



Bespoke Property Consultants

maximising development potential

Review of the Viability Report on the Development of All Saints Church & 44 The Avenue TW12 3RG

On behalf of the London Borough of Richmond upon Thames

April 2018

S Devitt

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

Bespoke Property Consultants
Arundene Orchard, Loxwood Road,
Rudgwick, West Sussex RH12 3BT

Tel: 01403 823425

www.bpglimited.co.uk

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- Appendix B Exigere Cost Review
- Appendix C Summary of Sales Pricing Comparables
- Appendix D Benchmark Land Value Calculation

1.0 Instructions

- 1.1 Bespoke Property Consultants (BPC) has been instructed by The London Borough of Richmond to review the applicant's viability assessment of the proposed development at All Saints Parish Church/44 The Avenue Hampton TW12 3RG
- 1.2 In carrying out this review, BPC has been issued with a report dated January 2018 by Section 106 Management which assesses the viability of the proposed development. The proposed development comprises four houses and a flat plus the construction of a new church hall.
- 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.

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2.0 Executive Summary

- 2.1 We have reviewed the report by Section 106 Management and the main issues relating to the viability of the scheme are:
- a) The values of the proposed units
 - b) The Benchmark Land Value adopted by Section 10 Management
 - c) The church hall development which shows a deficit [REDACTED] and is therefore subsidised by the residential development
- 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 Section 106 Management as set out in Section 4 below and found them on the whole to be reasonable apart from the value of the proposed units and the Benchmark Land Value.
- 2.4 We have carried out our own appraisal based on the Exigere cost appraisal and our assessment of the correct Benchmark Land Value value.
- 2.5 This appraisal shows a residual land value of [REDACTED] which is below the benchmark land value of £[REDACTED] and therefore the proposed scheme is not viable and could not provide an affordable housing contribution.
- 2.6 The inclusion of the new church hall is having a significantly negative effect on the viability of this scheme.

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
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- 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."

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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:

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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.

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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. The DCLG have subsequently confirmed that the credit applies to both financial contributions and the provision of units but the London Plan Guidance on Affordable Housing and Viability (August 2017) rules out the application of vacant building credit.

4.0 Assessment Inputs and Assumptions

4.1 Assessment methodology

4.1.1 The applicant's appraisal uses the HCA EAT and the BPC appraisals uses the GLA Development Control Toolkit appraisal model. Both models are acceptable for viability purposes.

4.2 Unit Mix

4.2.1 The scheme comprises four houses, a flat and the construction of a new church hall facility..

4.3 Values of residential units

4.3.1 The values used within the applicant's appraisal are based on estate agent estimates

4.3.2 The comparative data used by Bespoke Property Consultants is based on market research undertaken on the internet, for houses and flats sold in the locality of the proposed development in the previous year (listed with floor areas in Appendix C). [REDACTED]

[REDACTED]
[REDACTED] er.

4.3.3 The assumptions by Section 106 Management on the level of Ground Rent and the return are within the normal range and the income figure of [REDACTED] is replicated in the BPC appraisal.

4.4 Development Timescale

4.4.1 Both appraisals assume a development period of eighteen months

4.5 Build costs

4.5.1 Section 106 Management have used a cost plan prepared by Sawyer Fisher

4.5.2 The BPC appraisal is based upon the cost analysis by Exigere which shows a total figure 2.7% lower than the Sawyer Fisher estimate.

4.6 Other assumptions

- 4.6.1 Professional Fees – a figure of [REDACTED] has been used for professional fees by the applicant. This is acceptable for this size of development.
- 4.6.2 Contingency – S106 Management have used a figure of [REDACTED] for contingency which is acceptable
- 4.6.3 CIL – Section 106 Management have based their estimate of CIL on the unindexed figures of [REDACTED] and [REDACTED] for Mayoral and Borough CIL respectively. The BPC estimate is based on indexed figures but should still be checked by the local authority before the application is determined. It should also be noted that while the applicant's report states that no S106 payments are included, their appraisal include [REDACTED] in the costs.
- 4.6.4 Sales and Marketing - [REDACTED] has been allowed for by the applicant with the addition of [REDACTED] legal fees. The BPC appraisal uses the same value of [REDACTED] but without additional fees as the allowance is sufficient.
- 4.6.5 Finance costs – an interest rate of [REDACTED] plus [REDACTED] for fees has been used by the applicant. The BPC appraisal uses a value of [REDACTED] inclusive of any fees payable, which is normal in the current world.
- 4.6.6 Profit – the applicant has adopted a figure of [REDACTED] of GDV for the return for risk and profit. This is acceptable in the current market.
- 4.6.7 Site Acquisition Costs -Section 106 Management's assumptions are based on a higher Benchmark Land Value than allowed for in the BPC appraisal and the site acquisition costs have been reduced to reflect this lower figure.

4.7 Benchmark Land Value

- 4.7.1 Section 106 Management have used an acquisition cost of [REDACTED] as the Benchmark Land Value. This is based on the value of the existing residential unit as advised by local estate agents and the income from letting the existing hall capitalized at [REDACTED]
- 4.7.2 The BPC estimate is based upon the value of the existing property from our market research. However, the applicant has provided evidence of the disrepair of property as justification for its demolition. We have netted off these costs to determine the value of the property. We have capitalised the projected hall income, however, as the covenant for such income is so weak the

appropriate figure is in the range of [REDACTED] Details of the calculation are included in appendix D. The BPC Benchmark Land Value is therefore [REDACTED]

4.8 Commercial Element

- 4.8.1 Section 106 Management have taken the cost from the Sawyer Fisher cost plan. They have projected an annual income [REDACTED] based on the information provided by applicant. They have capitalised this income at [REDACTED] to calculate the capital value.
- 4.8.2 BPC have used the estimate of costs provided by Exigere. We have used the same estimate of income. However, given the weakness of the covenant we have used [REDACTED] as the appropriate level for capitalisation.
- 4.8.3 Allowing for all costs attributable to construction and the low value attributable as a result of the income and weak covenant it should be noted that the church hall element of the development shows a deficit of [REDACTED] which is being subsidized by the residential element of the scheme. Without this element the scheme would be much more viable.

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.
- 5.2 Our own assessment of the scheme shows a residual site value of [REDACTED] which is below the benchmark land value of [REDACTED] without any allowance for affordable housing. This suggests that the scheme is not viable and could not support an additional affordable housing contribution.
- 5.3 The inclusion of the new church hall is having a significantly negative effect on the viability of this scheme.

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	All Saints Church & 44 The Avenue TW12 3RG
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Site Reference	
Application Number	
NLUD Reference	
UPRN or Grid Reference	

Scheme Description	Residential and New church hall
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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

Appendix B



exigere

All Saints' Church, Hampton
Cost Review
13 April 2018
Bespoke Property Group Limited

Making projects happen

Quality Control

Document Title	Location	Date	Issued to	Prepared by	Approved by
Cost Review	0824/01/01	13-Apr-2018	BPG Ltd	Ellie Layton	Niall Aitken

Issued By:
Niall Aitken
Partner

Tel: 0207 920 3400
DD: 0207 920 3415
E-mail: niall.aitken@exigere.co.uk
Web: www.exigere.co.uk

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Introduction

This report has been prepared by exigere to provide Bespoke Property Group Limited (BGP) with a review and commentary of the construction costs contained within the Sawyer & Fisher (S&F) Cost Plan Nr 1 dated June 2014, updated December 2017. The construction costs were presented and submitted by S&F in relation to the development at All Saints' Church, Hampton for a new church hall, flat and 4nr houses, Richmond planning reference number 17/1269/FUL.

Our report is based upon the following information:

- S106 Management Viability Report dated 19 January 2018;
- S106 Management Viability Schedules 1-6;
- Loxton & Associates Preliminary drawings dated October 2017;

The drawings available on the Council planning portal provide an overall understanding of the scope of works. There is limited specification information available on the drawings, therefore we have made assumptions on the specification level interpreted from the drawings and descriptions included within the information provided by S106, together with our experience of similar projects.

Project Overview

The site currently accommodates All Saints' Church, an adjacent Church Hall, and a residential bungalow. The development proposes to demolish the existing Church Hall and bungalow and to erect 4nr townhouses, a modern Church Hall with 1nr residential flat above, and a Narthex connecting the existing Church to the new Church Hall.

Key Findings & Conclusion

Appendix A contains our detailed analysis of the S&F Cost Plan for the 4nr new houses and new church hall and first floor flat development; however, the table below provides a summary of our findings and recommended adjustments to the S&F Cost Plan allowances:

Building Element	
Demolitions and Site Clearance	
4nr New Terraced Houses	
New Church Hall & First Floor Flat	
Sub-Total	
Contingency	
Professional Fees	
Inflation	
Total	

Our Key Findings:

- We would anticipate the estimated Residential construction cost to sit within a benchmark range of [REDACTED] based on the GIA.
- The estimated Construction Costs for the new houses as tabled by S&F are [REDACTED] including on costs (excluding design fees, contingencies and external works) which sits within our anticipated range.
- We have increased the area for the new houses to 521m² based on our measurement of the drawings which has increased the cost by [REDACTED]
- We have reduced the allowance for below ground drainage from [REDACTED] based on experience on previous projects of a similar nature.
- Based on our review, the costs as presented by S&F appear to be reasonable.

Cost Review

Basis and Assumptions

Our report is based upon the following information:

- S106 Management Viability Report dated 19 January 2018;
- S106 Management Viability Schedules 1-6, including the S&F Cost Plan Nr1;
- Loxton & Associates Preliminary drawings dated October 2017;

The drawings available provide an overall understanding of the scope of works. There is limited specification information available on the drawings, therefore we have made assumptions on the specification level interpreted from the drawings and descriptions included within the S&F Cost Plan, together with our experience of similar projects and sales values in this location.

No information has been provided or is available on the Planning Portal for Structural or Building Services design or specification for the scheme; therefore, our review has been based upon our knowledge and experience of similar projects.

With regards to the residential development, the S106 Financial Viability Report shows new build comparable. The assumed sales value for the town houses is £[REDACTED] for the flat above the church hall, therefore we have assumed a mid-level specification to achieve these sales values.

Cost Plan Review

We have reviewed the S&F Cost Plan Nr 1 dated June 2014 and updated December 2017 and offer below a general commentary on their costs as presented:

Demolitions & Site Clearance

- The allowance for demolishing the existing bungalow and church hall on the site of [REDACTED] appears to be reasonable.
- Taking the site area to be approximately 1,700m² the rate is therefore [REDACTED] which is in line with what we would expect for demolishing single height structures and clearing the site generally.

New Houses

- Having carried out a remeasure of the new houses, exigere report that the gross internal area to be 521m² whereas S&F have based their costs on an area of 510m². We have made the adjustment which equates to the additional [REDACTED]
- We agree with the rate that S&F have applied as it is within our expected benchmark range.
- Based on the sales value of circa [REDACTED] we would assume that a mid-level specification, which is in line with the rate applied.

New Church Hall & First Floor Flat

- The below ground drainage allowance included by S&F appears to be high compared to what we would expect for a project of this nature, we have therefore adjusted down.

Main Contractor's on Costs

- We have assumed that as BCIS rates are being applied, on costs have been included within the S&F cost plan.
- For a project of this nature we would expect to see overheads and profit included at around [REDACTED] and preliminaries at [REDACTED]

Construction Contingency

- S&F have included for [REDACTED] contingency which should equate to [REDACTED] however have only included [REDACTED] within their figures.
- We have applied [REDACTED] contingency in line with S&F as this would have been the decision made with the Client based on the level of risk.
- At this stage of design and for a project of this nature we would recommend a contingency allowance of [REDACTED] to be included.

Design Fees

- S&F have included design fees at [REDACTED] including statutory fees and an allowance for surveys, however the S106 report states [REDACTED] fees have been applied.
- We have adjusted the professional fees to be [REDACTED] plus additional allowances for statutory fees and surveys.

Inflation

- The S&F cost plan includes for inflation between 2Q 2014 and 4Q2017 using the BCIS All-In Tender Price Indices which equates to [REDACTED] which we have verified.
- For comparison purposes, our Tender Price Indices would have equated to an adjustment of [REDACTED] on a like for like basis.

Appendix A – Detailed Cost Review

Elemental Costs	Quant	Unit	Rate	Total	Exigere Proposed	Exigere Comments
				£		
1.00 Demolitions and Site Clearance						The existing site area is approximately 1,700m ² . Demolition rate equates to [redacted] includes demolishing existing bungalow and church hall; rate appears reasonable based on the nature of the site.
2.00 New Houses (4nr)						
2.01 New house (area updated to December 2017 drawing issue)	510	m ²				Having measured the drawings provided, exigere report the GIA to be 521m ² for the new houses.
2.02 Front driveways including bin stores and associated paths						Driveway and parking spaces shared between 4nr houses, allowance appears to be adequate.
2.03 Crossovers (2nr)						1nr existing plus 1nr new crossover, cost appears reasonable.
2.04 Rear gardens allowance						Equates to [redacted] at an average rate of [redacted] which is in line with benchmarked rates.
2.05 Incoming service allowance						Allowance is in line with our expectations.
2.06 Drainage below ground allowance						Allowance for 4nr houses seems reasonable.
New House Total						

Elemental Costs	Quant	Unit	Rate	Total	Exigere Proposed	Exigere Comments
3.00 New Church Hall and First Floor Flat (including Narthex)						
3.01 New entrance/steps to existing church from Narthex						Assuming stone steps and new doors of a non standard size, this appears to be reasonable.
3.02 New church hall and flat	504	m ²	2,0			Exigere measure of the areas is the same as S&F. Rate is in line with benchmarking.
3.03 External works including rebuilding front boundary wall, resurfacing carpark and new path to sides and rear of hall.						Allowance seems reasonable.
3.04 Incoming services allowance						Appears reasonable based on expected demand.
3.05 Drainage below ground allowance						This seems comparatively high, exigere have made a reduction based on benchmarks from similar projects.
New Church Hall Total						
Construction Total						
4.00 Contingencies			5%			S&F contingency, should be [redacted]. On a project of this nature we would advise allowing a contingency of [redacted] but this is at the discretion of the client, therefore we have applied S&F's [redacted] to our adjustments.

Elemental Costs	Quant	Unit	Rate	Total	Exigere Proposed	Exigere Comments
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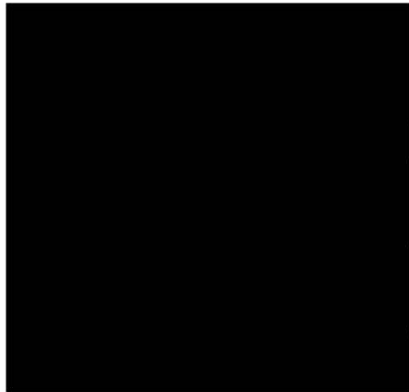
Sub Total						
5.00 Professional Fees and Expenses						
5.01 Professional design fees for traditional procurement						15% relates to the full Sub Total above, broken down into 3 items. It is noted in the Section 106 report that [redacted] fees has been adopted, we have therefore applied this percentage but included separate allowances for statutory fees and
5.02 Statutory fees, expenses and specialist consultant reports						
5.03 Surveys allowance						
Fees Sub Total						
Sub-Total						
6.00 Project / Client Contingency						Deemed to be included within item 4.00 above.
Sub-Total						

Elemental Costs	Quant	Unit	Rate	Total	Exigere Proposed	Exigere Comments
				£		

7.00 Inflation update from June 2014 to December 2017

7.01 Inflation update using the published BCIS All-in Tender Price Indices from 2Q 2014 to 4Q 2017

Project Costs excluding VAT



We have included
 adjustment
 based on the BCIS

Making projects happen

London's independent construction cost advisors

Appendix C

All Saints Church The Avenue TW12 3RG Market Research

Prices achieved for 4 plus bed houses

Address		Area (m ²)	
36 Old Farm Road		123.1	
1 Walker Close		102.1	
24 Old Farm Road		228.16	
98 Broad Lane		151.1	
Chamfer Marlborough Road		201.2	
89 Broad Lane		107.3	
Average			

Prices achieved for 3 bed houses

Address		Area (m ²)	
15 Hawthorne Close		79.5	
39 Falcon Road		106.3	
3 Snowdrop Close		92.8	
45 Partridge Road		82.8	
38 Rumsey Close		74.7	
Average			

Prices achieved for 2 bed flats

Address		Area (m ²)	
21 Stanford Close		49.4	
46 Fearnley Crescent		55.8	
10 Rosetree Place		67.7	
6 Rumsey Close		66	
24 Stanford Close		48.5	
Average			

Appendix D

Benchmark Land Value Calculation All saints Church The Avenue TW12 3RG

44 The Avenue value calculated on basis of average m2 value for 3 beds by reference to BPC market research :

Less

Works

Fees @ 10%

Finance @ 7%

Sub total

Hall income £6,189 capitalised @10%

20% premium

Sub total

TOTAL





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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. The DCLG have subsequently confirmed that the credit applies to both financial contributions and the provision of units but the London Plan Guidance on Affordable Housing and Viability (August 2017) rules out the application of vacant building credit.

4.0 Assessment Inputs and Assumptions

4.1 Assessment methodology

4.1.1 The applicant's appraisal uses the HCA EAT and the BPC appraisals uses the GLA Development Control Toolkit appraisal model. Both models are acceptable for viability purposes.

4.2 Unit Mix

4.2.1 The scheme comprises four houses, a flat and the construction of a new church hall facility..

4.3 Values of residential units

4.3.1 The values used within the applicant's appraisal are based on estate agent estimates

4.3.2 The comparative data used by Bespoke Property Consultants is based on market research undertaken on the internet, for houses and flats sold in the locality of the proposed development in the previous year (listed with floor areas in Appendix C). [REDACTED]

[REDACTED]
[REDACTED] er.

4.3.3 The assumptions by Section 106 Management on the level of Ground Rent and the return are within the normal range and the income figure of [REDACTED] is replicated in the BPC appraisal.

4.4 Development Timescale

4.4.1 Both appraisals assume a development period of eighteen months

4.5 Build costs

4.5.1 Section 106 Management have used a cost plan prepared by Sawyer Fisher

4.5.2 The BPC appraisal is based upon the cost analysis by Exigere which shows a total figure 2.7% lower than the Sawyer Fisher estimate.

4.6 Other assumptions

- 4.6.1 Professional Fees – a figure of [REDACTED] has been used for professional fees by the applicant. This is acceptable for this size of development.
- 4.6.2 Contingency – S106 Management have used a figure of [REDACTED] for contingency which is acceptable
- 4.6.3 CIL – Section 106 Management have based their estimate of CIL on the unindexed figures of [REDACTED] and [REDACTED] for Mayoral and Borough CIL respectively. The BPC estimate is based on indexed figures but should still be checked by the local authority before the application is determined. It should also be noted that while the applicant's report states that no S106 payments are included, their appraisal include [REDACTED] in the costs.
- 4.6.4 Sales and Marketing - [REDACTED] has been allowed for by the applicant with the addition of [REDACTED] legal fees. The BPC appraisal uses the same value of [REDACTED] but without additional fees as the allowance is sufficient.
- 4.6.5 Finance costs – an interest rate of [REDACTED] plus [REDACTED] for fees has been used by the applicant. The BPC appraisal uses a value of [REDACTED] inclusive of any fees payable, which is normal in the current world.
- 4.6.6 Profit – the applicant has adopted a figure of [REDACTED] of GDV for the return for risk and profit. This is acceptable in the current market.
- 4.6.7 Site Acquisition Costs -Section 106 Management's assumptions are based on a higher Benchmark Land Value than allowed for in the BPC appraisal and the site acquisition costs have been reduced to reflect this lower figure.

4.7 Benchmark Land Value

- 4.7.1 Section 106 Management have used an acquisition cost of [REDACTED] as the Benchmark Land Value. This is based on the value of the existing residential unit as advised by local estate agents and the income from letting the existing hall capitalized at [REDACTED]
- 4.7.2 The BPC estimate is based upon the value of the existing property from our market research. However, the applicant has provided evidence of the disrepair of property as justification for its demolition. We have netted off these costs to determine the value of the property. We have capitalised the projected hall income, however, as the covenant for such income is so weak the

appropriate figure is in the range of [REDACTED] Details of the calculation are included in appendix D. The BPC Benchmark Land Value is therefore [REDACTED]

4.8 Commercial Element

- 4.8.1 Section 106 Management have taken the cost from the Sawyer Fisher cost plan. They have projected an annual income [REDACTED] based on the information provided by applicant. They have capitalised this income at [REDACTED] to calculate the capital value.
- 4.8.2 BPC have used the estimate of costs provided by Exigere. We have used the same estimate of income. However, given the weakness of the covenant we have used [REDACTED] as the appropriate level for capitalisation.
- 4.8.3 Allowing for all costs attributable to construction and the low value attributable as a result of the income and weak covenant it should be noted that the church hall element of the development shows a deficit of [REDACTED] which is being subsidized by the residential element of the scheme. Without this element the scheme would be much more viable.

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.
- 5.2 Our own assessment of the scheme shows a residual site value of [REDACTED] which is below the benchmark land value of [REDACTED] without any allowance for affordable housing. This suggests that the scheme is not viable and could not support an additional affordable housing contribution.
- 5.3 The inclusion of the new church hall is having a significantly negative effect on the viability of this scheme.

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	All Saints Church & 44 The Avenue TW12 3RG
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Site Reference	
Application Number	
NLUD Reference	
UPRN or Grid Reference	

Scheme Description	Residential and New church hall
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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

Appendix B



exigere

All Saints' Church, Hampton
Cost Review
13 April 2018
Bespoke Property Group Limited

Making projects happen

Quality Control

Document Title	Location	Date	Issued to	Prepared by	Approved by
Cost Review	0824/01/01	13-Apr-2018	BPG Ltd	Ellie Layton	Niall Aitken

Issued By:
Niall Aitken
Partner

Tel: 0207 920 3400
DD: 0207 920 3415
E-mail: niall.aitken@exigere.co.uk
Web: www.exigere.co.uk

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 Cost Plan Review 4
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Introduction

This report has been prepared by exigere to provide Bespoke Property Group Limited (BGP) with a review and commentary of the construction costs contained within the Sawyer & Fisher (S&F) Cost Plan Nr 1 dated June 2014, updated December 2017. The construction costs were presented and submitted by S&F in relation to the development at All Saints' Church, Hampton for a new church hall, flat and 4nr houses, Richmond planning reference number 17/1269/FUL.

Our report is based upon the following information:

- S106 Management Viability Report dated 19 January 2018;
- S106 Management Viability Schedules 1-6;
- Loxton & Associates Preliminary drawings dated October 2017;

The drawings available on the Council planning portal provide an overall understanding of the scope of works. There is limited specification information available on the drawings, therefore we have made assumptions on the specification level interpreted from the drawings and descriptions included within the information provided by S106, together with our experience of similar projects.

Project Overview

The site currently accommodates All Saints' Church, an adjacent Church Hall, and a residential bungalow. The development proposes to demolish the existing Church Hall and bungalow and to erect 4nr townhouses, a modern Church Hall with 1nr residential flat above, and a Narthex connecting the existing Church to the new Church Hall.

Key Findings & Conclusion

Appendix A contains our detailed analysis of the S&F Cost Plan for the 4nr new houses and new church hall and first floor flat development; however, the table below provides a summary of our findings and recommended adjustments to the S&F Cost Plan allowances:

Building Element	
Demolitions and Site Clearance	
4nr New Terraced Houses	
New Church Hall & First Floor Flat	
Sub-Total	
Contingency	
Professional Fees	
Inflation	
Total	

Our Key Findings:

- We would anticipate the estimated Residential construction cost to sit within a benchmark range of [REDACTED] based on the GIA.
- The estimated Construction Costs for the new houses as tabled by S&F are [REDACTED] including on costs (excluding design fees, contingencies and external works) which sits within our anticipated range.
- We have increased the area for the new houses to 521m² based on our measurement of the drawings which has increased the cost by [REDACTED]
- We have reduced the allowance for below ground drainage from [REDACTED] based on experience on previous projects of a similar nature.
- Based on our review, the costs as presented by S&F appear to be reasonable.

Cost Review

Basis and Assumptions

Our report is based upon the following information:

- S106 Management Viability Report dated 19 January 2018;
- S106 Management Viability Schedules 1-6, including the S&F Cost Plan Nr1;
- Loxton & Associates Preliminary drawings dated October 2017;

The drawings available provide an overall understanding of the scope of works. There is limited specification information available on the drawings, therefore we have made assumptions on the specification level interpreted from the drawings and descriptions included within the S&F Cost Plan, together with our experience of similar projects and sales values in this location.

No information has been provided or is available on the Planning Portal for Structural or Building Services design or specification for the scheme; therefore, our review has been based upon our knowledge and experience of similar projects.

With regards to the residential development, the S106 Financial Viability Report shows new build comparable. The assumed sales value for the town houses is £[REDACTED] for the flat above the church hall, therefore we have assumed a mid-level specification to achieve these sales values.

Cost Plan Review

We have reviewed the S&F Cost Plan Nr 1 dated June 2014 and updated December 2017 and offer below a general commentary on their costs as presented:

Demolitions & Site Clearance

- The allowance for demolishing the existing bungalow and church hall on the site of [REDACTED] appears to be reasonable.
- Taking the site area to be approximately 1,700m² the rate is therefore [REDACTED] which is in line with what we would expect for demolishing single height structures and clearing the site generally.

New Houses

- Having carried out a remeasure of the new houses, exigere report that the gross internal area to be 521m² whereas S&F have based their costs on an area of 510m². We have made the adjustment which equates to the additional [REDACTED]
- We agree with the rate that S&F have applied as it is within our expected benchmark range.
- Based on the sales value of circa [REDACTED] we would assume that a mid-level specification, which is in line with the rate applied.

New Church Hall & First Floor Flat

- The below ground drainage allowance included by S&F appears to be high compared to what we would expect for a project of this nature, we have therefore adjusted down.

Main Contractor's on Costs

- We have assumed that as BCIS rates are being applied, on costs have been included within the S&F cost plan.
- For a project of this nature we would expect to see overheads and profit included at around [REDACTED] and preliminaries at [REDACTED]

Construction Contingency

- S&F have included for [REDACTED] contingency which should equate to [REDACTED] however have only included [REDACTED] within their figures.
- We have applied [REDACTED] contingency in line with S&F as this would have been the decision made with the Client based on the level of risk.
- At this stage of design and for a project of this nature we would recommend a contingency allowance of [REDACTED] to be included.

Design Fees

- S&F have included design fees at [REDACTED] including statutory fees and an allowance for surveys, however the S106 report states [REDACTED] fees have been applied.
- We have adjusted the professional fees to be [REDACTED] plus additional allowances for statutory fees and surveys.

Inflation

- The S&F cost plan includes for inflation between 2Q 2014 and 4Q2017 using the BCIS All-In Tender Price Indices which equates to [REDACTED] which we have verified.
- For comparison purposes, our Tender Price Indices would have equated to an adjustment of [REDACTED] on a like for like basis.

Appendix A – Detailed Cost Review

Elemental Costs	Quant	Unit	Rate	Total	Exigere Proposed	Exigere Comments
				£		
1.00 Demolitions and Site Clearance						The existing site area is approximately 1,700m ² . Demolition rate equates to [redacted] includes demolishing existing bungalow and church hall; rate appears reasonable based on the nature of the site.
2.00 New Houses (4nr)						
2.01 New house (area updated to December 2017 drawing issue)	510	m ²				Having measured the drawings provided, exigere report the GIA to be 521m ² for the new houses.
2.02 Front driveways including bin stores and associated paths						Driveway and parking spaces shared between 4nr houses, allowance appears to be adequate.
2.03 Crossovers (2nr)						1nr existing plus 1nr new crossover, cost appears reasonable.
2.04 Rear gardens allowance						Equates to [redacted] at an average rate of [redacted] which is in line with benchmarked rates.
2.05 Incoming service allowance						Allowance is in line with our expectations.
2.06 Drainage below ground allowance						Allowance for 4nr houses seems reasonable.
New House Total						

Elemental Costs	Quant	Unit	Rate	Total	Exigere Proposed	Exigere Comments
3.00	New Church Hall and First Floor Flat (including Narthex)					
3.01	New entrance/steps to existing church from Narthex					Assuming stone steps and new doors of a non standard size, this appears to be reasonable.
3.02	504	m ²	2,0			Exigere measure of the areas is the same as S&F. Rate is in line with benchmarking.
3.03	External works including rebuilding front boundary wall, resurfacing carpark and new path to sides and rear of hall.					Allowance seems reasonable.
3.04	Incoming services allowance					Appears reasonable based on expected demand.
3.05	Drainage below ground allowance					This seems comparatively high, exigere have made a reduction based on benchmarks from similar projects.
New Church Hall Total						
Construction Total						
4.00	Contingencies			5%		S&F contingency, should be [redacted]. On a project of this nature we would advise allowing a contingency of [redacted] but this is at the discretion of the client, therefore we have applied S&F's [redacted] to our adjustments.

Elemental Costs	Quant	Unit	Rate	Total	Exigere Proposed	Exigere Comments
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Sub Total						
5.00 Professional Fees and Expenses						
5.01 Professional design fees for traditional procurement						15% relates to the full Sub Total above, broken down into 3 items. It is noted in the Section 106 report that [redacted] fees has been adopted, we have therefore applied this percentage but included separate allowances for statutory fees and
5.02 Statutory fees, expenses and specialist consultant reports						
5.03 Surveys allowance						
Fees Sub Total						
Sub-Total						
6.00 Project / Client Contingency						Deemed to be included within item 4.00 above.
Sub-Total						

Elemental Costs	Quant	Unit	Rate	Total	Exigere Proposed	Exigere Comments
7.00 Inflation update from June 2014 to December 2017						
7.01 Inflation update using the published BCIS All-in Tender Price Indices from 2Q 2014 to 4Q 2017						We have included adjustment based on the BCIS
Project Costs excluding VAT						

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Appendix C

All Saints Church The Avenue TW12 3RG Market Research

Prices achieved for 4 plus bed houses

Address		Area (m ²)	
36 Old Farm Road		123.1	
1 Walker Close		102.1	
24 Old Farm Road		228.16	
98 Broad Lane		151.1	
Chamfer Marlborough Road		201.2	
89 Broad Lane		107.3	
Average			

Prices achieved for 3 bed houses

Address		Area (m ²)	
15 Hawthorne Close		79.5	
39 Falcon Road		106.3	
3 Snowdrop Close		92.8	
45 Partridge Road		82.8	
38 Rumsey Close		74.7	
Average			

Prices achieved for 2 bed flats

Address		Area (m ²)	
21 Stanford Close		49.4	
46 Fearnley Crescent		55.8	
10 Rosetree Place		67.7	
6 Rumsey Close		66	
24 Stanford Close		48.5	
Average			

Appendix D

