

Payment by affordable housing provider to developer based on fixed assumption on social housing grant (including no grant)

Payment by affordable housing provider to developer fixed. No information available on grant availability or affordable housing provider's revenue income.

←----- **Known Payments for Affordable Housing** -----→

Enter the fixed payments for each tenure below.

	Affordable Housing Tenures						Total
	Low Cost Sale	Equity Share	Shared Ownership	Intermediate Rent	Affordable Rent	Social Rent	No. Of Affordable Units
Number of units	0.0	0.0	0.0	0.0	0.0	0.0	0
Payment By Unit							
Or Payment By Tenure							
Or Scheme Total	Enter a lump sum payment for all Affordable Housing Tenures						
Tenure Total	£	£	£	£	£		
Method by which Affordable Housing Revenue is calculated	N/A	N/A	N/A	N/A	N/A	N/A	
Total Known Payment for Affordable Housing	£						

Please select one of the below options;

- There is no grant, or it is included in the above values
(in which case grant will not be shown separately on the results page)
- Grant is included in the above value and I would like to show it separately on the Results page for information (Total revenue for the tenure will use figures in table above, grant shown on the next page will not be added)

← ----- Grant ----- →

Please choose whether a grant is available for the scheme

- No - Grant is not available
- Yes - Grant is available and is a known value

Specify grant by unit or tenure

Affordable Housing Tenure	Number of units	Grant	Per Unit or by Tenure
Social Rent	0.0		per unit
Shared Ownership	0.0		per unit
Intermediate Rent	0.0		per unit
Affordable Rent	0.0		per unit

Specify total grant

Total known
Affordable Housing
Grant

£ -

← -- Oncosts for Affordable Tenures -- →

If applicable, the user can provide information about on-costs. You have one of 3 options: i) use the Toolkit benchmark percentages ii) enter your own % iii) enter your own on-cost value (in £s) per unit. If there are no on-costs, either clear the tick box called 'Apply on-costs' or enter '0' in the User rate per unit for that tenure (shown as '£ -', press delete to clear the box and allow oncosts).

Apply On-costs

Affordable Housing Tenures							Total
Low Cost Sale	Equity Share	Shared Ownership	Intermediate Rent	Affordable Rent	Social Rent	Affordable Units	
Number of units	0.0	0.0	0.0	0.0	0.0	0	

Toolkit benchmark on-costs rate	9.00%	9.00%	9.00%	9.00%
User on-cost rate (%)				

User rate per unit (£)						
------------------------	--	--	--	--	--	--

On-cost per unit	£ -	£ -	£ -	£ -	£ -	£ -
------------------	-----	-----	-----	-----	-----	-----

Intermediate calculation	£ -	£ -	£ -	£ -	£ -	£ -
--------------------------	-----	-----	-----	-----	-----	-----

Total on-cost per tenure	£ -	£ -	£ -	£ -	£ -	£ -
--------------------------	-----	-----	-----	-----	-----	-----

Total on-costs for affordable housing	£ -
---------------------------------------	-----

← ----- Contribution from ----- →
-- Commercial Elements --

This page allows the user to input data relating to a commercial property element of a scheme. The user will need to complete the white boxes relating to size of scheme, rent, yield and capital value. In addition cost related data will need to be inputted

Revenues	Office	Industrial	Retail	Hotel	Leisure/Community Services	Other
Net area in Sq. m	535					
Rent (£ per sq.m per annum)	£ 301.00					
Yield (%)	7.0%					
Capital value	£ 2,300,500	£ -	£ -	£ -	£ -	£ -
Costs		Check Area				
Gross Internal Area in Sq. m	547					
Build costs (£ per GIA sq m)	£ 3,615					
Professional fees (% of Build Costs)	12.00%					
Interest Rate (% of Build Costs)	7%					
Marketing fees (% of Capital Value)	3%					
Return (% of Capital Value)	18%					
Total build costs	£ 1,977,405	£ -	£ -	£ -	£ -	£ -
Professional, other fees and finance costs	£ 444,722	£ -	£ -	£ -	£ -	£ -
Return	£ 414,090	£ -	£ -	£ -	£ -	£ -
Total development costs	£ 2,836,217	£ -	£ -	£ -	£ -	£ -
Site value for commercial element	£ 535,717	£ -	£ -	£ -	£ -	£ -
Total site value for all commercial Elements	£ 535,717					

← Land Finance →
& Site Value Comparisons

Land Finance

Reduction of Residual (%)	11%	Guide Values
---------------------------	-----	--------------

Values entered below will be shown on the results page compared to the scheme residual. These values cannot be calculated by the toolkit.

Existing use value	£	1,860,000
Acquisition cost	£	-
Value for offices	£	-
Value for industrial	£	-
Value as hotel site	£	-
Value as other alternative use	£	-

← ----- Results -----

Site	1-9 Sandycombe Road TW9 2EP
Address	
Scheme	20 flats 535m2 commercial
Description	

Site Reference Number	
Application Number	16/4890
NLUD Ref. Number	
UPRN or Grid Ref.	

[View Results](#)

RESIDUAL before land finance	£1,917,000
RESIDUAL after land finance	£1,706,000
Per hectare	£11,930,000
Per dwelling	£85,000
Per market dwelling	£85,000
Per habitable room	£31,000
Per bedspace	£49,000

SCHEME UNITS		per ha.
No. of Dwellings	20	140
No. of Habitable rooms	55	385
No. of Bedrooms	35	245
Total floorspace (m2)	1,254	8768
% Wheelchair Units	10%	

[Discounting Function](#)

[Floor Space Analysis](#)

[Costs Analysis](#)

[Child Occupancy & Bedrooms](#)

SCHEME REVENUE	£13,013,000
Contribution to revenue from:	
Market housing	£10,530,000
Affordable Housing	
- Low Cost Sale	
- Equity Share	
- Shared Ownership (inc. grant)	
- Intermediate Rent (inc. grant)	
- Affordable Rent (inc. grant)	
- Social Rent (inc. grant)	
Grant	
Capital Contribution	£182,000
Commercial Elements	£2,301,000

LAND FINANCE	
Total land finance	£211,000

AFFORDABLE UNITS							
	Low Cost	Equity Share	Shared	Intermediate	Affordable	Social Rent	Total
Units							
Units %							
Hab rooms							
Bedrooms							
Persons							
Floorspace							

SCHEME COSTS	£11,096,000
Contribution to costs from:	
Market housing	£7,698,000
Affordable Housing	
- Low Cost Sale	
- Equity Share	
- Shared Ownership	
- Intermediate Rent	
- Affordable Rent	
- Social Rent	
Planning Obligations	
Community Infrastructure Levy	£462,000
Exceptional Development Costs	£100,000
Commercial Elements	£2,836,000

PUBLIC SUBSIDY (GRANT)	
Whole scheme	£ -
Per Social Rent dwelling	
Per Shared Ownership dwelling	
Per Intermediate Rent dwellings	
Per Affordable Rent dwelling	

Alternative Site Values		Against residual
Existing Use Value	£ 1,860,000	-£154,000
Acquisition Cost	£ -	
Value for offices	£ -	
Value for industrial	£ -	
Value as hotel site	£ -	
Value as other alternative	£ -	

←----- Costs Analysis -----

	Sale	Low Cost Sale	Equity Share	Shared Ownership	Intermediate Rent	Affordable Rent	Social Rent	Commercial Elements
Number of units	20							
Base build costs	£4,533,177							£1,977,000
Prof fees	£543,981							£445,000
Finance	£198,893							-
Marketing	£315,900				-	-	-	-
Developer's Return	£2,106,000				-	-	-	-
Contractor's Return	-	-	-					£414,000
Total Costs	£7,698,000							£2,836,000
Exceptional Development Costs	£100,000							

NB: Exceptional Development Costs are apportioned across tenures and all values rounded to nearest thousand

Site Reference Details	
Site Reference Number	
Application Number	16/4890
NLUD Reference Number	
UPRN or Grid Reference	

Site Details	
Site Address	1-9 Sandycombe Road TW9 2EP
Scheme Description	20 flats 535m2 commercial

Result set:

Basic Site Information

Size of site in Hectares (gross)	
Total Number of Dwellings	
Total Number of Habitable rooms	
Total Number of Bedrooms	

Site Notes

Use these boxes to record any notes on the scheme variation (eg, % change in houseprices or additional CIL values)

Tenure Division

Sale	
Low Cost Sale	
Equity share	
Shared Ownership	
Intermediate Rent	
Affordable rent	
Social Rent	
Total affordable	

Key Economics

Revenue	
Costs	
Land Finance	
Residual (after land finance)	
Per hectare	
Per dwelling	
Per market dwelling	
Per habitable room	
Per bedspace	

Cost Contributions

Planning Obligations	
Community Infrastructure Levy	
Exceptional Development Costs	
Commercial Elements	

Residual Contributions

Subsidy	Total for scheme
	per SR unit
	per SO unit
	per IR unit
	per AR unit
Capital Contributions	
Commercial Elements	

Market Tenures' Revenue				Time span (years)				
Inflation				1	2	3	4	5
House price inflation	- Expected house price inflation rate (%) (All market tenures)							
	- Compound house price inflation rate			100.00%	100.00%	100.00%	100.00%	100.00%
Annual Build Rate and Revenue		Total Entered	Total Expected					
Sale	- Annual sale completion	140 of:	20.00		40.00	60.00	40.00	
	- Annual sale percentage		100%	0.00%	200.00%	300.00%	200.00%	0.00%
	- Revenue for that year		£10,530,000	£0.00	£21,060,000.00	£31,590,000.00	£21,060,000.00	£0.00
	- Revenue with inflation			£ -	£ 21,060,000	£ 31,590,000	£ 21,060,000	£ -
Low Cost Sale	- Annual sale completion	42 of:	0.00		20.00		12.00	10.00
	- Annual sale percentage		100%	0.00%	0.00%	0.00%	0.00%	0.00%
	- Revenue for that year		£0	£0.00	£0.00	£0.00	£0.00	£0.00
	- Revenue with inflation			£ -	£ -	£ -	£ -	£ -
Equity Share	- Annual sale completion	52.5 of:	0.00			50.00	2.50	
	- Annual sale percentage		100%	0.00%	0.00%	0.00%	0.00%	0.00%
	- Revenue for that year		£0	£0.00	£0.00	£0.00	£0.00	£0.00
	- Revenue with inflation			£ -	£ -	£ -	£ -	£ -
Total Revenue with Inflation for these Market Tenures				£ -	£ 21,060,000	£ 31,590,000	£ 21,060,000	£ -

←----- Child Occupancy -----
 & Bedroom Count

BEDROOM MIX								
	Sale	Low Cost Sale	Equity Share	Shared Ownership	Intermediate Rent	Affordable Rent	Social Rent	Total units by bedroom
Total Studio Flats								
Total 1 bed units	9							9
Total 2 bed units	7							7
Total 3 bed units	4							4
Total 4+ bed units								
Total units by tenure	20							

ANTICIPATED CHILD OCCUPANCY									
		Sale	Low Cost Sale	Equity Share	Shared Ownership	Intermediate Rent	Affordable Rent	Social Rent	Total Child Occupancy by Unit Type
	No. Of Units	20							
Flats	Studio								
	1 bed	9							
	2 bed	7	1						1
	3 bed	4	2						2
	4 bed								
Houses	1 bed								
	2 bed								
	3 bed								
	4 bed								
	5 bed								
	6+ bed								
Total Child Occupancy by Tenure		3							

Total Child Occupancy for this Scheme 3

[Return to Previous Page](#)

Benchmark Data - January 2014

This page shows the benchmark data compiled for each of the London Boroughs. Some of this data is unique to the borough whilst the rest is applicable across all the boroughs. All of these values can be overridden in the Toolkit by your own values.

Data Source	AG1213	Date	27.12.2013
Borough	Redbridge		

	band specific data
	borough specific data
	fixed data

	Market Rents	Size in m2	Market Value	Social Rent
Studio flat	£162	37	£136,000	£88.14
Flats	1 bed	50	£227,000	£88.14
	2 bed	66	£284,000	£107.40
	3 bed	86	£341,000	£123.48
	4 bed	95	£409,000	£145.66
Terrace / town house	2 bed	83	£327,000	£107.40
	3 bed	96	£424,000	£123.48
	4 bed	103	£510,000	£145.66
Semi / detached	2 bed	83	£354,000	£107.40
	3 bed	96	£460,000	£123.48
	4 bed	103	£552,000	£145.66

Area Type	Outer
Band	B1

Oncosts	
Social Rent	9%
Shared Ownership	9%
Intermediate/Affordable Rent	9%

Shared Ownership Costs	
Rent	2.75%
Capitalisation	7.00%

Development Costs	
Professional Fees %	12%
Finance (Market)	7%
Finance (Affordable Housing)	7%
Marketing Fees	3%
Developers Return	20%
Contractors Return	6%

Social Rent (by Bedrooms)	
1	£88.14
2	£107.40
3	£123.48
4	£145.66
5	£153.66
6	£0.00

Social Rent Costs		
Location	Outer	
Management	£555.00	
Maintenance	£550.00	30% extra for flats
Voids/bad debts	£0.04	10% extra for flats
Repairs Res	0.384%	
Capitalisation	7.00%	of man'ment & maintenance

Build Costs per sq m	
Flats (Over 40 storeys)	£3,494
Flats (16-40 storeys)	£2,623
Flats (6-15 storeys)	£2,037
Flats (5 stories)	£1,497
Houses <= 75m2	£1,113
Houses > 75m2	£976

Market Rent (by Bedrooms)	
1	£161.69
2	£203.87
3	£239.01
4	£267.13

Affordable/Intermediate Rent Costs	
Managemt costs	6.00%
Maintenance	£1,260
Voids/bad debts	6.00%
Capitalisation	7.00%

←----- Saved Densities -----

You can use this page to store a series of default densities. These can be recalled on the Basic Site Information page.

	Name of benchmark	DENSITY
user benchmark 1	My Benchmark 30	30
user benchmark 2	User density benchmark 2	
user benchmark 3	User density benchmark 3	
user benchmark 4	User density benchmark 4	
user benchmark 5	User density benchmark 5	
user benchmark 6	User density benchmark 6	

← --- Saved Dwelling Type Mixes ---

You can use this page to store a series of default mixes. These can be recalled on the Mixes page when using the Toolkit as a Forward Planning tool.

		User Mix set 1	user Mix set 2	user Mix set 3	user Mix set 4	user Mix set 5	user Mix set 6
name		user mix set 1	user mix set 2	user mix set 3	user mix set 4	user mix set 5	user mix set 6
	Studio flat						
Flats	1 bed						
	2 bed						
	3 bed						
	4 bed						
Terrace / town house	2 bed						
	3 bed						
	4 bed						
Semi / detached	2 bed						
	3 bed						
	4 bed						
Total		0%	0%	0%	0%	0%	0%

← Saved Market Values →

You can use this page to store a series of default market values for the given unit types. These can be recalled on the Market Values page when using the Toolkit as a Forward Planning tool.

	name	Main Default	user MV set 1	user MV set 2	user MV set 3	user MV set 4	user MV set 5
		Toolkit Benchmark Values	user MV set 1	user MV set 2	user MV set 3	user MV set 4	user MV set 5
Studio flat		£136,000					
Flats	1 bed	£227,000					
	2 bed	£284,000					
	3 bed	£341,000					
	4 bed	£409,000					
Terrace / town house	2 bed	£327,000					
	3 bed	£424,000					
	4 bed	£510,000					
Semi/detached	2 bed	£354,000					
	3 bed	£460,000					
	4 bed	£552,000					

Appendix B

2 bed flats -prices achieved in the vicinity of Sandycombe Road

Address	Price (£)	Area (m ²)	£/m ²
8 Darrell Road	435,000	48	9,063
10 Stanmore Gardens	500,000	68.3	7,321
39a Chilton Road	470,000	64.9	7,242
35 Stanmore Road	420,000	66.3	6,335
30 Garden Road	460,000	65.5	7,023
21a Darrell Road	570,000	72	7,917
Average			7,484