



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

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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.

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 of £1,300,000 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 -£489,000 which is below the benchmark land value of £369,000 by £858,000 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
- 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. 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). An average value per square metre of £5,472 for the flat and £5,756 for the 4 bed houses are lower than that used by Section 106 Management, but £6,139 for the 3 bed house is higher.

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 £5,000 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 10% 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 5% for contingency which is acceptable
- 4.6.3 CIL – Section 106 Management have based their estimate of CIL on the unindexed figures of £50/m² and £190/m² 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 includes £119,760 in the costs.
- 4.6.4 Sales and Marketing - 3% has been allowed for by the applicant with the addition of £1,000 legal fees. The BPC appraisal uses the same value of 3% but without additional fees as the allowance is sufficient.
- 4.6.5 Finance costs – an interest rate of 7% plus £20,000 for fees has been used by the applicant. The BPC appraisal uses a value of 7% inclusive of any fees payable, which is normal in the current world.
- 4.6.6 Profit – the applicant has adopted a figure of 20% 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 £698,740 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 5%
- 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 10-12%. Details of the calculation are included in appendix D. The BPC Benchmark Land Value is therefore £368,500

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 £14,950 based on the information provided by applicant. They have capitalised this income at 5% 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 10% 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 £1.243 million 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 negative £489,000 which is below the benchmark land value of £369,000 by £858,000 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

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

You must complete this page

Site Area	
Total Size of Site In Hectares	0.1

Dwellings	
<input type="checkbox"/> Number of Dwellings (Density is then calculated)	5
<input type="checkbox"/> Density (Enter a value, or choose from the listbox)	50.00
	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	%	Reset
Resulting Number of Dwellings	5	
Resulting Density	50 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
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
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 5

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	£2,636.29
Houses <= 75m2	£1,113	
Houses > 75m2	£976	£2,636.29
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)		1.50	

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	£	4,500
<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	£	113,453
Overall Mayoral CIL	£	31,507
Total pre-calculated CIL	£	144,960

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 checked="" type="checkbox"/>									£0
Other (1)	<input type="checkbox"/>	£5,000								£5,000
Other (2)										£0
Other (3)										£0

Total for Scheme	£5,000
Total for Scheme per hectare	£50,000
Total for Scheme divided by total number of units	£1,000
Total for Scheme divided by number of sale units	£1,000

← - 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					204	
Rent (£ per sq.m per annum)					£ 73.00	
Yield (%)					10.0%	
Capital value	£ -	£ -	£ -	£ -	£ 148,920	£ -

Costs	Check Area					
Gross Internal Area in Sq. m					429	
Build costs (£ per GIA sq m)					£ 2,691	
Professional fees (% of Build Costs)					10.00%	
Interest Rate (% of Build Costs)					7%	
Marketing fees (% of Capital Value)					10%	
Return (% of Capital Value)					18%	

Total build costs	£ -	£ -	£ -	£ -	£ 1,154,439	£ -
Professional, other fees and finance costs	£ -	£ -	£ -	£ -	£ 211,147	£ -
Return	£ -	£ -	£ -	£ -	£ 26,061	£ -

Total development costs	£ -	£ -	£ -	£ -	£ 1,391,647	£ -
-------------------------	-----	-----	-----	-----	-------------	-----

Site value for commercial element	£ -	£ -	£ -	£ -	-£ 1,242,727	£ -
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Total site value for all commercial Elements	-£ 1,242,727
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← Land Finance →
& Site Value Comparisons

Land Finance

Reduction of Residual (%)	12%	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	£	368,500
Acquisition cost	£	-
Value for offices	£	-
Value for industrial	£	-
Value as hotel site	£	-
Value as other alternative use	£	-

← ----- Results -----

Site	All Saints Church & 44 The Avenue TW12 3RG
Address	
Scheme	Residential and New church hall
Description	

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

View Results

RESIDUAL before land finance	-£556,000
RESIDUAL after land finance	-£489,000
Per hectare	-£4,890,000
Per dwelling	-£98,000
Per market dwelling	-£98,000
Per habitable room	-£20,000
Per bedspace	-£29,000

SCHEME UNITS	per ha.	
No. of Dwellings	5	50
No. of Habitable rooms	25	250
No. of Bedrooms	17	170
Total floorspace (m2)	585	5851
% Wheelchair Units		

Discounting Function

Floor Space Analysis

Costs Analysis

Child Occupancy & Bedrooms

SCHEME REVENUE	£3,543,000
Contribution to revenue from:	
Market housing	£3,389,000
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	£5,000
Commercial Elements	£149,000

LAND FINANCE	
Total land finance	-£67,000

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

SCHEME COSTS	£4,099,000
Contribution to costs from:	
Market housing	£2,557,000
Affordable Housing	
- Low Cost Sale	
- Equity Share	
- Shared Ownership	
- Intermediate Rent	
- Affordable Rent	
- Social Rent	
Planning Obligations	
Community Infrastructure Levy	£145,000
Exceptional Development Costs	£5,000
Commercial Elements	£1,392,000

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	£ 369,000	-£858,000
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	5							
Base build costs	£1,542,361							£1,154,000
Prof fees	£154,236							£211,000
Finance	£80,974							-
Marketing	£101,681			-	-	-	-	-
Developer's Return	£677,870			-	-	-	-	-
Contractor's Return	-	-	-					£26,000
Total Costs	£2,557,000							£1,392,000
Exceptional Development Costs	£5,000							

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	All Saints Church & 44 The Avenue TW12 3RG
Scheme Description	Residential and New church hall

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:	5.00		40.00	60.00	40.00	
	- Annual sale percentage		100%	0.00%	800.00%	1200.00%	800.00%	0.00%
	- Revenue for that year		£3,389,000	£0.00	£27,112,000.00	£40,668,000.00	£27,112,000.00	£0.00
	- Revenue with inflation			£ -	£ 27,112,000	£ 40,668,000	£ 27,112,000	£ -
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				£ -	£ 27,112,000	£ 40,668,000	£ 27,112,000	£ -

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

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

Total Child Occupancy for this Scheme 4

[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
	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'tment & 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



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:
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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	S&F Total £	Exigere Adjustments £	Adjusted Total £
Demolitions and Site Clearance	40,000	0	40,000
4nr New Terraced Houses	1,047,000	22,000	1,069,000
New Church Hall & First Floor Flat	1,100,000	(15,000)	1,085,000
Sub-Total	2,187,000	7,000	2,194,000
Contingency	99,000	11,000	110,000
Professional Fees	342,000	(87,000)	255,000
Inflation	447,000	(12,000)	435,000
Total	3,075,000	(81,000)	2,994,000

Our Key Findings:

- We would anticipate the estimated Residential construction cost to sit within a benchmark range of £1,800 – 2,000m² based on the GIA.
- The estimated Construction Costs for the new houses as tabled by S&F are £1,930m² 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 £22,000.
- We have reduced the allowance for below ground drainage from £30,000 to £15,000 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 £6,337m² and £6,230m² 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 £40,000 appears to be reasonable.
- Taking the site area to be approximately 1,700m² the rate is therefore £23.5m² 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 £22,000.
- 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 £6,337m² 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 5% and preliminaries at 12%.

Construction Contingency

- S&F have included for 5% contingency which should equate to 109,0000 however have only included £99,000 within their figures.
- We have applied 5% 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 10% to be included.

Design Fees

- S&F have included design fees at 15% including statutory fees and an allowance for surveys, however the S106 report states 10% fees have been applied.
- We have adjusted the professional fees to be 10% 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 17% which we have verified.
- For comparison purposes, our Tender Price Indices would have equated to an adjustment of 23% 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				40,000	40,000	The existing site area is approximately 1,700m ² . Demolition rate equates to £23.5/m ² - 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	1,930	984,000	1,006,000	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				18,000	18,000	Driveway and parking spaces shared between 4nr houses, allowance appears to be adequate.
2.03 Crossovers (2nr)				5,000	5,000	1nr existing plus 1nr new crossover, cost appears reasonable.
2.04 Rear gardens allowance				10,000	10,000	Equates to £2,500 per garden at an average rate of £36/m ² which is in line with benchmarked rates.
2.05 Incoming service allowance				20,000	20,000	Allowance is in line with our expectations.
2.06 Drainage below ground allowance				10,000	10,000	Allowance for 4nr houses seems reasonable.
New House Total				1,047,000	1,069,000	

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				15,000	15,000	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	2,030	1,023,000	1,023,000	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.				29,000	29,000	Allowance seems reasonable.
3.04 Incoming services allowance				3,000	3,000	Appears reasonable based on expected demand.
3.05 Drainage below ground allowance				30,000	15,000	This seems comparatively high, exigere have made a reduction based on benchmarks from similar projects.
New Church Hall Total				1,100,000	1,085,000	
Construction Total				2,187,000	2,194,000	
4.00 Contingencies			5%	99,000	110,000	S&F contingency, should be £109,000. On a project of this nature we would advise allowing a contingency of 10% but this is at the discretion of the client, therefore we have applied S&F's 5% to our adjustments.

Elemental Costs	Quant	Unit	Rate	Total	Exigere Proposed	Exigere Comments
				£		
Sub Total				2,286,000	2,304,000	
5.00	Professional Fees and Expenses					
5.01	Professional design fees for traditional procurement		15%	312,000	230,000	15% relates to the full £342,000 Sub Total above, broken down
5.02	Statutory fees, expenses and specialist consultant reports			15,000	15,000	into 3 items. It is noted in the Section
5.03	Surveys allowance			15,000	10,000	106 report that 10% fees has been adopted, we have therefore applied this percentage but included separate allowances for statutory fees and
Fees Sub Total				342,000	255,000	
Sub-Total				2,628,000	2,559,000	
6.00	Project / Client Contingency			Included	Included	Deemed to be included within item 4.00 above.
Sub-Total				2,628,000	2,559,000	

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			17%	447,000	435,000	We have included 17% adjustment based on the BCIS
Project Costs excluding VAT				3,075,000	2,994,000	

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	Price (£)	Area (m ²)	£/m ²
36 Old Farm Road	640,000	123.1	5,199
1 Walker Close	495,000	102.1	4,854
24 Old Farm Road	1,185,000	228.16	5,194
98 Broad Lane	899,999	151.1	5,956
Chamfer Marlborough Road	1,465,000	201.2	6,904
89 Broad Lane	690,000	107.3	6,431
Average			5,756

Prices achieved for 3 bed houses

Address	Price (£)	Area (m ²)	£/m ²
15 Hawthorne Close	545,000	79.5	6,855
39 Falcon Road	700,000	106.3	6,585
3 Snowdrop Close	597,500	92.8	6,439
45 Partridge Road	430,000	82.8	5,193
38 Rumsey Close	420,000	74.7	5,622
Average			6,139

Prices achieved for 2 bed flats

Address	Price (£)	Area (m ²)	£/m ²
21 Stanford Close	285,000	49.4	5,769
46 Fearnley Crescent	305,000	55.8	5,466
10 Rosetree Place	359,950	67.7	5,317
6 Rumsey Close	335,000	66	5,076
24 Stanford Close	278,000	48.5	5,732
Average			5,472

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 :

	£506,000
Less	
Works	£181,000
Fees @ 10%	£18,100
Finance @ 7%	£12,670
Sub total	£294,230
Hall income £6,189 capatalised @10%	£61,890
20% premium	£12,378
Sub total	£74,268
TOTAL	£368,498 – say £368,500