



Review of the Viability Report on the Development of the Former Police Station, Station Road TW12 2AX

On behalf of The London Borough of Richmond upon Thames

January 2021

Report by S Devitt
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1.0 Instructions and compliance with the RICS Professional Statement – Financial Viability in Planning: conduct and reporting.

- 1.1 Bespoke Property Consultants (BPC) has been instructed by The London Borough of Richmond upon Thames Council to review the applicant's viability assessment of the proposed development at the Former Police Station, Station Road TW12 2AX
- 1.2 In carrying out this review, BPC has been issued with a report dated November 2020 by Meedhurst Project Management which assesses the viability of the proposed development.
- 1.3 BPC have not inspected the property.
- 1.4 This assessment is provided for the purposes of agreeing appropriate S.106 and affordable housing obligations and is not a valuation of the subject site or scheme. It is provided for the sole use of the Local Planning Authority and the applicant who may review it. As such it is exempted from the RICS "Red Book" (with the exception of PS 2 in relation to Ethics, competency, objectivity and disclosures) on the basis of the parties negotiating and agreeing the planning obligations.
- 1.5 It may be made publicly available, and the Executive Summary extracted by the Local Planning Authority as a "Non-Technical Summary" in line with para 21 of the NPPG (Sept 2019) subject to BPC's agreement as to the context and method of publication. This agreement to publish relates solely to the Local Planning Authority in respect of their statutory duty and no other party.
- 1.6 Bespoke Properties Ltd accepts responsibility only to the Local Planning Authority 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 other person or entity.

1.7 We confirm compliance with the RICS Professional Statement “Financial Viability in Planning: Conduct and Reporting” May 2019. As required by the Professional Statement we confirm the following matters:

- a) We have acted with objectivity, impartiality, without interference and with reference to all appropriate available sources of information.
- b) We have identified no conflicts of interest or risk of conflicts in preparing this report.
- c) We are not working under a performance related fee agreement or on a contingent fee basis.
- d) We advocate reasonable, transparent and appropriate engagement between the parties in the planning process and we will do all that we can to assist in that process.
- e) All of the sub-consultants who have contributed to this report have been made aware of the Professional Statement and its requirements, they in turn have confirmed compliance with it.
- f) We have been allowed sufficient time since instruction to carry out this FVA bearing in mind the scale of the development and the status of the information as at the date of this report.
- g) We have not been involved in the preparation of the Council’s Local Plan Area Wide Viability Assessment

1.9 We have not yet carried out sensitivity testing as required by the RICS Professional Statement as we wish to agree with the local authority the parameters for such testing.

1.10 Coronavirus – Material uncertainty

- a) The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.
- b) Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions

of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

- c) Our assessment is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty and a higher degree of caution should be attached to our assessment than would normally be the case and it should be kept under review.
- d) Following guidance from the RICS valuation panel in April 2020 we have risk adjusted the profit margin used in the attached appraisal to reflect the current uncertainties.

1.11 The status of this report is Final.

2.0 Executive Summary

2.1 We have reviewed the report by Meedhurst dated November 2020 and concluded that the main issues relating to the financial viability of the scheme are the cost of construction and the failure to allow a capital value for ground rents.

2.2 Local Plan FVA Assumptions

In line with the requirements of para 8 of the NPPG the table below gives a comparison of the scheme appraisal assumptions and the Local plan viability assessment assumptions for same scheme typology

Item	Local Plan Allowance	Applicant's Allowance	Comments
Sales values / m ²	£5,257-£9,231	£8,450	
Base build / m ²	£1,297 -£2,915	£2,772	
Professional fees	12%	10%	
Contingency	5%	5%	
Sales & Marketing costs	3%	3.75%	
Finance interest rate	6.75%	7%	
Finance fees	nil	nil	
Profit margin:			
Open market	20%	17.5%	
Affordable	6%		

2.3 We have reviewed the inputs and assumptions used by Meedhurst as set out in Section 4 below and found them on the whole to be reasonable, with the exception of :

- a) The applicant's estimated build cost allowance, which is above the figure proposed in the assessment by K2 on behalf of the council by £1,331,839.
- b) The applicant has made no allowance for ground rent capital value.

-
- 2.4 We have carried out our own appraisal based on the K2 estimate of construction costs and allowing for capitalization of ground rent income. The results of this appraisal are shown at Appendix A.
- 2.5 This appraisal shows a residual land value of £2,747,615 after allowing for CIL of £557,742 and Section 106 costs of £327,750. This land value is above the benchmark land value by £347,615 and therefore the proposed scheme is viable and could provide additional S.106/affordable housing contributions.

3.0 Policy Context

3.1 The Local Plan for the London Borough of Richmond upon Thames

- 3.1.1 The Local Plan was adopted 3rd July 2018 and the affordable housing policies are contained in Policy LP36. This states that a contribution towards affordable housing is expected from all sites. Where onsite housing is required the Council expects 50% of housing will be affordable and of the affordable units 40% should be for rent and 10% intermediate housing. On former employment sites at least 50% affordable housing is required. For schemes providing less than 10 units a financial contribution commensurate with the scale of the development is required
- 3.1.2 The policy goes on to say the Council will seek the maximum reasonable amount of affordable housing having regard to economic viability; individual site costs; the availability of public subsidy and the overall mix of uses and any other planning benefits.
- 3.1.3 If the proposals are unviable the applicant will be expected to demonstrate this with a detail open book provision of all the financial information, sufficient to enable the council or independent consultant to assess the viability position. This accords with para 10 of the NPPG which states that a financial viability assessment should be supported by appropriate evidence.
- 3.1.4 Existing Use Value plus a premium should be used to determine Benchmark Land Value.

3.2 National Planning Policy Framework February 2019

- 3.2.1 Para 55 sets out that *“Planning conditions should be kept to a minimum and only imposed where they are necessary, relevant to planning and to the development to be permitted, enforceable, precise and reasonable in all other respects. Agreeing conditions early is beneficial to all parties involved in the process and can speed up decision making. Conditions that are required to be discharged before development commences should be avoided, unless there is a clear justification.*
- 3.2.2 The framework, in paragraph 56, states that planning obligations normally required under S.106 agreements should only be sought where they meet all of the following tests:
- Necessary to make the development acceptable in planning terms;
 - Directly related to the development; and
 - Fairly and reasonably related in scale and kind to the development.

3.2.3 Para 57 goes on to say; *“Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.”*

3.3 **National Planning Practice Guidance September 2019**

3.3.1 Paragraph 2 states that the role of a financial viability assessment (FVA) is primarily at the plan-making stage. It is the responsibility of site promoters to engage in plan making and the price paid for land is not relevant justification for failing to accord with the relevant policies of the plan.

3.3.2 Paragraph 6 states that developers should have regard to the total cost of the relevant planning policies when buying land.

3.3.3 Paragraph 8 requires that the FVA should refer back to the information that supported the Local Plan making and explain the differences. Ultimately it is for the decision-maker having regard to the transparency of assumptions made in the FVA as to the weight to be applied to the FVA in coming to the final decision.

3.3.4 Paragraph 9 of the guidance advises that review mechanisms should be used where appropriate and there is no mention in the guidance of whether these should be pre or post-implementation or whether the size of a scheme impacts on the decision whether to use one.

3.3.5 Paragraph 10 states that any FVA should be supported by appropriate evidence and that the FVAs should be proportionate, simple, transparent and publicly available. This ethos is expanded upon in paragraphs 11-18 where the relative values and costs (including land value) are discussed in further detail.

3.3.6 Paragraph 13 states that the benchmark land value should primarily be based on Existing Use Value (EUV) plus a premium and paragraph 14 expands upon this to say that the EUV should

reflect the implications of abnormal costs, infrastructure, professional fees and be informed by market evidence.

- 3.3.7 Paragraph 15 states that the EUV is the value of the land in its existing use without hope value.
- 3.3.8 Paragraph 16 advises that the premium to be applied to the EUV should be a reasonable incentive to the landowner to bring forward the development whilst allowing for policy compliance. As a practice we have always taken this to mean that EUV plus a premium would equal market value as defined by the RICS Guidance Note 94/2012.
- 3.3.9 The guidance advises at para 17 that AUV should be based on a development that would fully comply with up to date plan policies. AUV will include existing use values where works are needed to make the property saleable / lettable. To such a value no landowner premium is to be added. If such an alternative use is being utilized as the benchmark, then the applicant should give a justification for why it is not being pursued.

4.0 Assessment Inputs and Assumptions

4.1 Assessment methodology

4.1.1 The applicant's appraisal uses the Argus Developer (version 6)] appraisal model, whereas the alternative model used by Bespoke Property Consultants was the HCA EAT. Both appraisal models are acceptable and should give similar answers if the same inputs are used.

4.2 Unit Mix

4.2.1 The scheme comprises 22 assisted living units and 66 care beds as set out in the accommodation schedule included in the applicant's report.

4.3 Values of residential units

4.3.1 The values used within the applicant's appraisal are based on comparable evidence provided in a report by JLL date October 2020. They value the assisted living units at an average value of £8,450/m² and each bedspace at £250,758.

4.3.2 In our view the best comparator for the assisted living units is the McCarthy and Stone development in Isleworth where the average sales value equates to £8,051/m². The proposed value of £8,450/m² is 5% higher and in our view is a reasonable estimate bearing in mind the type of development proposed.

4.3.3 The JLL estimate of value of each care bedspace of £250,758 based on an assumption that 55% of weekly charge would cover the care/staff costs and that the void rate is 10%. We have calculated a value based on capitalizing the residual income allowing for the care and other costs based on our experience of recently evaluating a similar care scheme in Surrey. (Appendix 3). The Surrey scheme had lower staff costs which if replicated would suggest a value of £320,750 per bedspace. Assuming care costs at the rate proposed by JLL results in a value of £223,133 per bedspace. We believe the proposed figure of £250,758, in the mid-range of these parameters, is reasonable and has been adopted for our appraisal.

4.3.4 Whilst we note that it is the Government's intention to reduce Ground Rents to a nominal value or indeed stop them being charged, that policy aspiration has not yet been put into law and thus

the value must be taken account of in this appraisal as both the RICS and NPPG guide that all values and costs should be current at the time of the appraisal.

- 4.3.5 We have assumed ground rents of £300p.a. for the assisted living units capitalized at 5% less purchaser's costs resulting in a capital contribution of £127,000.

4.4 Gross Development Value

- 4.4.1 The BPC estimate of GDV is £27,141,378 and the applicant's estimate is £27,009,890

4.5 Development Timescale

- 4.5.1 The construction programme proposed is 88 weeks which is regarded by K2 as reasonable for a project of this nature. Sales of the assisted living units are assumed to be 20% off-plan and the remainder at one per month which is appropriate for units of this type.

4.6 Build costs

- 4.6.1 A summary build cost analysis was included in the applicant's report by Meedhurst. This estimate was based on their cost plan with a total build cost figure of £14,279,889.
- 4.6.2 K2 have analysed the cost plan on behalf of the Council and advise that their assessment is a build cost of £12,948,050 which we have adopted for our appraisal. The reduction is £1,331,839.

4.7 Other assumptions

- 4.7.1 Professional Fees – a figure of 10% has been used for professional fees by the applicant. This is a reasonable allowance.
- 4.7.2 Contingency - the applicant's appraisal allows a contingency of 5% which is included in the cost plan. The K2 assessment also allows for 5% contingency.
- 4.7.3 S.106 Contributions - Section 106 costs of £327,750 for carbon off-set have been included and the council should confirm that this amount is appropriate.

-
- 4.7.4 CIL – The CIL has been estimated at £557,742 using the information supplied by the applicant, and the Council should verify this figure before the application is decided.
- 4.7.5 Sales and Marketing – 3.75% has been allowed for by the applicant, which in our view is high in the current market. We have allowed 3% in our appraisal.
- 4.7.6 Site acquisition costs – the applicant's site acquisition costs have been set within the normal range for this type of site.
- 4.7.7 Finance costs – an interest rate of 7% has been used by the applicant, which is within the range of current market activity for an all-in rate and this is replicated in our appraisal.
- 4.7.8 Profit – the applicant has adopted a figure of 17.5% of GDV for the return for risk and profit. For this development we consider this is appropriate in the current market and that is the figure adopted in our appraisal which reflects the risks involved in the scheme and the current situation with regard to CV-19.

4.8 Benchmark Land Value

- 4.8.1 The applicant has adopted a benchmark value of £2,400,000 which was the figure agreed in May 2016 when BPC reported on different proposals for this site. This was agreed on the basis that the rents and yield were appropriate. This remains an appropriate figure and has been adopted for our appraisal.

4.9 Local Plan FVA Assumptions

Item	Local Plan Allowance	Applicant's Allowance	Comments
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Professional fees	12%	10%	
Contingency	5%	5%	
Sales & Marketing costs	3%	3.75%	
Finance interest rate	6.75%	7%	
Finance fees	nil	nil	
Profit	20%	17.5%	

5.0 BPC Assessment and Conclusions

- 5.1 We have re-run the appraisal, taking account of all the comments on the applicant's inputs and assumptions as noted above. The results of this analysis are shown at Appendix A to this report. The main changes between our assessment and the applicant's submission are as follows:
- a) We have reduced the build cost to £12,948,050 from the applicant's figure of £14,279,889.
 - b) We have included allowance for the capital value of ground rents.
- 5.2 CIL has been allowed for at £557,742 and the Council should verify this allowance is correct.
- 5.3 Section 106 costs of £327,750 for carbon off-set have been included and the council should confirm that this amount is appropriate.
- 5.4 Our own assessment of the scheme shows a residual site value of £2,747,615 which is above the benchmark land value without any allowance for affordable housing by £347,615. This suggests that the scheme viable and could support additional affordable housing or S.106 contributions.

Appendix A

GVA GRIMLEY & BESPOKE PROPERTY GROUP HCA ECONOMIC APPRAISAL TOOL

(Worksheet 4)

SUMMARY

Site Address	Site of former Hampton Police Station, Station Road TW12 2AX
Site Reference	
File Source	Appendix A
Scheme Description	
Date	21/01/2021
Site Area (hectares)	
Author & Organisation	S Devitt Bespoke Property Consultants
HCA Investment Manager	

Housing Mix (Affordable + Open Market)

Total Number of Units	88	units
Total Number of Open Market Units	88	units
Total Number of Affordable Units	0	units
Total Net Internal Area (sq m)	4,547	sq m
Total Habitable Rooms	110	habitable rooms
% Affordable by Unit	0.0%	
% Affordable by Area	0.0%	
% Affordable by Habitable Rooms	0.0%	
% Social Rented within the Affordable Housing	-	by number of units
% Social Rented within the Affordable Housing	-	by area
% Social Rented within the Affordable Housing	-	by habitable rooms
Total Number of A/H Persons	0	Persons
Total Number of Social Rented Persons	0	Persons
Total Number of Intermediate Persons	0	Persons
Total Number of Open Market Persons	110	Persons
Total Number of Persons	110	Persons
Site Area	0.00	hectares
Net Internal Housing Area / Hectare	-	sq m / hectare

Residential Values

Affordable Housing Tenure 1:

Social Rented

Type of Unit	Total Rent pa (£)	Yield (%)	Capital Value (£)
0	-	-	-
0	-	-	-
0	-	-	-
0	-	-	-
0	-	-	-
0	-	-	-
0	-	-	-
0	-	-	-
Total	-	-	-

Total Capital Value of Affordable Housing Tenure 1 £0

Affordable Housing Tenure 2:

Intermediate - Shared Ownership

Type of Unit	Capital Value (£ psm)	Total Floorspace (sq m)	Total Capital Value (£)
0	-	-	-
0	-	-	-
0	-	-	-
0	-	-	-
0	-	-	-
0	-	-	-
£0	-	-	-
£0	-	-	-
Total	-	-	-

Owner-occupied / rented % share -

Capital Value of owner-occupied part -

Type of Unit	Total Rent pa (£)	Yield (%)	Capital Value (£)
0	-	-	-
0	-	-	-
0	-	-	-
0	-	-	-
0	-	-	-
£0	-	-	-
£0	-	-	-
Total (full capital value if sold at OMV)	-	-	-

Total Capital Value of Affordable Housing Tenure 2 £0

Affordable Housing Tenure 3: Intermediate - Discounted Market Sale

Type of Unit	Capital Value (£ psm)	Total Floorspace (sq m)	Total Capital Value (£)
0	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Total	-	-	-

% of Open Market Value -

Total Capital Value of Affordable Housing Tenure 3 £0

Affordable Housing Tenure 4: Intermediate - Other Type of Shared Own / Shared Equity

Type of Unit	Capital Value (£ psm)	Total Floorspace (sq m)	Total Capital Value (£)
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Total	-	-	-

Owner-occupied / rented % share -

Capital Value of owner-occupied part -

Type of Unit	Total Rent pa (£)	Yield (%)	Capital Value (£)
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Total (full capital value if sold at OMV)	-	-	-

Total Capital Value of Affordable Housing Tenure 4 £0

Affordable Housing Tenure 5: Affordable Rent

Type of Unit	Total Rent pa (£)	Yield (%)	Capital Value (£)
0	-	-	-
0	-	-	-
0	-	-	-
0	-	-	-
0	-	-	-
0	-	-	-
0	-	-	-
Total	-	-	-

Total Capital Value of Affordable Housing Tenure 5 £0

TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING SHG & OTHER FUNDING) £0

Social Housing Grant

	Grant per unit (£)	Number of Units	Grant (£)
Social Rented	£0	0	£0
Intermediate - Shared Ownership	£0	0	£0
Intermediate - Discounted Market Sale	£0	0	£0
Intermediate - Other Type of Shared Own / Shared Equity	£0	0	£0
Affordable Rent	£0	0	£0
SHG Total	-	0	£0

Social Housing Grant per Affordable Housing Person -

Social Housing Grant per Social Rented Person -

Social Housing Grant per Intermediate Person -

TOTAL VALUE OF SOCIAL HOUSING GRANT £0

0	£0
0	£0
0	£0
0	£0
0	£0
0	£0

OTHER SOURCES OF AFFORDABLE HOUSING FUNDING £0

TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING SHG & OTHER FUNDING) £0

Open Market Housing

Type of Open Market Housing	Net Area (sq m)	Revenue (£ / sq m)	Total Revenue (£)
Care suits	1,239	£8,449	£10,464,931
Care beds	3,308	£5,003	£16,549,524
-	-	-	-
-	-	-	-
-	-	-	-
Total	4,547	-	£27,014,455

	Average value (£ per unit)
Care suits	£475,679
Care beds	£250,750
-	-
-	-
-	-

TOTAL CAPITAL VALUE OF OPEN MARKET HOUSING £27,014,455

Car Parking

No. of Spaces	Price per Space (£)	Value
-	-	-

TOTAL VALUE OF CAR PARKING £0

Ground rent

		Capitalised annual ground rent
Affordable Housing Tenure 1:	Social Rented	£0
Affordable Housing Tenure 2:	Intermediate - Shared Ownership	£0
Affordable Housing Tenure 3:	Intermediate - Discounted Market Sale	£0
Affordable Housing Tenure 4:	Intermediate - Other Type of Shared Own / Shared Equity	£0
Affordable Housing Tenure 5:	Affordable Rent	£0
Open Market Housing Type 1:	Care suits	£114,783
Open Market Housing Type 2:	Care beds	£0
Open Market Housing Type 3:	-	£0
Open Market Housing Type 4:	-	£0
Open Market Housing Type 5:	-	£0

TOTAL CAPITALISED ANNUAL GROUND RENT £114,783

TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME £27,129,238

Non-Residential Values

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

TOTAL CAPITAL VALUE OF NON-RESIDENTIAL SCHEME £0

TOTAL VALUE OF SCHEME £27,129,238

Residential Building, Marketing & Section 106 Costs

Affordable Housing Build Costs	£0	
Open Market Housing Build Costs	£12,963,634	£12,963,634

Cost Multipliers

Site Specific Sustainability Initiatives (%)	0.0%	£0
Lifetime Homes (%)	0.0%	£0
Code for Sustainable Homes (%)	0.0%	£0
Other (%)	0.0%	£0

Residential Car Parking Build Costs		£0
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Other site costs

Building Contingencies	5.0%	£648,182
Building Cost Fees (Architects, QS etc):	10.0%	£1,361,182
Other Acquisition Costs (£)		£0

Site Abnormals

0	£0
0	£0
0	£0
0	£0
0	£0
0	£0
0	£0
0	£0
0	£0

Total Building Costs		£14,972,997
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Section 106 Costs (£)

Carbon offset		£327,750
CIL		£557,742
0		£0
0		£0
0		£0
0		£0
0		£0
0		£0

Section 106 costs		£885,492
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Marketing (Open Market Housing ONLY)

Sales Fees:	5.0%	£1,350,723
Legal Fees (per Open Market unit):	£600	£52,800

Marketing (Affordable Housing)

Developer cost of sale to RSL (£)		£0
RSL on-costs (£)		£0
Intermediate Housing Sales and Marketing (£)		£0

Total Marketing Costs		£1,403,523
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Non-Residential Building & Marketing Costs**Building Costs**

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

Professional Fees (Building, Letting & Sales)

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

Total Non-Residential Costs		£0
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TOTAL DIRECT COSTS:		£17,262,011.87
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Finance and acquisition costs**(finance costs are only displayed if there is a positive residual site value)**

Arrangement Fee	£0
Misc Fees (Surveyors etc)	£0
Agents Fees	£27,383
Legal Fees	£20,537
Stamp Duty	£136,917
Total Interest Paid	£2,216,527

Total Finance and Acquisition Costs	£2,401,365
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Developer's return for risk and profit**Residential**

Open Market Housing Operating 'Profit'	£4,727,530
Affordable Housing 'Profit'	£0

Non-residential

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

Total Operating Profit	£4,727,530
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(profit after deducting sales and site specific finance costs but before allowing for developer overheads and taxation)

Residual Site Value


SITE VALUE TODAY	£2,738,332
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EXISTING USE VALUE	£2,400,000
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DIFFERENCE BETWEEN SITE VALUE AND EXISTING USE VALUE	£338,332
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Checks:

Site Value as a Percentage of Total Scheme Value	
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Site Value per hectare	
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#VALUE!

Appendix B



Commercial Review

Version 01

8 January 2021

**60-68 Station Road
Hampton TW12 2AX**

Issued by: Paul Allen

Director
K2 Rider Hunt.

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DOCUMENT ISSUE SHEET

Version	Issue Date	Issued By	Approved By	Comments on Version
1	8 January 2021	PA	DK	

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EXECUTIVE SUMMARY

K2 Rider Hunt are appointed to undertake a review of Cost Plan 4 prepared by Meedhurst Project Management (Cost Consultants) dated 10th June 2020 and referred to in the Affordable Housing Viability Report produced by Meedhurst dated November 2020.

This report is a commentary on the appropriateness of the Cost Plan, a copy of which is included in Appendix 1 of this report.

A schedule of all information used to undertake our review is contained within Appendix 2.

The following sections of the report detail our assessment of the Order of Cost Estimate where we have recommended the following adjustments to the estimated construction costs to reduce the total to £12,948,050.

Element	Order of Cost Budget	K2 Rider Hunt Assessment	Variance
Demolition	£132,000	£110,000	(£22,000)
Removal of concrete filled fuel tanks	£350,000	£105,000	(£245,000)
Basement construction	£334,800	£279,000	(£55,800)
Provisional Sums	£508,000	£313,000	(£195,000)
Subtotal	£1,324,800	£807,000	(£517,800)
Main contractor preliminaries @15%	£198,720	£121,050	(£77,670)
Main contractor OHP @7%	£106,646	£64,964	(£41,663)
Sub total	£1,630,166	£993,014	(£637,153)
Project/design team fees	Excluded	Excluded	
Other development costs	Excluded	Excluded	
Sub total	£1,630,166	£993,014	(£637,153)
Risk (contingencies) @5%	£81,508	£49,651	(£31,858)
Inflation	£204,258	£0	(£204,258)
VAT	£458,582	£0	(£458,582)
Total	£2,374,513	£1,042,664	(£1,331,849)

1.0 COST PLAN

The Cost Plan prepared by Meedhurst totals £14,279,899 and has been priced as follows:

Element	Construction Cost
New Build Care beds (66 Units)	£6,402,887
New Build Assisted Living Units (14 Units)	£1,785,305
Existing Building Assisted Living Units (8 Units)	£1,849,337
Abnormal's	£2,095,751
External Works	£835,349
Construction risk	£648,431
Inflation to mid-point of construction	£204,256
Non-reclaimable/recoverable VAT	£458,582
Total Construction Cost	£14,279,899

Main contractors' preliminaries have been priced at 15%.

Main contractors' overheads and profit have been priced at 7%.

Risk has been priced at 5%.

Inflation to mid-point of construction has been priced at 1.5%.

Fixed price allowance of 2.5% which is assumed to be included for within the allowances.

Based upon Standard JCT Design and Build Form of Contract. It is assumed this is based upon single stage procurement.

The following have been excluded from the above:-

- Inflation up to commencement on site, albeit inflation to mid-point of construction has been included as stated above.
- Discovery and removal of invasive plant species.
- Discovery and removal of archaeological interest.
- Land acquisition and associated stamp duty, Legal/agency/professional and statutory authority fees.
- Section 38/104/278 and 106 agreement, finance and marketing costs, works and services outside the boundaries of the site.
- Clients FF&E.
- VAT with the exception of non-reclaimable and non-recoverable as listed above.

2.0 PROGRAMME

The Cost Plan assumes a construction duration of 88 weeks, which equates to expenditure of approximately £18,000 per week which seems appropriate for this type of project.

3.0 AREAS

The Cost Plan assumes the following areas:

Element	GIA	NIA
New Build Care beds (66 Units)	3,308m ²	Not stated
New Build Assisted Living Units (14 Units)	988m ²	Not stated
Existing Building Assisted Living Units (8 Units)	855m ²	Not stated
Total	5,151m²	

We have checked the gross internal floor areas and confirm we are in general agreement.

4.0 ESTIMATED CONSTRUCTION COST

The Cost Plan has been priced on a £/m² basis for the New Build Care Beds and both the New Build and Existing Assisted Living Units. No supporting elemental rates build ups have been provided other than a statement in the viability that the following provisional sums have been included in the computation of the Cost Plan.

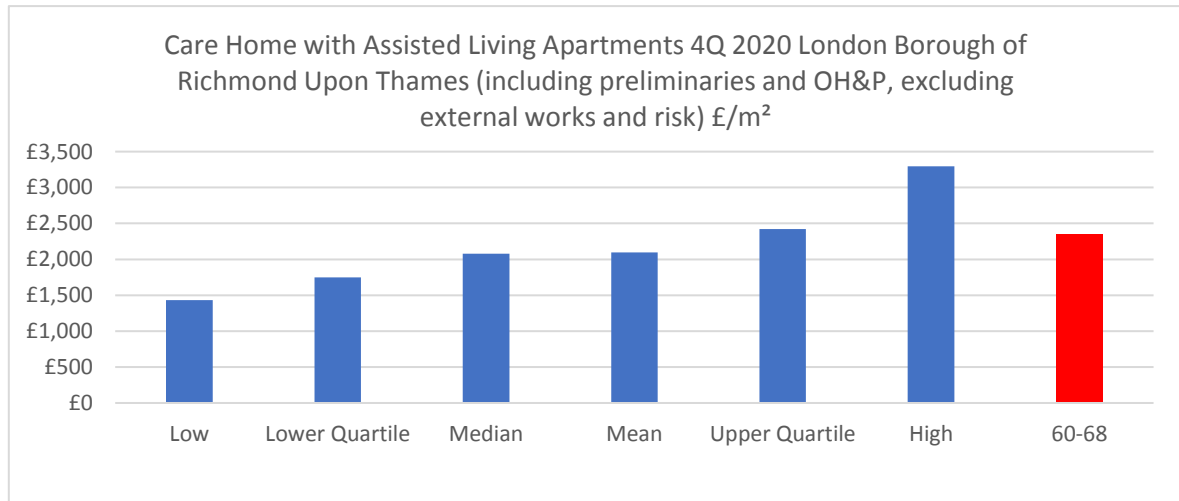
Commercial Kitchen £75,000, Commercial Laundry £35,000, Internal signage £7,000, Specialist Joinery £30,000 and care Suite Kitchenette at £6,000 per unit.

External works are priced on Lump Sums prices.

The abnormal costs are a combination of Lump sum allowances and measured items covering demolitions, façade retention, removal of concrete filled fuel tanks and associated ground contamination, underpinning, basement construction, Listed status risk and repairs to former police station and diversion of existing services across the site.

In the following sections of this report we have, where possible, reviewed the rates and allowances used for each element of the development, alongside the documentation and drawings provided.

The BCIS benchmark for care homes shows that the new build care beds and assisted living units are higher than the BCIS mean but within the Upper Quartile database of 80 comparable projects. This suggests that some allowances within the Cost Plan 4 may be excessive. Elements for consideration have been commented on below.



The basis of the cost plan has been prepared on a £/m² rates. The New build assisted living units are situated on the second floor above the care beds on the lower ground to first floors. Without any detailed elemental build up of the care beds or assisted living units we have taken a global approach to bench marking againsts BCIS building function 447. New Build Care homes for the elderly. The bench marking excludes, external works, contingency, Inflation and VAT.

Element	£	NIA
New Build Care beds (66 Units)*	7,727,664	3,308
New Build Assisted Living Units (14 Units)*	2,180,976	988
Total	£9,908,641	4,296m2
	£2,306/m2	

* Includes proportion of abnormal

BCIS 447. Care Homes for the elderly	£/m2 G.I.A,
Lowest	1,432
Lower Quartile	1,724
Median	2,079
Mean	2,106
60 - 68	2,306
Upper Quartile	2,438
Highest	3,296

Refer to Appendix 3 for BCIS table.

We have not benchmarked the extension and conversion of the existing police station as this is not an accurate method of assessing a refurbishment/conversion project as they each have their own specific areas of cost pressure, albeit the rate of £2,602/m2 (including proportion of abnormal etc), does appear high but with all refurbishment and conversion projects there is a high risk from discoveries etc.

In Section 5 of this report, we have analysed costs for each section of the project in more detail to identify any discrepancies in pricing or areas where the construction costs might attract a cost premium.

5.0 DETAILED COST ANALYSIS

To analyse the construction costs in greater detail, and to try and identify any areas where the construction cost provisions may be inadequate or excessive, we have reviewed the items, quantities and rates included within Cost Plan 4 albeit there are a number of £/m² allowances and lump sums with no detailed breakdown.

We have summarised our detailed review of the Order of Cost Estimate below, and our findings correspond to the recommendations within the Executive Summary at the front of this report.

Demolition

The proposed development requires the demolition of the rear wings and ancillary buildings, strip out of the existing house and clearance of the site.

The Cost Plan 4 allows £132,000 for the demolition/asbestos removal and separate allowances of £40,000 and £90,000 respectively for partial demolition and façade retention to the former police station and temporary works to assist demolition.

There appears to be no supporting documentation of the existing accommodation other than drawing CWA-19-207-SK100 included for within Structural Report and Greenhatch drawing 3402503P/0.

From this drawing the gross internal floor area of 880m² equates to an allowance of £150/m².

Our typical allowance for the demolition of simple structures is £125/m². We therefore recommend reducing the allowance for demolition of the workshops £110,000. This equates to a variance of £22,000.

There are sundry demolition allowances of £40,000 and £90,000 respectively for partial demolition and façade retention to the former police station and temporary works to assist demolition. These are reasonable allowances.

	Quantity	Cost Plan 4		K2 Rider Hunt Assessment		
		Rate	Total	Rate	Total	Variance
Demolition	880m ²	£150	£132,000	£125	£110,000	(£22,000)
					Total Variance	(£22,000)

Ground works

Removal of concrete filled tanks and ground contamination.

The Phase 1 and Phase 2 Site Investigation Report identifies five underground fuel storage tanks, three at the front of the site with capacities of 2,300L and 45,721L (x 2) respectively filled with concrete and two at the rear with capacities of 22,000L and 9,000L respectively. The rear two have leaked resulting in approximately 30m² of contaminated ground to be remediated.

The Cost Plan allowance is £350,000. There is no evident rate build-up but on the assumption that the overall excavation and disposal equates to approximately 150m³ based upon the above capacities, an all-in rate of £2,333m³ appears excessive. We require further evidence of the rationale behind this allowance. We have been advised that a more realistic rate is £700/m³.

	Quantity	Cost Plan 4		K2 Rider Hunt Assessment		
		Rate	Total	Rate	Total	Variance
Removal of Tanks	150m ³	£2,333	£350,000	£700	£105,000	(£245,000)
					Total Variance	(£245,000)

Underpinning

Checking the existing building survey and proposed plans to the rear of the retained Police Station we consider that the allowance of £75,000 for possible underpinning works to be an adequate allowance.

Basement Construction

There are no structural details of the basement construction, although it is assumed that there is a basement wall construction to the perimeter between ground to lower ground level.

On the basis that contiguous piling is the correct solution, we estimate that the perimeter of the basement is approximately 186 linear metres. Based upon a pile diameter of 600mm we estimate the number of piles to be 310 around the perimeter. The Cost Plan 4 is based upon a total number of 372. We consider our 186 linear metres is substantiated by the 558m² of concrete inner wall at 3m high (186 x 3 = 558m²). The footprint of the lower ground floor measures to 1,874m². Based upon dig of approximately 3m deep this equates to the 5,622 m³ of disposal.

We are in agreement with the rates used but consider the following adjustment be made.

	Cost Plan 4			K2 Rider Hunt Assessment		
	Rate	Quantity	Total	Rate	Total	Variance
Piling	£60	5,580m	£334,800	4,650m	£279,000	(£55,800)
Total Variance						(£55,800)

Other

An allowance of £100,000 for repairs and risk associated with the existing police station is included. This is considered appropriate.

A budget allowance of £100,000 has been included for diversions of existing services across the site. This is considered appropriate.

Provisional Sums

The following provisional sums have been identified as being incorporated within the Cost Plan. In comparison with a recent development of ours in Walton on Thames, we consider the following:-

£75,000 for commercial kitchen may be at the top end of the range. £50,000 to £75,000 would be a more appropriate allowance.

£35,000 for a commercial laundry is appropriate.

£6,000 per kitchenette for care bed appears excessive although appropriate for assisted living unit. We would consider £3,000 per unit to be more appropriate.

£30,000 for specialist joinery may not be adequate and suggest that this allowance is reviewed, in particular the need for hairdressing saloon, library etc.

£7,000 for internal signage again appears inadequate and suggest this is reviewed.

	Quantity	Cost Plan 4		K2 Rider Hunt Assessment		
		Rate	Total	Rate	Total	Variance
Kitchen	1nr		£75,000	£500	£50,000	(£25,000)
Kitchenette	66nr	6,000	£396,000	£3,000	£198,000	(£198,000)
Specialist joinery	item		£30,000		£50,000	£20,000
Signage	item		£7,000		£15,000	£8,000
				Total Variance		(£195,000)

External Works

Our measure of the external works including the planting to the second floor terrace at 1,610m² is greater than the approximate area of 1,531m² as referred to in the cost plan.

The allowance for hard landscaping equates to £162/m². This does appear on the high side although in comparison the soft landscaping at £87/m² appears low and it is assumed that the hard landscaping includes for the planting of trees and subsidiary walls associated with the ground floor terrace. Generally, this appears acceptable.

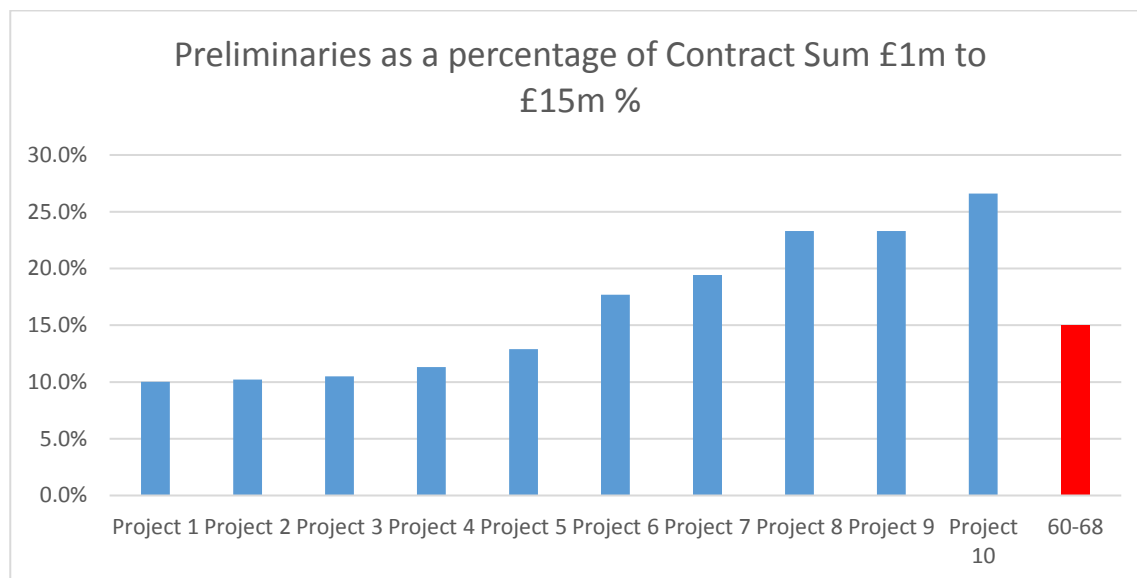
There is an allowance for minor works at £72,105 which assumed covers refuse stores, cycle stores, electrical vehicle charging points.

£150,000 for part pumped drainage is adequate. Incoming services, connections and provision of sub-station are appropriate although the lower ground and ground floor plans appear to make no provision for the siting of a sub-station.

Preliminaries

The Order of Cost Estimate allows for Main Contractors Preliminaries at 15% of the construction cost.

Our benchmark of 10 recent new build projects, with a construction value of between £1m and £15m shows that this project sits in the median range of values.



We therefore consider 15% to be a reasonable allowance for this element of work.

Overheads and profit

The Order of Cost Estimate allows for Main Contractors Overheads and Profit at 7% of the construction cost, which we consider a reasonable allowance for this element.

Risk

Risk has been priced at 5%, which we consider a reasonable allowance for this element.

Inflation

No inflation allowance has been included for commencement up to the start on site date although inflation up to the mid-point of construction at a rate of 1.5% has been included. We have therefore consider that inflation should be omitted to align with current sales costs.

		Cost Plan 4		K2 Rider Hunt Assessment		
	Quantity	Rate	Total	Rate	Total	Variance
Inflation	Item		£204,256	£0	£0	(£204,256)
				Total Variance		(£204,256)

VAT

The Cost Plan 4 includes for allowances of £25,000 and £433,582 respectively for non-reclaimable VAT for items within care beds and apartments and for works to the former police station respectively.

Under the New rules of Measurement Order of Cost Estimating and Cost planning for Capital Building Works, under Part 2: Measurement Rules for Order of Cost Estimating 2.17 and Part 3: Measurement Rules for Cost planning 3.20 recommend that VAT is excluded from both Order of Cost Estimating and Cost Planning. As this is a complex matter it is recommended that Specialist advice is sought to ensure that correct rates are applied.

	Quantity	Cost Plan 4		K2 Rider Hunt Assessment		
		Rate	Total	Rate	Total	Variance
Non-reclaimable VAT	1nr		£25,000	£0	£0	(£25,000)
Refurbishment	20%	2,167,908	£433,582	£0	£0	(£433,582)
				Total Variance		(£458,582)

APPENDIX 1 – Meedhurst Order of Cost Estimate

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

Feasibility Stage

10 June 2020

STATION ROAD POLICE STATION, HAMPTON



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AUTHORISATION

Prepared by:	
Authorised by:	
Date:	

COST PLAN 4

Feasibility Stage
10 June 2020



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

COST PLAN 4

Feasibility Stage

10 June 2020

STATION ROAD POLICE STATION, HAMPTON



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

COST PLAN 4

Feasibility Stage

10 June 2020

STATION ROAD POLICE STATION, HAMPTON



GIA m²
988

3.0 New Build ALU's - Cost Build Up

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

COST PLAN 4

Feasibility Stage

10 June 2020

STATION ROAD POLICE STATION, HAMPTON



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

COST PLAN 4

Feasibility Stage

10 June 2020

STATION ROAD POLICE STATION, HAMPTON



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

COST PLAN 4

Feasibility Stage

10 June 2020

STATION ROAD POLICE STATION, HAMPTON



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

COST PLAN 4

Feasibility Stage

10 June 2020

STATION ROAD POLICE STATION, HAMPTON



7.0 Other Provision Cost Build Up

GIA m²
5,151

Item	Description	Qty	Unit	Rate	Total £
------	-------------	-----	------	------	------------

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

APPENDIX 2 – Documentation Used

The following documentation has been considered in preparation of this report.

- Affordable Housing Viability Report produced by Meedhurst Project Management dated November 2018.
- Cost Plan 4 Feasibility Stage produced by Meedhurst Project Management dated 10 June 2020.
- Design and Access Statement prepared by PRC dated 4 September 2019 reference 11045/C.
- Utilities Services Report by Harniss Consulting dated 2 September 2019 Rev B.
- Structural report by CWA CWA/19/297 August 2019.
- Phase 1 & 2 Site Investigation by LCM 1374-14 October 2014.
- Drawings numbered:

- 11045 – PL 009E –Site Location Plan
- 11045 – PL 010E – Proposed Site Plan
- 11045 – PL 011F – Lower Ground Floor
- 11045 – PL 012K – Ground Floor
- 11045 – PL 013E – First Floor
- 11045 – PL 014E – Second Floor
- 11045 – PL 016E – Roof Plan
- 11045 – PL 020i – Proposed Elevation 1
- 11045 – PL 021D – Proposed Elevation 2
- 11045 – PL 022B - Proposed Elevation 3
- 11045 – PL 023i – Proposed Elevation 4
- 11045 – PL 024B – Proposed Elevation 5
- 11045 – PL 028B –Site Block Plan
- 11045 – PL 029B –Site Plan with ground floor
- 11045 – PL 030A - Outbuildings
- 11045 – PL 901P2 – Demolitions
- 1453 – 01 Tree Protection Plan

APPENDIX 3 – BCIS Analysis

£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 02-Jan-2021 00:42

› Rebased to 4Q 2020 (327) and Greater London (124; sample 1035)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
447. Care homes for the elderly							
Generally (15)	2,199	1,399	1,639	2,090	2,489	4,425	38
Up to 500m2 GFA (25)	2,138	2,052	-	-	-	2,224	2
500 to 2000m2 GFA (15)	2,547	1,399	1,475	2,237	3,146	4,425	8
Over 2000m2 GFA (15)	2,106	1,432	1,724	2,079	2,438	3,296	30

Appendix C

Appendix C

Care Home Income and Cost Comparison

	Staff/Care Costs 48%	Staff/ Care Costs 55%
Gross Number of Beds	66	66
Voids	7	7
Net Number of Beds	59	59
Income per bed per week	£1,800	£1,800
Less Care Costs	£864	£990
Less Other Costs	£522	£522
Net	£414	£288
Net Income	£1,270,152	£883,584
Net Income per Bed	£19,245	£13,338
Value capitalised at 6%	£320,750	£223,133