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29, 29**b** & 31 High Street, Hampton Wick KT1 4DA

London Borough of Richmond upon Thames

Financial Viability Assessment on behalf of Mr & Mrs Frost

February 2021



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## 1. Executive Summary

- 1.1. Grimshaw Consulting Limited ('GCL') is instructed by Mr & Mrs Frost ("the Applicant") to prepare a financial viability assessment of a development proposal for 29, 29a & 31 High Street, Hampton Wick, KT1 4DA (the Property' or "application site").
- 1.2. A full planning application has been submitted to the London Borough of Richmond upon Thames ('the Council'). The proposal will have a total GIA of 1,205 sqm (12,971 sqft), including 154 sqm (1,658 sqft) of retained existing buildings. A schedule of accommodation is provided within section 2 of this report.
- 1.3. The description of development is as follows:  
  
*"Demolition of 29 and 29b High Street and associated buildings and erection of 8no. dwellings and Class E floorspace with associated works. "*
- 1.4. The purpose of this report is to inform discussions between the Applicant and the Council in respect of whether the provision of a payment in lieu of affordable housing in accordance with Local Plan Policy LP36 is financially viable within the context of site-specific cost and revenue estimates and the need to provide a reasonable level of return for both the landowner and developer. We have calculated the Affordable Housing Commuted Sum in line with the Council's policies and find that the compliant sum is **£854,428**.
- 1.5. This report has been prepared by Robert Grimshaw – a Director of Grimshaw Consulting Limited, who has extensive experience of both client-side and consultancy roles in the residential, commercial, and mixed-use development sector, gained during a career of more than 27-years. This review of financial viability has been undertaken by GCL as an independent assessor and in compliance with the RICS Professional Statement "Financial Viability in Planning: Conduct and Reporting" May 2019.
- 1.6. As stated in the Viability NPPG, Benchmark Land Value should be assessed on an EUV + landowner premium approach. The landlord premium can range between 0% and 30%, depending on factors such as whether the property is occupied and income generating, the covenant strength of existing or alternative tenants, demand from alternative occupiers and the condition of the existing building. We have assessed the Benchmark Land Value based on the existing retail and ancillary premises on a market evidence basis at a level of **£1,063,000** (rounded).
- 1.7. We have undertaken a residual land appraisal utilising Argus Developer financial appraisal software, which is industry recognised as an appropriate financial appraisal tool.
- 1.8. The gross development value (GDV) of the proposal has been assessed with reference to market evidence. Development costs have been assessed on the basis of site-specific conditions by an independent cost consultant (Stace LLP). In assessing other development costs, we have had regard to the Richmond Whole Plan Viability Study, prepared by Adams Integra in December 2016.
- 1.9. Our assessment of a reasonable Affordable Housing Commuted Sum is **£70,650**, which whilst below the Council's policy requirement, is reasonable within the context of site specific values and costs and the provision of Community Infrastructure Levy and Carbon Off-set payments totalling £134,581.



## 2. Introduction & Scope of Instructions

- 2.1. Grimshaw Consulting Limited ('GCL') is instructed by Mr & Mrs Frost ("the Applicant") to prepare a financial viability assessment of a development proposal for 29, 29a & 31 High Street, Hampton Wick, KT1 4DA ('the Property' or "application site").
- 2.2. A full planning application has been submitted to the London Borough of Richmond upon Thames ('the Council'). The proposal will have a total GIA of 1,205 sqm (12,971 sqft), including 154 sqm (1,658 sqft) of retained existing buildings. A schedule of accommodation is provided within section 2 of this report.
- 2.3. The description of development is as follows:
- "Demolition of 29 and 29b High Street and associated buildings and erection of 8no. dwellings and Class E floorspace with associated works. "*
- 2.4. This report considers the following matters, to inform discussions between the Applicant and the Council: -
- Whether the provision of a financial contribution towards affordable housing in the form of a payment in lieu of on-site provision (in accordance with Local Plan LP36) is financially viable within the context of site-specific cost and revenue estimates and the need to provide a reasonable level of return for both the landowner and developer.
- 2.5. Further information relating to the site, surrounding area and proposed development are set out at section 2. Details of our approach to the viability assessment and the planning policy context are set out at section 3. Our financial appraisal assumptions with market evidence (where applicable) are set out within section 4, together with consideration of the appropriate level of financial contribution in lieu of on-site affordable housing. We consider the appropriate viability benchmark for comparison with the proposal at section 5. Our financial appraisal outcomes and conclusions are provided at section 6 of this report.
- 2.6. This review of financial viability has been undertaken by GCL as an independent assessor. To inform our initial financial appraisals, we have completed our own research into the local property market and relied upon the following information received from the Appellant:
- a) Drawings, accommodation schedules and information relating to the proposed development, prepared by Fletcher Crane Architects
  - b) Order of Cost Estimate prepared by Stace LLP and issued on 29<sup>th</sup> January 2021.
  - c) Information provided by the Applicant's consultant team in respect of other relevant property matters.
- 2.7. This report has been prepared by Robert Grimshaw – a Director of Grimshaw Consulting Limited, who has extensive experience of both client-side and consultancy roles in the residential, commercial, and mixed-use development sector, gained during a career of more than 27-years.

### Important Note

- 2.8. The contents of this report do not constitute our opinion of Market Value (as defined by the RICS Valuation – Global Standards 2017) and should not be relied upon as such by our client or any third party under any circumstances. Neither the whole nor any part of the report, or any reference thereto may be included within any published document, circular, or statement, or published in any way, without the prior written approval of Grimshaw Consulting Limited. It should be noted that in providing this response, we have not considered the potential impact of Government imposed social distancing and lock-down restrictions associated with the COVID-19 pandemic.
- 2.9. We note that the RICS Material Valuation Uncertainty Leaders Forum (the Leaders Forum) updated their advice on 9<sup>th</sup> September 2020 to recommend a general 'lifting' of material valuation uncertainty. On 3<sup>rd</sup> November 2020, the Leaders



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Forum reaffirmed the particular nature of material uncertainty and the unique market factors relating to “...an unprecedented set of circumstances on which to base a judgment...” We therefore reserve our right to amend our opinion in the event that the RICS issues updated practice guidance prior to determination of the planning application.

- 2.10. We confirm compliance with the RICS Professional Statement “Financial Viability in Planning: Conduct and Reporting” May 2019.
- 2.11. As required by the Professional Statement, we confirm the following matters:
- i. We have acted with objectivity, impartiality, without interference and with reference to all appropriate available sources of information.
  - ii. We have identified no conflicts of interest or risk of conflicts in preparing this report.
  - iii. We are not working under a performance related fee agreement or on a contingent fee basis.
  - iv. 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.
  - v. All 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.
  - vi. 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.

### 3. Project Details

- 3.1. The Property comprises retail premises with residential accommodation above at 29 and 31 High Street, Hampton Wick and light industrial workshops, car parking and dilapidated buildings at 29b High Street, to the rear. The application site has an area of approximately 0.08 ha (0.20 acres) and existing buildings have an aggregate GIA of 565 sqm (6,082 sqft).
- 3.2. The ground floor of 31 High Street is currently occupied as a laser clinic and the ground floor of 29 High Street is occupied by a print shop (both Use Class E). The first floor of 29 and 31 High Street are occupied by Class E use associated with the print shop and the workshop / design studio operated by the Applicant. There is a vacant residential studio flat at second floor level of 31 High Street (Class C3 Use). The rest of the first floors are Class E use of 29 High St and circulation to the studio flat (Planning Class C3) on the second floor.
- 3.3. 29b High Street is divided into two light industrial workshops (Class E). Workshop 01 - currently occupied by the print shop. Single storey with a corrugated metal monopitch roof. Workshop 02 is part single storey with a corrugated metal monopitch roof, and part two storey. The two storey element is of brick built construction, the lower part forming part of the workshop, the upper floor with exposed primary trusses has been used as an architect's studio and is now used as a design studio for the workshop below.
- 3.4. Adjacent to No. 29b are two dilapidated stores that gained planning approval at appeal for a residential dwelling (14/5300). A shared vehicular/ pedestrian access from the High Street provides access to 8 x private car parking spaces and a further light industrial/ workshop (Class E). Workshop 03 is currently de-rated but was in the past used for fibre glass making. Behind this is the car park to the White Hart Hotel. The rear of the hotel is 27m from the boundary of the site.
- 3.5. Access to the site is provided by a narrow shared driveway (approximately 2.5m at its narrowest point) between 27 and 29 High Street. We understand that the owners of 11-27 High Street have rights of vehicular access over the existing roadway within the application site. There are 8 No car parking spaces within the application site that are used by the applicant and employees of the businesses operating from the Property.
- 3.6. Details of GIA measurements and uses are provided at Section 6, which considers the Viability Benchmark.
- 3.7. The Property is located approximately 260m to the southeast of Hampton Wick railway station, which provides regular



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train services into London Waterloo in a journey time of approximately 40 minutes. The Property is well located for public transport links generally, with a PTAL rating of 4. Kingston town centre provides metropolitan level shopping, leisure and community services and these are readily accessible, within 500m of the Property via Kingston Bridge.

3.8. The development proposals are fully described within the Design and Access Statement and Planning Statement prepared by others, but in summary, they comprise:

- Demolition of 29 High Street and 29b High Street (total GIA 411 sqm) and dilapidated structures within the application site with a total GIA of 192 sqm
- Construction of new Class E space with a total GIA of 534 sqm (5,748 sqft)
- Construction of eight (8) residential dwellings with a total GIA of 639 sqm (6,878 sqft)
- The provision of five (5) surface level car parking spaces.
- Associated external works, landscaping, refuse and cycle storage.

3.9. The replacement Class E Accommodation is detailed within the table below<sup>1</sup>:

| Class E Accommodation                |                         |          |           |           |            |
|--------------------------------------|-------------------------|----------|-----------|-----------|------------|
| Reference                            | Location                | Floor    | Use       | GIA (sqm) | GIA (sqft) |
| 01                                   | 31 High Street          | Basement | Retail    | 135       | 1453       |
| 02                                   | 29b High Street         | Ground   | Workspace | 233       | 2508       |
| 03                                   | 29/31 High Street       | Ground   | Retail    | 76        | 818        |
| 04                                   | Rear of 29b High Street | Ground   | Workspace | 90        | 969        |
| Total Proposed Class E Accommodation |                         |          |           | 534       | 5748       |

3.10. The proposed residential accommodation is detailed within the table below:

| Residential Accommodation                          |          |        |      |         |           |            |
|--|----------|--------|------|---------|-----------|------------|
| Reference  | Building | Floor  | Beds | Persons | NSA (sqm) | NSA (sqft) |
| 07   | Block 1  | First  | 1    | 2       | 50        | 538        |
| 08   | Block 1  | First  | 1    | 2       | 50        | 538        |
| 09   | Block 2  | First  | 1    | 2       | 50        | 538        |
| 10   | Block 1  | Second | 1    | 2       | 50        | 538        |
| 11   | Block 1  | Second | 2    | 4       | 85        | 915        |
| 12   | Block 1  | First  | 3    | 5       | 110       | 1184       |
| 13   | Block 2  | Second | 1    | 2       | 56        | 603        |
| 14   | Block 1  | Second | 2    | 3       | 61        | 657        |
| Total Proposed Residential Accommodation (8 units) |          |        |      |         | 512       | 5511       |

#### 4. Principles of Financial Viability Assessment & Planning Policy Context

4.1. National Planning Policy Guidance (NPPG) updated on 1<sup>st</sup> September 2019 provides a general overview of what is expected in relation to viability in both Local Plan preparation and decision-taking on individual schemes. The NPPG paragraph 007 Reference ID 10-007-20180724 states:

*“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.*

*Such circumstances could include, for example where development is proposed on unallocated sites of a wholly different type to those used in viability assessment that informed the plan; where further information on infrastructure*

<sup>1</sup> For valuation purposes, it is necessary to provide further detail on the potential use of each unit, beyond the provisions of the recently updated Use Classes Order. Accordingly, we have assumed that the mix of commercial development will be broadly similar to the existing commercial development. It should be noted, however, that all proposed commercial floorspace falls within Use Class E for the purposes of the planning application.



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*or site costs is required; where particular types of development are proposed which may significantly vary from standard models of development for sale (for example build to rent or housing for older people); or where a recession or similar significant economic changes have occurred since the plan was brought into force.”*

- 4.2. A site is viable if the value generated by its development exceeds the costs of developing it and provides sufficient incentive for the land to come forward and the development to be undertaken. Where the deliverability of a development may be compromised by the scale of planning obligations and other costs, a viability assessment may be necessary. This should be informed by the particular circumstances of the site and proposed development in question.
- 4.3. The NPPG confirms the principles for carrying out a viability assessment at paragraph 010 Reference ID 10-010-20180724: -

*“National Planning Guidance sets out the government’s recommended approach to viability assessment for planning. The approach supports accountability for communities by enabling them to understand the key inputs to and outcomes of viability assessment. Any viability assessment should be supported by appropriate available evidence informed by engagement with developers, landowners, and infrastructure and affordable housing providers. Any viability assessment should follow the government’s recommended approach to assessing viability as set out in this National Planning Guidance and be proportionate, simple, transparent, and publicly available. In plan making and decision making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.”*

- 4.4. The NPPG defines the key inputs for viability assessments at paragraphs 011 to 013: -
- a) Gross Development Value - *Gross development value is an assessment of the value of development. For residential development, this may be total sales and/or capitalised net rental income from developments. Grant and other external sources of funding should be considered. For commercial development broad assessment of value in line with industry practice may be necessary. For broad area-wide or site typology assessment at the plan making stage, average figures can be used, with adjustment to take into account land use, form, scale, location, rents and yields, disregarding outliers in the data. For housing, historic information about delivery rates can be informative. For viability assessment of a specific site or development, market evidence (rather than average figures) from the actual site or from existing developments can be used. Any market evidence used should be adjusted to take into account variations in use, form, scale, location, rents and yields, disregarding outliers. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.*
- b) Costs - *Assessment of costs should be based on evidence which is reflective of local market conditions. As far as possible, costs should be identified at the plan making stage. Plan makers should identify where costs are unknown and identify where further viability assessment may support a planning application. Costs include:*
- i. build costs based on appropriate data, for example that of the Building Cost Information Service.*
  - ii. abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites. These costs should be taken into account when defining benchmark land value.*
  - iii. site-specific infrastructure costs, which might include access roads, sustainable drainage systems, green infrastructure, connection to utilities and decentralised energy. These costs should be taken into account when defining benchmark land value.*
  - iv. the total cost of all relevant policy requirements including contributions towards affordable housing and infrastructure, Community Infrastructure Levy charges, and any other relevant policies or standards. These costs should be taken into account when defining benchmark land value.*
  - v. general finance costs including those incurred through loans.*
  - vi. professional, project management, sales, marketing, and legal costs incorporating organisational overheads associated with the site. Any professional site fees should also be taken into account when defining benchmark land value.*





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- vii. *explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project risk and developers return.*
- c) *Land Value - To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called 'existing use value plus' (EUV+). In order to establish benchmark land value, plan makers, landowners, developers, infrastructure, and affordable housing providers should engage and provide evidence to inform this iterative and collaborative process.*
- d) *Competitive Return to Developers - Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan. For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale, and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types.*
- e) *Competitive Return to Landowners - The premium (or the 'plus' in EUV+) is the second component of benchmark land value. It is the amount above existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a landowner to bring forward land for development while allowing a sufficient contribution to comply with policy requirements. Plan makers should establish a reasonable premium to the landowner for the purpose of assessing the viability of their plan. This will be an iterative process informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration. For any viability assessment data sources to inform the establishment the landowner premium should include market evidence and can include benchmark land values from other viability assessments. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners. Local authorities can request data on the price paid for land (or the price expected to be paid through an option agreement).*
- 4.5. As explained in the RICS Guidance Note "Financial viability in planning" (1<sup>st</sup> edition, 2012), an objective assessment of financial viability for planning applications should be placed in the context of a well-established set of appraisal techniques and their applications. An accepted method of valuation of development schemes and land is set out in RICS Valuation Information Paper (VIP) 12.
- 4.6. This approach, called the residual method, recognises that the value of a development scheme is a function of a number of elements, as explained in the NPPG and set out above. The residual approach is used for development situations where the direct comparison with other transactions is not possible due to the individuality of development projects. However, practitioners will seek to check residual development appraisals with market evidence.
- 4.7. The residual appraisal method can be used in two ways; first, to assess the level of developer return generated from the proposed development, where site cost is an input into the appraisal, and second; to establish a residual Site Value by inputting a predetermined level of developer return. The financial viability assessment can use the level of developer's return or the Site Value as the benchmark for assessing the impact of planning obligations on viability. While the majority of financial viability assessments use the residual approach, there may be certain circumstances where other appraisal methodologies are appropriate and should be used by the practitioner (for example, when assessing continuing existing uses in terms of obsolescence and depreciation an investment appraisal may be more appropriate). To maintain the residual approach as a market-based exercise, as the NPPF also advocates through seeking a competitive return, it will be important to both benchmark and have regard to the available comparable market-based evidence.





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4.8. The site is located within the London Borough of Richmond administrative area. Planning policies relevant to the consideration of financial viability and affordable housing are contained within the following documents:

- a) The National Planning Policy Framework (“NPPF”) (September 2019), as detailed at paragraphs 4.1 to 4.4 above.
- b) London Plan (2016) and “Intend to Publish” version of the draft London Plan (December 2020)
- c) Richmond Local Plan (3<sup>rd</sup> July 2018) and Affordable Housing SPD (2014).

4.1. The London Plan Policy 3.12 states:

*A The maximum amount for affordable housing should be sought when negotiating on individual private residential and mixed-use schemes, having regard to:*

- *current and future requirements for affordable housing at local and regional levels*
- *affordable housing targets adopted in line with Policy 3.11*
- *the need to encourage rather than restrain residential development*
- *the need to promote mixed and balanced communities*
- *the size and type of affordable housing needed in particular locations*
- *the specific circumstances of individual sites*

*B Negotiations on sites should take account of their individual circumstances including development viability, the availability of public subsidy, the implications of phased development including provisions for re-appraising the viability of schemes prior to implementation (‘contingent obligations’), and other scheme requirements*

4.2. Policy H4 (Delivering affordable housing) of the Intend to Publish version of the London Plan states:

*A The strategic target is for 50 per cent of all new homes delivered across London to be genuinely affordable. Specific measures to achieve this aim include:*

- *requiring major developments which trigger affordable housing requirement<sup>2</sup>s to provide affordable housing through the threshold approach (Policy H5 Threshold approach to applications)*
- *using grant to increase affordable housing delivery beyond the level that would otherwise be provided*
- *all affordable housing providers with agreements with the Mayor delivering at least 50 per cent affordable housing across their development programme, and 60 per cent in the case of strategic partners*
- *public sector land delivering at least 50 per cent affordable housing on each site and public sector landowners with agreements with the Mayor delivering at least 50 per cent affordable housing across their portfolio*
- *industrial land appropriate for residential use in accordance with Policy E7 Industrial intensification, co-location and substitution, delivering at least 50 per cent affordable housing where the scheme would result in a net loss of industrial capacity*

*B Affordable housing should be provided on site. Affordable housing must only be provided off-site or as a cash in lieu contribution in exceptional circumstances.*

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<sup>2</sup> Developments providing 10 or more units triggers an affordable housing requirement.



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4.3. Policy H2 of the Intend to Publish version of the London Plan encourages contributions towards off-site affordable housing where developments fall below the threshold of 10 dwellings or more:

A *Boroughs should pro-actively support well-designed new homes on small sites (below 0.25 hectares in size) through both planning decisions and plan-making in order to:*

- 1) *significantly increase the contribution of small sites to meeting London's housing needs*
- 2) *diversify the sources, locations, type and mix of housing supply*
- 3) *support small and medium-sized housebuilder*
- 4) *support those wishing to bring forward custom, self-build and community-led housing*
- 5) *achieve the minimum targets for small sites set out in Table 4.2 as a component of the overall housing targets set out in Table 4.1.*

B *Boroughs should:*

- 1) *recognise in their Development Plans that local character evolves over time and will need to change in appropriate locations to accommodate additional housing on small sites*
- 2) *Where appropriate, prepare site-specific briefs, masterplans, and housing design codes for small sites*
- 3) *identify and allocate appropriate small sites for residential development*
- 4) *list these small sites on their brownfield registers*
- 5) *grant permission in principle on specific sites or prepare local development orders.*

4.4. LB Richmond Local Plan Policy LP36 – Affordable Housing states:

A. *The Council expects:*

- a. *50% of all housing units will be affordable housing, this 50% will comprise a tenure mix of 40% of the affordable housing for rent and 10% of the affordable intermediate housing.*
- b. *the affordable housing mix should reflect the need for larger rented family units and the Council's guidance on tenure and affordability, based on engagement with a Registered Provider to maximise delivery.*

*Where on-site provision is required, an application should be accompanied by evidence of meaningful discussions with a Registered Provider which have informed the proposed tenure, size of units and design to address local priorities and explored funding opportunities.*

B. *A contribution towards affordable housing will be expected on all housing sites. The following requirements apply:*

- a. *on all former employment sites at least 50% on-site provision. Where possible, a greater proportion than 50% affordable housing on individual sites should be achieved.*
- b. *on all other sites capable of ten or more units gross 50% on-site provision. Where possible, a greater proportion than 50% affordable housing on individual sites should be achieved.*
- c. *on sites below the threshold of 'capable of ten or more units gross', a financial contribution to the Affordable Housing Fund commensurate with the scale of development, in line with the sliding scales set out in the Affordable Housing SPD [reproduced below]:*



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| No. of units proposed (gross) | % Affordable Housing  |   |   |
|-------------------------------|---|---|---|
|                               | For conversions and reversions (where there is no loss of former employment floorspace. | For new build development or redevelopment (where there is no loss of former employment floorspace) | For any units replacing employment floorspace |
| 9 units                       | 36%   | 45%   | 90%   |
| 8 units                       | 32%   | 40%   | 80%   |
| 7 units                       | 28%   | 35%   | 70%   |
| 6 units                       | 24%   | 30%   | 60%   |
| 5 units                       | 20%   | 25%   | 50%   |
| 4 units                       | 16%   | 20%   | 40%   |
| 3 units                       | 12%   | 15%   | 30%   |
| 2 units                       | 8%  | 10%   | 20%   |
| 1 unit                        | 4%  | 5%  | 10%   |

- C. *In accordance with A and B, the Council will seek the maximum reasonable amount of affordable housing when negotiating on individual private residential and mixed-use schemes. The Council will have regard to:*
- a. *economic viability.*
  - b. *individual site costs.*
  - c. *the availability of public subsidy; and*
  - d. *the overall mix of uses and other planning benefits.*
- D. *Where a reduction to an affordable housing contribution is sought from the requirements in A and B on economic viability grounds, developers should provide a development appraisal to demonstrate that schemes are maximising affordable housing. The developer will be required to underwrite the costs of a Council commissioned economic viability assessment. The Council will rigorously evaluate such appraisals and:*
- a. *assess if the maximum reasonable amount of affordable housing is based on delivering the appropriate tenure, unit sizes and types that address local needs.*
  - b. *consider whether it is necessary to secure provision for re-appraising the viability of a scheme prior to implementation to secure contingent obligations.*
  - c. *in most circumstances the Existing Use Value plus a premium (EUV+) approach to assessing benchmark land value in development appraisals and viability assessments should form the primary basis for determining the benchmark land value.*

4.5. Interpretation of Policy LP36 – as the proposal involves does not include the loss of employment space, we assume that the Council will require a payment in lieu which is the equivalent of an affordable housing provision of 40% of the residential dwellings – i.e.  $8 \times 40\% = 3.2$  units. The Council’s calculation of payment in lieu is based upon a spreadsheet prepared by Bespoke Property Group (**Appendix 1**). Using the default assumptions provided within the spreadsheet and subject to agreement of other site-specific viability assumptions, we estimate a commuted sum requirement of **£854,428**.

4.6. Planning policy guidance provided by the NPPG on Viability; the adopted and emerging London Plan and the Council’s adopted Local Plan Policy LP36 allows for the assessment of the economics and financial viability of development (including the need to provide reasonable returns for both landowners and developers), including site specific costs when considering the provision of affordable housing contributions, whether on-site, off-site or in the form of a payment in lieu. We have had regard to these policies and guidance and guidance provided by the RICS when preparing this financial viability assessment and our financial appraisal inputs and outcomes are set out in the following sections of this report.



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- 4.7. Furthermore, we have had regard to the assumptions used within the Richmond Whole Plan Viability Assessment (Adams Integra December 2016) and compared them against site specific assumptions when preparing financial appraisals of the Proposal and further information relating to this approach is provided in section 4 of this report.

## 5. Financial Appraisal Assumptions

- 5.1. We have prepared financial appraisals for the development proposal using Argus Developer – industry recognised software for the provision of development viability models. Our appraisal inputs and supporting evidence relating to the revenue and costs are detailed in the paragraphs below. The Argus Developer financial appraisal **Appendix 2** has been set up to generate a Residual Land Value (“RLV”), with Developer Profit set as a cost.

- 5.1. Development Revenue includes sales income from residential market sales and car parking spaces, plus capitalised rental income from Class E Use space and residential ground rents.

- 5.2. Development Revenue – Residential Market Sales: - To inform our financial appraisal, we have undertaken research into the local residential market. Sources include HM Land Registry sold prices data, the Molior London new build residential sales database and online residential agency resources (Zoopla and Rightmove). Floor area measurements have been sourced via the EPC Register, or via estate agent sales particulars. Where sales prices appear to be heavily discounted from the market level, we have assumed that they relate to shared ownership or Right to Buy transactions and removed them from our analysis.

- 5.3. There were 44 sales of flats and maisonettes within the KT1 4 postal code district between 1<sup>st</sup> January 2019 and 28<sup>th</sup> October 2020 (the most recent HMLR data). The average selling price of the sample overall is £434,156 (£631 per sqft), with an average during 2020 of £525,076 (£624 per sqft). The average dwelling size in the sample is 64 sqm (688 sqft).

- 5.4. The New Build market for apartments within the Richmond upon Thames section of the KT1 postal code is limited – HM Land Registry (HMLR) records confirm that there have been just four transactions since 1<sup>st</sup> January 2017, all occurring between April and September 2017 and located at 35 to 41 Upper Teddington Road KT1 4DL, which is approximately 650m North of the subject site. The four properties at Upper Teddington Road are all flats, with an average NSA of 63.25 sqm (681 sqft). Achieved sales prices ranged from £357,500 to £599,950 and averaged £474,363, equating to £697 per sqft.

- 5.5. We note that there have been two other comparable new build developments within 4km of the subject site:

- Garrick House, 163 High Street, Hampton Hill TW12 1BZ – there were 13 sales of flats between June 2019 and March 2020 at an average selling price of £383,308, equating to £696 per sqft. Pricing ranged from £258,000 for a Studio apartment to £600,000 for a 2-bed apartment.
- Millwood House, 42 Hampton Road, Teddington TW11 0EN – there were 10 sales of flats between January 2019 and March 2020 at an average selling price of £610,600, equating to £766 per sqft. Pricing ranged from £539,995 for a 1-bed apartment to £850,000 for a very large (1,173 sqft) 2-bed apartment at lower ground floor level. We note that the average flat size within the sample is 74.1 sqm (798 sqft), which is larger than we would generally expect for an office to residential conversion.

- 5.6. The closest new build development to the subject property is located at 6 to 10 High Street, Hampton Wick, just 140m to the south-east. The development is marketed as ‘Old Bakery Mews’ and comprises 6 dwellings, of which 2 are comparable to the proposal. We have not been able to source achieved selling prices for Old Bakery Mews but note the following asking prices:

- Old Bakery Mews, Unit 1 - a two bedroom, two bathroom house arranged over three levels, with an NSA of 926 sqft (86 sqm). This dwelling has access to a private courtyard garden, roof terrace and allocated off-street car parking. It is currently being marketed at an asking price of £699,950 equating to £756 per sqft.
- Old Bakery Mews, Unit 3 – a two bedroom, one bathroom apartment which is accessed at ground floor level but has all accommodation at first floor level and has an NSA of 71.5 sqm (770 sqft). This dwelling has access to private allocated car parking, but no external amenity space and is currently being marketed at an asking price of £599,950, equating to £780 per sqft.



5.7. Within the context of the transactional evidence set out at paragraphs 5.3 to 5.6, we consider that the residential accommodation proposed at the subject site would achieve pricing of between £425,000 for 1-bed flats at 50 sqm (538 sqft) and £795,000 for the large 3-bed flat at 110 sqm (1,184 sqft). This pricing assumes similar specification levels to those provided at Old Bakery Mews and that car parking will be sold separately. A summary pricing schedule is provided below, which we consider to be reasonable for viability assessment purposes.

| Residential Accommodation                          |          |        |      |         |           |            |             |                    |                  |
|--|----------|--------|------|---------|-----------|------------|-------------|--------------------|------------------|
| Reference  | Building | Floor  | Beds | Persons | NSA (sqm) | NSA (sqft) | Price (£)   | Price (£ per sqft) | Ground Rent (pa) |
| 07   | Block 1  | First  | 1    | 2       | 50        | 538        | £ 425,000   | £ 790              | £ 250.00         |
| 08   | Block 1  | First  | 1    | 2       | 50        | 538        | £ 425,000   | £ 790              | £ 250.00         |
| 09   | Block 2  | First  | 1    | 2       | 50        | 538        | £ 425,000   | £ 790              | £ 250.00         |
| 10   | Block 1  | Second | 1    | 2       | 50        | 538        | £ 425,000   | £ 790              | £ 250.00         |
| 11   | Block 1  | Second | 2    | 4       | 85        | 915        | £ 695,000   | £ 760              | £ 300.00         |
| 12   | Block 1  | First  | 3    | 5       | 110       | 1184       | £ 795,000   | £ 671              | £ 350.00         |
| 13   | Block 2  | Second | 1    | 2       | 56        | 603        | £ 465,000   | £ 771              | £ 250.00         |
| 14   | Block 1  | Second | 2    | 3       | 61        | 657        | £ 495,000   | £ 754              | £ 300.00         |
| Total Proposed Residential Accommodation (8 units) |          |        |      |         | 512       | 5511       | £ 4,150,000 | £ 753              | £ 2,200.00       |

5.8. Development Revenue - Car Parking – the overall proposal is for 5 x car parking space, of which 3 will be allocated for residential use and 2 will be allocated to Class E Use. We have assumed that spaces provided for Class E Use will be included within any rental or sale agreement between the occupier and developer. Residential spaces are assumed to generate a revenue of £20,000 per space and this has been included within our financial appraisal.

5.9. Development Revenue – Residential Ground Rents – whilst the Government has re-confirmed an intention to set future ground rents at zero (Ministry of Housing, Communities and Local Government announcement 7<sup>th</sup> January 2021), it is uncertain whether legislation will be passed into law within the development period that we anticipate for the proposal. We have therefore included ground rent income as detailed in the table above and capitalised this income at an all-risk yield of 5.0%. We reserve the right to amend this viability assumption in the event that legislation outlawing ground rents comes into law.

5.10. Development Revenue – Retail – the retail element of the proposal comprises the retained and refurbished shop at 31 High Street and new shop within 29 High Street. The total GIA of the proposed retail premises is 2,271 sqft (211 sqm), of which 818 sqft (76 sqm) is provided at ground floor level and 1,453 sqft (135 sqm) is provided at basement level. Based on the Stace LLP construction cost estimate, we have assumed that these areas will be completed to “white box” specification, with shop fronts and services installed.

5.11. There is limited evidence of letting and occupational sale activity within the retail sector in the Hampton Wick and Teddington area during the last 5-years. EGI Radius Data Exchange data, including available units with GIA measurements between 500 sqft and 2,500 sqft is provided below:

- 10 High Street, Hampton Wick KT1 4DB – retail premises arranged over basement and ground floor levels with GIA of 594 sqft (322 sqft basement), sold on 7<sup>th</sup> November 2018 at a price of £170,000 equating to £286 per sqft. Bonsors acted on behalf of the vendor.
- 1<sup>st</sup> Floor, 23 High Street, Teddington TW11 8EX – flexible Class E space with a GIA of 2,280 sqft, let to unknown tenants at an asking rent of £52,500 per annum (£23.03 per sqft) on 1<sup>st</sup> July 2020. Snellers Commercial acted on behalf of the landlord.
- 110 High Street, Teddington TW11 8JD – a ground floor retail / front office unit with a GIA of 1,225 sqft, let to unknown tenants on 1<sup>st</sup> May 2020 at an asking rent of £25,000 per annum (£20.41 per sqft). Snellers Commercial acted for the landlord.
- 24 The Causeway, Teddington TW11 0HE – a ground floor retail shop with a GIA of 635 sqft, acquired by Action Graphics Limited on 24<sup>th</sup> October 2018 for the sum of £275,000 (£433 per sqft).





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- 5.12. Within the context of the above occupational transactions for second-hand properties in fair condition and the proposed refurbishment specification of the retained retail premises to be provided at basement and ground floor levels within 31 High Street, we consider that an ERV of £36,000 pa would be reasonable for viability purposes. This is split between an ERV of £12,000 pa for the basement area (£8.26 per sqft) and an ERV of £24,000 for the ground floor area (£29.34 per sqft).
- 5.13. We have capitalised the ERV at an all-risk yield of 10.00%, reflecting the January 2021 Knight Frank Investment Yield Guide for high street retail in ‘Secondary / Tertiary locations. The impact of COVID-19 on the retail sector during 2020/21 has been widely reported – lockdown legislation has led to significant rent arrears and business failures. Our yield assumption reflects the increased risk associated with small scale, traditional high street retail in a tertiary location. Accordingly, we consider that a GDV of £351,523 (£155 per sqft) would be reasonable for Class E space where 64% of the space is located at basement level and this has been incorporated into our Argus Developer financial appraisal.
- 5.14. Development Revenue – Class E - Office / Workspace – the office element of the proposal comprises the retained and refurbished shop at 31 High Street and new shop within 29 High Street. The total GIA of the proposed retail premises is 2,271 sqft (211 sqm), of which 818 sqft (76 sqm) is provided at ground floor level and 1,453 sqft (135 sqm) is provided at basement level. Based on the Stace LLP construction cost estimate, we have assumed that these areas will be completed to “white box” specification, with shop fronts and services installed.
- 5.15. EGi Radius Data Exchange data relating to the availability, letting and occupational sale of comparable office / workspace units within the Hampton Wick area during the last 5-years, with GIA measurements between 500 sqft and 2,500 sqft is provided below:
- 12 High Street, Hampton Wick KT1 4DB - a ground floor office unit with a GIA of 700 sqft, sold on 3<sup>rd</sup> March 2020 at a price of £225,000, equating to £322 per sqft.
  - 4 High Street, Hampton Wick KT1 4DB – freehold interest in offices with a total GIA of 2,078 sqft (occupied by Ross Hand estate agents and Infields Solicitors), acquired by I.P.M. Personal Pension Trustees Ltd on 23<sup>rd</sup> September 2019 at a price of £510,000 (£245 per sqft).
  - Unit 15, Teddington Business Park TW11 9BQ – a 2-storey office and workshop with a GIA of 1,173 sqft, sold on 9<sup>th</sup> May 2018 for the sum of £282,500 (£240.77 per sqft)
  - 6 Alpha Road, Teddington TW11 0QG – vehicle repair workshop and premises with a GIA of 1,550 sqft, sold on 14<sup>th</sup> May 2019 for the sum of £615,000 (£400 per sqft).
- 5.16. The average selling price of the premises detailed above, equates to £297 per sqft. Our financial appraisal assumes that the Class E space provided within 29b High Street and at land to the rear of 29b High Street will be let at a rent equating to £20 per sqft and capitalised at an all-risk yield of 6.50%. The resultant capital value of £1,053,135 equates to £303 per sqft on the total GIA of 3,477 sqft proposed by the planning application, which we consider to be reasonable within the context of transactional evidence detailed above.
- 5.17. Development Timescale & Costs
- 5.18. Based on our market research and advice from Stace LLP, we have assumed the following programme for the completion of the development, including the sale period: -

| Development Stage               | Start Date    | End Date     | Duration (months) |
|---------------------------------|---------------|--------------|-------------------|
| Purchase                        | January 2021  | January 2021 | 1                 |
| Pre-construction                | February 2021 | April 2021   | 3                 |
| Construction                    | May 2021      | April 2022   | 12                |
| Sale                            | May 2022      | July 2022    | 3                 |
| <b>Total Development Period</b> |               |              | <b>19</b>         |

- 5.19. Construction Costs –An Order of Cost Estimate prepared by Stace LLP is provided at **Appendix 3**. The table below is reproduced from the Stace LLP report and provides a summary of the cost estimate.





#### 4.00 Order of Cost Estimate Summary

| Ref                               | Item                               | Area           |                 | £/m <sup>2</sup> | £/ft <sup>2</sup> | Total Rounded<br>£ |
|-----------------------------------|------------------------------------|----------------|-----------------|------------------|-------------------|--------------------|
|                                   |                                    | m <sup>2</sup> | ft <sup>2</sup> | £                | £                 |                    |
| .1                                | Facilitating Works                 |                |                 |                  |                   | 154,000            |
| .2                                | 29 & 31 High Street - Retail Shell | 211            | 2271            | 1,062            | 99                | 224,000            |
| .3                                | 29 & 31 High Street - Residential  | 212            | 2282            | 1,764            | 164               | 374,000            |
| .4                                | 29B - Workshop/office              | 265            | 2852            | 1,355            | 126               | 359,000            |
| .5                                | 29B - Residential                  | 295            | 3175            | 1,915            | 178               | 565,000            |
| .6                                | New - Residential                  | 132            | 1421            | 2,098            | 195               | 277,000            |
| .7                                | New - Workshop/office              | 90             | 969             | 2,033            | 189               | 183,000            |
| .8                                | External works                     |                |                 |                  |                   | 248,000            |
| <b>Total of Cost Estimate</b>     |                                    | <b>1205</b>    | <b>12970</b>    |                  |                   | <b>£ 2,384,000</b> |
| <b>Aggregate £/m<sup>2</sup></b>  |                                    |                |                 |                  |                   | <b>£ 1,978.42</b>  |
| <b>Aggregate £/ft<sup>2</sup></b> |                                    |                |                 |                  |                   | <b>£ 183.81</b>    |

- 5.20. The above costs include an allowance for a 5% contingency to cover design development and construction risks.
- 5.21. We are advised by the transport consultant that allowance should be made for the installation of 2no. electric vehicle charging points – this is included within the Stace LLP external works item.
- 5.22. On the advice of the sustainability consultant, we have included an allowance of £10,000 per residential dwelling within our financial appraisal to cover the cost of installing Air Source Heat Pumps rather than a traditional central heating system.
- 5.23. Other Development Costs – our financial appraisals include other costs relating to the development and our input assumptions are set out below. The draft National Planning Practice Guidance (March 2018) recommends that “...where viability assessment is submitted to accompany a planning application this should be based upon and refer back to the viability assessment that informed the plan...”. Accordingly, the table below compares our appraisal assumptions with those used by Adams Integra to inform the Richmond Whole Plan Viability Study in December 2016: -



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| Item   | GCL Assumption  | LB Richmond Whole Plan Viability Assumption (Adams Integra December 2016)        |
|--|---|--|
| Acquisition Costs – SDLT                             | As HMLR Rates   | As HMLR Rates  |
| Acquisition Costs – Agent Fee                        | 1% of Residual Land Value                                     | 1% of Residual Land Value  |
| Acquisition Costs – Legal Fee                        | 0.50% of Residual Land Value                                  | 0.75% of Residual Land Value   |
| Base Construction Costs                              | As per Order of Cost Estimate                                 | BCIS Median Cost Rate (3-5 storey flats) plus allowances for sustainability, etc |
| External Works                                       | As per Order of Cost Estimate                                 | 12% of BCIS Median Cost Rate   |
| Remediation Costs                                    | As per Order of Cost Estimate                                 | No allowance   |
| Contingency  | 5% of Construction Cost                                       | 5% of Construction Cost  |
| Mayoral CIL Contributions                            | Estimated in accordance with CIL Charging Schedule            | Estimated in accordance with CIL Charging Schedule                               |
| Carbon Off-set Payment                               | £13,381 as calculated by Sustainability consultant            | No allowance stated  |
| Professional Fees                                    | 12% of Construction Costs (inc. town planning & survey costs) | 12% of Construction Cost   |
| Marketing Costs                                      | 1% of Gross Development Value                                 | 3% of sales revenue (inc Agent Fee)  |
| Letting Agent Fee                                    | 15% of Net Rent at Sale                                       | No allowance stated  |
| Letting Legal Fee                                    | 5% of Net Rent at Sale  | No allowance stated  |
| Purchaser's Costs                                    | 6.50% of Commercial & Ground Rent Investment                  | No allowance stated  |
| Sales Agent Fees                                     | 1.00% of Gross Development Value                              | 1.00% of Gross Development Value   |
| Sales Legal Fee (Residential)                        | £700 per dwelling   | £700 per dwelling  |
| Sales Legal Fee (Commercial)                         | 0.50% of selling price (commercial and ground rents)          | No allowance stated  |
| Finance Debit Rate                                   | 6.50% (including all arrangement & exit fees)                 | 6.75%  |
| Developer Profit (Market Residential)                | 20% of Gross Development Value                                | 20% of Gross Development Value   |
| Developer Profit (Affordable Housing)                | 6% of Gross Development Value                                 | 6% of Gross Development Value  |
| Developer Profit (Commercial/Ground Rent Investment) | 15% of Gross Development Value                                | No allowance stated  |

5.24. The financial appraisal results are summarised in section 7.

## 6. Viability Benchmark

- 6.1. As explained in section 3, financial viability assessments can use the level of developer's return or the Site Value as the benchmark for assessing the impact of planning obligations on viability.
- 6.2. The NPPF states that viability assessments should consider *“competitive returns to a willing landowner and willing developer to enable the development to be deliverable.”* This return will vary significantly between projects to reflect the size and risk profile of the development and the risks to the project. A rigid approach to assumed profit levels should be avoided and comparable schemes or data sources reflected wherever possible.
- 6.3. A competitive return for the landowner is the price at which a reasonable landowner would be willing to sell their land for the development. The price will need to provide an incentive for the landowner to sell in comparison with the other options available. Those options may include the current use value of the land or its value for a realistic alternative use that complies with planning policy.
- 6.4. Paragraph 013 of the NPPG on Viability confirms that Benchmark Land Value ('BLV') should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. Paragraph 014 of the NPPG sets out the factors that should be considered to establish benchmark land value. BLV should:
- Be based upon existing use value.
  - Allow for a premium to landowners.



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- Reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees; and
- Be informed by market evidence including current uses, costs, and values wherever possible.

- 6.5. Paragraph 015 defines EUV as "...the value of the land in its existing use together with the right to implement any development for which there are policy compliant extant planning consents, including realistic deemed consents, but without regard to alternative uses." Paragraph 015 confirms "Existing use value is not the price paid and should disregard hope value".
- 6.6. The Property is currently used for retail and workspace with a total existing GIA of approximately 757 sqm (8,147 sqft), of which 492.4 sqm (5,300 sqft) is occupied.
- 6.7. The existing property elements are detailed below:

| Schedule of Existing Buildings & Uses |          |                 |             |             |                             |
|---------------------------------------|----------|-----------------|-------------|-------------|-----------------------------|
| Building                              | Floor    | GIA (sqm)       | GIA (sqft)  | Use         | Condition Occupation Status |
| 29 High St                            | Ground   | 115             | 1238        | Class E     | Fair - Occupied             |
|                                       | First    | 51.1            | 550         | Class E     | Fair - Occupied             |
| 29 b High Sreet                       | Ground   | 165.6           | 1783        | Class E     | Fair - Occupied             |
|                                       | First    | 78.5            | 845         | Class E     | Fair - Occupied             |
| 31 High Street                        | Basement | 36              | 388         | Class E     | Good - Occupied             |
|                                       | Ground   | 46.2            | 497         | Class E     | Good - Occupied             |
|                                       | First    | 38.3            | 412         | Class E     | Fair - Occupied             |
|                                       | Second   | 33.6            | 362         | Residential | Fair - Vacant               |
| Outbuildings (Dilapidated)            | Ground   | 45.1            | 485         | Class E     | Poor - Unusable             |
|                                       | Ground   | 147.5           | 1588        | Class E     | Poor - Unusable             |
| <b>Total</b>                          |          | <b>756.9</b>    | <b>8147</b> |             |                             |
| <b>Car Parking</b>                    |          | <b>8 spaces</b> |             |             |                             |

- 6.8. Our approach to assessing the Existing Use Value (EUV) of the Property is as follows:
- 31 High Street Class E (Retail Shop) – the Applicants own the Freehold interest and lease the unit to tenants. We do not have details of the current lease terms and have therefore assessed the EUV based on transactional evidence set out at paragraphs 5.10 and 5.11. We have applied an adjustment to our assessment of ERV to take account of the condition of the property. Our opinion is that an ERV of £10,000 is appropriate, split £2,500 for the basement space (£6.45 per sqft) and £7,500 for the ground floor space (£15.08 per sqft). The rental income is then capitalised at an all-risk yield of 10.00%, reflecting the January 2021 Knight Frank investment yield guide for secondary and tertiary high street retail property. The resultant EUV is £100,000, equating to £113 per sqft.
  - 31 High Street Class C3 (Residential) Flat – the Applicants own the Freehold interest in the residential studio located at second floor level, which has an NSA of 33.6 sqm (388 sqft). The property is currently vacant and considered to be in fair and tenable condition. Based on the residential transactional evidence set out at 5.3 above for the general market within the KT1 4 postal code area, we consider that a reasonable EUV assumption for a studio apartment in good condition would be approximately £245,000, noting the following transactions:
    - Flat 2, Tabard House, 22 Upper Teddington Road KT1 4DT – a studio apartment with an NSA of 35 sqm (377 sqft), sold on 18<sup>th</sup> March 2019 for the sum of £225,000 (£597 per sqft)
    - Flat 16, Tabard House, 22 Upper Teddington Road KT1 4DT – a studio apartment with an NSA of 33 sqm (355 sqft), sold on 14<sup>th</sup> March 2019 for the sum of £248,475 (£699 per sqft)
    - Flat 11, Tabard House, 22 Upper Teddington Road KT1 4DT – a studio apartment with an NSA of 32 sqm (344 sqft), sold on 12<sup>th</sup> July 2019 for the sum of £240,000 (£697 per sqft).



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Within the context of this transactional evidence and accounting for the condition of the property, we consider that a reasonable EUV for the studio flat at second floor level of 31 High Street would be £195,000, equating to £539 per sqft.

- iii. 29 High Street & First Floor 31 High Street - Class E (Workspace) – these premises appear to operate as a single unit, with a shop front and workspace at ground floor level of 29 High Street (1,238 sqft GIA) and additional workspace associated with the print shop operation at first floor level of 29 and 31 High Street (962 sqft GIA). The premises are in fair condition and are occupied for Class E workspace use. Based on transactional evidence considered at paragraphs 5.14 to 5.16 above and taking account of the condition of the premises, we consider that a reasonable ERV is £25,000 (£11.36 per sqft). We have capitalised the ERV at an all-risk yield of 10.00% to reflect the secondary location of the property and the resultant EUV of £250,000 equates to £113.64 per sqft.
- iv. 29b High Street – ground and first floor Class E (Workspace) – this element has a GIA of 2,628 sqft (244 sqm) and is used as a design studio and workshop by the Applicant. The premises are in fair condition and we consider that a reasonable ERV would be £40,000, equating to £15.22 per sqft. Capitalisation at an all-risk yield of 10.00% (see justification above) provides an EUV of £400,000 (£152 per sqft), which represents a significant discount to the transactions identified at paragraphs 5.14 to 5.16 and reflects the condition of the building.
- v. Ancillary Buildings R/O 29b High Street – are in a dilapidated and unusable condition. As existing, the buildings represent a liability for the Applicant as they should be demolished. However, once demolished we consider that it would be reasonable to assume that the space they currently occupy could be let and used for open storage ancillary to the use of the existing business, without the need for planning permission.

Accordingly, we have assessed the cost of demolition based on the assumptions used by Stace LLP in preparing their construction cost estimate and off-set this with the potential income that could be received from open storage use. We have calculated the rental income relating to hard surface open storage land based on comparable properties assessed by the Valuation Office Agency (VOA) for Business Rates purposes of £30 per sqm (£2.79 per sqft).

Our assessment of EUV after a deduction of £36,000 landowner liability for demolition costs is £21,780 as detailed in the table below.

| Ancillary Buildings EUV Calculation                 |         |                     |
|---|---------|---------------------|
| Total Ground floor GIA of Ancillary Buildings (sqm) |         | 192.6               |
| Building Volume (m3 assumes 3m ridge height)        |         | 577.8               |
| Demolition Rate (per m3)                            | £ 50.00 | £ 28,890.00         |
| Main Contract Prelims                               | 13%     | £ 3,755.70          |
| OH&P  | 4%      | £ 1,305.83          |
| Contingency   | 5%      | £ 1,697.58          |
| Total Demolition Works                              |         | £ 35,649.10         |
| <b>Landowner Liability (rounded)</b>                |         | <b>£ 36,000.00</b>  |
| VOA Rate per sqm for Hard Surfaced Storage Land     |         | £30.00              |
| ERV based on 192.6 sqm site area                    |         | £ 5,778.00          |
| All-risks Yield for Secondary location              |         | 10%                 |
| Capital Value                                       |         | £ 57,780.00         |
| Landowner Liability                                 |         | <b>-£ 36,000.00</b> |
| <b>Existing Use Value</b>                           |         | <b>£ 21,780.00</b>  |



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 6.9. Our opinion of total EUV is £966,780, summarised in the table below:

| 29, 29b, 31 High Street, Hampton Wick - Summary Existing Use Value                |                    |
|---|--------------------|
| Building  | Existing Use Value |
| 31 High Street Class E Use (Basement & Ground Floors)                             | £100,000           |
| 29 High Street (Ground & First Floors) & 31 High Street (First Floor) Class E Use | £250,000           |
| 31 High Street Class C3 Use (Second Floor)  | £195,000           |
| 29b High Street Class E Use (Ground & First Floors)                               | £400,000           |
| Ancillary Buildings (Dilapidated)   | £ 21,780           |
| <b>Total Existing Use Value</b>   | <b>£966,780</b>    |

6.10. Landowner Premium - As stated in the Viability NPPG, Benchmark Land Value should be assessed on an EUV + landowner premium approach. The landlord premium can range between 0% and 30%, depending on factors such as whether the property is occupied and income generating, the covenant strength of existing or alternative tenants, demand from alternative occupiers and the condition of the existing building. We note the following scoring matrix in respect of landowner premiums from previous viability discussions with BNP Paribas Real Estate: -

| Factors Influencing Landowner Premium                        |                    |                |                        |
|--|--------------------|----------------|------------------------|
| Factor   | Scoring            |                |                        |
| Occupied & Income generating                                 | Yes +10%           |                | No - 0%                |
| Occupational Terms   | Owner Occupied +5% | Long Lease +5% | Short Lease/licence 0% |
| Covenant Strength of existing tenants or alternative tenants | Strong +5%         | Medium +1.5%   | Poor 0%                |
| Demand from alternative occupiers                            | Strong +5%         | Limited +2.5%  | None 0%                |
| Condition  | Good +5%           | Fair +2.5%     | Poor 0%                |

6.11. Taking the approach used by BNP Paribas Real Estate, our assessment of the scoring in respect of landowner premium is as follows:

- The property is occupied & income generating +10% premium.
- Occupational Terms – short lease / licence +0% premium
- Covenant Strength – poor +0%
- Demand from alternative occupiers – limited +2.5%
- Building Condition – fair +2.5%
- Total assessed premium is +15%, however this would only apply to the occupied space in Class E use and would not relate to the vacant residential dwelling or dilapidated ancillary buildings, so we propose to apply a discount to this calculation and propose a premium of **10.00%**

6.12. We therefore consider that a reasonable Benchmark Land Value for comparison with the Residual Land Value generated by our financial appraisals would be **£1,063,000** (rounded).

## 7. Financial Appraisal Outcomes & Conclusion

7.1. Grimshaw Consulting Limited ('GCL') has undertaken an independent financial viability assessment for a mixed-use scheme comprising the following elements:

- Demolition of 29 High Street and 29b High Street (total GIA 411 sqm) and dilapidated structures within the application site with a total GIA of 192 sqm
- Construction of new Class E space with a total GIA of 534 sqm (5,425 sqft)
- Construction of eight (8) residential dwellings with a total GIA of 639 sqm (6,878 sqft)
- The provision of five (5) surface level car parking spaces.
- Associated external works, landscaping, refuse and cycle storage.



29, 29b & 31 High Street, Hampton Wick – Financial Viability Assessment – February 2021

- 7.2. LB Richmond adopted planning policy requires a financial contribution in lieu of affordable housing for developments of between 1 and 9 residential dwellings. The Council has a commuted sum calculation spreadsheet, which we have used to assess the policy compliant level of contribution (Appendix 1). We find that a policy compliant contribution would be **£854,428**.
- 7.3. To inform discussions between the Applicant and the Council, we have considered whether the provision of a payment in lieu of on-site affordable housing is financially viable, within the context of site-specific cost and revenue estimates and the need to provide a reasonable level of return for both the landowner and developer. This review of financial viability has been undertaken by GCL as an independent assessor and in compliance with the RICS Professional Statement “Financial Viability in Planning: Conduct and Reporting” May 2019.
- 7.4. A summary of our Argus Developer financial appraisal outcome is provided below: -

| 29, 29b & 31 High Street, Hampton Wick - Financial Appraisal Summary |                    |
|--|--------------------|
| <b>Development Cost / Revenue</b>                                    |                    |
| Development Revenue - Market Housing                                 | £ 4,150,000        |
| Development Revenue - Residential Ground Rents                       | £ 44,000           |
| Development Revenue - Class E Use Premises                           | £ 1,404,658        |
| Development Revenue - Residential Car Parking                        | £ 60,000           |
| <b>Total Development Revenue</b>                                     | <b>£ 5,658,658</b> |
| Acquisition Costs – SDLT   | £ 42,651           |
| Acquisition Costs – Agent Fee  | £ 10,630           |
| Acquisition Costs – Legal Fee  | £ 5,315            |
| Construction Costs   | £ 2,384,000        |
| Additional Sustainability Costs                                      | £ 80,000           |
| Contingency  | (included)         |
| Mayoral CIL Contributions  | £ 60,800           |
| Borough CIL Contributions  | £ 60,400           |
| Carbon Off-set Payment   | £ 13,381           |
| Affordable Housing Commuted Sum                                      | £ 70,650           |
| Professional Fees  | £ 295,680          |
| Marketing & Letting Costs  | £ 77,095           |
| Disposal Costs   | £ 198,286          |
| Finance Costs  | £ 235,194          |
| Developer Profit   | £ 1,061,564.00     |
|  | 18.76%             |
| <b>Total Development Costs</b>                                       | <b>£ 4,595,646</b> |
| Residual Land Value  | £ 1,063,012        |
| Viability Benchmark  | £ 1,063,000        |
| <b>Viability Surplus / (Deficit)</b>                                 | <b>£ 12</b>        |
| <b>Viability Surplus / (Deficit) as % GDV</b>                        | <b>0.000%</b>      |





29, 29**b** & 31 High Street, Hampton Wick – Financial Viability Assessment – February 2021

- 7.5. Our financial appraisal indicates that the proposed development can support a payment in lieu of on-site affordable housing of **£70,650**.

Robert Grimshaw  
Director  
Grimshaw Consulting Limited  
1<sup>st</sup> February 2021



29, 29**b** & 31 High Street, Hampton Wick - Financial Viability Assessment - February 2021

## 8. Appendices



29, 29**b** & 31 High Street, Hampton Wick - Financial Viability Assessment - February 2021

## Appendix 1 - LB Richmond Affordable Housing Commuted Sum Calculator

**LONDON BOROUGH OF RICHMOND UPON THAMES**  
**AFFORDABLE HOUSING SPD - ANNEXE A - COMMUTED SUM CALCULATION**

REV A

|  |                         |   |
|--|-------------------------|---|
| <b>Site Name:</b> 29 High Street Hampton Wick            | <b>Date:</b> 19/01/2021 | <b>Notes:</b>   |
| Number of Units on proposed development                  | 8 No.                   | 5 x 1b2p, 1 x 2b3p, 1 x 2b4p, 1 x 3b5p                    |
| Level of Affordable Housing required                     | 40%                     | <b>Affordable Rent</b> Intermediate                       |
| Number of Affordable Units required                      | 3.20 No.                | 1b = 2.56 / 8 x 5      1.6 1bed = 0.64 / 8 x 5      0.4   |
| Percentage Affordable Rented required                    | 80%                     | 2b = 2.56 / 8 x 2      0.64 2bed = 0.64 / 8 x 2      0.16 |
| Number of Affordable Rented Units required               | 2.56 No.                | 3b = 2.56 / 8 x 1      0.32 3bed = 0.64 / 8 x 1      0.08 |
| Percentage Intermediate required                         | 20%                     |   |
| Number of Intermediate units required                    | 0.64 No.                |   |
| <b>Less on Site provision</b>                            |                         |   |
| Affordable Rented Units provided on site                 | 0 No.                   |   |
| <b>Net number of units of Affordable Rented off-site</b> | 2.56 No.                |   |
| Intermediate Units provided on site                      | 0 No.                   |   |
| <b>Net number of Intermediate units off-site</b>         | 0.64 No.                |   |

**Off-Site Commuted Sum calculation**

| <b>Affordable Rented</b> |                    |         |               |                |               |                   |             |                  |              |
|--------------------------|--------------------|---------|---------------|----------------|---------------|-------------------|-------------|------------------|--------------|
| Unit type                | Off Site Provision | OMV £   | Profit 20.00% | Net Total Cost | Rent per week | Mgt Charge 25.00% | Yield 6.00% | Capitalised Rent | Commuted Sum |
| 1 Bed Flat               | 1.60               | 425,000 | 85,000        | 340,000        | 159.32        | 2,071             | 6.00%       | 103,558          | 378,307      |
| 2 Bed Flat               | 0.64               | 595,000 | 119,000       | 476,000        | 168.67        | 2,193             | 6.00%       | 109,636          | 234,473      |
| 3 Bed Flat               | 0.32               | 795,000 | 159,000       | 636,000        | 178.05        | 2,315             | 6.00%       | 115,733          | 166,486      |
| 2 Bed Hse                |                    |         | 0             | 0              |               | 0                 | 6.00%       | 0                | 0            |
| 3 Bed Hse                |                    |         | 0             | 0              |               | 0                 | 6.00%       | 0                | 0            |
| 4 Bed Hse                |                    |         | 0             | 0              |               | 0                 | 6.00%       | 0                | 0            |
| 5 Bed Hse                |                    |         | 0             | 0              |               | 0                 | 6.00%       | 0                | 0            |
| <b>Total</b>             | 2.56               |         |               |                |               |                   |             | <b>Total</b>     | 779,266      |

| <b>Intermediate - Shared Ownership</b> |                    |         |               |                |                   |                  |             |                  |                    |              |
|--|--------------------|---------|---------------|----------------|-------------------|------------------|-------------|------------------|--------------------|--------------|
| Unit type                              | Off Site Provision | OMV £   | Profit 20.00% | Net Total Cost | Equity Rent 2.75% | Mgt Charge 6.50% | Yield 6.00% | Capitalised Rent | 1st Tranche 25.00% | Commuted Sum |
| 1 Bed Flat                             | 0.40               | 425,000 | 85,000        | 340,000        | 8,766             | 570              | 6.00%       | 136,598          | 106,250            | 38,861       |
| 2 Bed Flat                             | 0.16               | 595,000 | 119,000       | 476,000        | 12,272            | 798              | 6.00%       | 191,237          | 148,750            | 21,762       |
| 3 Bed Flat                             | 0.08               | 795,000 | 159,000       | 636,000        | 16,397            | 1,066            | 6.00%       | 255,518          | 198,750            | 14,539       |
| 2 Bed Hse                              |                    |         | 0             | 0              | 0                 | 0                | 6.00%       | 0                | 0                  | 0            |
| 3 Bed Hse                              |                    |         | 0             | 0              | 0                 | 0                | 6.00%       | 0                | 0                  | 0            |
| 4 Bed Hse                              |                    |         | 0             | 0              | 0                 | 0                | 6.00%       | 0                | 0                  | 0            |
| 5 Bed Hse                              |                    |         | 0             | 0              | 0                 | 0                | 6.00%       | 0                | 0                  | 0            |
| <b>Total</b>                           | 0.64               |         |               |                |                   |                  |             |                  |                    | 75,162       |

|                    |      |  |  |  |  |  |  |                           |         |
|--------------------|------|--|--|--|--|--|--|---------------------------|---------|
| <b>Total Units</b> | 3.20 |  |  |  |  |  |  | <b>Total Commuted Sum</b> | 854,428 |
|--------------------|------|--|--|--|--|--|--|---------------------------|---------|



29, 29**b** & 31 High Street, Hampton Wick – Financial Viability Assessment – February 2021  
Appendix 2 – Argus Developer Financial Appraisal

29, 29b & 31 High Street, Hampton Wick  
Mr & Mrs Frost  
Not a Valuation

Development Appraisal  
Grimshaw Consulting Limited  
01 February 2021



**29, 29b & 31 High Street, Hampton Wick  
Mr & Mrs Frost  
Not a Valuation**

**Appraisal Summary for Phase 1**

Currency in £

**REVENUE**

| Sales Valuation                                | Units    | ft <sup>2</sup> | Sales Rate ft <sup>2</sup> | Unit Price | Gross Sales      |
|--|----------|-----------------|----------------------------|------------|------------------|
| Residential (Market Sale)                      | 8        | 5,511           | 753.04                     | 518,750    | 4,150,000        |
| Car Parking (3 x residential spaces @ £20,000) | 1        | 0               | 0.00                       | 60,000     | 60,000           |
| <b>Totals</b>                                  | <b>9</b> | <b>5,511</b>    |                            |            | <b>4,210,000</b> |

**Rental Area Summary**

|  | Units    | ft <sup>2</sup> | Rent Rate ft <sup>2</sup> | Initial MRV/Unit | Net Rent at Sale | Initial MRV    |
|--|----------|-----------------|---------------------------|------------------|------------------|----------------|
| 31 High St Basement Class E (Retail)                 | 1        | 1,453           | 8.26                      | 12,000           | 12,000           | 12,000         |
| 29/31 High Street Ground Floor Class E (Retail)      | 1        | 818             | 29.34                     | 24,000           | 24,000           | 24,000         |
| 29b High Street Ground Floor Class E (Workspace)     | 1        | 2,508           | 20.00                     | 50,160           | 50,160           | 50,160         |
| R/O 29b High Street Ground Floor Class E (Workspace) | 1        | 969             | 20.00                     | 19,380           | 19,380           | 19,380         |
| Residential Ground Rents                             | 1        |                 |                           | 2,200            | 2,200            | 2,200          |
| <b>Totals</b>  | <b>5</b> | <b>5,748</b>    |                           |                  | <b>107,740</b>   | <b>107,740</b> |

**Investment Valuation**

|   |        |            |          |         |                  |
|---|--------|------------|----------|---------|------------------|
| <b>31 High St Basement Class E (Retail)</b>                 |        |            |          |         |                  |
| Market Rent   | 12,000 | YP @       | 10.0000% | 10.0000 |                  |
| (3mths Rent Free)   |        | PV 3mths @ | 10.0000% | 0.9765  | 117,174          |
| <b>29/31 High Street Ground Floor Class E (Retail)</b>      |        |            |          |         |                  |
| Market Rent   | 24,000 | YP @       | 10.0000% | 10.0000 |                  |
| (3mths Rent Free)   |        | PV 3mths @ | 10.0000% | 0.9765  | 234,349          |
| <b>29b High Street Ground Floor Class E (Workspace)</b>     |        |            |          |         |                  |
| Market Rent   | 50,160 | YP @       | 6.5000%  | 15.3846 |                  |
| (3mths Rent Free)   |        | PV 3mths @ | 6.5000%  | 0.9844  | 759,638          |
| <b>R/O 29b High Street Ground Floor Class E (Workspace)</b> |        |            |          |         |                  |
| Market Rent   | 19,380 | YP @       | 6.5000%  | 15.3846 |                  |
| (3mths Rent Free)   |        | PV 3mths @ | 6.5000%  | 0.9844  | 293,497          |
| <b>Residential Ground Rents</b>                             |        |            |          |         |                  |
| Current Rent  | 2,200  | YP @       | 5.0000%  | 20.0000 | 44,000           |
| <b>Total Investment Valuation</b>                           |        |            |          |         | <b>1,448,658</b> |

**GROSS DEVELOPMENT VALUE**

**5,658,658**

**NET REALISATION**

**5,658,658**

**OUTLAY**

**ACQUISITION COSTS**

|                           |  |       |  |           |           |
|---------------------------|--|-------|--|-----------|-----------|
| Residualised Price        |  |       |  | 1,063,013 |           |
| Stamp Duty                |  |       |  | 42,651    | 1,063,013 |
| Effective Stamp Duty Rate |  | 4.01% |  |           |           |
| Agent Fee                 |  | 1.00% |  | 10,630    |           |
| Legal Fee                 |  | 0.50% |  | 5,315     |           |
|                           |  |       |  |           | 58,596    |

**CONSTRUCTION COSTS**

| Construction              | ft <sup>2</sup> | Build Rate ft <sup>2</sup> | Cost      |
|---------------------------|-----------------|----------------------------|-----------|
| Construction Costs        | 12,970          | 183.81                     | 2,384,000 |
| Borough CIL (Residential) |                 |                            | 60,400    |
| MCIL2 (Residential)       |                 |                            | 18,200    |
| MCIL2 (Class E Uses)      |                 |                            | 42,600    |
|                           |                 |                            | 2,505,200 |

**Other Construction**

|                                   |      |               |        |  |
|-----------------------------------|------|---------------|--------|--|
| Additonal - Air Source Heat Pumps | 8 un | 10,000.00 /un | 80,000 |  |
|                                   |      |               | 80,000 |  |

**Section 106 Costs**

|                                 |  |  |        |
|---------------------------------|--|--|--------|
| Carbon Off-set Payment          |  |  | 13,381 |
| Affordable Housing Commuted Sum |  |  | 70,650 |
|                                 |  |  | 84,031 |

**APPRAISAL SUMMARY****GRIMSHAW CONSULTING LIMITED**

29, 29b &amp; 31 High Street, Hampton Wick

Mr &amp; Mrs Frost

Not a Valuation

**PROFESSIONAL FEES**

|                   |        |         |         |
|-------------------|--------|---------|---------|
| Professional Fees | 12.00% | 295,680 | 295,680 |
|-------------------|--------|---------|---------|

**MARKETING & LETTING**

|                   |        |        |        |
|-------------------|--------|--------|--------|
| Marketing         | 1.00%  | 55,987 |        |
| Letting Agent Fee | 15.00% | 15,831 |        |
| Letting Legal Fee | 5.00%  | 5,277  | 77,095 |

**DISPOSAL FEES**

|                                  |                   |        |         |
|----------------------------------|-------------------|--------|---------|
| Purchaser's Costs                |                   | 94,163 |         |
| Effective Purchaser's Costs Rate | 6.50%             |        |         |
| Sales Agent Fee                  | 1.50%             | 84,880 |         |
| Residential Sales Legal Fee      | 8 un 1,500.00 /un | 12,000 |         |
| Investment Sales Legal Fee       | 0.50%             | 7,243  | 198,286 |

**FINANCE**

|   |  |         |         |
|---|--|---------|---------|
| Debit Rate 7.000%, Credit Rate 0.000% (Nominal) |  |         |         |
| Land  |  | 101,718 |         |
| Construction                                    |  | 110,560 |         |
| Other   |  | 22,916  |         |
| Total Finance Cost                              |  |         | 235,194 |

**TOTAL COSTS****4,597,094****PROFIT****1,061,564****Performance Measures**

|                         |        |
|-------------------------|--------|
| Profit on Cost%         | 23.09% |
| Profit on GDV%          | 18.76% |
| IRR% (without Interest) | 34.59% |



29, 29**b** & 31 High Street, Hampton Wick - Financial Viability Assessment - February 2021  
Appendix 3 - Order of Cost Estimate (Stace LLP)

# Order of Cost Estimate 1

Rev B

Project 29-31 High Street, Hampton Wick

Client Mr & Mrs Frost

Date 29 January 2021

Prepared by Paul Burns/Martin Kennedy

#### Contact Details

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Comp' Checked 

|    |
|----|
| VS |
|----|

Approved 

|     |
|-----|
| PEB |
|-----|

## 1.00 Document Issue Register

|    | Document Name            | Rev | Issue Date | Issued to          |
|----|--------------------------|-----|------------|--------------------|
| .1 | Order Of Cost Estimate 1 | -   | 10/12/2020 | Grimshaw Consuting |
| .2 | Order Of Cost Estimate 1 | A   | 27/01/2021 | Grimshaw Consuting |
| .3 | Order Of Cost Estimate 1 | B   | 29/01/2021 | Grimshaw Consuting |

### Comments

Rev B Basement area adjusted to suit revised increased size including retaining walls to Retail units 29 & 31.



## 2.00 Introduction

- .1 This document represents an Order of Cost Estimate for the proposed building at 29, 29b & 31 High Street, Hampton Wick, Kingston-Upon-Thames, KT1 4DA.
- .2 The proposed scheme comprises of the demolition of existing properties at the front and rear of the site and the erection of new commercial space, workshop space and residential units. The scope covers the redevelopment of: 31, 29, 29b and two dilapidated light workshops/offices into **new Class E floorspace** and **8** residential units (**5nr 1B2P, 1nr 2B3P, 1nr 2b4p** and 1nr 3B5P). Additionally the external areas shall be redeveloped to provide parking spaces, cycle storage and commercial and residential refuse space.
- .3 Order of Cost Estimates are produced as an intrinsic part of Royal Institute of British Architects (RIBA) Work Stage 1. The core objectives of this RIBA stage as described in the RIBA Plan of Work 2013 is as follows: -
- **Stage 1 Preparation and Brief - Develop project objectives, including quality objectives** and project outcomes, sustainability aspirations, project budget, other parameters or constraints and develop initial project brief. Undertake feasibility studies and review of site information.
- .4 The purpose of an Order of Cost Estimate is to establish a realistic cost limit for the building project. The cost limit being the maximum expenditure that the Client is prepared to make in relation to the completed building project, which will be managed by the project team
- .5 Stace Order of Cost Estimates use industry benchmarking data to provide an order of cost typically expected of a project of this type. The benchmarking data takes into account the nature/specification of the project, the expected method of construction, the location and defined uses.
- .6 The data considered in providing the benchmarking Order of Cost Estimate relates to 04th quarter 2020 (4Q20) and has been sourced from:
- **Stace Projects**
  - **BCIS data**
  - **Industry published cost data**
- .7 This Order of Cost Estimate is based on information noted in Section 6.0
- .8 We draw your attention to the notes in Section 7.0
- .9 We draw your attention to the exclusions in Section 8.0
- .10 Increased cost projections are excluded.
- .11 The costs are based on the assumption of a single stage competitive tender to main contractors using a design and build form of contract. It should be noted that an alternative form of procurement would require a review of the budget.
- .12 Fees are excluded.
- .13 VAT is excluded.

## 2.00 Introduction

.14 Estimating works to an existing building introduces many sources of uncertainty and these can affect the scope of the works, the cost and the programme. The risks include:

- **The availability of information about the buildings original design and construction** including the existence of unrecorded alterations
- **The condition of the existing building, the quality of the original construction and the effects of settlement, wear and tear.**
- **The effects of demolition, alterations and temporary works on the progress of the works and the retained fabric**
- **The scale of anticipated temporary works and protection**
- **The presence of existing occupiers within the building**

| RIBA Work Stage                        | 0                        | 1                         | 2                     | 3                     | 4                      | 5            | 6             | 7      |
|--|--------------------------|---------------------------|-----------------------|-----------------------|------------------------|--------------|---------------|--------|
| RICS Estimate Stage/<br>Stace Document | Preparation<br>and Brief | Order of Cost<br>Estimate | Formal Cost<br>Plan 1 | Formal Cost<br>Plan 2 | Pre-Tender<br>Estimate | Cost Reports | Final Account | In Use |

### 3.00 Schedule of Areas

| Level   | Gross internal floor Area |                 | Notes                      |
|---|---------------------------|-----------------|----------------------------|
|   | m <sup>2</sup>            | ft <sup>2</sup> |                            |
| <u>29 &amp; 31 High Street - Retail Shell</u> |                           |                 |                            |
| .1  | Basement Level            | 135             | 1,453                      |
| .2  | Ground Floor              | 76              | 818                        |
|   | Total                     | 211             | 2,271                      |
| <u>29 &amp; 31 High Street - Residential</u>  |                           |                 |                            |
|   | Ground Floor              | 24              | 258 entrance to resi above |
| .3  | First Floor               | 120             | 1,292                      |
| .4  | Second Floor              | 68              | 732                        |
|   | Total                     | 212             | 2,282                      |
| <u>29B - Workshop/office</u>                  |                           |                 |                            |
| .5  | Ground Floor              | 265             | 2,852                      |
|   | Total                     | 265             | 2,852                      |
| <u>29B - Residential</u>                      |                           |                 |                            |
|   | Ground Floor              | 11              | 118                        |
| .6  | First Floor               | 174             | 1,873                      |
| .7  | Second Floor              | 110             | 1,184                      |
|   | Total                     | 295             | 3,175                      |

### 3.00 Schedule of Areas

| Level                        | Gross internal floor Area |                 | Notes |
|------------------------------|---------------------------|-----------------|-------|
|                              | m <sup>2</sup>            | ft <sup>2</sup> |       |
| <u>New - Residential</u>     |                           |                 |       |
| Ground Floor                 | 12                        | 129             |       |
| First Floor                  | 60                        | 646             |       |
| Second Floor                 | 60                        | 646             |       |
| Total                        | <u>132</u>                | <u>1,421</u>    |       |
| <u>New - Workshop/office</u> |                           |                 |       |
| Ground Floor                 | 90                        | 969             |       |
| Total                        | <u>90</u>                 | <u>969</u>      |       |

Notes:

The above areas should be considered approximate

The above areas have been measured to the internal face of the perimeter walls at each floor level in accordance with the RICS Code of Measuring Practice (6th edition).

#### 4.00 Order of Cost Estimate Summary

| Ref                         | Item                                       | Area           |                 | £/m <sup>2</sup> | £/ft <sup>2</sup> | Total Rounded |
|-----------------------------|--|----------------|-----------------|------------------|-------------------|---------------|
|                             |  | m <sup>2</sup> | ft <sup>2</sup> | £                | £                 | £             |
| .1                          | Facilitating Works                         |                |                 |                  |                   | 154,000       |
| .2                          | 29 & 31 High Street - <b>Class E Shell</b> | 211            | 2271            | 1,062            | 99                | 224,000       |
| .3                          | 29 & 31 High Street - Residential          | 212            | 2282            | 1,764            | 164               | 374,000       |
| .4                          | 29B - <b>Class E Shell</b>                 | 265            | 2852            | 1,355            | 126               | 359,000       |
| .5                          | 29B - Residential                          | 295            | 3175            | 1,915            | 178               | 565,000       |
| .6                          | New - Residential                          | 132            | 1421            | 2,098            | 195               | 277,000       |
| .7                          | New - <b>Class E Shell</b>                 | 90             | 969             | 2,033            | 189               | 183,000       |
| .8                          | <b>External works</b>                      |                |                 |                  |                   | 248,000       |
| Total of Cost Estimate      |  | 1205           | 12970           |                  |                   | £ 2,384,000   |
| Aggregate £/m <sup>2</sup>  |  |                |                 |                  |                   | £ 1,978.42    |
| Aggregate £/ft <sup>2</sup> |  |                |                 |                  |                   | £ 183.81      |

## 5.1 Facilitating Works

| Ref | Description  | Qty   | Unit           | Rate      | Total          |
|-----|--|-------|----------------|-----------|----------------|
| .1  | Demolitions and Alterations                          |       |                |           |                |
| .2  | Existing buildings                                   | 1,808 | m <sup>3</sup> | 50.00     | 90,400         |
| .3  | Breakout existing hard landscaping                   | 359   | m <sup>2</sup> | 25.00     | 8,975          |
| .4  | Propping to No 31 retained façade and 1st floor roof | 1     | item           | 25,000.00 | 25,000         |
|     |  |       |                | Sub-total | 124,375        |
| .16 | Main Contractor's Preliminaries                      |       |                | 13%       | 16,000         |
|     |  |       |                | Sub-total | 140,375        |
| .17 | Overheads and Profit                                 |       |                | 4%        | 6,000          |
|     | <b>Total Building Works Estimate</b>                 |       |                | £         | <b>146,375</b> |
| .18 | Risk allowance estimate:                             |       |                |           |                |
|     | • Design Development Risks Estimate                  |       |                | 2.5%      | 4,000          |
|     | • Construction Risks Estimate                        |       |                | 2.5%      | 4,000          |
|     | • Employer Change Risks Estimate                     |       |                |           | Excluded       |
|     | • Employer Other Risks Estimate                      |       |                |           | Excluded       |
|     | <b>Total Building Works Estimate incl. Risk</b>      |       |                | £         | <b>154,375</b> |
| .19 | Inflation estimate                                   |       |                |           | Excluded       |
|     | <b>Total Carried Forward to Summary</b>              |       |                | £         | <b>154,000</b> |

## 5.2 29 & 31 High Street - Retail

| Shell Construction                   |  |     |                |            |                                     | m <sup>2</sup>   | ft <sup>2</sup>   |              |
|--------------------------------------|--|-----|----------------|------------|-------------------------------------|------------------|-------------------|--------------|
|                                      |  |     |                |            |                                     | GIA              | 211               | 2,271        |
| Ref                                  | Description  | Qty | Unit           | Rate       | Total                               | £/m <sup>2</sup> | £/ft <sup>2</sup> |              |
| .1                                   | Demolitions and Alterations                            |     |                |            | included in facilitating works      |                  |                   |              |
| .2                                   | Sub-Structure )  |     |                |            | -                                   | -                | -                 |              |
|                                      | Foundations (assumed strip foundations)                | 135 | m <sup>2</sup> | 100.00     | 13,500                              | 63.98            | 5.94              |              |
|                                      | Slab over foundations                                  | 135 | m <sup>2</sup> | 80.00      | 10,800                              | 51.18            | 4.76              |              |
|                                      | E.O. excavation to basement                            | 405 | m <sup>3</sup> | 100.00     | 40,500                              | 191.94           | 17.83             |              |
|                                      | E.O retaining walls to basement                        | 156 | m <sup>2</sup> | 300.00     | 46,800                              | 221.80           | 20.61             |              |
|                                      | Allowance for tanking to entire basement               | 135 | m <sup>2</sup> | 150.00     | 20,250                              | 95.97            | 8.92              |              |
| .3                                   | Frame  | 211 | m <sup>2</sup> |            | Load bearing masonry incl elsewhere |                  |                   |              |
| .4                                   | Upper Floors )   |     |                |            |                                     |                  |                   |              |
|                                      | Ground floor over basement not covered by substructure | 76  | m <sup>2</sup> | 100.00     | 7,600                               | 36.02            | 3.35              |              |
| .5                                   | Roof   |     |                |            | included in 29-31 Residential       |                  |                   |              |
| .6                                   | Stairs   | 1   | item           | 5,000      | 5,000                               | 23.70            | 2.20              |              |
| .7                                   | External Walls   |     |                |            | -                                   | -                | -                 |              |
|                                      | Cavity wall; Blockwork                                 | 75  | m <sup>2</sup> | 180.00     | 13,536                              | 64.15            | 5.96              |              |
| .8                                   | Windows and External Doors                             | 21  | m <sup>2</sup> | 600.00     | 12,480                              | 59.15            | 5.50              |              |
| .9                                   | Internal Walls and Partitions )                        |     |                |            |                                     |                  |                   |              |
|                                      | Blockwork single skin 2.5m height                      | 24  | m              | 100.00     | 2,400                               | 11.37            | 1.06              |              |
| .10                                  | Internal Doors   | 0   | nr             | 0.00       | -                                   | -                | -                 |              |
| .11                                  | Wall Finishes )  |     |                |            |                                     |                  |                   |              |
|                                      | plasterboard to all internal walls                     | 183 |                |            | -                                   | -                | -                 |              |
|                                      | painting to all plasterboard walls                     | 183 | m <sup>2</sup> |            | -                                   | -                | -                 |              |
| .12                                  | Floor Finishes levelling screed                        | 211 | m <sup>2</sup> | 5.00       | 1,055                               | 5.00             | 0.46              |              |
| .13                                  | Ceiling Finishes grid with tiles                       | 211 | m <sup>2</sup> |            | -                                   | -                | -                 |              |
| .14                                  | Furniture, Furnishings and Equipment                   |     |                |            | excluded                            |                  |                   |              |
| .15                                  | Services Installations                                 | 1   | item           | 8,000.00   | 8,000.00                            | 37.91            | 3.52              |              |
|                                      |  |     |                |            | Sub-total                           | 181,921          | 862.17            | 80.11        |
| .16                                  | Main Contractor's Preliminaries                        |     |                | 13%        | 24,000                              | 113.74           | 10.57             |              |
|                                      |  |     |                |            | Sub-total                           | 205,921          | 975.93            | 90.67        |
| .17                                  | Overheads and Profit                                   |     |                | 4%         | 8,000                               | 37.91            | 3.52              |              |
| <b>Total Building Works Estimate</b> |  |     |                | <b>C/F</b> | <b>£</b>                            | <b>213,921</b>   | <b>1,013.84</b>   | <b>94.20</b> |

## 5.2 29 & 31 High Street - Retail

| Ref | Description                                | Qty | Unit | Rate | Total    | £/m <sup>2</sup> | £/ft <sup>2</sup> |
|-----|--|-----|------|------|----------|------------------|-------------------|
|     | Shell Construction                         |     |      |      | GIA      | 211              | 2,271             |
|     | Total Building Works Estimate              |     | B/F  | £    | 213,921  | 1,001.08         | 92.98             |
| .18 | Risk allowance estimate:                   |     |      |      |          |                  |                   |
|     | • Design Development Risks Estimate        |     |      | 2.5% | 5,000    | 23.70            | 2.20              |
|     | • Construction Risks Estimate              |     |      | 2.5% | 5,000    | 23.70            | 2.20              |
|     | • Employer Change Risks Estimate           |     |      |      | Excluded |                  |                   |
|     | • Employer Other Risks Estimate            |     |      |      | Excluded |                  |                   |
|     | Total Building Works Estimate incl. Risk   |     |      | £    | 223,921  | 1,048.48         | 97.38             |
| .19 | Inflation estimate                         |     |      |      | Excluded |                  |                   |
|     | Total Carried Forward to Summary (Rounded) |     |      | £    | 224,000  | 1,062.00         | 99.00             |



### 5.3 29 & 31 High Street - Residential

| Ref | Description                                 | Qty | Unit           | Rate     | Total                          | GIA              |                   |       |
|-----|---|-----|----------------|----------|--------------------------------|------------------|-------------------|-------|
|     |   |     |                |          |                                | m <sup>2</sup>   | ft <sup>2</sup>   |       |
|     |   |     |                |          |                                | 212              | 2,282             |       |
|     |   |     |                |          |                                | £/m <sup>2</sup> | £/ft <sup>2</sup> |       |
| .1  | Demolitions and Alterations                 |     |                |          | included in facilitating works |                  |                   |       |
| .2  | Sub-Structure                               | 24  | m <sup>2</sup> | 180.00   | 4,320                          | 20.38            | 1.89              |       |
| .3  | Frame                                       | 212 | m <sup>2</sup> |          | -                              | -                | -                 |       |
| .4  | Upper Floors )                              | 212 | m <sup>2</sup> | 80.00    | 16,960                         | 80.00            | 7.43              |       |
|     | Balcony frame                               | 21  | m <sup>2</sup> | 125.00   | 2,625                          | 12.38            | 1.15              |       |
|     | Balcony balustrades                         | 8   | m              | 300.00   | 2,400                          | 11.32            | 1.05              |       |
| .5  | Main Roof; Pitched roof structure )         | 103 | m <sup>2</sup> | 100.00   | 10,300                         | 48.58            | 4.51              |       |
|     | Main Roof Finish; Slate tiles               | 103 | m <sup>2</sup> | 125.00   | 12,875                         | 60.73            | 5.64              |       |
|     | Flat Roof                                   | 24  | m <sup>2</sup> | 100.00   | 2,400                          | 11.32            | 1.05              |       |
|     | Flat Roof; assumed asphalt                  | 24  | m <sup>2</sup> | 75.00    | 1,800                          | 8.49             | 0.79              |       |
|     | Rear Roof; Pitched roof structure           | 28  | m <sup>2</sup> | 150.00   | 4,200                          | 19.81            | 1.84              |       |
|     | Rear Roof; clay tiles                       | 28  | m <sup>2</sup> | 100.00   | 2,800                          | 13.21            | 1.23              |       |
|     | roof lights                                 | 2   | nr             | 1,200.00 | 2,400                          | 11.32            | 1.05              |       |
|     | Canopy to balconies                         | 22  | m <sup>2</sup> | 300.00   | 6,600                          | 31.13            | 2.89              |       |
|     | Decking to balconies                        | 22  | m <sup>2</sup> | 100.00   | 2,200                          | 10.38            | 0.96              |       |
| .6  | Stairs                                      | 2   | item           | 3,500.00 | 7,000                          | 33.02            | 3.07              |       |
| .7  | External Walls                              |     |                |          |                                | -                | -                 |       |
|     | Cavity wall; Blockwork                      | 182 | m <sup>2</sup> | 180.00   | 32,805                         | 154.74           | 14.38             |       |
|     | White render to external walls              | 78  | m <sup>2</sup> | 180.00   | 14,040                         | 66.23            | 6.15              |       |
|     | Hanging slate wall tiles                    | 54  | m <sup>2</sup> | 125.00   | 6,750                          | 31.84            | 2.96              |       |
| .8  | Windows and External Doors )                |     |                |          |                                |                  |                   |       |
|     | External entrance door                      | 1   | nr             | 2,500.00 | 2,500                          | 11.79            | 1.10              |       |
|     | Window in external walls                    | 8   | nr             | 600.00   | 4,800                          | 22.64            | 2.10              |       |
|     | Glazed balcony door with 2 nr glazed panels | 2   | nr             | 3,000.00 | 6,000                          | 28.30            | 2.63              |       |
| .9  | Internal Walls and Partitions )             |     |                |          |                                |                  |                   |       |
|     | Core walls                                  | 75  | m <sup>2</sup> | 125.00   | 9,375                          | 44.22            | 4.11              |       |
|     | blockwork walls                             | 87  | m <sup>2</sup> | 80.00    | 6,960                          | 32.83            | 3.05              |       |
|     | stud partitions                             | 87  | m <sup>2</sup> | 75.00    | 6,525                          | 30.78            | 2.86              |       |
| .10 | Internal Doors                              | 14  | nr             | 650.00   | 9,100                          | 42.92            | 3.99              |       |
| .11 | Wall Finishes )                             |     |                |          |                                |                  |                   |       |
|     | plater to all wall                          | 741 | m <sup>2</sup> | 15.00    | 11,115                         | 52.43            | 4.87              |       |
|     | tiles to all bathrooms                      | 93  | m <sup>2</sup> | 65.00    | 6,045                          | 28.51            | 2.65              |       |
|     | paint to all other walls                    | 648 | m <sup>2</sup> | 8.00     | 5,184                          | 24.45            | 2.27              |       |
|     |   |     |                |          | C/F                            | 200,079          | 943.77            | 87.68 |

### 5.3 29 & 31 High Street - Residential

| Ref | Description                                       | Qty | Unit           | Rate      | Total          | £/m <sup>2</sup> | £/ft <sup>2</sup> |
|-----|---|-----|----------------|-----------|----------------|------------------|-------------------|
|     |   |     |                | B/F       | 200,079        | 943.77           | 87.68             |
| .12 | Floor Finishes                                    | 212 | m <sup>2</sup> | 75.00     | 15,900         | 75.00            | 6.97              |
| .13 | Ceiling Finishes                                  | 212 | m <sup>2</sup> | 60.00     | 12,720         | 60.00            | 5.57              |
| .14 | Furniture, Furnishings and Equipm)                |     |                |           |                |                  |                   |
|     | Kitchens  | 1   | nr             | 6,000.00  | 6,000          | 28.30            | 2.63              |
|     | Fitted wardrobes                                  |     |                |           | Excluded       |                  |                   |
|     | double stacker cycle rack                         | 7   | nr             | 300.00    | 2,100          | 9.91             | 0.92              |
|     | single cycle rack                                 | 1   | nr             | 200.00    | 200            | 0.94             | 0.09              |
| .15 | Services Installations )                          | 212 | nr             | 300.00    | 63,600         | 300.00           | 27.87             |
|     | sanitaryware                                      | 3   | nr             | 750.00    | 2,250          | 10.61            | 0.99              |
|     |   |     |                | Sub-total | 302,849        | 1,429            | 133               |
| .16 | Main Contractor's Preliminaries                   |     |                | 13%       | 39,000         | 183.96           | 17.09             |
|     |   |     |                | Sub-total | 341,849        | 1,612.50         | 149.80            |
| .17 | Overheads and Profit                              |     |                | 4%        | 14,000         | 66.04            | 6.13              |
|     | <b>Total Building Works Estimate</b>              |     |                | £         | <b>355,849</b> | <b>1,678.53</b>  | <b>155.94</b>     |
| .18 | Risk allowance estimate:                          |     |                |           |                |                  |                   |
|     | • Design Development Risks Estimate               |     |                | 2.5%      | 9,000          | 42.45            | 3.94              |
|     | • Construction Risks Estimate                     |     |                | 2.5%      | 9,000          | 42.45            | 3.94              |
|     | • Employer Change Risks Estimate                  |     |                |           | Excluded       |                  |                   |
|     | • Employer Other Risks Estimate                   |     |                |           | Excluded       |                  |                   |
|     | <b>Total Building Works Estimate incl. Risk</b>   |     |                | £         | <b>373,849</b> | <b>1,763.44</b>  | <b>163.83</b>     |
| .19 | Inflation estimate                                |     |                |           | Excluded       |                  |                   |
|     | <b>Total Carried Forward to Summary (Rounded)</b> |     |                | £         | <b>374,000</b> | <b>1,764.00</b>  | <b>164.00</b>     |

#### 5.4 29B - Workshop/office

| Ref | Description                               | Qty | Unit           | Rate     | Total                          | £/m <sup>2</sup> | £/ft <sup>2</sup> |
|-----|---|-----|----------------|----------|--------------------------------|------------------|-------------------|
|     | To CAT A Standard                         |     |                |          | GIA                            | 265              | 2,852             |
|     |   |     |                |          |                                | m <sup>2</sup>   | ft <sup>2</sup>   |
| .1  | Demolitions and Alterations               |     |                |          | included in facilitating works |                  |                   |
| .2  | Sub-Structure (assumed strip foundations) | 265 | m <sup>2</sup> | 100.00   | 26,500                         | 100.00           | 9.29              |
|     | Slab over foundations                     | 265 | m <sup>2</sup> | 80.00    | 21,200                         | 80.00            | 7.43              |
| .3  | Frame                                     | 265 | m <sup>2</sup> |          | -                              | -                | -                 |
| .4  | Upper Floors                              |     |                |          | included in 29B residential    |                  |                   |
| .5  | Roof to rear workshop                     | 17  | m <sup>2</sup> | 200.00   | 3,400                          | 12.83            | 1.19              |
| .6  | Stairs                                    |     |                |          | included in 29B residential    |                  |                   |
| .7  | External Walls                            |     |                |          |                                |                  |                   |
|     | Cavity wall; Blockwork                    | 225 | m <sup>2</sup> | 180.00   | 40,500                         | 152.83           | 14.20             |
|     | Timber cladding                           | 28  | m <sup>2</sup> | 125.00   | 3,500                          | 13.21            | 1.23              |
| .8  | Windows and External Doors                |     |                |          |                                |                  |                   |
|     | glazed fronts to works shop units         | 3   | nr             | 4,000    | 12,000                         | 45.28            | 4.21              |
|     | doors to works shops                      |     |                |          | incl above                     |                  |                   |
| .9  | Internal Walls and Partitions             |     |                |          |                                |                  |                   |
|     | Core walls                                | 78  | m <sup>2</sup> | 100.00   | 7,800                          | 29.43            | 2.73              |
| .10 | Internal Doors                            | 0   | nr             |          |                                |                  |                   |
| .11 | Wall Finishes                             |     |                |          | -                              | -                | -                 |
|     | Plaster to all internal walls             | 381 | m <sup>2</sup> | 15.00    | 5,715                          | 21.57            | 2.00              |
|     | paint to all wall                         | 381 | m <sup>2</sup> | 8.00     | 3,048                          | 11.50            | 1.07              |
| .12 | Floor Finishes screed/carpet              | 265 | m <sup>2</sup> | 70.00    | 18,550                         | 70.00            | 6.50              |
| .13 | Ceiling Finishes                          |     |                |          | -                              | -                | -                 |
|     | Ceiling Finishes grid with tiles          | 265 | m <sup>2</sup> | 50.00    | 13,250                         | 50.00            | 4.65              |
| .14 | Furniture, Furnishings and Equipment      |     |                |          | excluded                       |                  |                   |
| .15 | Services Installations                    | 265 | m <sup>2</sup> | 500.00   | 132,500                        | 500.00           | 46.45             |
|     |   |     |                |          | <b>Sub-total</b>               | <b>287,963</b>   | <b>1,087</b>      |
| .16 | Main Contractor's Preliminaries           |     |                | 13%      | 37,000                         | 139.62           | 12.97             |
|     |   |     |                |          | <b>Sub-total</b>               | <b>324,963</b>   | <b>1,226.28</b>   |
| .17 | Overheads and Profit                      |     |                | 5%       | 16,000                         | 60.38            | 5.61              |
|     | <b>Total Building Works Estimate</b>      |     | <b>C/F</b>     | <b>£</b> | <b>340,963</b>                 | <b>1,286.65</b>  | <b>119.53</b>     |

5.4 29B - Workshop/office

| Ref | Description                              | Qty | Unit | Rate | Total    | £/m <sup>2</sup> | £/ft <sup>2</sup> |
|-----|--|-----|------|------|----------|------------------|-------------------|
|     | To CAT A Standard                        |     |      |      | GIA      | 265              | 2,852             |
|     | Total Building Works Estimate            |     | B/F  | £    | 340,963  | 1,286.65         | 119.53            |
| .18 | Risk allowance estimate:                 |     |      |      |          |                  |                   |
|     | • Design Development Risks Estimate      |     |      | 2.5% | 9,000    | 33.96            | 3.16              |
|     | • Construction Risks Estimate            |     |      | 2.5% | 9,000    | 33.96            | 3.16              |
|     | • Employer Change Risks Estimate         |     |      |      | Excluded |                  |                   |
|     | • Employer Other Risks Estimate          |     |      |      | Excluded |                  |                   |
|     | Total Building Works Estimate incl. Risk |     |      | £    | 358,963  | 1,354.57         | 125.85            |
| .19 | Inflation estimate                       |     |      |      | Excluded |                  |                   |
|     | Total Carried Forward to Summary         |     |      | £    | 359,000  | 1,355.00         | 126.00            |

## 5.5 29B - Residential

| Ref | Description                       | Qty   | Unit           | Rate     | m <sup>2</sup> ft <sup>2</sup> |                  |                   |     |
|-----|-----------------------------------|-------|----------------|----------|--------------------------------|------------------|-------------------|-----|
|     |                                   |       |                |          | GIA                            | 295              | 3,175             |     |
| Ref | Description                       | Qty   | Unit           | Rate     | Total                          | £/m <sup>2</sup> | £/ft <sup>2</sup> |     |
| .1  | Demolitions and Alterations       |       |                |          | included in facilitating works |                  |                   |     |
| .2  | Sub-Structure                     | 11    | m <sup>2</sup> | 180.00   | 1,980                          | 6.71             | 0.62              |     |
| .3  | Frame                             | 295   | m <sup>2</sup> |          | -                              | -                | -                 |     |
| .4  | Upper Floors                      | 295   | m <sup>2</sup> | 80.00    | 23,600                         | 80.00            | 7.43              |     |
|     | Balcony slabs                     | 39    | m <sup>2</sup> | 200.00   | 7,800                          | 26.44            | 2.46              |     |
|     | Balcony balustrades               | 23    | m              | 300.00   | 6,900                          | 23.39            | 2.17              |     |
| .5  | Roof                              |       |                |          |                                | -                | -                 |     |
|     | Main roof; Pitched roof structure | 126   | m <sup>2</sup> | 100.00   | 12,639                         | 42.84            | 3.98              |     |
|     | Main roof; zinc sheet             | 126   | m <sup>2</sup> | 120.00   | 15,166                         | 51.41            | 4.78              |     |
|     | Flat roof; Structure              | 13    | m <sup>2</sup> | 100.00   | 1,275                          | 4.32             | 0.40              |     |
|     | Flat roof; asphalt                | 13    | m <sup>2</sup> | 75.00    | 956                            | 3.24             | 0.30              |     |
|     | Roof lights                       | 10    | nr             | 1,200.00 | 12,000                         | 40.68            | 3.78              |     |
|     | Canopies to balconies             | 32    | m <sup>2</sup> | 300.00   | 9,600                          | 32.54            | 3.02              |     |
|     | Decking to balconies              | 32    | m <sup>2</sup> | 100.00   | 3,200                          | 10.85            | 1.01              |     |
| .6  | Stairs                            | 4     | nr             | 3,000    | 12,000                         | 40.68            | 3.78              |     |
| .7  | External Walls                    |       |                |          |                                |                  |                   |     |
|     | Cavity wall; Blockwork            | 269   | m <sup>2</sup> | 180.00   | 48,370                         | 163.97           | 15.23             |     |
|     | Timber cladding to external walls | 223   | m <sup>2</sup> | 100.00   | 22,272                         | 75.50            | 7.01              |     |
|     | glazed sliding walls balconies    | 4     | nr             | 3,000.00 | 12,000                         | 40.68            | 3.78              |     |
| .8  | Windows and External Doors        |       |                |          |                                |                  |                   |     |
|     | Entrance door at ground floor     | 1     | nr             | 2,000.00 | 2,000                          | 6.78             | 0.63              |     |
|     | Windows only to upper floors      | 19    | nr             | 600.00   | 11,400                         | 38.64            | 3.59              |     |
| .9  | Internal Walls and Partitions     |       |                |          |                                |                  |                   |     |
|     | Core walls                        | 141   | m <sup>2</sup> | 125.00   | 17,625                         | 59.75            | 5.55              |     |
|     | Stud partitions                   | 219   | m <sup>2</sup> | 80.00    | 17,520                         | 59.39            | 5.52              |     |
| .10 | Internal Doors                    |       |                |          |                                |                  |                   |     |
|     | Internal standard doors           | 15    | nr             | 650.00   | 9,750                          | 33.05            | 3.07              |     |
|     | Pocket doors                      | 5     | nr             | 1,000.00 | 5,000                          | 16.95            | 1.57              |     |
| .11 | Wall Finishes                     |       |                |          |                                |                  |                   |     |
|     | Plater to all walls               | 1,094 | m <sup>2</sup> | 15.00    | 16,410                         | 55.63            | 5.17              |     |
|     | tiling to bathrooms               | 132   | m <sup>2</sup> | 75.00    | 9,900                          | 33.56            | 3.12              |     |
|     | paint to remaining walls          | 962   | m <sup>2</sup> | 8.00     | 7,696                          | 26.09            | 2.42              |     |
| .12 | Floor Finishes                    | 295   | m <sup>2</sup> | 90.00    | 26,550                         | 90.00            | 8.36              |     |
| .13 | Ceiling Finishes                  |       |                |          |                                |                  |                   |     |
|     | plasterboard to all ceilings      | 295   | m <sup>2</sup> | 55.00    | 16,225                         | 55.00            | 5.11              |     |
|     | paint to ceilings                 | 295   | m <sup>2</sup> | 10.00    | 2,950                          | 10.00            | 0.93              |     |
|     |                                   |       |                |          | C/F                            | 332,784          | 1,128             | 105 |

## 5.5 29B - Residential

| Ref | Description                                     | Qty | Unit           | Rate      | GIA<br>Total   | m <sup>2</sup><br>295<br>£/m <sup>2</sup> | ft <sup>2</sup><br>3,175<br>£/ft <sup>2</sup> |
|-----|---|-----|----------------|-----------|----------------|---|---|
|     |   |     |                | B/F       | 332,784        | 1,128                                     | 105   |
| .14 | Furniture, Furnishings and Equipment            |     |                |           |                |   |   |
|     | Kitchens  | 5   | nr             | 6,000.00  | 30,000         | 101.69                                    | 9.45  |
|     | Fitted wardrobes                                |     |                |           | Excluded       |   |   |
| .15 | Services Installations                          | 295 | m <sup>2</sup> | 300.00    | 88,500         | 300.00                                    | 27.87   |
|     | sanitaryware                                    | 5   | nr             | 500.00    | 2,500          | 8.47                                      | 0.79  |
|     |   |     |                | Sub-total | 453,784        | 1,538                                     | 143   |
| .16 | Main Contractor's Preliminaries                 |     |                | 13%       | 59,000         | 200.00                                    | 18.58   |
|     |   |     |                | Sub-total | 512,784        | 1,738.25                                  | 161.51  |
| .17 | Overheads and Profit                            |     |                | 5%        | 26,000         | 88.14                                     | 8.19  |
|     | <b>Total Building Works Estimate</b>            |     |                | £         | <b>538,784</b> | <b>1,826.39</b>                           | <b>169.70</b>                                 |
| .18 | Risk allowance estimate:                        |     |                |           |                |   |   |
|     | • <b>Design Development Risks Estimate</b>      |     |                | 2.5%      | 13,000         | 44.07                                     | 4.09  |
|     | • <b>Construction Risks Estimate</b>            |     |                | 2.5%      | 13,000         | 44.07                                     | 4.09  |
|     | • <b>Employer Change Risks Estimate</b>         |     |                |           | Excluded       |   |   |
|     | • <b>Employer Other Risks Estimate</b>          |     |                |           | Excluded       |   |   |
|     | <b>Total Building Works Estimate incl. Risk</b> |     |                | £         | <b>564,784</b> | <b>1,914.52</b>                           | <b>177.88</b>                                 |
| .19 | Inflation estimate                              |     |                |           | Excluded       |   |   |
|     | <b>Total Carried Forward to Summary</b>         |     |                | £         | <b>565,000</b> | <b>1,915.00</b>                           | <b>178.00</b>                                 |

## 5.6 New Residential

| Ref | Description                                    | Qty | Unit           | Rate     | GIA                                 |                       |                          |
|-----|--|-----|----------------|----------|-------------------------------------|-----------------------|--------------------------|
|     |  |     |                |          | Total                               | £/m <sup>2</sup>      | £/ft <sup>2</sup>        |
|     |  |     |                |          |                                     | m <sup>2</sup><br>132 | ft <sup>2</sup><br>1,421 |
| .1  | Demolitions and Alterations                    |     |                |          | incl in facilitating works          |                       |                          |
| .2  | Sub-Structure                                  | 12  | m <sup>2</sup> | 180.00   | 2,160                               | 16.36                 | 1.52                     |
| .3  | Frame  |     |                |          | incl in external and internal walls |                       |                          |
| .4  | Upper Floors                                   | 132 | m <sup>2</sup> | 80.00    | 10,560                              | 80.00                 | 7.43                     |
|     | Balcony frame                                  | 11  | m <sup>2</sup> | 200.00   | 2,200                               | 16.67                 | 1.55                     |
|     | Balcony railings                               | 7   | m              | 300.00   | 2,100                               | 15.91                 | 1.48                     |
| .5  | Pitched Roof structure                         | 90  | m <sup>2</sup> | 100.00   | 9,000                               | 68.18                 | 6.33                     |
|     | Pitched roof covering; zinc roof standing seam | 90  | m <sup>2</sup> | 120.00   | 10,800                              | 81.82                 | 7.60                     |
|     | Roof lights                                    | 1   | nr             | 1,200.00 | 1,200                               | 9.09                  | 0.84                     |
|     | Canopy to balcony                              | 3   | m <sup>2</sup> | 300.00   | 900                                 | 6.82                  | 0.63                     |
|     | Decking to balconies                           | 3   | m <sup>2</sup> | 100.00   | 300                                 | 2.27                  | 0.21                     |
| .6  | Stairs   | 2   | nr             | 3,000.00 | 6,000                               | 45.45                 | 4.22                     |
| .7  | External Walls                                 |     |                |          |                                     |                       |                          |
|     | Cavity wall; Blockwork                         | 189 | m <sup>2</sup> | 180.00   | 34,020                              | 257.73                | 23.94                    |
|     | timber cladding                                | 162 | m <sup>2</sup> | 125.00   | 20,188                              | 152.94                | 14.21                    |
|     | glazed external walls to balconies             | 2   | nr             | 3,000.00 | 6,000                               | 45.45                 | 4.22                     |
| .8  | Windows and External Doors                     |     |                |          |                                     |                       |                          |
|     | External main entrance door                    | 1   | nr             | 2,000.00 | 2,000                               | 15.15                 | 1.41                     |
|     | windows set into external walls                | 12  | nr             | 600.00   | 7,200                               | 54.55                 | 5.07                     |
| .9  | Internal Walls and Partitions                  |     |                |          |                                     |                       |                          |
|     | Core walls                                     | 72  | m <sup>2</sup> | 125.00   | 9,000                               | 68.18                 | 6.33                     |
|     | Stud walls                                     | 81  | m <sup>2</sup> | 80.00    | 6,480                               | 49.09                 | 4.56                     |
| .10 | Internal Doors                                 |     |                |          |                                     |                       |                          |
|     | Standard doors                                 | 6   | nr             | 650.00   | 3,900                               | 29.55                 | 2.74                     |
|     | Pocket doors                                   | 2   | nr             | 1,000.00 | 2,000                               | 15.15                 | 1.41                     |
| .11 | Wall Finishes                                  |     |                |          |                                     |                       |                          |
|     | Plaster to all walls                           | 495 | m <sup>2</sup> | 15.00    | 7,425                               | 56.25                 | 5.23                     |
|     | tiling to bathrooms                            | 57  | m <sup>2</sup> | 75.00    | 4,275                               | 32.39                 | 3.01                     |
|     | Paint to remaining walls                       | 438 | m <sup>2</sup> | 8.00     | 3,504                               | 26.55                 | 2.47                     |
| .12 | Floor Finishes                                 | 132 | m <sup>2</sup> | 90.00    | 11,880                              | 90.00                 | 8.36                     |
| .13 | Ceiling Finishes                               |     |                |          |                                     |                       |                          |
|     | plasterboard to ceilings                       | 132 | m <sup>2</sup> | 55.00    | 7,260                               | 55.00                 | 5.11                     |
|     | painting to ceilings                           | 132 | m <sup>2</sup> | 10.00    | 1,320                               | 10.00                 | 0.93                     |
|     |  |     |                |          | 171,672                             | 1,300.55              | 120.81                   |

Carried forward

## 5.6 New Residential

| Ref | Description                                     | Qty | Unit | Rate     | Total            | £/m <sup>2</sup> | £/ft <sup>2</sup> |
|-----|---|-----|------|----------|------------------|------------------|-------------------|
|     | Brought Forward                                 |     |      |          | 171,672          | 1,300.55         | 120.81            |
| .14 | Furniture, Furnishings and Equipment            |     |      |          |                  |                  |                   |
|     | Kitchens  | 2   | nr   | 6,000.00 | 12,000           | 90.91            | 8.44              |
|     | Fitted wardrobes                                |     |      |          | Excluded         |                  |                   |
| .15 | Services Installations                          | 132 | nr   | 300.00   | 39,600           | 300.00           | 27.87             |
|     | Sanitaryware                                    | 2   | nr   | 500.00   | 1,000            | 7.58             | 0.70              |
|     | Sub-total                                       |     |      |          | 224,272          | 1,699.04         | 157.82            |
| .16 | Main Contractor's Preliminaries                 |     |      | 13%      | 29,000           | 219.70           | 20.41             |
|     | Sub-total                                       |     |      |          | 253,272          | 1,918.73         | 178.24            |
| .17 | Overheads and Profit                            |     |      | 4%       | 10,000           | 75.76            | 7.04              |
|     | <b>Total Building Works Estimate</b>            |     |      |          | <b>£ 263,272</b> | <b>1,994.48</b>  | <b>185.27</b>     |
| .18 | Risk allowance estimate:                        |     |      |          |                  |                  |                   |
|     | • Design Development Risks Estimate             |     |      | 2.5%     | 7,000            | 53.03            | 4.93              |
|     | • Construction Risks Estimate                   |     |      | 2.5%     | 7,000            | 53.03            | 4.93              |
|     | • Employer Change Risks Estimate                |     |      |          | Excluded         |                  |                   |
|     | • Employer Other Risks Estimate                 |     |      |          | Excluded         |                  |                   |
|     | <b>Total Building Works Estimate incl. Risk</b> |     |      |          | <b>£ 277,272</b> | <b>2,100.55</b>  | <b>195.12</b>     |
| .19 | Inflation estimate                              |     |      |          | Excluded         |                  |                   |
|     | <b>Total Carried Forward to Summary</b>         |     |      |          | <b>£ 277,000</b> | <b>2,098.00</b>  | <b>195.00</b>     |





## 5.7 New Workshop/office

To CAT A Standard

GIA m<sup>2</sup> ft<sup>2</sup>  
90 969

| Ref | Description                              | Qty | Unit | Rate | Total    | £/m <sup>2</sup> | £/ft <sup>2</sup> |
|-----|--|-----|------|------|----------|------------------|-------------------|
|     | Total Building Works Estimate            |     | B/F  | £    | 174,830  | 1,942.56         | 180.42            |
| .18 | Risk allowance estimate:                 |     |      |      |          |                  |                   |
|     | • Design Development Risks Estimate      |     |      | 2.5% | 4,000    | 44.44            | 4.13              |
|     | • Construction Risks Estimate            |     |      | 2.5% | 4,000    | 44.44            | 4.13              |
|     | • Employer Change Risks Estimate         |     |      |      | Excluded |                  |                   |
|     | • Employer Other Risks Estimate          |     |      |      | Excluded |                  |                   |
|     | Total Building Works Estimate incl. Risk |     |      | £    | 182,830  | 2,031.44         | 188.68            |
| .19 | Inflation estimate                       |     |      |      | Excluded |                  |                   |
|     | Total Carried Forward to Summary         |     |      | £    | 183,000  | 2,033.00         | 189.00            |

## 5.8 External works

| Ref   | Description  | Qty | Unit           | Rate      | Total                          |
|---|--|-----|----------------|-----------|--------------------------------|
| .1  | Demolitions and Alterations                          |     |                |           | included in facilitating works |
| .2  | Refuse store for residential and workshops )         | 24  | m <sup>2</sup> |           |                                |
|   | Substructure (foundations assumed strip)             | 24  | m <sup>2</sup> | 100.00    | 2,400                          |
|   | Green Roof   | 14  | m <sup>2</sup> | 225.00    | 3,150                          |
|   | External walls                                       | 42  | m <sup>2</sup> | 250.00    | 10,500                         |
|   | External doors (double doors)                        | 2   | nr             | 1,500.00  | 3,000                          |
|   | Services   | 24  | m <sup>2</sup> | 150.00    | 3,600                          |
|   | 22Kw car charging points                             | 2   | nr             | 2,000.00  | 4,000                          |
| .3  | Block paving to to driveway                          | 389 | m <sup>2</sup> | 130.00    | 50,570                         |
| .4  | Lines for parking spaces                             | 1   | item           | 2,000.00  | 2,000                          |
| .5  | Statutory Services )                                 |     |                |           | -                              |
|   | Commercial units                                     | 1   | item           | 12,000.00 | 12,000                         |
|   | Works shops  | 1   | item           | 12,000.00 | 12,000                         |
|   | Residential  | 1   | item           | 64,000.00 | 64,000                         |
| .6  | Drainage )   |     |                |           |                                |
|   | Surface water - external area                        | 389 | m <sup>2</sup> | 30.00     | 11,670                         |
|   | Foul water - foot print of buildigns at ground floor | 839 | m <sup>2</sup> | 20.00     | 16,780                         |
|   | Allowance for attenuation                            | 1   | item           | 5,000.00  | 5,000                          |
|   |  |     |                | Sub-total | 200,670                        |
| .16   | Main Contractor's Preliminaries                      |     |                | 13%       | 26,000                         |
|   |  |     |                | Sub-total | 226,670                        |
| .17   | Overheads and Profit                                 |     |                | 4%        | 9,000                          |
| <b>Total Building Works Estimate</b>            |  |     |                | £         | <b>235,670</b>                 |
| .18   | Risk allowance estimate:                             |     |                |           |                                |
|   | • Design Development Risks Estimate                  |     |                | 2.5%      | 6,000                          |
|   | • Construction Risks Estimate                        |     |                | 2.5%      | 6,000                          |
|   | • Employer Change Risks Estimate                     |     |                |           | Excluded                       |
|   | • Employer Other Risks Estimate                      |     |                |           | Excluded                       |
| <b>Total Building Works Estimate incl. Risk</b> |  |     |                | £         | <b>247,670</b>                 |
| .19   | Inflation estimate                                   |     |                |           | Excluded                       |
| <b>Total Carried Forward to Summary</b>         |  |     |                | £         | <b>248,000</b>                 |

## 6.0 Information Used for Order of Cost Estimate

### Project Information Used for the Order of Cost Estimate

|     |                                     |  |
|-----|-------------------------------------|--|
| .1  | Location of Site                    | High Street, Hampton Wick KT1 4DA  |
| .2  | Building Use                        | Mixed use, residential, light industrial workshops, retail with office   |
| .3  | Total Floor Areas (GIA)             | 1,205 m <sup>2</sup><br>12,970 ft <sup>2</sup>   |
| .4  | New Build/Remodelling/Refurbishment | New build and conservation   |
| .5  | Project/Design Brief                | New Build generally. Front façade and G floor roof of building 31 to be retained due to locally significant building. All other buildings to be demolished prior to development. |
| .6  | Enabling Works                      | demolition of existing building. Propping to no 31 to support façade and ground floor roof.  |
| .7  | Indicative Programme                |  |
|     | • Pre Contract                      | TBC  |
|     | • Contract                          | TBC  |
| .8  | Restraints                          | Restricted access maintain access to adjacent carparking.  |
| .9  | Site Conditions                     | Unknown  |
| .10 | Budget/Cashflow restraints          | Unknown  |
| .11 | Assumed Procurement Route           | Design and Build   |
| .12 | Building Life Span                  | 50+ years  |
| .13 | Proposed/Assumed Storey Height      | 3 Storey   |
| .14 | Proposed/Assumed M&E Installation   | Standard residential heating, plumbing and electrical. Work shops CAT A fit out only, Retain Cat A fit out only.   |
| .15 | Project Team Fees                   | Excluded   |
| .16 | Other Development/Project Costs     | Excluded   |
| .17 | Inflation                           | Excluded   |
| .18 | Value Added Tax                     | Excluded   |
| .19 | Other Considerations:               | None   |

## 6.0 Information Used for Order of Cost Estimate

| Architect - Fletcher Crane |                             | Rev   | Ref             |
|----------------------------|-----------------------------|-------|-----------------|
| .20                        | Location plan               | -     | 1911 - TP(00)01 |
| .21                        | Existing block plan         | -     | 1911 - TP(00)02 |
| .22                        | Proposed block plan         | -     | 1911 - TP(00)03 |
| .23                        | Existing site plan          | -     | 1911 - TP(00)04 |
| .24                        | Proposed site plan          | -     | 1911 - TP(00)05 |
| .25                        | Existing basement plan      | -     | 1911 - TP(10)00 |
| .26                        | Existing ground floor plan  | -     | 1911 - TP(10)01 |
| .27                        | Existing first floor plan   | -     | 1911 - TP(10)02 |
| .28                        | Existing second floor plan  | -     | 1911 - TP(10)03 |
| .29                        | Existing roof plan          | -     | 1911 - TP(10)04 |
| .30                        | Existing basement plan      | -     | 1911 - TP(10)20 |
| .31                        | Existing ground floor plan  | -     | 1911 - TP(10)21 |
| .32                        | Existing first floor plan   | -     | 1911 - TP(10)22 |
| .33                        | Existing second floor plan  | -     | 1911 - TP(10)23 |
| .34                        | Existing roof plan          | -     | 1911 - TP(10)24 |
| .35                        | Existing schedule of areas  | -     | 1911 - SK003    |
| .36                        | Proposed schedule of areas  | A     | 1911 - SK004    |
| .37                        | Design and Access Statement | Draft | 13/01/2021      |

| Services Engineer - N/A |                | Rev | Ref |
|-------------------------|----------------|-----|-----|
| .37                     | No information |     |     |

| Structural Engineer - N/A |                | Rev | Ref |
|---------------------------|----------------|-----|-----|
| .38                       | No information |     |     |

| Building Surveyor - Richardson Greenyer |                        | Rev        | Ref   |
|---|------------------------|------------|-------|
| .40                                     | Building Survey Report | 25/02/2020 | 20009 |
| .41                                     | App 1 - Photographs    | 25/02/2020 | 20009 |

| Ecologist - Wychwood Environmental Ltd |                             | Rev        | Ref     |
|--|-----------------------------|------------|---------|
| .42                                    | Ecological Appraisal Report | 19/10/2019 | WEc_KT1 |

## 6.0 Information Used for Order of Cost Estimate

| Other   | Rev        | Ref        |
|---|------------|------------|
| Site photos   | 30/10/2020 |            |
| Topo elevation 1-4                                      |            | 50619      |
| Topo elevation 5-11                                     |            | 50619      |
| Topo elevation 12-14                                    |            | 50619      |
| First, second and loft plans                            |            | 50619      |
| Ground & basement plans                                 |            | 50619      |
| Location plan   |            | 50619      |
| Outbuilding   |            | 50619      |
| Topographic survey                                      |            | 50619      |
| Tree constraint plans                                   |            | 10330      |
| Email correspondence RG to MK - 22KW carcharging points |            | 29/01/2021 |

## 7.0 Notes

- .1 No structural, services or landscaping information was available for the preparation of this Order of Cost Estimate.
- .2 The Order of Cost Estimate assumes no specific sustainability requirements beyond standard building regulations
- .3 Material finishes are generally not specified so we have assumed double glazed windows with PPC aluminium frames and a medium quality finish throughout the properties with a residential end use.
- .4 We have assumed that the façade retention will involve propping of the external and internal faces as well as needling through support in whilst the works to the basement and foundations are being completed behind it.
- .5 We have assumed a block paving finish to the external areas and parking to be lined and labelled for use by residents.
- .6 We have assumed only a CAT A finish to the workshop/office and retained areas to allow for tenants to fit out to CAT B themselves.
- .7 Foundations for all properties have been assumed to be strip foundations.
- .8 Roofs have been assumed to a a shallow pitched pan tiled roofs to all units.
- .9 Mechanical and electrical systems are based on a £/m<sup>2</sup> rate and further information will be required to confirm these costs. The M&E systems are assumed to be standard systems for residential properties including central heating systems, electrical power and lighting, data, gas and domestic water systems.
- .10 We have assumed that the residetail units will require new statutory supplies for water, gas, electricity and data.
- .11 We have assumed that the retail and workshop/office spaces shall only require water, electricity and telecoms ductwork
- .12 Shell only has been assumed for the retail space in propperty 29-31 on the ground and basement floors.
- .13 We have assumed that walls that are to be covered with a cladding, render or hanging tiles will be blockwork cavity walls.
- .14 Windows noted as being PPC windows
- .15 Roof and wall hung tiles to the plots 29 and 31 are noted as artificial slate tiles. All other roofs are noted as clay tiles.

## 8.0 Exclusions and Risk Commentary

### .1 Exclusions

- .1.1 Professional fees
- .1.2 VAT
- .1.3 Insurances
- .1.4 Inflation
- .1.5 Legal Fees
- .1.6 Finance costs and interest charges
- .1.7 Planning / Building regulation fees
- .1.8 Rights of light cost or alterations to accommodate affected parties
- .1.9 Site investigation costs and/or asbestos survey
- .1.10 106/278 Agreements
- .1.11 Party wall awards / costs
- .1.12 Works outside of the site boundary
- .1.13 Fittings, loose furniture or other equipment not specifically described
- .1.14 Tenant costs as a result of lease negotiations or re- negotiations
- .1.15 Marketing
- .1.16 IT wiring and equipment including media and audio visual equipment
- .1.17 Fire fighting appliances
- .1.18 Work to the highways including realignment of existing carriageway
- .1.19 Decanting, temporary accommodation and moving / relocation costs of existing tenants
- .1.20 Income loss during construction and vacant tenant periods
- .1.21 Works to existing boundary walls

### .2 Risk Commentary

As the project develops risk analyses will be undertaken and properly considered assessment of risks will be calculated. At this stage of the project we prefer to highlight all the potential risks associated with a project and utilise our experience of project type, site conditions, level of design etc to provide a considered percentage against each heading.

#### .2.1 Design Development Risks (allowances against risk in design process)

- .2.1.1 Scheme design, structure and services proposals
- .2.1.2 Planning requirements & restrictions
- .2.1.3 Legal agreements
- .2.1.4 Covenants
- .2.1.5 Environmental issues
- .2.1.6 Statutory requirements
- .2.1.7 Procurement methodologies
- .2.1.8 Tendering delays
- .2.1.9 Site cut and fill



## 8.0 Exclusions and Risk Commentary

### .2 Risk Commentary (continued)

#### .2.2 Construction Risk (allowances for risk associated with site conditions)

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- .2.2.1 Extensive service diversions/upgrades unusually high requirements from statutory authorities
- .2.2.2 Restrictions on access
- .2.2.3 Remediation of contaminated land
- .2.2.4 Decontamination
- .2.2.5 Asbestos related works (allowance included for surveys) associated with any existing
- .2.2.6 Abnormal structural / substructure works to the proposed or existing buildings
- .2.2.7 Archaeological cost or associated delays
- .2.2.8 Site specific planning requirements
- .2.2.9 Abnormal acoustic measures
- .2.2.10 Measures to deal with air quality
- .2.2.11 Additional cost of consequential upgrading for Building Regulations Compliance
- .2.2.12 Additional cost of compliance with future changes in Building Regulations

#### .2.3 Employer Changes (allowance for risks associated with Employer changes)

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- .2.3.1 Employer changes brief, scope of works, quality, time etc

#### .2.4 Employer Other Risks

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- .2.4.1 Funding and the availability of funds
- .2.4.2 Special contractual arrangements
- .2.4.3 Early handover
- .2.4.4 Postponement
- .2.4.5 Acceleration
- .2.4.6 Availability of funds
- .2.4.7 Liquidated damages
- .2.4.8 Premiums on associated contracts for late delivery etc

#### .2.5 Other Considerations

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- .2.5.1 Capital allowances for taxation purposes
- .2.5.2 Land remediation relief
- .2.5.3 Grants