



**Bespoke Property Consultants**

maximising development potential

## Review of the Viability Report on the Development of St Michaels Convent Ham Common TW10 7JH

**On behalf of the London Borough of Richmond upon Thames**

July 2017

S Devitt

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

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## 1.0 Instructions

- 1.1 Bespoke Property Consultants (BPC) has been instructed by The London Borough of Richmond upon Thames Council to review the applicant's viability assessment of the proposed development at St Michael's Convent, Ham Common, TW10 7JF
- 1.2 In carrying out this review, BPC has been issued with a report dated March 2017 by DPA2 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.
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## 2.0 Executive Summary

2.1 We have reviewed the report by DPA2 dated March 2017 and concluded that the main issues relating to the viability of the scheme are the base build cost used in the applicant's appraisal and the benchmark land value of the site.

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 DPA2 as set out in Section 4 below and found them on the whole to be reasonable, with the exception of

The build cost allowance, which is higher by £587,661(7.3%) than the cost derived by K2 Rider Hunt who were commissioned to review the cost plan submitted

The benchmark land value for the site which we have derived from either its current use value or as a policy-compliant residential development (Alternative Use Value) both of which are lower than the values proposed by DPA2.

2.4 We have carried out our own appraisal based on K2 Rider Hunt's assessment of the build cost.

2.5 This appraisal shows a residual land value of £8,924,000 which is above the current use value by £2,439,000 and the Alternative Use Value by £1,632,000. Adopting the Alternative Use Value as the Benchmark Land Value the proposed scheme is viable and could provide on-site affordable housing or S106 contributions.

## 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 1,000m<sup>2</sup> 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 The applicant's appraisal uses the HCA DAT appraisal model, whereas the alternative model used by Bespoke Property Consultants is the GLA Development Control Toolkit. Both appraisal models are acceptable and should give similar answers if the same inputs are used.

### 4.2 Unit Mix

4.2.1 The scheme comprises 23 residential units as set out in the accommodation schedule of the applicant's report.

4.2.2 These units are stated to be for occupation for over 55s only. We are aware that the London Borough of Richmond has planning policy that resists the development of such schemes but we have assessed the scheme on the basis that it is presented.

### 4.3 Values of residential units

4.3.1 The applicant has relied upon a pricing schedule provided by Featherstone Leigh for the values of the units. No comparable evidence is provided to support these values. There is a limited market for over 55s accommodation and the values will be at a discount to the equivalent units sold without an age restriction.

4.3.2 Given the nature of the scheme and the borough's planning policy there are no local comparables. We have identified a high specification scheme in Muswell Hill being marketed and we have looked at values based on average per square metre having discounted asking prices by 5% to allow for negotiation.

4.3.3 The total sales value of the proposed units, based on the discounted average square metre values of the Muswell Hill scheme, shows a difference of only 2% from the Featherstone Leigh values. We have therefore adopted the applicant's values for our appraisal.



4.3.4 The applicant has made no allowance for ground rents in their appraisal. The assumptions made by BPC are as follows:

	£/pa	No	Total
1 bed	300	2	600
2 bed	350	7	2,450
Total			3,050

4.3.5 We have capitalised the total annual income at 5.5% to give a capital value of £55,455 which less purchase costs of 3.5% equals £53,514. Having adopted the applicant's pricing for the units the only difference between the applicant's estimate of Gross Development Value and that of BPC is the capitalised value of the ground rents.

#### **4.4 Development Timescale**

4.4.1 The applicant has assumed sales at a rate of one a month. While this is a standard assumption for this type of accommodation we believe that as a substantial element of the proposed scheme is houses that it will be possible to phase the development and agree sales on some units before completion of building works and have therefore based our appraisal on a total development period of 3 years

#### **4.5 Build costs**

4.5.1 A summary build cost analysis is included in the report by DPA2.

4.5.2 The cost plan has been reviewed by K2 Rider Hunt on behalf of the Council. Their estimate of costs is £7,251,020 which is £587,661(7.3%) lower. We have adopted the K2 Rider Hunt value for our appraisal.

#### **4.6 Other assumptions**

4.6.1 Professional Fees – a figure of 10% has been used for professional fees by the applicant. This is reasonable and has been adopted for our appraisal.

4.6.2 Contingency – The K2 Rider Hunt building cost figure used for our appraisal allows for contingency

- 4.6.3 S.106 Contributions - Section 106 costs have not been allowed at this stage, as we wished to establish what, if any surplus would be generated by the appraisal.
- 4.6.4 CIL – No allowance for CIL has been made in the DPA2 appraisal. We have assumed that CIL is payable on the increase in area of the proposed scheme which we understand is 268.5m<sup>2</sup>. We have assessed the CIL on the basis of the indexed figure for both the Borough and Mayor's CIL. Both the additional floor space and the indexed figures should be checked at by the Council at the date when the application is determined.
- 4.6.5 Sales and Marketing - the marketing costs allowed by DPA2 is the equivalent of 4.15%. We believe this is high when considered against other schemes we have assessed in the Borough. In our appraisal 3% has been allowed for which is the default value in the Toolkit and appropriate in the current market.
- 4.6.6 Site acquisition costs – the site acquisition costs in our appraisal have been adjusted to reflect the lower Benchmark Land Value.
- 4.6.7 Finance costs – The applicant has allowed for fees totaling £250,000 in addition to finance costs. Our appraisal is based on a finance figure of 7% inclusive of any funding fees.
- 4.6.8 Profit – the applicant has adopted a figure of 20% of GDV for the return for risk and profit. For this development, we consider this is appropriate in the current market and that is the figure adopted in our appraisal which reflects the risks involved in the scheme.

#### **4.7 Benchmark Land Value**

- 4.7.1 DPA2 have offered two measures of value for the site – an assessment of market value as a convent (ie: Current Use Value) and an Alternative Use Value as a single residential unit.
- 4.7.2 With regard to the current use value they offer four transactions as comparable evidence. However, two of the transactions involved unconditional sales and therefore are assumed to have been purchased for development. In these circumstances, the purchase price cannot be assumed to equate to a value which meets the criteria set out in the RICS Guidance on benchmark land values. Following that guidance the value should reflect the requirements of the local plan including a compliant level of affordable housing.

- 4.7.3 The sale of the two convents that continue in that use are at very similar values per square metre - £225 and £218. As such we have based our assessment of value on the average of these two figures which gives a value £6,175,200. DPA2 have indexed their assessment of this value to the House Price Index, but the sale of convents is a very restricted market and does not relate to the general housing market. We have therefore indexed the value by reference to RPI giving a value of £6,485,000 to reflect the general increase in monetary prices (see Appendix D).
- 4.7.4 DPA2 suggest that an Alternative Use would be as a single family dwelling. They provide some comparable evidence from the sales of large houses that are listed buildings. However, given the size of the convent, the application of an average square metre value from the comparables would result in an unfeasibly high value. They therefore suggest a ceiling value of £14,000,000.
- 4.7.5 In the absence of any real comparable evidence we are willing to accept the value of £14,000,000 as the value of the convent as a single dwelling. However, we believe this value is only achievable when refurbishment works have taken place in order to adapt it for residential use. We have therefore allowed for works, fees and finance (see appendix D). In addition, under the London Borough of Richmond upon Thames Affordable Housing SPD there would also be a commuted sum payable (see appendix E). Netting off these costs from £14,000,000 gives an Alternative Use Value of £7,292,000.



## 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 DPA2 submission are as follows:
- a) We have reduced the Build Cost in line with the K2 Rider Hunt assessment
  - b) We have reduced the benchmark land value to £7,292,000.
- 5.2 Our own assessment of the scheme shows a residual site value of £8,924,000 which is above the benchmark land value without any allowance for affordable housing by £1,632,000. This suggests that the scheme is viable and could support additional affordable housing or S.106 contributions.
- 5.3 Given the number of units in the development and the size of the surplus there should be scope for the inclusion of on-site affordable housing. We are aware that the Council has significant resources available to fund affordable housing which might be applicable in this instance.

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	St Michael's Convent Ham Common
--------------	---------------------------------

Site Reference	
Application Number	
NLUD Reference	
UPRN or Grid Reference	

Scheme Description	23 units for over 55s plus office, meeting rooms and guest facilities
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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](mailto: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](mailto:Toolkits@Dread-IT.co.uk)

— Basic Site Information —

You must complete this page

Site Area	
Total Size of Site In Hectares	1.22

Dwellings	
<input type="radio"/>	23
<input checked="" type="radio"/>	18.85
<input type="text" value="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="↑"/>	<input type="button" value="↓"/>
Resulting Number of Dwellings	23		
Resulting Density	19 dph		

----- Toolkit Application -----

There are two ways to use the Toolkit;

Choose from either:-

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

or

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







**Market Values**

Ensure you enter market values for all unit types in the scheme under the Sale Tenure.

Ref.	Description of Unit Type	Sale			Low Cost Sale		Equity Share		Shared Ownership	
		Total Units	User Market Value	Adjusted Market Value	Total Units	Adjusted Market Value	Total Units	Adjusted Market Value	Total Units	Adjusted Market Value
		You can adjust all market values by entering a percentage in the box to the right (this affects other tenures):			Enter percentage purchased		Enter percentage purchased		Enter percentage purchased	
		100%								
1	House	1	£ 1,250,000	£ 1,250,000						
2	House	1	£ 1,195,000	£ 1,195,000	28%	£ -		£ -	68%	£ -
3	House	1	£ 1,195,000	£ 1,195,000		£ -		£ -		£ -
4	House	1	£ 1,195,000	£ 1,195,000		£ -		£ -		£ -
5	House	1	£ 1,195,000	£ 1,195,000		£ -		£ -		£ -
6	Flat	1	£ 650,000	£ 650,000		£ -		£ -		£ -
7	Flat	1	£ 1,095,000	£ 1,095,000		£ -		£ -		£ -
8	Flat	1	£ 1,095,000	£ 1,095,000		£ -		£ -		£ -
9	House	1	£ 950,000	£ 950,000		£ -		£ -		£ -
10	House	1	£ 925,000	£ 925,000		£ -		£ -		£ -
11	House	1	£ 950,000	£ 950,000		£ -		£ -		£ -
12	House	1	£ 950,000	£ 950,000		£ -		£ -		£ -
13	House	1	£ 925,000	£ 925,000		£ -		£ -		£ -
14	House	1	£ 950,000	£ 950,000		£ -		£ -		£ -
15	Flat	1	£ 1,050,000	£ 1,050,000		£ -		£ -		£ -
16	Flat	1	£ 1,065,000	£ 1,065,000		£ -		£ -		£ -
17	Flat	1	£ 1,100,000	£ 1,100,000		£ -		£ -		£ -
18	Flat	1	£ 1,050,000	£ 1,050,000		£ -		£ -		£ -
19	Flat	1	£ 750,000	£ 750,000		£ -		£ -		£ -
20	House	1	£ 1,495,000	£ 1,495,000		£ -		£ -		£ -
21	Flat	1	£ 1,195,000	£ 1,195,000		£ -		£ -		£ -
22	House	1	£ 2,000,000	£ 2,000,000		£ -		£ -		£ -
23	House	1	£ 1,500,000	£ 1,500,000		£ -		£ -		£ -
24				£ -		£ -		£ -		£ -
25				£ -		£ -		£ -		£ -
26				£ -		£ -		£ -		£ -
27				£ -		£ -		£ -		£ -
28				£ -		£ -		£ -		£ -
29				£ -		£ -		£ -		£ -
30				£ -		£ -		£ -		£ -
31				£ -		£ -		£ -		£ -
32				£ -		£ -		£ -		£ -
33				£ -		£ -		£ -		£ -
34				£ -		£ -		£ -		£ -
35				£ -		£ -		£ -		£ -
36				£ -		£ -		£ -		£ -
37				£ -		£ -		£ -		£ -
38				£ -		£ -		£ -		£ -
39				£ -		£ -		£ -		£ -
40				£ -		£ -		£ -		£ -

## Rents

Enter the full market and social rents for any units under that tenure.  
There are benchmarks to act as a guide.

Ref.	Description of Unit Type
1	House
2	House
3	House
4	House
5	House
6	Flat
7	Flat
8	Flat
9	House
10	House
11	House
12	House
13	House
14	House
15	Flat
16	Flat
17	Flat
18	Flat
19	Flat
20	House
21	Flat
22	House
23	House
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30	
31	
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40	

No. IR/AR units	Market Rent per week

**Intermediate Rent**

Apply a reduction in market rent

as a single value for all unit types

by unit type

Total Units	Reduction	Adjusted Market Rent
		£ -
		£ -
		£ -
		£ -
		£ -
		£ -
		£ -
		£ -
		£ -
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		£ -

**Affordable Rent**

Apply a reduction in market rent:

as a single value for all unit types

by unit type

Total Units	Reduction	Adjusted Market Rent
		£ -
		£ -
		£ -
		£ -
		£ -
		£ -
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		£ -
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		£ -

**Social Rent**

Enter a weekly social rent value for units allocated to the Social Rent tenure.

Total Units	User Rent/week

Bedrooms	Market Rent	Social Rent
1	£ 161.69	£ 88.14
2	£ 203.87	£ 107.40
3	£ 239.01	£ 123.48
4	£ 267.13	£ 145.66
5	n/av	£ 153.66
6	n/av	£ -

← --- **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:-

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

or

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
Flats	1 bed		0.0
	2 bed		0.0
	3 bed		0.0
	4 bed		0.0
Terrace / town house	2 bed		0.0
	3 bed		0.0
	4 bed		0.0
Semi / detached	2 bed		0.0
	3 bed		0.0
	4 bed		0.0
<b>Total</b>		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	23
--------------------------------	----

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	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									

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	£2,603.00
Houses <= 75m2	£1,113	
Houses > 75m2	£976	£2,603.00
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%	10.0%	of build costs
Interest rate (Market)	6.75%	7.0%	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)		3.00	

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	£	-
acquisition costs	£	789,225
<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.

Overall Borough CIL	£	61,127
Overall Mayoral CIL	£	17,219
Total pre-calculated CIL	£	78,346



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? <input type="checkbox"/>	User Total	Sale	Affordable						
				Low Cost Sale	Equity Share	Shared Ownership	Intermediate Rent	Affordable rent		Social Rent
European Union funding	<input type="checkbox"/>									£0
Local Authority capital grant	<input type="checkbox"/>									£0
Other regeneration funding	<input type="checkbox"/>									£0
English Heritage grant	<input type="checkbox"/>									£0
Lottery grant	<input type="checkbox"/>									£0
Contribution from Payment in Lieu fund	<input type="checkbox"/>									£0
Employer contribution	<input type="checkbox"/>									£0
Capitalised ground rent figure	<input type="checkbox"/>	£53,514								£53,514
Other (1)	<input type="checkbox"/>									£0
Other (2)	<input type="checkbox"/>									£0
Other (3)	<input type="checkbox"/>									£0

Total for Scheme	£53,514
Total for Scheme per hectare	£43,864
Total for Scheme divided by total number of units	£2,327
Total for Scheme divided by number of sale units	£2,327

← - Revenue from Affordable Housing - →

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

<input type="radio"/>	
<input type="radio"/>	



← 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;



← Grant →

Please choose whether a grant is available for the scheme

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

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).

	Affordable Housing Tenures						Total
	Low Cost Sale	Equity Share	Shared Ownership	Intermediate Rent	Affordable Rent	Social Rent	Affordable Units
<input checked="" type="checkbox"/>	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

<b>Revenues</b>	Office	Industrial	Retail	Hotel	Leisure/Comm ity Services	Other
Net area in Sq. m						
Rent (£ per sq.m per annum)						
Yield (%)						
Capital value	£ -	£ -	£ -	£ -	£ -	£ -
<b>Costs</b>						
Gross Internal Area in Sq. m						
Build costs (£ per GIA sq m)						
Professional fees (% of Build Costs)						
Interest Rate (% of Build Costs)						
Marketing fees (% of Capital Value)						
Return (% of Capital Value)						
Total build costs	£ -	£ -	£ -	£ -	£ -	£ -
Professional, other fees and finance costs	£ -	£ -	£ -	£ -	£ -	£ -
Return	£ -	£ -	£ -	£ -	£ -	£ -
Total development costs	£ -	£ -	£ -	£ -	£ -	£ -
Site value for commercial element	£ -	£ -	£ -	£ -	£ -	£ -
Total site value for all commercial Elements	£ -					

← Land Finance →  
& Site Value Comparisons

Land Finance

Reduction of Residual (%)	13%	
---------------------------	-----	--

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	£	6,485,000
Acquisition cost	£	-
Value for offices	£	-
Value for industrial	£	-
Value as hotel site	£	-
Value as other alternative use	£	7,291,539

← Results

Site	St Michael's Convent Ham Common
Address	
Scheme	23 units for over 55s plus office, meeting rooms and guest facilities
Description	

Site Reference Number	
Application Number	
NLUD Ref. Number	
UPRN or Grid Ref.	

<b>RESIDUAL before land finance</b>	<b>£10,258,000</b>
<b>RESIDUAL after land finance</b>	<b>£8,924,000</b>
Per hectare	£7,315,000
Per dwelling	£388,000
Per market dwelling	£388,000
Per habitable room	£119,000
Per bedspace	£175,000

<b>SCHEME UNITS</b>	per ha.	
No. of Dwellings	23	19
No. of Habitable rooms	75	61
No. of Bedrooms	51	42
Total floorspace (m2)	2,786	2283
% Wheelchair Units		

<b>SCHEME REVENUE</b>	<b>£25,779,000</b>
Contribution to revenue from:	
Market housing	£25,725,000
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	£54,000
Commercial Elements	

<b>LAND FINANCE</b>	
Total land finance	£1,334,000

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

<b>SCHEME COSTS</b>	<b>£15,521,000</b>
Contribution to costs from:	
Market housing	£14,654,000
Affordable Housing	
- Low Cost Sale	
- Equity Share	
- Shared Ownership	
- Intermediate Rent	
- Affordable Rent	
- Social Rent	
Planning Obligations	
Community Infrastructure Levy	£78,000
Exceptional Development Costs	£789,000
Commercial Elements	

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

<b>Alternative Site Values</b>		<b>Against residual</b>
Existing Use Value	£ 6,485,000	£2,439,000
Acquisition Cost	£ -	
Value for offices	£ -	
Value for industrial	£ -	
Value as hotel site	£ -	
Value as other alternative	£ 7,292,000	£1,632,000



← Costs Analysis

	Sale	Low Cost Sale	Equity Share	Shared Ownership	Intermediate Rent	Affordable Rent	Social Rent	Commercial Elements
Number of units	23							
Base build costs	£7,250,657							
Prof fees	£725,066							
Finance	£761,319							
Marketing	£771,750							
Developer's Return	£5,145,000							
Contractor's Return	-							
Total Costs	£14,654,000							
Exceptional Development Costs	£789,000							

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



Site Reference Details	
Site Reference Number	
Application Number	
NLUD Reference Number	
UPRN or Grid Reference	

Site Details	
Site Address	St Michael's Convent Ham Common
Scheme Description	23 units for over 55s plus office, meeting rooms and guest facilities

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)				
			1	2	3	4	5
<b>Inflation</b>							
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%
<b>Annual Build Rate and Revenue</b>							
		Total Entered	Total Expected				
Sale	- Annual sale completion	140 of:	23.00		40.00	60.00	40.00
	- Annual sale percentage		100%	0.00%	173.91%	260.87%	173.91%
	- Revenue for that year		£25,725,000	£0.00	£44,739,130.43	£67,108,695.65	£44,739,130.43
	- Revenue with inflation			£ -	£ 44,739,130	£ 67,108,696	£ 44,739,130
Low Cost Sale	- Annual sale completion	42 of:	0.00		20.00		12.00
	- Annual sale percentage		100%	0.00%	0.00%	0.00%	0.00%
	- Revenue for that year		£0	£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%
	- Revenue for that year		£0	£0.00	£0.00	£0.00	£0.00
	- Revenue with inflation			£ -	£ -	£ -	£ -
<b>Total Revenue with Inflation for these Market Tenures</b>				£ -	£ 44,739,130	£ 67,108,696	£ 44,739,130
				£ -	£ -	£ -	£ -

← 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	2							2
Total 2 bed units	15							15
Total 3 bed units	5							5
Total 4+ bed units	1							1
Total units by tenure	23							

**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		23							
Flats	Studio								
	1 bed	2							
	2 bed	6	1						1
	3 bed								
	4 bed								
Houses	1 bed								
	2 bed	9	3						3
	3 bed	5	3						3
	4 bed	1	1						1
	5 bed								
	6+ bed								
Total Child Occupancy by Tenure		8							

Total Child Occupancy for this Scheme 8

## 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	£162	50	£227,000	£88.14
	2 bed	£204	66	£284,000	£107.40
	3 bed	£239	86	£341,000	£123.48
	4 bed	£267	95	£409,000	£145.66
Terrace / town house	2 bed	£204	83	£327,000	£107.40
	3 bed	£239	96	£424,000	£123.48
	4 bed	£267	103	£510,000	£145.66
Semi / detached	2 bed	£204	83	£354,000	£107.40
	3 bed	£239	96	£460,000	£123.48
	4 bed	£267	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	user Mix set	user Mix set	user Mix set	user Mix set	user Mix set
		1	2	3	4	5	6
name		user mix set	user mix set	user mix set	user mix set	user mix set	user mix set
		1	2	3	4	5	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