

**Proposed Development of
Former Police Station Site
60 - 68 Station Road
Hampton TW12 2AX**

**Affordable Housing Viability Report
November 2020**

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1. Introduction

- 1.1 This report and financial appraisal are presented on a private and confidential basis in support of a planning application on behalf of Cinnamon Care Collection for the development of the 0.28 hectare site located on the north side of Station Road, Hampton in the London Borough of Richmond under Thames.
- 1.2 The site currently benefits from an extant planning consent for the development of a residential scheme.
- 1.3 The planning application seeks permission for the *“retention and refurbishment of the former police station building with part demolition of rear wings and ancillary buildings, and the construction of a three storey side and rear extension and basement to form a registered care home comprising 22 care suites and 67 care beds units, with shared facilities, car and cycle parking, landscaping and ancillary areas.”* The proposals were subsequently revised to 22 care suites and 66 care bed units.
- 1.4 Please refer to the Design and Access Statement for a more detailed description of the proposed development.
- 1.5 The applicant has engaged Meedhurst Project Management Ltd to prepare an evaluation of the financial viability of the proposed development. The appraisal has been prepared using ‘Argus Developer’ - an industry recognised development appraisal tool, see **Appendix A**.

The evaluation is based on the scheme proposals, build costs and valuation information provided by the applicants’ professional consultants;

- PRC Group (Architects);
- Meedhurst Project Management (Costs Consultants); and
- JLL (Planning & Valuation).

2. Development Proposals

- 2.1 The scheme comprises the following elements;
 - 22 care suites; bedroom, shower en-suite, sitting room, kitchenette and hallway,
 - 66 car bed units (each with en-suite shower facilities),
 - Shared internal communal facilities; dining, private dining, lounges, café/bar, library, hair & beauty salon, and reception,
 - In house commercial kitchen and laundry facilities,
 - Management suite,
 - Ancillary facilities; specialist bathroom, housekeeping,
 - External amenity space, and
 - Car and cycle parking.

3. Outline Specification

3.1 The following outline specification is designed to deliver a high-quality care facility scheme based on the assumption that the care suites are for private sale.

General	<p>Compliance with planning permission and building regulations.</p> <p>BREEAM Excellent target included.</p>
Substructures/Lower Ground Floor	<p>Contiguous piled retaining structure to LGF with intermediate piled foundations, reinforced concrete ground beams and slab.</p> <p>Underpinning and temporary supports to retained structure.</p>
Ground Floor and Upper Floors	<p>Traditional build; load bearing blockwork with beam & block at GF and pre-cast concrete plank floors to upper floors.</p> <p>Limited use of structural steelwork for load transfer at GF.</p> <p>No allowance for concrete or steel frame.</p>
External Walls	<p>Cavity wall construction with rustic brickwork detailing to match planning drawings; mix of red brick and London stock brickwork, with reconstituted stones cills/surrounds to some window areas.</p>
Roof	<p>Slate or similar to pitched/mansard elevations, with single ply membrane to flat roof areas incorporating green roof feature.</p> <p>UPVC rainwater gutters and downpipes; Polypipe “Elegance” to new build. UPVC soffits and fascias.</p>
Stairs	<p>Precast concrete with propriety glazed balustrading.</p>
Windows	<p>High performance timber windows and patio doors fitted with restrictors and trickle vents.</p>
External Doors	<p>Aluminium with automatic opening to main entrance.</p>
Internal Doors	<p>American oak veneer, part glazed doors to common areas and corridors.</p> <p>Polished chrome ironmongery. Hold open devices to cross corridor doors.</p>
Wall finish	<p>Generally, plasterboard and skim coat with emulsion.</p> <p>Wallpaper to key communal areas including main reception, lounge, bar, etc.</p> <p>Part ceramic wall tiling to en-suite & shower rooms, communal WC’s. PC sum for supply £45/m².</p>

Floor Finishes	<p>Carpet to corridors and apartments.</p> <p>Non-slip vinyl to stores rooms, kitchen and laundry.</p> <p>Ceramic floor tiles to en-suites, shower rooms and care suite kitchenettes.</p> <p>Wood effect vinyl floor planks to bar, dining and lounge general communal areas with drop-in rugs.</p>
Ceiling Finishes	Emulsion painted plasterboard ceilings throughout.
Sanitary Appliances	Twyford's MODA range of sanitary ware. Level access walk in shower with shower screen
Fittings	Fitted joinery to reception, lounge/communal area, and cabinetry to en-suites and bathrooms.
Provisional sums	<p>Commercial kitchen £75,000</p> <p>Commercial laundry £35,000</p> <p>Internal Signage £7,000,</p> <p>Specialist Joinery £30,000</p> <p>Care Suite kitchenette £6,000/unit</p>
Mechanical Installation	<p>Centralised gas fired Combined Heat and Power boiler.</p> <p>Wet LST radiator system with electric heated towel rails to en-suites and shower rooms.</p> <p>Comfort cooling to limited GF communal areas and Comms room.</p> <p>Mechanical extraction to corridor areas.</p> <p>Mechanical extraction to all en-suites and shower rooms and internal habitable space.</p>
Electrical Installation	<p>Power, lighting and emergency lighting.</p> <p>Nurse/warden call, access control, fire alarm, telecoms, data and CCTV systems.</p>
Lift installation	13/8 person motor room-less traction lifts.
Externals	<p>Permeable paving to access drive and car parking bays. Marshalls 'Saxon' paving to terraces and footpaths.</p> <p>Soft landscaping scheme including turfing to all grassed areas.</p> <p>Car parking including EVC dedicated bays. Cycle and refuse storage.</p>

	Drainage; foul into LA sewer with surface water discharged into the canal.
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4. Revenue Stream

4.1 The appraisal recognises the following revenue sources;

- Care suite sales (leasehold), and
- Care home business value.

4.2 JLL were instructed to undertake a review of - and advise on - current market sales values for the 22 care suite units. They identified an average sales value per m² of £8,449/m². The Argos appraisal acknowledges 20% of the care suites are sold off plan with the balance sales profile of 1 unit per month post completion. Details of the market sales review and the rationale underpinning average sales value is to be found in **Appendix B**.

4.3 As the care bed units are not for sale their value is assessed against the general care home market. JLL undertook a further exercise to establish a cost per bedspace in the local market. Given the quality of facility proposed JLL arrived at a market value for a care bed unit in the amount of £250,758/bedspace, which generated a gross business value of £16,550,000, **Appendix B** sets out JLL's methodology and data used in calculating this amount, For the purposes of the Argos appraisal the business value is realised 6 months after registration of the facility.

5. Capital Outlay

5.1 Cost Plan

5.1.1 Meedhurst Project Management provided a Cost Plan estimate based on current costs as of Q4/2020, net of abnormal costs, fixed price allowance, developers' contingency and non-recoverable VAT. Abnormal costs include;

- Demolition/temporary works support,
- Underpinning,
- Basement/Contiguous piling,
- Refurbishment works to the Building of Townscape Merit,
- Removal existing fuel tanks, and
- Diversion of existing services.

5.1.2 The requirement to retain a significant proportion of the existing building, whilst at the same time providing a basement area covering the majority of the building floorplate, gives rise to complex temporary works and methods of working, including extensive underpinning combined with contiguous piling around the external areas of the site's boundaries. More details on proposed layouts and extent of the existing building to be retained can viewed on the drawings submitted with the application.

- 5.1.3 A further significant cost identified within the Argos appraisal under ‘Other Construction’ is the abnormal cost associated with the removal of below ground fuel tanks, a number of which have been identified as containing contaminating fuels.

A copy of the Meedhurst Project Management Cost Plan can be found in **Appendix C**.

The Argos appraisal includes for professional fees at 12% across the board covering the professional team costs (*architect, civil/structural engineer, project management, quantity surveyor, services engineer and interior designer*) pre and post planning, specialist consultants involved in temporary works designs, decontamination requirements, rights of light issues, and all the specialist reports commissioned to support the planning application.

5.2 Sales and Marketing

- 5.2.1 Sales and marketing costs on the care suites have been identified as 3.5% of the sales values within the Argos appraisal. Whilst the care beds are not for sale there is a significant marketing cost requirement which the applicant has identified at £250,000. Legal cost for the care suite sales is included at 0.25% of gross sales.

5.3 Planning Obligations

- 5.3.1 Mayoral and London Borough of Richmond upon Thames (‘LBRuT’) CIL apply to the scheme and these have been calculated based on the Mayoral and Borough policy, totalling a cost of £557,742 including index linking. These costs are subject to verification.

- 5.3.2 CIL payments summary:

• Mayoral @ £80/m ²	£412,080
• LBRuT @ £25/m ² (care home)	<u>£128,775</u>
	£540,855
• CIL Indexed Linked	<u>£16,887</u>
	£557,742

- 5.3.3 Carbon off-set payment (secured via a s106 legal agreement):

The carbon offset contribution calculation is based on the London Plan which the Local Plan has adopted, and this dictates £95/tonne over a 30 year period;

• 115 tonnes CO ₂ /annum x £95/tonne x 30 years	£327,750
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5.4 Other Costs

- 5.4.1 The Argos appraisal recognises other development costs as follows;

- Non-recoverable VAT charges particularly associated with the existing building refurbishment works. These latter amount to c.£433,000.
- Fixed price allowance for the duration of the works, at 1.5%,
- Significant costs associated with the extensive fitting out of the care home, plus provision of a Show Suite,
- Buildings Warranty (NHBC or equivalent), and
- Care home set-up and marketing.

5.5 Finance Costs

5.5.1 Interest is set at 7.0%, to include arrangement and facility fees, within the Argos appraisal.

5.6 Developer's Profit

5.6.1 The Argos appraisal reflects a profit of 17.5% on Gross Development Value of the care suite sales and the care home business value.

5.7 Affordable Housing

5.7.1 Following discussion with the LBRuT it was agreed that given the applicants care model for the development, the provision of on-site affordable housing would not be practicable. If the viability allowed a financial contribution in lieu would be made.

5.8 Programme

5.8.1 A copy of the proposed construction programme is contained within **Appendix D**

5.9 Residual Land Value

5.9.1 The Argos appraisal shows a Residual Land Value ('RLV') following the deduction of all costs including profit on GDV of £2,359,716.

5.9.2 This RLV can be compared with the "benchmark land value" of the site £2,400,000. The benchmark land value for the purpose of this report has been taken as the existing use value of the site as a workshop and garage together with office use in Building of Townscape Merit. In the previous viability report prepared in support of the extant residential planning permission this was accepted as £2,400,000.

6. Conclusion

6.1 The viability demonstrates that the scheme cannot justify a financial contribution in lieu of affordable housing.

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Appendix A: Argos Appraisal

Old Police Station, Hampton
Viability: Residual LV
November 2020

Development Appraisal
Meedhurst Project Management
09 November 2020

PROJECT NOTES**MEEDHURST PROJECT MANAGEMENT****Old Police Station, Hampton****Viability: Residual LV****November 2020****NOTES****PRC Area Schedule:**

NIA 1,238 sqm

GIA 5,151 sqm

66CBs & 22 CSs

Sales:

CS £8,449/sqm

20% pre-sales, 1/mnth i.e. 5/17

CH BV £16.55m (£251k/bed), 6 mnths post PC

Land Value:

Residual LV

CIL:

Mayoral: @ £80/sqm.....£412,080

LBRuT: @ £25/sqm (care home).....£128,775

.....£540,855

CIL Index Linked£16,887

Carbon Off Set:

based over a 30 year period £327,750

Care Home Start-up & Marketing Costs:

£200k over 12 mnths (-6 PC +6)

Construction:

Bld rate: (excl 5% contingency & Abnormals)

Care Beds: £1,936/sqm

Care Suites: £1,972/sqm

Developer contingency, 5%

Non-Recoverable VAT included in Abnormals

Additional Costs

FF&E based on £9k per bedspace; £594,000

Marketing Show Suite; £45,000

Programme:

SOS Oct '20, duration 20 mnths

TIMESCALE AND PHASING CHART MEEDHURST PROJECT MANAGEMENT

Old Police Station, Hampton
 Viability: Residual LV
 November 2020

Project Timescale	
Project Start Date	Apr 2020
Project End Date	Nov 2023
Project Duration (Inc Exit Period)	44 months

1. Care Home & Suites

	Start Date	Duration	End Date	Apr 20
Project	Apr 2020	44	Nov 2023	
Purchase	Apr 2020	0 Month(s)		
Pre-Construction	Apr 2020	6 Month(s)	Sep 2020	
Construction	Oct 2020	20	May 2022	
Post Development	Jun 2022	0 Month(s)		
Letting	Jun 2022	0 Month(s)		
Income Flow	Jun 2022	17	Oct 2023	
Sale	Nov 2023	1 Month(s)	Nov 2023	
Cash Activity	Apr 2020	43	Oct 2023	
				1

APPRAISAL SUMMARY**MEEDHURST PROJECT MANAGEMENT**

Old Police Station, Hampton
 Viability: Residual LV
 November 2020

Summary Appraisal for Phase 1 Care Home & Suites

Currency in £

REVENUE

Sales Valuation	Units	m ²	Sales Rate m ²	Unit Price	Gross Sales
Care Suites (22)	22	1,238.00	8,449.00	475,448	10,459,862
BV	<u>66</u>	<u>0.00</u>	0.00	250,758	<u>16,550,028</u>
Totals	88	1,238.00			27,009,890

NET REALISATION**27,009,890****OUTLAY****ACQUISITION COSTS**

Residualised Price			2,359,716		
				2,359,716	
Stamp Duty		5.00%	117,986		
				117,986	

CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost		
Externals	1 un	835,349	835,349		
		m²	Build Rate m²	Cost	
Care Beds (66)	3,308.00	1,935.58	6,402,887		
Care Suites (22)	<u>1,843.00</u>	1,972.13	<u>3,634,642</u>		
Totals	5,151.00		10,037,529	10,872,878	

Developers Contingency		5.00%	648,431		
Demolition/Temporary Wks			322,391		
				970,822	

Other Construction

Remove Existing Fuel Tanks			430,675		
Underpinning			92,288		
Bsmt/Contig Piling			1,004,297		
Listed Bldg Repairs			123,050		
Divert Existing Services			123,050		
Non Recoverable VAT: Exist.Bldg.			433,582		
Non Recoverable VAT: White Goods etc			25,000		
FPA 1.5%			204,256		
				2,436,198	

PROFESSIONAL FEES

All Professionals		12.00%	1,359,989		
				1,359,989	

MARKETING & LETTING

Marketing - Care Suites		3.50%	366,095		
				366,095	

DISPOSAL FEES

Sales Legal Fee		0.25%	67,525		
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APPRAISAL SUMMARY**MEEDHURST PROJECT MANAGEMENT**

Old Police Station, Hampton
Viability: Residual LV
November 2020

		67,525
Additional Costs		
FF & E	594,000	
Show Suite	45,000	
Build Warranty (NHBC)	33,000	
CIL	540,855	
CIL Index Link	16,887	
Carbon Off Set	327,750	
Care Home Set-up & Marketing	250,000	
		1,807,492
FINANCE		
Debit Rate 7.000%, Credit Rate 0.000% (Nominal)		
Land	385,585	
Construction	936,343	
Other	602,531	
Total Finance Cost		1,924,458
TOTAL COSTS		22,283,159
PROFIT		4,726,731
Performance Measures		
Profit on Cost%	21.21%	
Profit on GDV%	17.50%	
Profit on NDV%	17.50%	
IRR	20.77%	
Profit Erosion (finance rate 7.000)	2 yrs 9 mths	

Appendix B: Valuation Advisory Report



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Cinnamon Care Collection

Our ref Hampton Care Ltd

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Valuation Advisory Report for Former Police Station, 60-68 Station Road, Hampton, TW12 2AX

Valuation Date

The Valuation date is 19 October 2020.

The Property

Hampton is 13 miles west of central London and just north of the River Thames. The site is situated in an excellent location for transport connectivity with bus stops outside the property and Hampton railway station further along Station Road. Station road itself has a mixture of residential dwellings and an independent high street.

A planning application (Ref 19/2822/FUL) has been submitted to the London Borough of Richmond upon Thames for the limited refurbishment of the former police station and erection of a new purpose built care facility comprising a 66 bed care home, 22 care suites and associated communal facilities.

The care suite accommodation will be provided on the top floor of the property and in the former police station. Communal facilities will be located on the lower ground floor and comprise a lounge with bar area, library, gym, dining room and private dining room. There will also be access to a roof terrace on the upper floor along with the communal courtyard garden. There are 20 proposed one-bedroom units and two, two-bedroom Housing with Care units. Each unit will have a lounge/dining room, kitchenette and bathroom. Our understanding of the proposed accommodation is summarised in the below table. We would comment that some of the individual units are smaller in size than other retirement schemes which tend to be from 54 sqm.

Unit No	Beds	Block	Type	Level	Size m ²	Size ft ²
00-01	1	Police Station	Apartment	G	52.6	566.0
00-02	1	Police Station	Apartment	G	60.9	655.7
00-03	1	Police Station	Duplex	G&1	112.0	1,205.8
01-04	1	Police Station	Apartment	1	54.4	585.6
01-05	1	Police Station	Apartment	1	53.0	570.8
01-06	1	Police Station	Apartment	1	61.1	657.6
02-07	1	Police Station	Apartment	2	66.2	712.6
02-08	1	Police Station	Apartment	2	80.5	866.3
02-09	1	New Build	Apartment	2	45.6	491.2
02-10	1	New Build	Apartment	2	42.5	456.9
02-11	1	New Build	Apartment	2	42.8	460.3
02-12	1	New Build	Apartment	2	42.5	456.9
02-13	1	New Build	Apartment	2	42.5	456.9

02-14	1	New Build	Apartment	2	46.8	503.9
02-15	1	New Build	Apartment	2	42.5	456.9
02-16	1	New Build	Apartment	2	42.5	456.9
02-17	1	New Build	Apartment	2	57.3	616.6
02-18	1	New Build	Apartment	2	58.3	627.0
02-19	2	New Build	Apartment	2	66.3	713.8
02-20	1	New Build	Apartment	2	42.1	453.0
02-21	2	New Build	Apartment	2	76.0	817.8
02-22	1	New Build	Apartment	2	50.4	542.3
Total					1,238.4	13,331.0

The care home accommodation is provided on the lower floors and is summarised below. The bedrooms are broadly similar in size measuring approximately 20sqm and all have en suite wet room facilities, which is in line with our expectations for new build care homes. The first floor has two open plan living and dining areas whilst the other floors have one due to their smaller capacity. We understand the care home will be registered with the CQC as a nursing home.

Floor	Bedrooms
Lower Ground Floor	17
Ground Floor	17
First Floor	32
Total	66

Externally, there are two courtyard gardens, terraces and 20 car parking spaces.

Tenure

We understand that our advice relates to the freehold interest in the property.

We have not been provided with a Report on Title. We have assumed that there are no unusual, problematic or onerous covenants, easements or restrictions and that the property has good marketable title.

Tenancies

We understand the care suites will be disposed on long leaseholds.

Local Market Overview

We have undertaken demand and demographic analysis within a 2.5-mile radius of the property.

The analysis shows there are just over 25,800 people aged 65 and over in the catchment area and they account for 16.7% of the total population. This age group is expected to grow by 23.3% to 31,800 over the next 10 years, a higher rate than the GB average of 20.5%. Over the same period the over 85's are expected to increase from 3,600 to 4,500, an increase of 25.1%.

Within the drivetime there are 14 care homes with a total of 690 registered care beds. Nursing homes account for 45% of registered beds in the area. In addition, 64% of the homes are purpose built and 29% have been built since 2000.

The data demonstrates that there is demand for an additional 228 care beds currently and this is expected to remain over the next five and 10 years as shown in the below table.

Bed Demand	Demand	Supply	Difference	Result
2020	918	690	228	Shortfall
2025	1,035	690	345	Shortfall
2030	1,160	690	470	Shortfall

We have also considered the supply of 'quality beds', i.e. homes built after 2000 or those built pre 2000 with over 25 beds and have at least 90% en suite bedrooms. Our analysis shows that 478 beds, equating to 69% of the total beds in the area are deemed to be 'quality beds'. When considering the potential demand for care beds in the future, this increases the shortfall of beds in 2030 from 470 to a requirement of 682 additional care beds.

Our analysis of retirement schemes in the catchment indicates there are 39 schemes containing 979 units. Of these schemes, 82% are skewed toward social rented tenure and not deemed comparable to the subject property. Out of the remaining schemes, only three have been built in the last 10 years demonstrating a lack of suitable stock, especially Housing with Care accommodation in the catchment area.

Prices paid for retirement accommodation are reliant upon prevailing house price values as the model usually relies on existing houses being sold in order for a purchaser to finance a move into the scheme. We have therefore had regard to the residential market in assessing the site as we anticipate that the target market for the subject property will be those selling detached and semi-detached properties who will sell their existing property releasing some equity and a receipt to purchase the unit outright.

The data obtained from CACI Limited highlights in the below tables the housing wealth and average house value for those aged 65 and over within the 2.5-mile catchment area. The data illustrates the total housing wealth for the over 65's in the catchment is worth just under £7.5 billion, with an average house value of £612,575, which is well above the GB average.

Total Housing Wealth £m	65-74	75-84	85+
Within Catchment	7,495	3,401	1,083
Average House Value	65-74	75-84	85+
Within Catchment	612,575	606,029	595,009
GB profile	283,693	283,858	288,200
Index to GB	216	213	206

Valuation – Revenue Stream Advice

In arriving at our opinion of value for the care home we have applied the profits method of valuation and considered a range of comparable evidence. The local area has a good demographic base from which to draw residents and to attract a high fee level for the client group. We have built up a shadow P&L using market assumptions and our experience in the sector to derive our opinion of mature trading position. We have adopted the key inputs in the below table for the care home.



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JLL FMOP	
Beds	66
Occupancy	59
Average Weekly Fee	£1,800
Revenue	£5,575,114
Staff Costs	£3,066,313
Other Overhead Costs	£669,014
EBITDARM	£1,839,788
Turnkey Multiple	9.0x
Value	£16,558,089
Say Value	£16,550,000
Value per bed	£250,758

We have adopted an occupancy rate of 90% which is line with the national average and the average weekly fee is based upon evidence of care fees in the local area. We have adopted staff costs at 55% of revenue and £990 per resident per week and other overhead costs at 12% of revenue and £216 per resident per week. Due to the location of the property, expected quality of the development, demand and supply ratio and catchment affluence we expect a mature multiple to be in the range of 12x. We have reduced our multiplier by 3.0x to reflect the time it would take an operator to build up the home to a mature level. Capitalising our FMOP at 9.0x derives a value of £16,550,000 and equates to a value per bed of £250,758.

In respect of the retirement units we have approached our assessment of the value by using the Direct Comparison method. We have analysed the sales at several retirement schemes and have given particular weight to the following schemes which have all been completed in the last two years. The below schemes include resident lounges, bistro/cafes and gardens whilst some have guest suites also. The facilities at the subject property are considered superior and we would therefore expect a higher rate per sq ft to be achieved.

Scheme	Developer	Year Build	Average Unit Size (sq ft)	Average price per sq ft
River View Lodge, Shepperton	Churchill Retirement	2019	618	£789
Beck House, Isleworth	McCarthy and Stone	2019	748	£701
Augustus House, Virginia Water	McCarthy and Stone	2018	770	£689
Edward Place, Walton on Thames	McCarthy and Stone	2018	761	£652
Lewis House, Streatham	McCarthy and Stone	2019	832	£653

We have priced each unit, taking into consideration its individual characteristics, including size and orientation which results in a blended rate of £785 per sq ft across the scheme. This reflects a premium over prime mainstream residential sales in the local area to allow for the superior specification and on-site facilities.

Unit No	Beds	Size m ²	Size ft ²	GDV	£/sqft
00-01	1	52.6	566.0	£455,000	£804
00-02	1	60.9	655.7	£510,000	£778
00-03	1	112.0	1205.8	£780,000	£647
01-04	1	54.4	585.6	£480,000	£820
01-05	1	53.0	570.8	£455,000	£797
01-06	1	61.1	657.6	£485,000	£738
02-07	1	66.2	712.6	£555,000	£779
02-08	1	80.5	866.3	£695,000	£802
02-09	1	45.6	491.2	£385,000	£784
02-10	1	42.5	456.9	£355,000	£777
02-11	1	42.8	460.3	£360,000	£782
02-12	1	42.5	456.9	£375,000	£821
02-13	1	42.5	456.9	£375,000	£821
02-14	1	46.8	503.9	£415,000	£824
02-15	1	42.5	456.9	£355,000	£777
02-16	1	42.5	456.9	£355,000	£777
02-17	1	57.3	616.6	£480,000	£778
02-18	1	58.3	627.0	£500,000	£797
02-19	2	66.3	713.8	£615,000	£862
02-20	1	42.1	453.0	£360,000	£795
02-21	2	76.0	817.8	£670,000	£819
02-22	1	50.4	542.3	£445,000	£821
Total		1,238.4	13,331.0	£10,460,000	£785

We have also been asked to provide advice on potential ground rents for the retirement units. Ground rents have become a contentious issue over the past few years with the Government concluding consultation on the issue and confirmed leasehold reform. In October 2018 they ruled that ground rents would remain in retirement developments providing they were fair and were not subject to onerous growth mechanisms. However, the decision to exempt retirement from the reforms hasn't been enshrined in law yet.

As a result, we have not included a ground rent in our income stream advice as ground rents are falling away from the operational model in retirement schemes. Operators are utilising event fees to ensure that the site has sufficient funds to maintain high standards of maintenance and facilities. There are various mechanisms in place but commonly an operator will take a percentage of either the original purchase price when the resident moved in or a percentage of their exit price. Current event fees in the UK range from 2% to 30%. As there is a lack of event fees at this development, there is the potential for additional revenue stream if these are adopted.

Appendix C: Cost Plan

COST PLAN 4

Feasibility Stage

CINNAMON CARE COLLECTION

STATION ROAD POLICE STATION, HAMPTON

Prepared By: Meedhurst Project Management

Date: 10 June 2020

Rev:

COST PLAN 4

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10 June 2020

STATION ROAD POLICE STATION, HAMPTON



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AUTHORISATION

Prepared by:	
Authorised by:	
Date:	

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STATION ROAD POLICE STATION, HAMPTON

1.0 EXECUTIVE SUMMARY

1.1 Project Description

Development comprising Care Beds (66 no., of which 17 no. at Lower Ground Floor), Assisted Living Units (22 no.), together with car parking for 24 cars

1.2 Accommodation

	No. Units	AREA DATA		COST ANALYSIS		Total £
		m ² GIA	sq ft GIA	£/m ² (GIA)	£/sq ft (GIA)	
Care Beds - New Build	66	3,308	35,608	£2,032 /m ²	£189 /sq ft	£6,723,031
Assisted Living Units - New Build	14	988	10,635	£1,897 /m ²	£176 /sq ft	1,874,571
Assisted Living Units - Existing Building	8	855	9,203	£2,271 /m ²	£211 /sq ft	1,941,804
External Works				£170 /m ²	£16 /sq ft	£877,117
Abnormals				£427 /m ²	£40 /sq ft	£2,200,538
Other Provision				£129 /m ²	£12 /sq ft	£662,838
TOTALS	88 No.	5,151 m²	55,447 sq ft	£2,772 /m²	£258 /sq ft	£14,279,899

1.3 Basis of Cost Plan

Information Used: - PRC Drawings ref 11045_PL_011_F LGF, PL_012_K GF, PL_013_E 1F, PL_014_E 2F

Key Abnormals: - Basement construction for Care Bed accommodation, associated back of house facilities and LGF external works construction
 - Retention of part of existing police station façade / structure
 - Removal of existing concrete filled fuel tanks and some surrounding contaminated land with associated remediation
 - Underpinning works to former police station to accommodate LGF works proposed
 - Demolition of other buildings and removal of asbestos

Key Assumptions: - Floors above basement level will comprise traditional loadbearing construction
 - CRL Standard Specification
 - Works considered for procurement by way of JCT Design & Build Form of Contract, with recommended amendments and standard CRL Employer's Requirements Pack

Notable Inclusions - Allowance of £350k for fuel tank removal, removal of contaminated land and subsequent remediation
 - Allowance of £140k for existing building demolition, retention of part of police station and asbestos removal works
 - Allowance of £75k for underpinning works
 - Allowance of £100k for repairs and works associated with maintaining building heritage status
 - Allowance of £100k for diversion of existing services crossing site
 - Allowance of £25k for non-recoverable VAT items within care beds and apartments; we recommend specialist advice is sought
 - Allowance of £426k for non-recoverable VAT associated with works to former police station; we recommend specialist advice is sought
 - Contingency is generally included at 5%
 - Fixed price allowance of 2.5%

Exclusions The following items are excluded from this cost estimate:
 - Inflation applicable to period from date of this cost plan to contract award
 - Discovery and removal invasive plant species
 - Costs associated with the discovery and removal of artefacts of archaeological interest
 - Land acquisition and associated stamp duty
 - Legal and agency fees
 - Professional fees
 - Statutory authority fees
 - Section 38/104/278/106 agreement
 - Finance costs
 - VAT, except where non-recoverable and highlighted above
 - Marketing costs
 - Building warrant fees
 - Works and services outside the site boundary
 - Client's FFE costs

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GIA m²
3,308

2.0 New Build Care Beds - Cost Build Up

Item	Description	Qty	Unit	Rate	Total £	GIA £/m ²
1.0	Construction of Care Bed Facility LGF to 1F	3,308	m ²	1,573	5,203,484	1,573.00
	Sub Total				5,203,484	1,573.00
	Preliminaries	15	%		780,523	235.95
	OH & P	7	%		418,880	126.63
	Sub Total				6,402,887	1,935.58
	Contingency	5	%		320,144	96.78
TOTAL TO EXECUTIVE SUMMARY					6,723,031	2,032.36

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**3.0 New Build ALU's - Cost Build Up**

GIA m²
988

Item	Description	Qty	Unit	Rate	Total £	GIA £/m ²
1.0	ALU New Build - 2nd Floor only	988	m ²	1,469	1,450,878	1,468.50
	Sub Total				1,450,878	1,468.50
	Preliminaries	15	%		217,632	220.28
	OH & P	7	%		116,796	118.21
	Sub Total				1,785,305	1,806.99
	Contingency	5	%		89,265	90.35
TOTAL TO EXECUTIVE SUMMARY					1,874,571	1,897.34

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GIA m²

855

4.0 Assisted Living Units - Cost Build Up

Item	Description	Qty	Unit	Rate	Total £	GIA £/m ²
1.0	Police Station basement - new construction in isolated areas part-below existing police station; incl. fit-out	161	m ²	2,073	333,753	390.35
2.0	Police Station - new construction in isolated areas; incl. fit-out	155	m ²	2,073	321,315	375.81
3.0	Police Station - Conversion & fit-out upper floors	539	m ²	1,573	847,847	991.63
Sub Total					1,502,915	1,757.80
	Preliminaries	15	%		225,437	263.67
	OH & P	7	%		120,985	141.50
Sub Total					1,849,337	2,162.97
	Contingency	5	%		92,467	108.15
TOTAL TO EXECUTIVE SUMMARY					1,941,804	2,271.12

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5.0 External Works Cost Build Up

GIA m²
5,151

Item	Description	Qty	Unit	Rate	Total £	GIA £/m ²
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Landscaped Area (approx)

1,531 m²

	Generally:					
1.0	Hard landscaped areas	1	item	191,507	191,507	37.18
2.0	Soft landscaped areas / Green Roof	1	item	30,147	30,147	5.85
3.0	Minor Works	1	item	72,105	72,105	14.00
4.0	Drainage (incl. part pumped)	1	item	150,000	150,000	29.12
5.0	Incoming Services, service connections, incl. new substation	1	item	235,111	235,111	45.64
6.0	S. 278 works				Excl.	
	Sub Total				678,870	131.79
	Preliminaries	15	%		101,830	19.77
	OH & P	7	%		54,649	10.61
	Sub Total				835,349	162.17
	Contingency	5	%		41,767	8.11
TOTAL TO EXECUTIVE SUMMARY					877,117	170.28

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GIA m²

5,151

6.0 Abnormals Cost Build Up

Item	Description	Qty	Unit	Rate	Total £	GIA £/m ²
1.0	Demolition:					
a	Demolition of existing buildings/ asbestos removal	1	item	132,000	132,000	25.63
b	Partial demolition façade retention former police station	1	item	40,000	40,000	7.77
c	Temp works to assist demolition	1	item	90,000	90,000	17.47
2.0	Groundworks:					
a	Removal of concrete filled fuel tanks incl. contaminated ground	1	item	350,000	350,000	67.95
b	Underpinning works to former police station to permit works below existing footprint	1	item	75,000	75,000	14.56
3.0	Basement Construction:					
a	Piling Rig	1	item	30,000	30,000	5.82
b	Contiguous piles 10m deep 600mm wide - no load	1,860	m	60	111,600	21.67
c	Contiguous piles 20m deep 600mm wide - with load	3,720	m	60	223,200	43.33
d	Reinforcement (with load piles only)	3,720	m	10	37,200	7.22
e	Concrete wall inner skin incl. waterproofing to 3m high	558	m2	300	167,400	32.50
f	Muck away (assumed inert)	5,622	m3	35	196,770	38.20
g	Sundries	1	item	50,000	50,000	9.71
4.0	Other:					
a	Listed status risk/ repairs to former police station	1	item	100,000	100,000	19.41
b	Diversion of existing services across site; budget allowance	1	item	100,000	100,000	19.41
	Sub Total				1,703,170	330.65
	Preliminaries	15	%		255,476	49.60
	OH & P	7	%		137,105	26.62
	Sub Total				2,095,751	406.86
	Contingency	5	%		104,788	20.34
TOTAL TO EXECUTIVE SUMMARY					2,200,538	427.21

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7.0 Other Provision Cost Build Up

GIA m²
5,151

Item	Description	Qty	Unit	Rate	Total £
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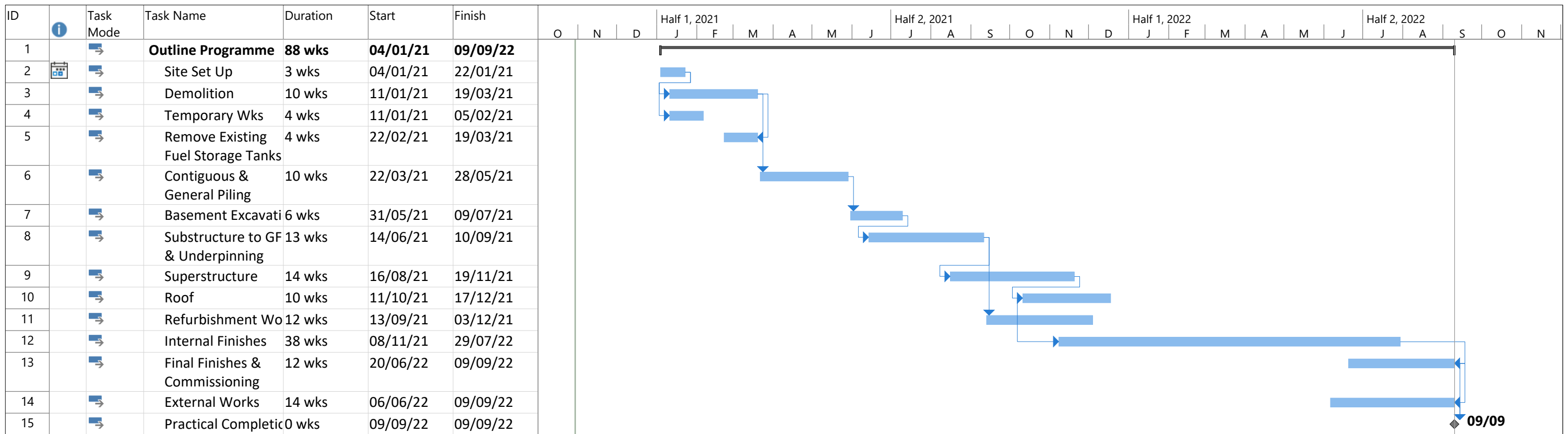
GIA
£/m²

Value of Construction Works excl. Other Provision

13,617,061

	Generally:					
1.0	Fixed Price Allowance to mid-point of Construction	1.5	%		204,256	39.65
2.0	Inflation up to Contract Award				Excl.	
3.0	Non-reclaimable VAT for items within care beds and apartments	1	item	25,000	25,000	4.85
4.0	Non-recoverable VAT for works to former police station <i>(for budgeting purposes)</i>	20	%	2,167,908	433,582	84.17
TOTAL TO EXECUTIVE SUMMARY					662,838	128.68

Appendix D: Programme



Project: Outline Prog 301020.m
Date: 30/10/20

Task		Project Summary		Manual Task		Start-only		Deadline	
Split		Inactive Task		Duration-only		Finish-only		Progress	
Milestone		Inactive Milestone		Manual Summary Rollup		External Tasks		Manual Progress	
Summary		Inactive Summary		Manual Summary		External Milestone			