

**Financial Viability
Assessment**

38-42 Vincam Close
Twickenham,
TW2 7AB

Prepared on behalf of NFC Homes

August 2021

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Executive Summary

The appraisals and report presented consider the economic viability of the submitted proposals at 38-42 Vincam Close, Whitton TW2 7SB. The appraisal establishes the scheme's capacity to support planning gain requirements, including affordable housing, Section 106 obligations, or other contributions.

In order to determine viability, the residual profit of the proposed development has been compared to an appropriate benchmark profit. We summarise the results of this assessment in the table below:

Residualised Profit	Benchmark Profit	Viable additional planning gain contributions
-£796,766 (-14.19% of GDV)	£964,000 (20% of GDV)	NIL

The appraisal generates a residual profit of -£796,766 or -14.19% of the estimated Gross Development Value; £1,760.766 below the benchmark profit of £964,000 (20% of the estimated Gross Development Value).

Based on the outcome of the objective viability appraisal assessment the scheme is not economically viable. It is therefore not economically viable for this scheme to provide any affordable housing, additional section 106 obligations, or other additional planning gain contributions, or planning restrictions that impair the value of the scheme.

1. Summary of instruction & terms of reference

In accordance with our instructions provided, we have appraised the financial viability of the development proposals herein to establish the scheme's ability to support planning obligations, including affordable housing, Section 106 contributions, or other planning gain contributions.

Property	38-42 Vincam Close, Twickenham, TW2 7AB
Date of report	31 st August 2021
Client	NFC Homes
For the attention of	Edward Brading
Addressee	78 Pall Mall, London, SW1Y 5ES
Sources of information	In accordance with our instructions, we have relied upon the floor areas provided to us. We have undertaken research where applicable and obtained information from third party sources.

2. Introduction and background

This Financial Viability Assessment has been prepared by Red Loft to accompany the detailed planning application for the proposals at 38-42 Vincam Close, Twickenham, TW2 7AB. The application is submitted on behalf of NFC Homes ("the Applicant")

This report and appendices include details of the planning proposals, planning policy, viability appraisal methodology, assumptions made to assess the scheme, and the results of the appraisal.

Our financial viability appraisal is based on the proposals contained in the detailed planning application for the site. We have relied on information provided by the Agent, other consultants appointed by the Agent, and our own professional judgement in the preparation of the viability assessment detailed in this report.

3. Conflicts and impartiality

In preparing this financial viability assessment we have acted as external consultants, with objectivity, impartiality, without interference, and with reference to all appropriate available sources of information.

We can confirm that no performance related or contingent fees have been agreed in preparing this report.

We are not aware of any conflict of interest arising from undertaking this instruction, and hence we consider ourselves to be independent in terms of reporting to you.

4. Basis

The appraisal and figures in this report are not formal valuations and should not be relied upon as such. This is not a RICS (Royal Institution of Chartered Surveyors) compliant valuation report and is prepared in relation to financial viability analysis only.

We cannot accept responsibility for any errors or omissions in information provided to us.

5. Location and existing property

The site is comprised of 3 properties located at the end of the Vincam Close cul-de-sac known as no.38, no.40 and no.42 Vincam Close. No.38 is 5-bedroom semi-detached property whilst no.40 is a 3-bedroom semi-detached. No.42 Vincam Close is a 2 bedroom detached bungalow.

Vincam Close merges to Vanquish Close to the west and south where a relatively modern flatted 2-3 storey Notting Hill Genesis scheme can be found. Vincam Close itself is predominately made up of 2-storey terraced houses.

Hospital Bridge Road is the closest local distribution road which connects to the primary A316 Chertsey Road and the wider road network beyond.

The site has a PTAL rating of 1a-1b, defined as low. However, the closest railway station is Whitton located 0.7 miles south east of the site. The underground station, Hounslow Central is 1.9 miles away.

The 481 Bus stops on Hospital Bridge Road, just past the Vincam Close turning. This runs from West Middlesex hospital to Kingston via Teddington. The 111, (Heathrow airport) 110 and H22 are also available further along Hospital Bridge Road.

6. Proposals

The development proposals seek the following:

“Demolition of no.38, no.40 and no.42 Vincam Close and the erection of 8 no. dwellings,16 no. car parking spaces and all associated ancillary works.”

The proposed **housing mix and types are set out below.**

Unit Reference	Beds	Type	Size (m2)	Size (sqft)
Plot 1	4	End Terrace	130	1399
Plot 2	3	Terraced	104.7	1127
Plot 3	3	End Terrace	104.7	1127
Plot 4	3	Detached	119	1281
Plot 5	3	Semi-Detached	106	1141
Plot 6	3	Semi-Detached	106	1141
Plot 7	3	Semi-Detached	105.4	1135
Plot 8	4	Semi-Detached	130	1399
Total			906	9750

Full details of the proposed development can be viewed at **Appendix 1.**

7. Planning policy context

National

National Planning Policy Framework

The National Planning Policy Framework (NPPF), adopted in July 2021, sets out the Government's planning policies for England and how these should be applied. It provides a framework within which locally prepared plans for housing and other development can be produced.

The NPPF states that a viability assessment should reflect the recommended approach in national planning guidance, including standardised inputs, and be made publicly available.

The NPPF (paragraph 58) states:

"It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage."

National Planning Practice Guidance

This National Planning Practice Guidance sets out the government's recommended approach to viability assessment for planning. Any viability assessment should follow the government's recommended approach to assessing viability as set out in this National Planning Practice Guidance and be proportionate, simple, transparent and publicly available.

The NPPG states:

"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."

The NPPG states how land should be defined for purposes of viability assessment:

"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"

Regional

GLA Affordable Housing and Viability SPG (2017)

The Greater London Authority's (GLA) Affordable Housing and Viability Supplementary Planning Guidance 2017 outlines the Mayor's policy approach to affordable housing and viability. The Mayor advocates the 'Threshold Approach'; applications that meet or exceed the 35% affordable housing provision threshold will not be required to provide viability information, nor be subject to a review mechanism.

Where an application does not meet the threshold level, it must follow the Viability Tested Route. This requires detailed supporting viability evidence to be submitted as part of the application. The viability tested scheme will be subject to:

An Early Stage Viability Review if an agreed level of progress on implementation is not made within two years of permission being granted (or a period agreed by the borough);

A Late Stage Viability Review which is triggered when 75% of the units in a scheme are sold or let (or a period agreed by the borough).

The London Plan (2021)

Policy H4 'Delivering Affordable Housing', of the newly adopted London Plan sets a strategic target of 50 per cent of all new homes delivered across London to be genuinely affordable. To achieve this aim, specific measures include:

- Major developments which trigger affordable housing requirements to provide affordable housing through the threshold approach (Policy H5)
- 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 portfolio
- Delivering at least 50% affordable housing on public land
- Industrial land appropriate for residential use delivering at least 50 per cent affordable housing where the scheme would result in a net loss of industrial capacity.

Policy H4 also note affordable housing should be provided on site and should only be provided off-site or as a cash in lieu contribution in exceptional circumstances.

LocalLondon Borough of Richmond Upon Thames

The London Borough of Richmond's affordable housing policy for C3 residential developments is principally set out in the Local Plan (adopted July 2018) Policy LP 36: Affordable Housing.

The Policy states that:

"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 below and in the Affordable Housing SPD.*

No. of units proposed (gross)	% Affordable Housing		
	For conversion 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.”

8. Viability appraisal methodology

The approach to determining scheme viability in this report follows RICS guidance ‘Assessing viability in planning under the National Planning Policy Framework 2019 for England’ (March 2021). Viability in planning is defined as:

‘An objective financial viability test of the ability of a development project to meet its costs including the cost of planning obligations, whilst ensuring an appropriate site value for the landowner and a risk adjusted return to the developer in delivering that project’.

The approach must be objective, with assumptions derived from reference to the market, specific to the proposals and not the applicant. In appraising the scheme, we have applied assumptions which are in line with established precedent and market expectations.

We have used the Argus Developer appraisal program to assess development viability. This is a widely used software package and is broadly accepted as an appropriate appraisal tool to assess scheme financial viability. Like most appraisal software, the gross value of the completed development is assessed, and the total cost of development subtracted from the value. Therefore, the output of the appraisal is the residual profit the developer would receive.

In order to determine viability, the residual profit is compared to a financial return which is comparable to the market's expectations, taking into consideration the level of development risk associated with the project whilst providing an appropriate return in current market conditions.

Where the residual profit generated by the appraisal is greater than the benchmark profit, it is considered that the scheme is viable. Conversely where the residual profit is less than the benchmark profit there will be a degree of profit erosion and the development is considered to be unviable.

9. Viability inputs

A summary report of our financial viability assessment appraisal can be found at **Appendix 2**.

9.1. Private residential values

An opinion of the expected open market value of the proposed unit has been provided by Red Loft's in house sales and marketing team. We have looked at comparable houses for sale, under offer, sold and sold STC within 0.5 miles of the subject site. Our research is summarised below.

There is a lack of comparable new build data within the past year. We have therefore considered evidence from the second-hand market taking into account that new builds generally demand a premium over this market.

9.1.1. Achieved prices

The achieved data we have gathered is tabulated below.

Unit Reference	Beds	Type	Achieved price	Size (m2)	Size (sqft)	£psf	Date
25 Evelyn Close, TW2 7BL	3	Semi-Detached	£515,000	82	883	£583	07/05/2020
116 Redfern Avenue, TW4 5LZ	3	Semi-Detached	£535,000	146	1572	£340	24/06/2020
28 Heathside, TW4 5NN	3	Semi-Detached	£550,000	108	1163	£473	12/02/2020
67 Argyle Avenue, TW3 2LE	3	Semi-Detached	£530,000	125	1345	£394	04/11/2020
47 Stratheam Avenue, TW2 6JT	3	Semi-Detached	£635,000	100	1080	£588	02/03/2020
2 Gilpin Crescent, TW2 7BP	4	Semi-Detached	£543,000	104	1114	£487	25/09/2020
76 Tranmere Road, TW2 7JB	4	Semi-Detached	£630,000	100	1076	£585	11/12/2019
172 Argyle Avenue, TW3 2LS	4	Detached	£690,000	211	2271	£304	03/11/2020

Total			£4,628,000	976	10504		
Blended average						£441	

9.1.2. Asking prices

Current asking prices which we consider to be relevant are noted below.

Unit Reference	Beds	Type	Asking price	Size (m2)	Size (sqft)	£psf	Date
9 Camellia Place, TW2 7HZ	3	Semi-Detached	£539,950	90	883	£611	29/07/2021
32 Vincam Close, TW2 7AB	3	Terraced	£500,000	79	846	£591	29/07/2021
Total			£8,977,950	1751	18767		
Blended average						£478	

It is important to note that the local market in Richmond Upon Thames can vary in price and as a result a 0.5 miles search radius can present considerable differences in value for the same house types. We would highlight that Vincam Close is considered a low value road when compared with roads in immediate proximity as identified in the Zoopla Zed Index heat map below.



Based on the evidence and taking into account all other factors, the expected open market values of the proposed houses are set out below.

Unit Reference	Beds	Type	Price	Size (m2)	Size (sqft)	£psf
Plot 1	4	End Terrace	£680,000	130	1399	£486
Plot 2	3	Terraced	£560,000	104.7	1127	£497
Plot 3	3	End Terrace	£570,000	104.7	1127	£506
Plot 4	3	Detached	£620,000	119	1281	£484

Plot 5	3	Semi-Detached	£570,000	106	1141	£500
Plot 6	3	Semi-Detached	£570,000	106	1141	£500
Plot 7	3	Semi-Detached	£570,000	105.4	1135	£502
Plot 8	4	Semi-Detached	£680,000	130	1399	£486
Total			£4,820,000	906	9750	
Blended average						£494

We have assumed a sales period of 4 months and note that the houses are likely to be sold as they are completed. We have assumed Plot 1 is completed 12 months into the programme, Plot 2 13 months into the programme and so on.

9.2. Build costs

An estimate of build costs for the proposed development has been provided by NFC Homes. The cost estimate can be found at Appendix 3.

The cost estimate is inclusive of preliminaries, overheads, contractor's profit, and risk / contingency and demolition.

There are no allowances for Abnormals within the cost plan. Section 278 and Section 104/106 costs are included at £20,000 each, totalling £40,000.

The total build cost for the proposed works is estimated at £2,244,294.83 which equates to £230.18 psf on the gross internal area.

We have assumed a construction programme of 18 month in total. 3 months pre-construction, 15 months construction period.

9.3. Professional fees

Professional fees have been applied at 12% of total construction costs. These fees cover all professional fees associated with the design and procurement of the development.

Sales agency fees are assumed at 1.5% and sales legal costs are assumed at 0.35% of GDV.

Marketing fees are assumed at 1.5% of GDV.

Agent fee and legal fee are assumed at 1% and 0.5% on the land acquisition.

Stamp Duty Land Tax has been included at the effective rate of 8.09%

These assumptions are in line with industry standards.

9.4. S106 and other planning obligations

We have assumed Community Infrastructure Levy charges in accordance with local and regional policy rates, assuming:

- LBH CIL (indexed to 2021): £264.73m2 on net additional residential floorspace.
- Mayoral CIL (indexed to 2021): £50m2 on net additional floorspace.

This equates to a total of **£160,197.57** for the proposed development.

No allowance has been made at this stage for any Section 106 or Section 278 obligations, beyond those included in the cost plan.

These allowances are estimations for the purpose of the viability assessment only, finalised contributions will be agreed with the Council. Should additional contributions be sought, they will further erode the financial performance of the scheme and undermine viability.

9.5. Potential legal easements and insurance costs

No costs associated with extinguishing potential easements are included within our appraisal. Equally no allowance has been made for any indemnity policies required.

Owing to the stage of the project's development the agent has not established likely costs associated with extinguishing easements or putting in place any required indemnity policy. When assessments have been completed, we will share the financial impact of these costs with the Council. We therefore reserve our position on this assumption and if and when information comes forward, we will share this with the Council.

9.6. Finance costs

The finance rate applied is 7%. This rate is inclusive of finance arrangement fees, exit fees, and monitoring fees and makes no assumptions to reflect the cost of mezzanine funding. The finance rate is reflective of the borrowing rates for schemes of this scale and nature.

9.7. Site value

We have provided an assessment of the sites Benchmark Land Value (BLV). In accordance with viability guidance and established industry methodology, we have assessed the BLV based on the Existing Use Value (EUUV) plus a premium. For the purpose of this assessment the EUUV is the sum of the three individual properties, assuming it is sold freehold, and excluding 'hope value' for development.

The assessment is based on the EUUV of No.38, No.40 and No.42 Vincam Close

A schedule of the properties is set out below.

Unit Reference	Beds	Type	Size (m2)	Size (sqft)
No.38	5	Semi-Detached	192	2067
No.40	3	Semi-Detached	128.1	1379
No.42	2	Detached (bungalow)	76.7	826

Existing floor plans and pictures can be found at Appendix 4 and 5 respectively.

We have undertaken a site visit and can confirm that 38 and 40 Vincam Close are in a good liveable condition, not in need of immediate alterations, refurbishment or repair and can be occupied immediately.

For 38 and 40 Vincam Close, we have considered sold properties in a similar condition, within 1 mile of the subject site. The data compiled can be summarised as follows.

Unit Reference	Beds	Type	Price	Sqft	£psf	Date sold	Comment
307 Nelson Road, TW2 7AD	3	Semi	£500,000	746	£670	01/07/2020	Medium decorative condition throughout and benefits from 1 bathroom. Off street parking, standard sized garden, and rear outbuilding.
264 Nelson Road, TW2 7BW	3	Semi	£649,950	1098	£592	27/02/2020	Medium decorative condition throughout and benefits from a

							WC, bathroom and ensuite. Off street parking, good sized garden, and rear garage.
225 Nelson Road, TW2 7BQ	5	Detached	£702,500	1140	£616	16/11/2020	Medium decorative condition and benefits from 1 ensuite and 1 bathroom. Off street parking and good-sized rear garden.

We have also considered properties for sale within 1 mile. Our findings are set out below.

Unit Reference	Beds	Type	Price	Sqft	£psf	Date	Comment
73 Nelson Gardens, TW3 3UW	3	Semi	£550,000	1162.4	£473.16	28/07/2021	Medium decorative condition and benefits from 1 WC and 1 bathroom. Off street parking and small rear garden.
12 Tranmere Road	5	Semi	£725,000	1898.7	£381.84	28/07/2021	Medium-high decorative condition and benefits from 2 en-suites and 1 bathroom. Off street parking and a medium size rear garden.

Based on the above and taking into account all other factors, we summarise below our opinion of the value of 38 and 40 Vincam Close.

Unit Reference	Beds	Type	Price	Sqft	£psf
No.38	5	Semi-Detached	£710,000	2067	£344
No.40	3	Semi-Detached	£600,000	1379	£435
Total			£1,310,000	3446	£380

42 Vincam Close, whilst in a liveable condition, is in a low decorative condition throughout. We have therefore accounted for this within our pricing. The comparables we consider to be relevant are set out below.

Unit Reference	Beds	Type	Price	Sqft	£psf	Date	Comment
3 The Avenue, TW3 2BG	2	Detached (bungalow)	£599,950	931	£644.41	20/08/2021	Medium condition throughout and benefits from 1 shower room. Off street parking and good-sized rear garden with separate garage.
24 Glasbrook Avenue, TW2 6AH	2	Detached (bungalow)	£585,000	673	£859.62	20/08/2021	Medium decorative condition and benefits from 1 bathroom. Off street parking, large garden and separate garage.

1 Conway Road, TW4 5LL	2	Detached (bungalow)	£485,000	N/A	N/A	20/08/2021	Medium decorative condition and benefits from 1 bathroom. Off street parking, small rear garden, and separate garage
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Our opinion of the value of 42 Vincam Close is tabulated below.

Unit Reference	Beds	Type	Price	Sqft	£psf
No.42	2	Detached (bungalow)	£530,000	826	£690

The total EUV is therefore £1,840,000.

It is important to acknowledge that the current landowners have several other options open to them and as a result they do not have to release the land for development.

PPG paragraph 013 notes that “other options open to the landowner” should be interpreted as those that may add value to the land. With reference to this interpretation, the landowners have the option of adding extensions, converting the loft space or they could up spec the property to add further value, in addition to waiting for a better market environment.

According to RICS guidance the landowner’s premium is the second component of the BLV. The premium should provide a reasonable incentive for a landowner to bring forward the land for development and it is the minimum return that would persuade a reasonable landowner to release the land for development, rather than exercise the option to wait or any other options available to the landowner.

As noted above, the landowners benefit from a range of options in terms of what they are able to do with their property. We therefore consider it appropriate to apply a premium as a reasonable incentive to bring the land forward for development.

We have added a 20% landowner incentive for sale, to release the land for development. It is typical for premiums to range between 10% - 30% and should vary according to site specific circumstances. We have assumed the midpoint of this range, which is considered reasonable in the context of current market conditions and the specific characteristics of the site. This is reflective of established precedent in viability assessment methodology.

Applying the landowner’s premium results in a total EUV plus of £2,208,000 for no.38, no.40 Vincam Close and No.42 Vincam Close

The BLV of the existing use plus a premium is therefore **£2,208,000**. This forms the acquisition price within our assessment.

9.8. Profit

The PPG states “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 the planned development. A lower figure may be more appropriate for delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk.”

In the current market for a scheme of this nature banks are requiring a minimum return of 20%. This forms the benchmark profit in our appraisals.

10. Results and conclusion

The results of the viability test are summarised in the table below:

Residualised Profit	Benchmark Profit	Viable additional planning gain contributions
-£796,766 (-14.19% of GDV)	£964,000 (20% of GDV)	NIL

The appraisal generates a residual profit of -£796,766 or -14.19% of the estimated Gross Development Value; £1,760.766 below the benchmark profit of £964,000 (20% of the estimated Gross Development Value).

Based on the outcome of the objective viability appraisal assessment the scheme is not economically viable. It is therefore not economically viable for this scheme to provide any affordable housing, additional section 106 obligations, or other additional planning gain contributions, or planning restrictions that impair the value of the scheme.

11. Sensitivity Analysis

The above results clearly demonstrate that the financial viability of the scheme is challenging, when applying present day objective costs and values. To further test the scheme viability, we have conducted various sensitivity analyses of the key inputs.

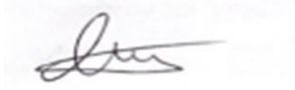
Principally we have tested the impact on overall viability, subject to adjustments in private residential sale values and construction costs.

We have tested the scheme performance subject to incremental increases/decreases in the sales value of £10psf, as well as adjusting in the build cost rate by £10psf.

Table of Profit Amount and Profit on GDV%

		Construction: Rate /ft ²				
Sales: Rate /ft ²	-40.00 /ft ²	-30.00 /ft ²	-20.00 /ft ²	-10.00 /ft ²	0.00 /ft ²	
	190.18 /ft ²	200.18 /ft ²	210.18 /ft ²	220.18 /ft ²	230.18 /ft ²	
0.00 /ft ²	(£334,851)	(£450,330)	(£565,809)	(£681,288)	(£796,766)	
494.36 /ft ²	-6.947%	-9.343%	-11.739%	-14.135%	-16.530%	
+10.00 /ft ²	(£238,672)	(£354,150)	(£469,629)	(£585,108)	(£700,586)	
504.36 /ft ²	-4.854%	-7.202%	-9.550%	-11.898%	-14.247%	
+20.00 /ft ²	(£142,492)	(£257,970)	(£373,449)	(£488,928)	(£604,406)	
514.36 /ft ²	-2.841%	-5.144%	-7.447%	-9.749%	-12.052%	
+30.00 /ft ²	(£46,312)	(£161,790)	(£277,269)	(£392,748)	(£508,226)	
524.36 /ft ²	-0.906%	-3.165%	-5.423%	-7.682%	-9.941%	
+40.00 /ft ²	£49,868	(£65,610)	(£181,089)	(£296,568)	(£412,046)	
534.36 /ft ²	0.957%	-1.259%	-3.476%	-5.692%	-7.909%	

The results demonstrate that in the most optimistic scenario, it remains unviable for the scheme to deliver any affordable housing provision or additional planning gain contributions as it performs below the benchmark profit level.



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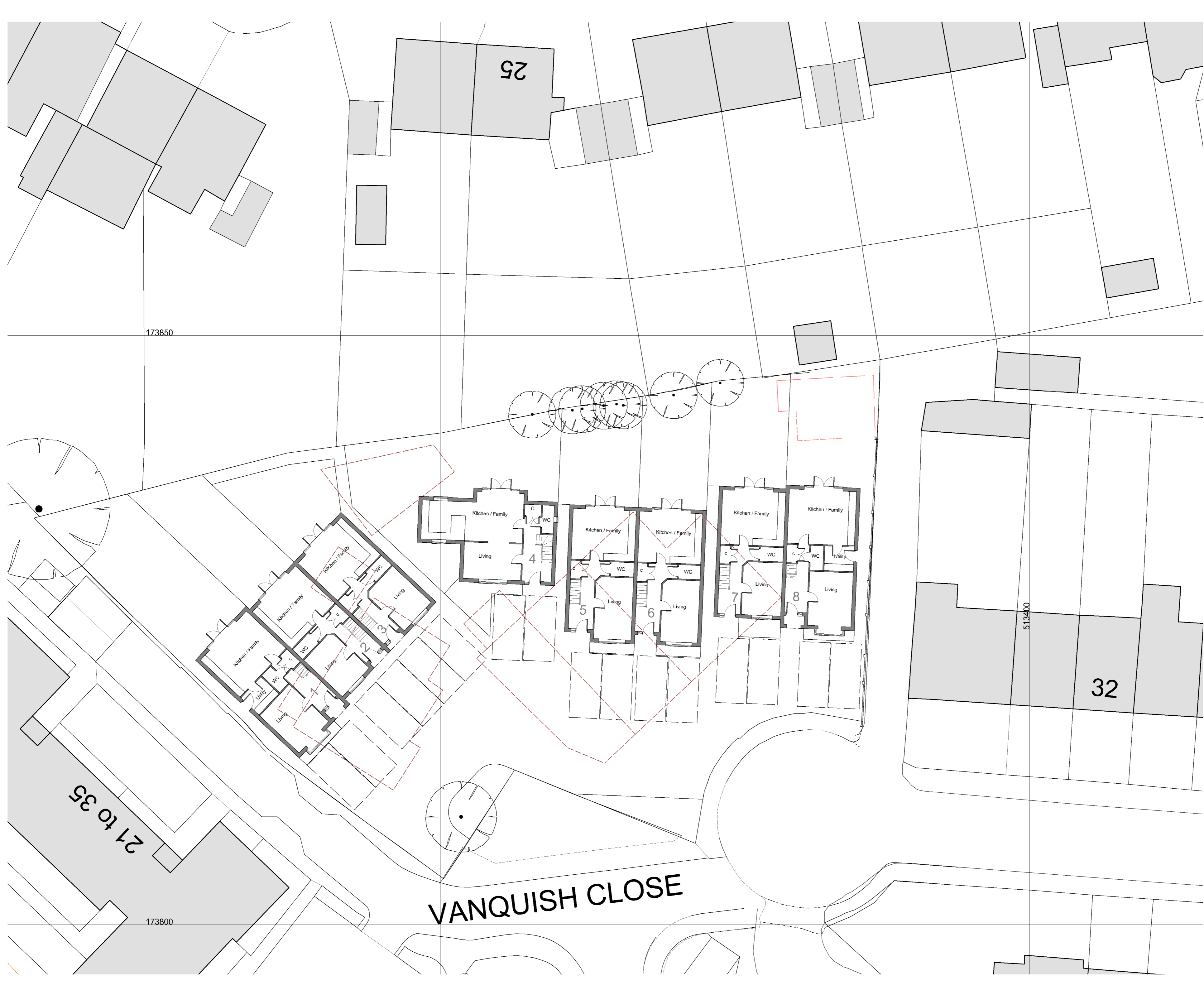
John Booker
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12. Appendices

Appendix 1 – Scheme Details



173850

173800

25

32

21 to 35

VANQUISH CLOSE

PROPOSED DEVELOPMENT

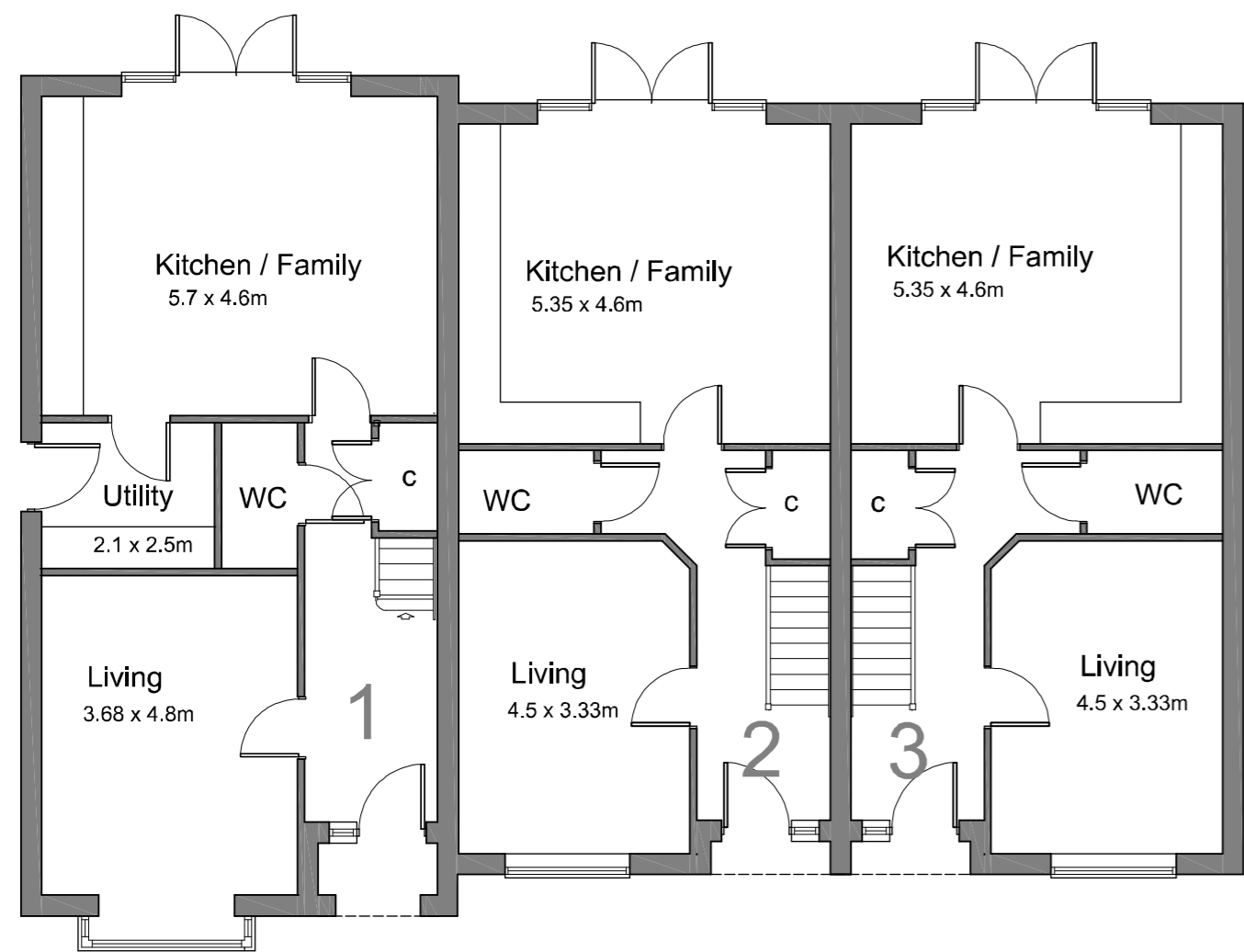
38 -42 Vincam Close
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SITE PLAN

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Scale	1:200 @ A2
Date	JULY 2021
Drawing No.	952 / 1

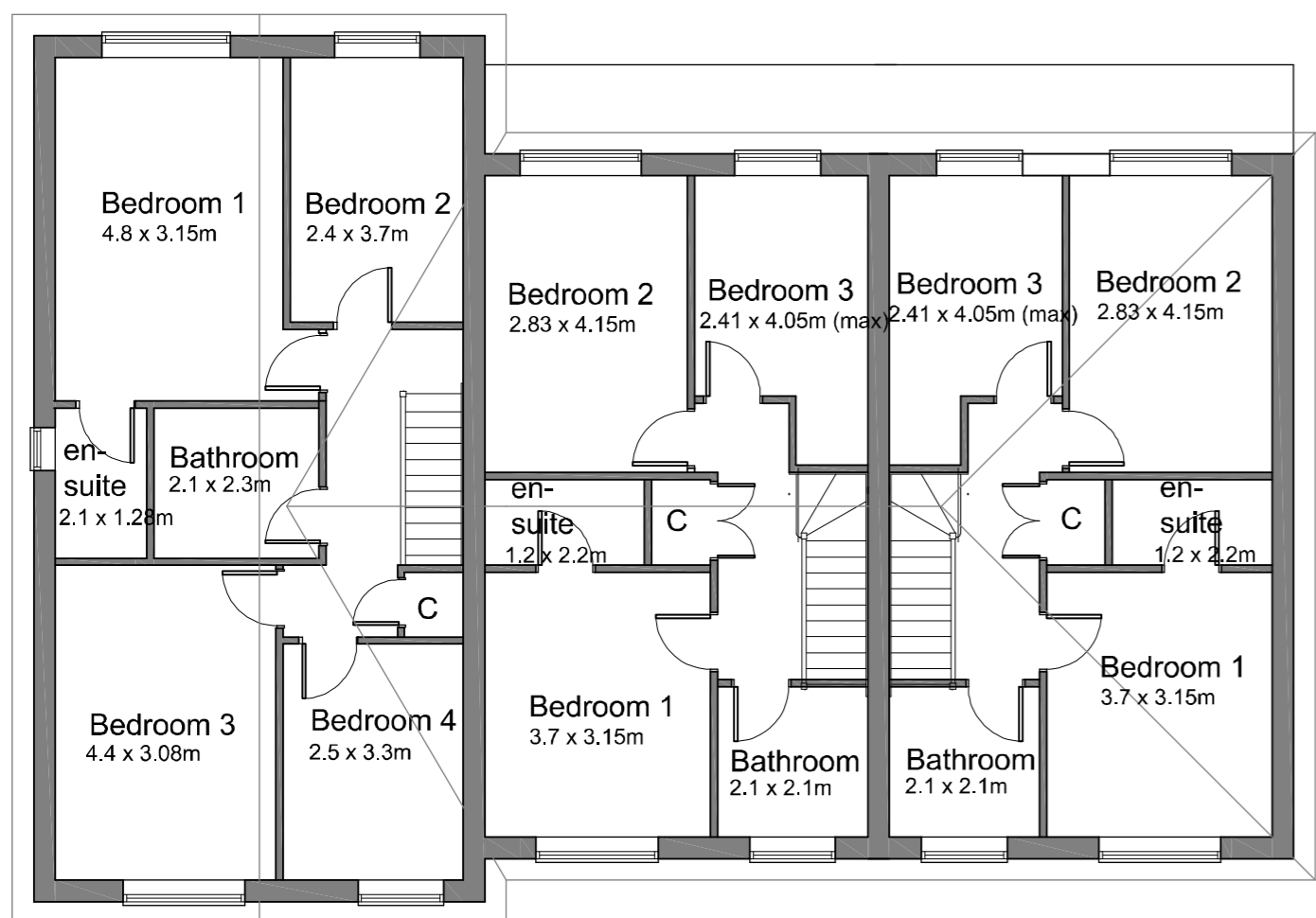
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130 sq.m GIA

104.7 sq.m GIA

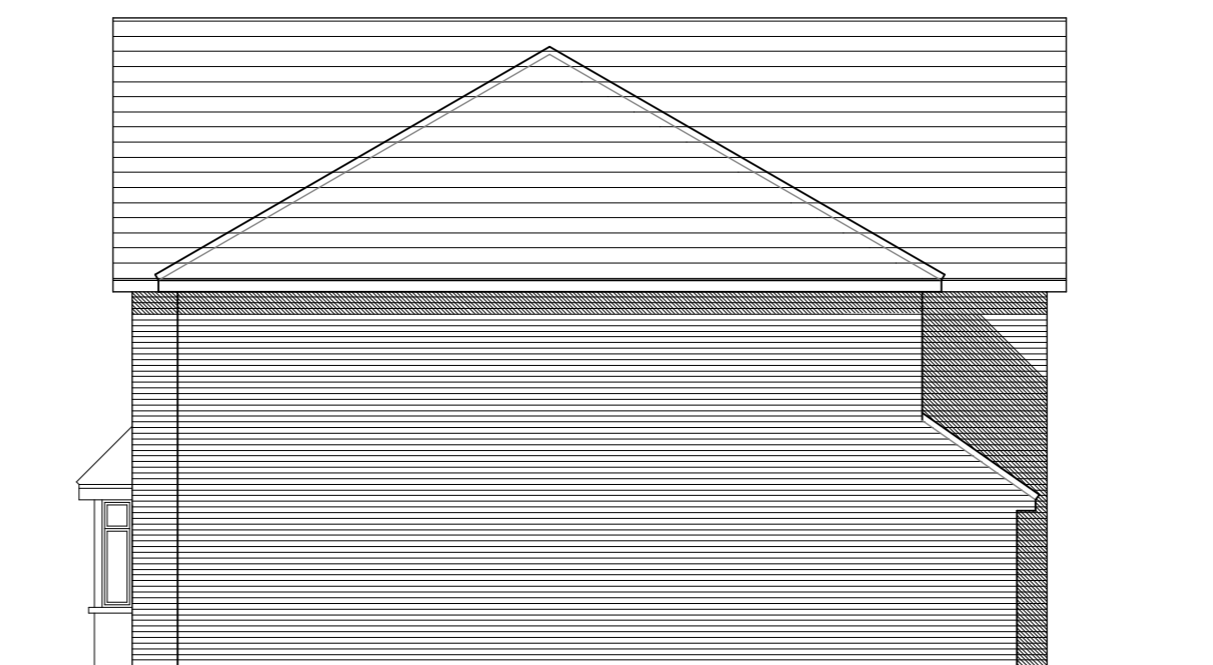
Ground Floor Plan



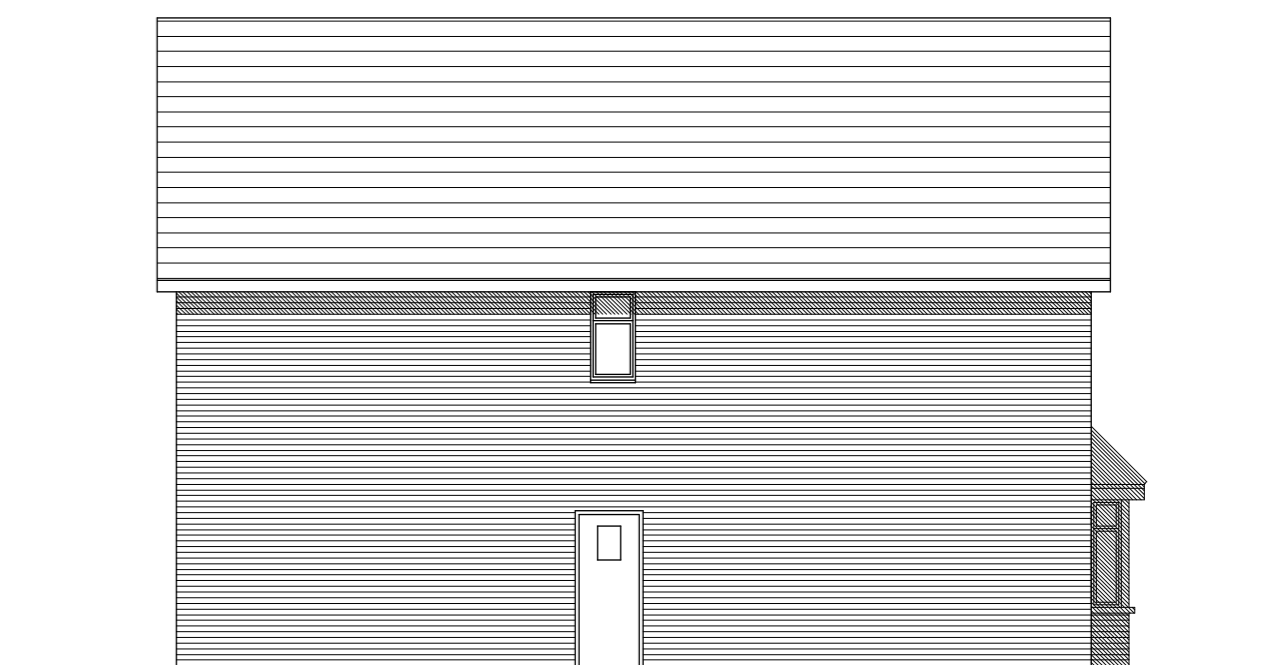
First Floor Plan



Front Elevation



Side Elevation



Side Elevation



Rear Elevation

PROPOSED DEVELOPMENT

38 -42 Vincam Close
Whitton
TW2 7AB

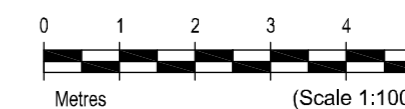
PLOTS 1 TO 3
PLANS & ELEVATIONS

Tim Snow Architects

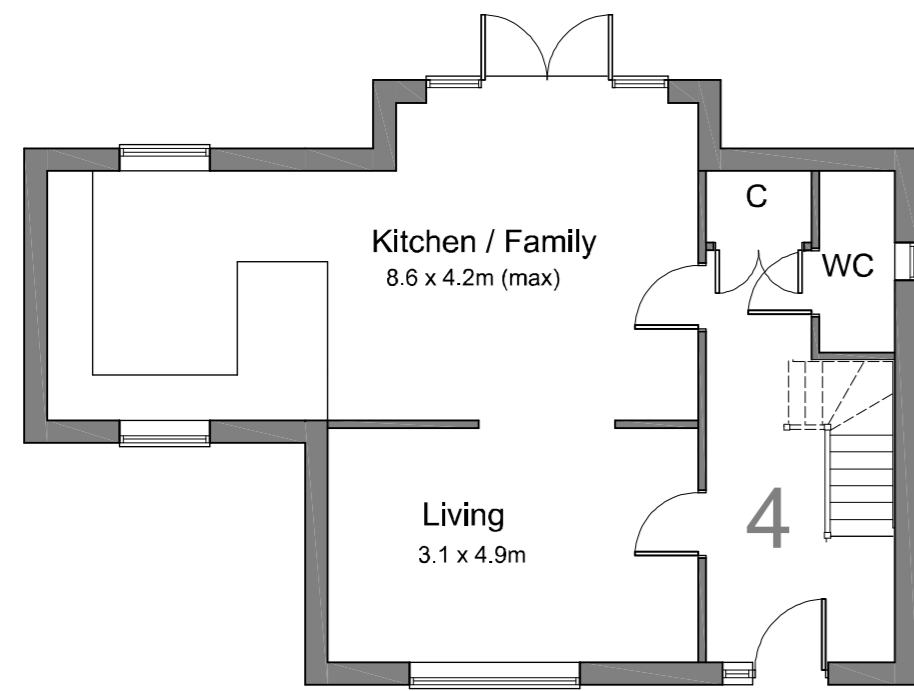
9A High Street, Brightlingsea
Colchester, Essex CO7 0AE
tel: +44 (0)1206 308300
info@timsnowarchitects.co.uk

Scale 1:100 @ A2
Date JULY 2021

Drawing No. 952 / 2



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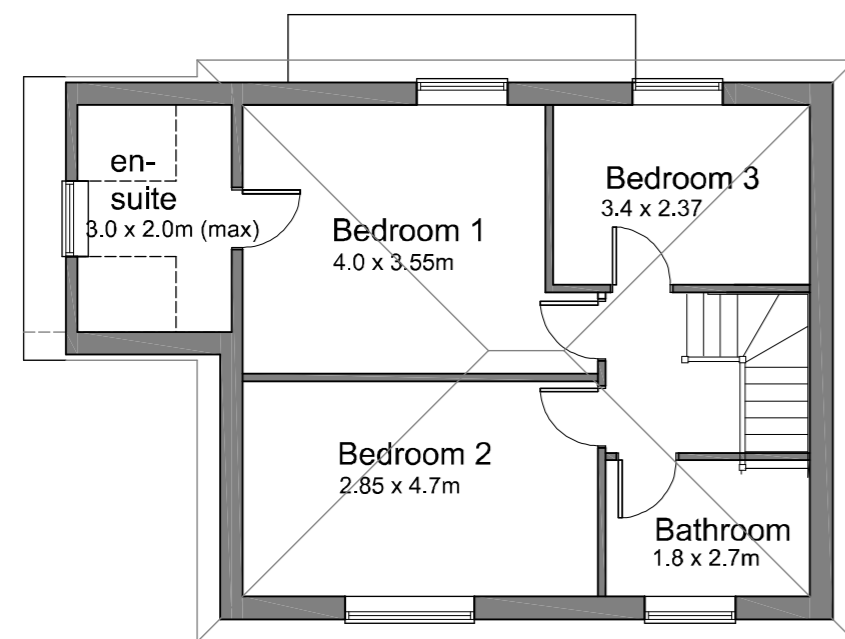
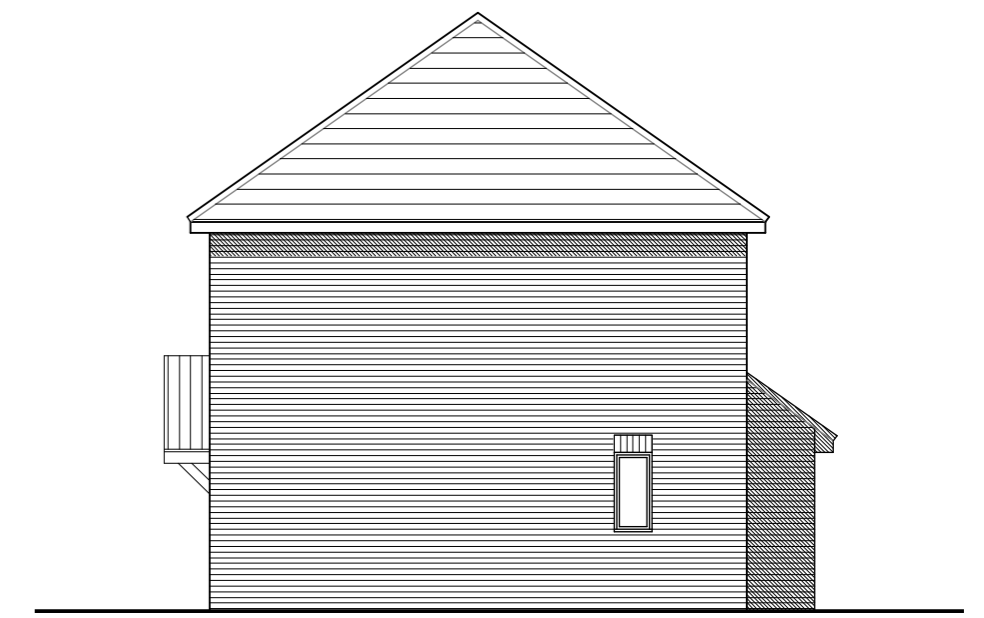


119 sq.m GIA

Ground Floor Plan



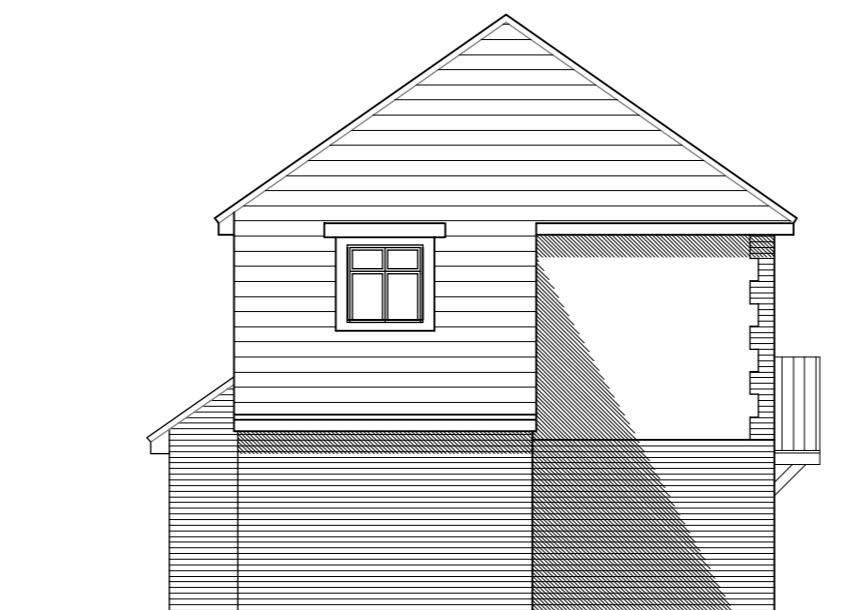
Front Elevation



First Floor Plan



Rear Elevation



Side Elevation

PROPOSED DEVELOPMENT

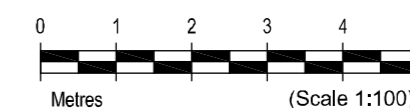
38 -42 Vincam Close
Whitton
TW2 7AB

PLOTS 4
PLANS & ELEVATIONS

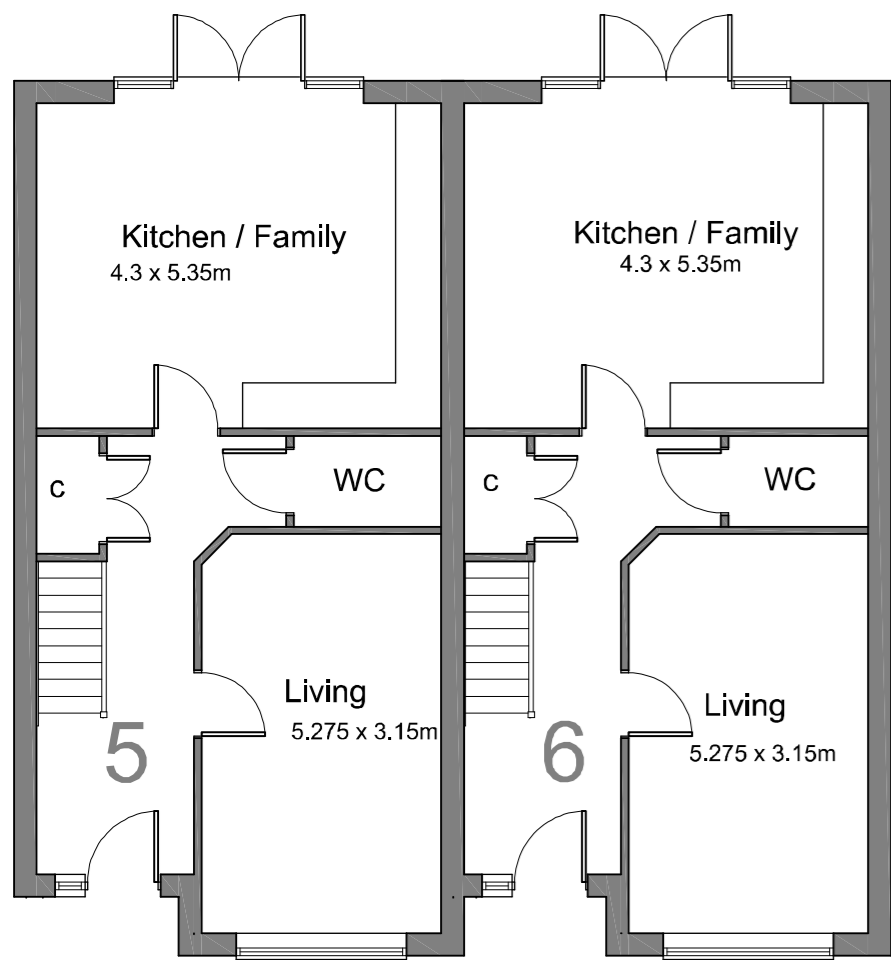
Tim Snow Architects
9A High Street, Brightlingsea
Colchester, Essex CO7 0AE
tel: +44 (0)1206 308300
info@timsnowarchitects.co.uk

Scale 1:100 @ A2
Date JULY 2021

Drawing No. 952 / 3

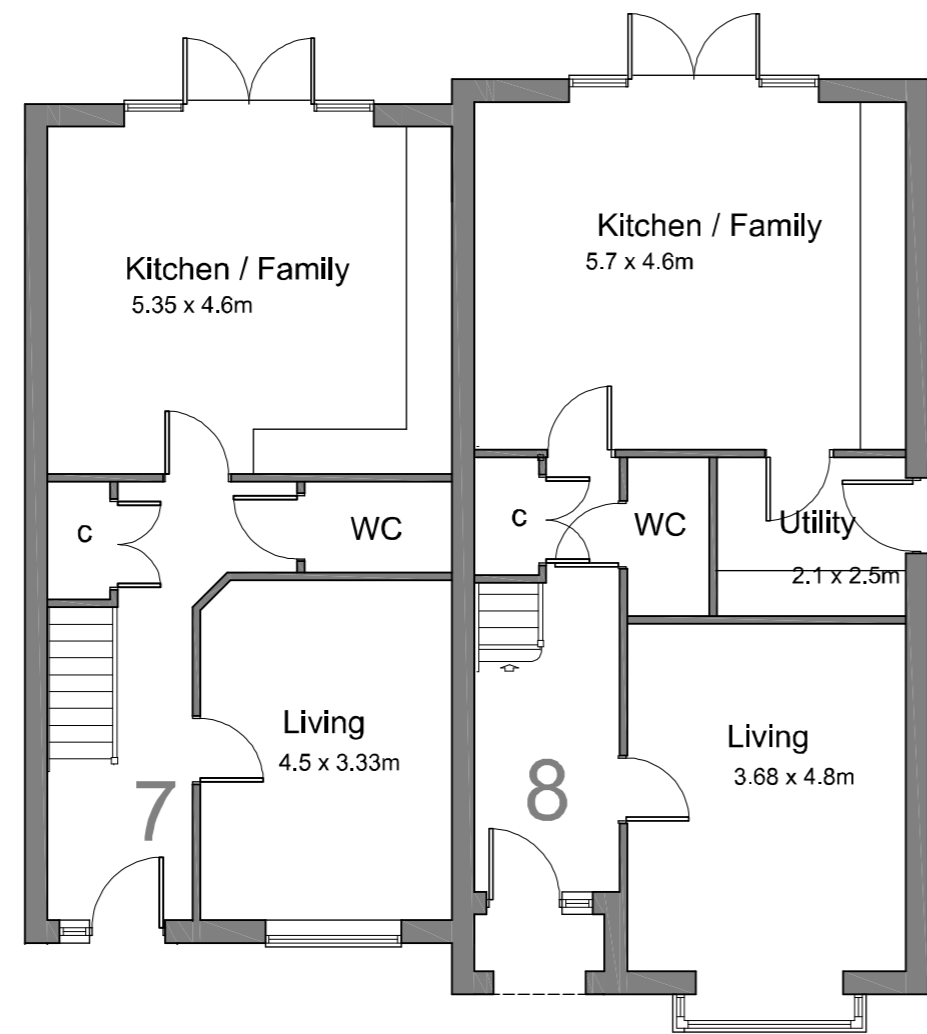


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106 sq.m GIA

Ground Floor Plan



105.4 sq.m GIA

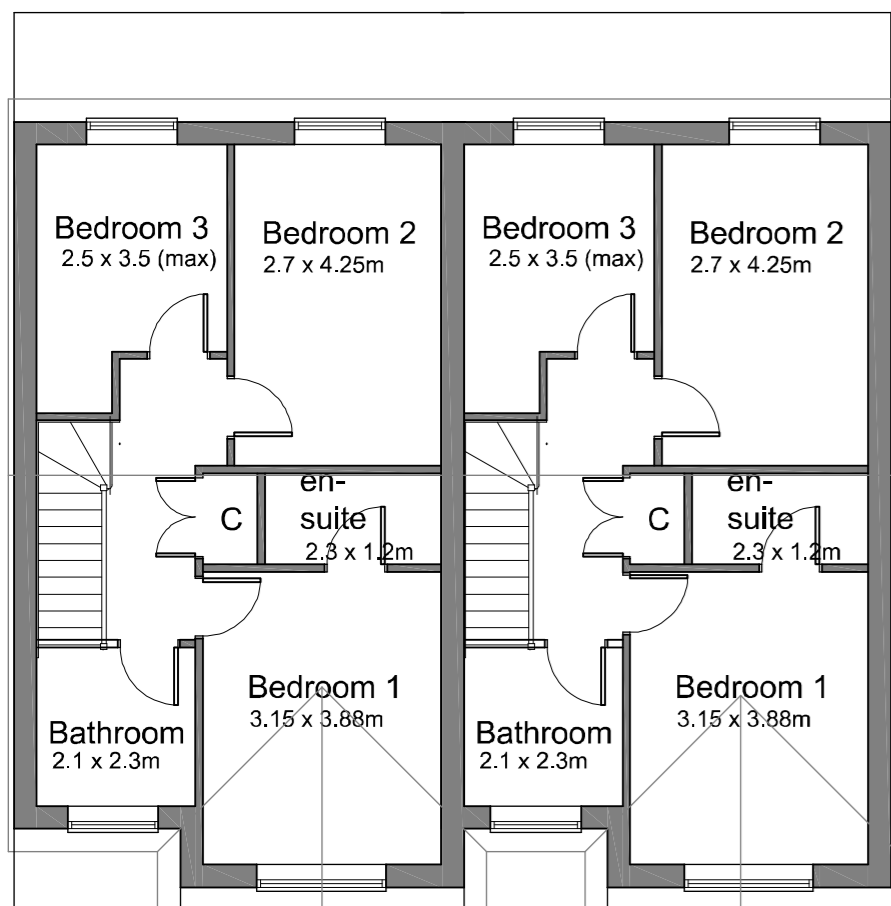
130 sq.m GIA



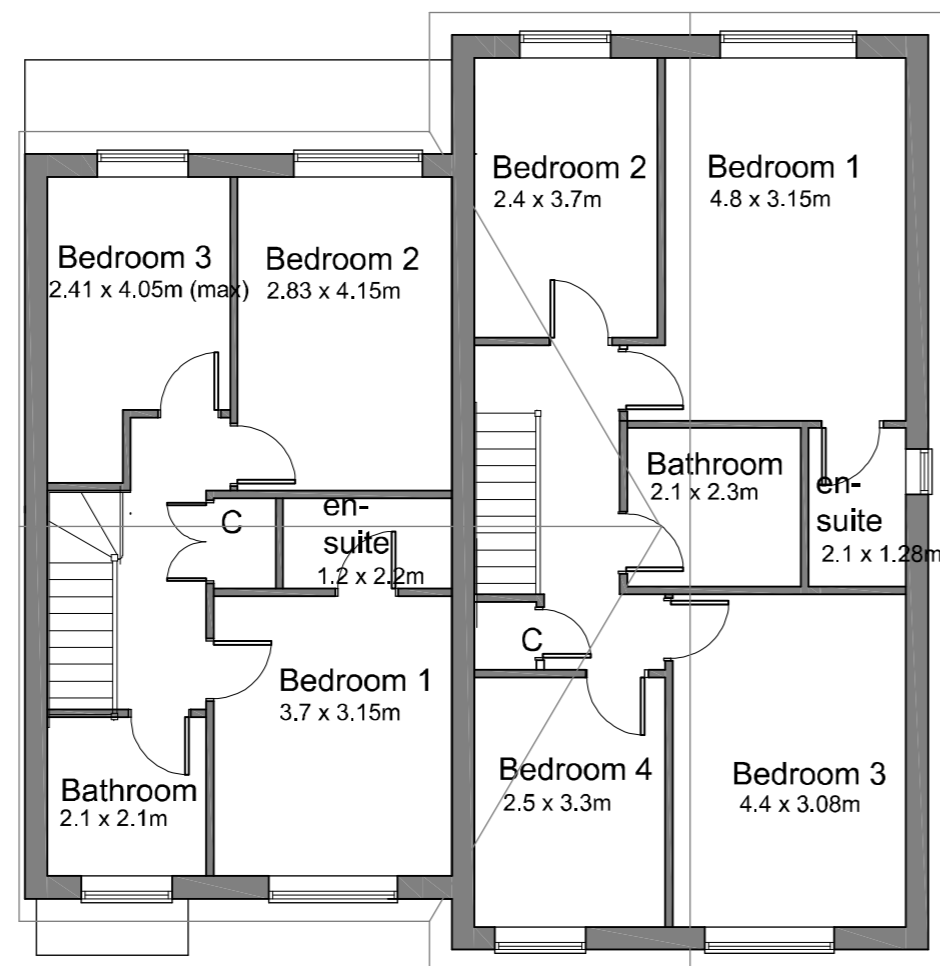
Front Elevation



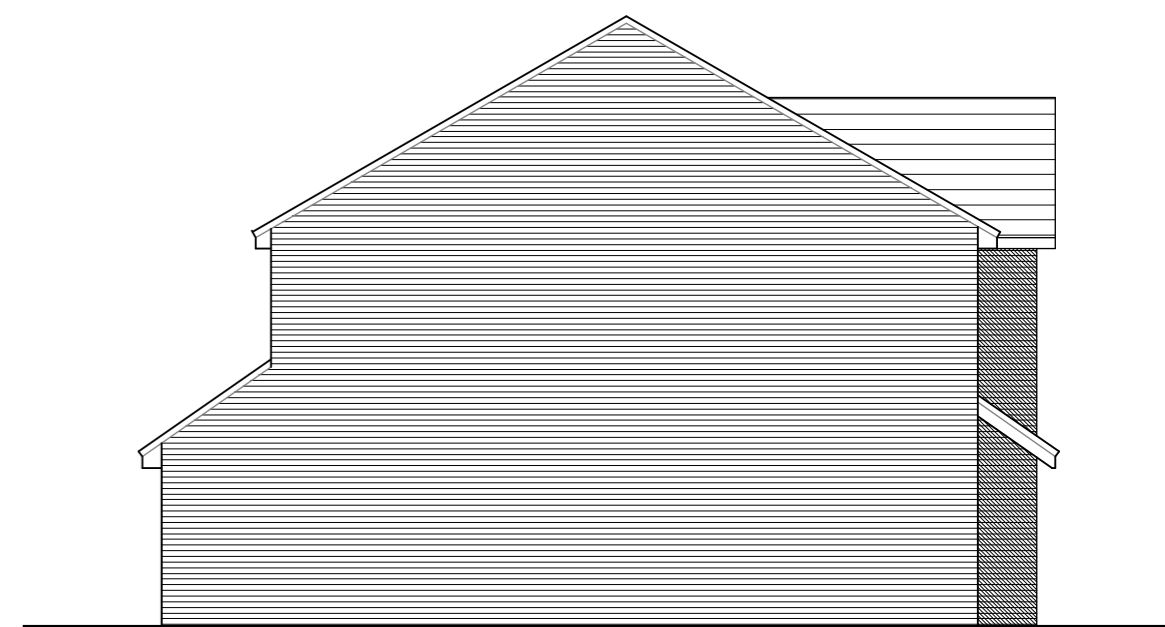
Rear Elevation



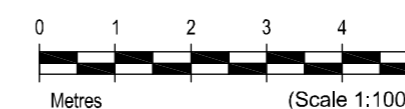
First Floor Plan



Side Elevation



Side Elevation



PROPOSED DEVELOPMENT

38 -42 Vincam Close
Whitton
TW2 7AB

PLOTS 5 TO 8
PLANS & ELEVATIONS

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info@timsnowarchitects.co.uk

Scale 1:100 @ A2
Date JULY 2021

Drawing No. 952 / 4

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Appendix 2 – Viability appraisal summary

Vincam Close
Financial Viability Appraisal

38-42 Vincam Close

Development Appraisal
RedLoft
August 27, 2021

APPRAISAL SUMMARY**REDLOFT****Vincam Close
Financial Viability Appraisal****Appraisal Summary for Phase 1**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Private Residential	1	9,750	494.36	4,820,000	4,820,000

NET REALISATION **4,820,000****OUTLAY****ACQUISITION COSTS**

Fixed Price	2,208,000				
Fixed Price			2,208,000		
				2,208,000	
Stamp Duty			178,710		
Effective Stamp Duty Rate	8.09%				
Agent Fee	1.00%		22,080		
Legal Fee	0.50%		11,040		
				211,830	

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost		
Private Residential	9,750	230.18	2,244,295		
Local CIL			134,748		
Mayoral CIL			25,450		
				2,404,493	

PROFESSIONAL FEES

Professional Fees	12.00%		269,315		
				269,315	

MARKETING & LETTING

Marketing	1.50%		72,300		
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APPRAISAL SUMMARY**REDLOFT****Vincam Close****Financial Viability Appraisal**

			72,300
DISPOSAL FEES			
Sales Agent Fee	1.50%	72,300	
Sales Legal Fee	0.35%	16,870	
			89,170
FINANCE			
Debit Rate 7.000%, Credit Rate 0.000% (Nominal)			
Land		250,066	
Construction		77,353	
Other		34,239	
Total Finance Cost			361,658
TOTAL COSTS			5,616,766
PROFIT			(796,766)
Performance Measures			
Profit on Cost%	-14.19%		
Profit on GDV%	-16.53%		

Appendix 3 – Build cost estimate

**PROPOSED RESIDENTIAL DEVELOPMENT
AT VINCAM CLOSE**



Cost Plan

27th August 2021

DEMOLITION

Demo and oversite £ 41,768.00

HOUSES

1. Substructure:-

a. Foundations £ 141,345.00

b. Ground Floor Slab £ 85,984.00

2. Superstructure:-

a. Frame £ 265,896.00

b. External Walls £ 170,687.00

c. External Windows and Doors £ 79,576.00

c. Roof coverings and flashings £ 80,586.00

d. Rainwater Installation £ 8,768.00

e. Upper Floor and Staircase £ 32,456.00

f. Internal Walls included

g. Internal Joinery £ 35,967.00

h. Floor Finishes £ 40,576.00

i. Wall Finishes £ 55,009.00

j. Ceiling Finishes £ 18,586.00

k. Decoration £ 34,523.00

l. Mechanical and Electrical £ 305,674.00

m. Fixtures and Fittings £ 69,576.00

n. Sanitary Fittings included

EXTERNAL WORKS AND DRAINAGE

1. Bulk excavation and filling included

2. Road and kerbs £ 56,850.57

3. Drives, paving and kerbs £ 29,086.39

4. Landscaping and gardens £ 34,605.90

5. Walls and fencing £ 26,911.79

6. Street lighting included

7. Drainage incl attenuation	£	54,197.62
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INCOMING SERVICE MAINS (provisional sums)

1. Gas Main	£	30,000.00
2. Water Main	£	30,000.00
3. Electric Main	£	30,000.00
4. Bwic with Service Mains	£	30,000.00

HIGHWAYS (Provisional sums)

Section S278 (new entrance)	£	20,000.00
Section 104/106	£	20,000.00

FEES

Decontamination assessment	£	-
Party Wall Awards	£	-
NHBC	£	30,000.00

Professional and design fees	excluded
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Sub Total	£	1,858,629.26
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PRELIMINARIES (including Main Contractors OH&P)	15%	£	278,794.39
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Sub Total	£	2,137,423.65
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Contingencies	5%	£	106,871.18
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Sub Total	£	2,244,294.83
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PROFESSIONAL FEES

Architect	Excluded
Civil Engineer	Excluded
Structural Engineer	Excluded

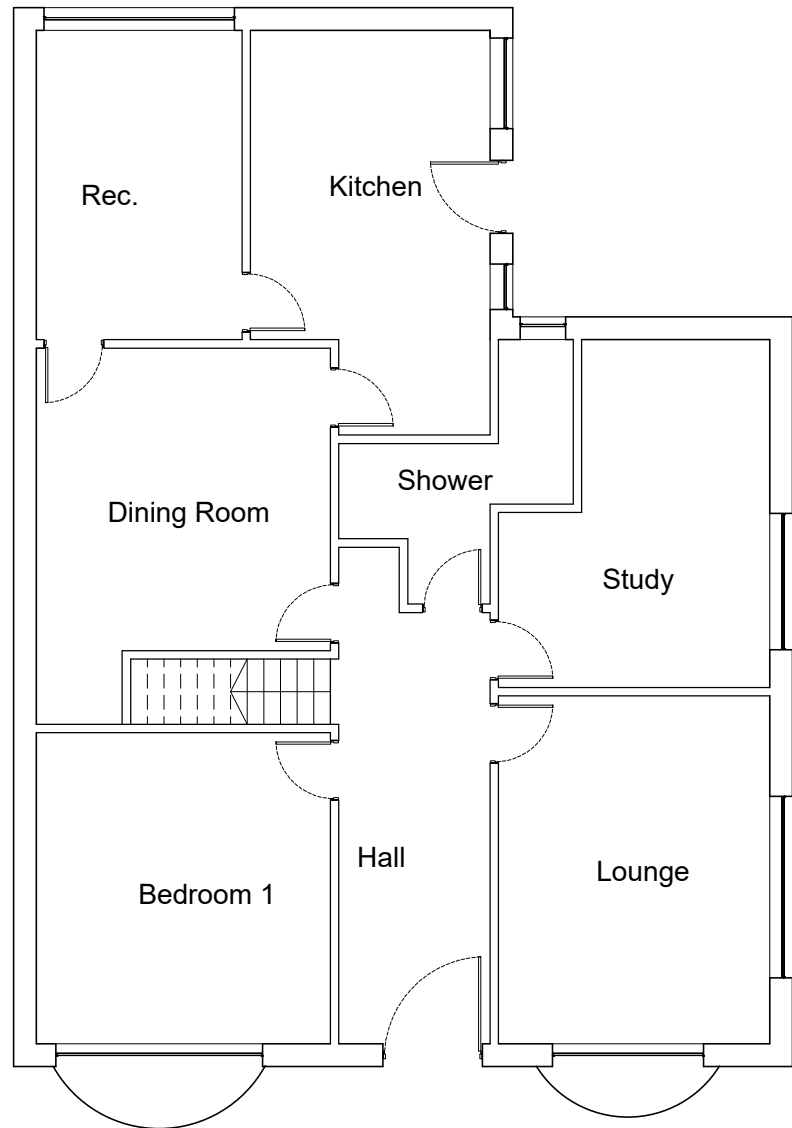
Total	£	2,244,294.83
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Please note this build excludes the following abnormals

ABNORMALS (Provisional Sums)

Piling (subject to SI)	£	25,000.00
Ground risk and adjustment of levels	£	25,000.00
Contamination removal	£	25,000.00
Diversion of existing service mains	£	25,000.00

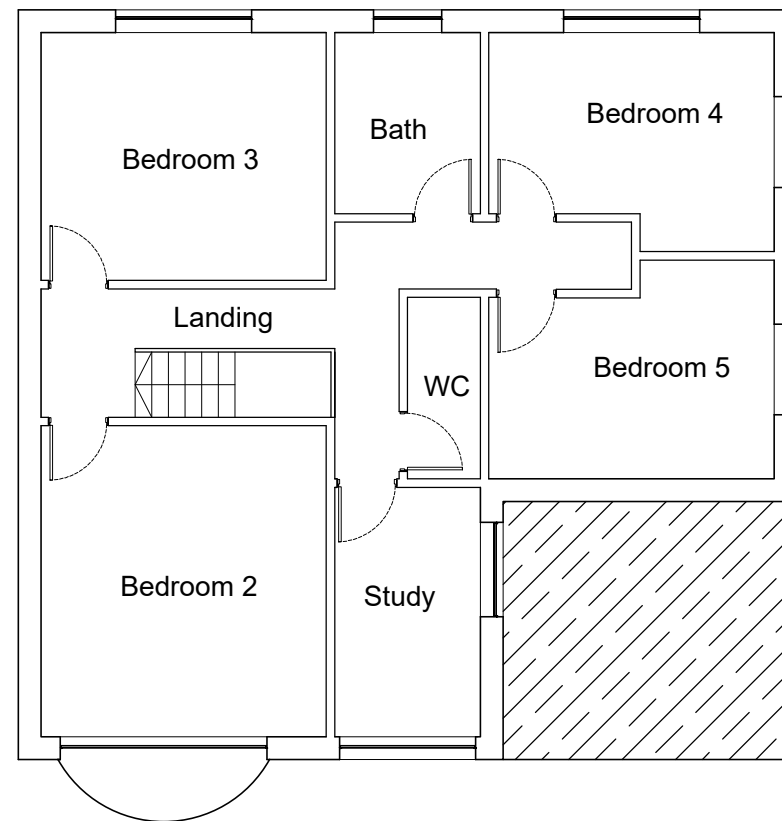
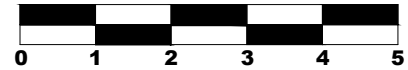
Appendix 4 – Existing floor plans



38 Vincam Close
GF Plan

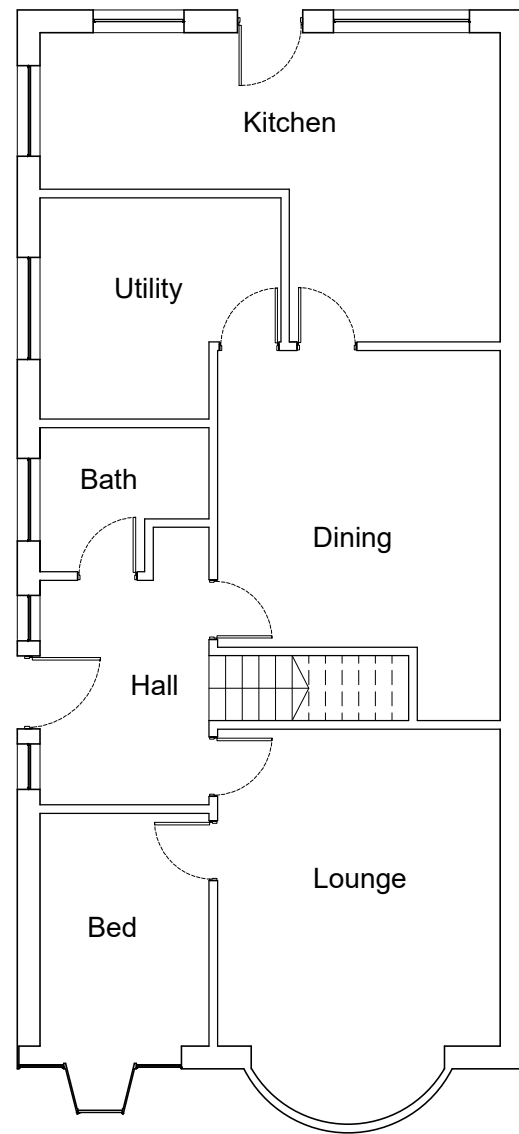
Area:114.9m2

Scale 1:100



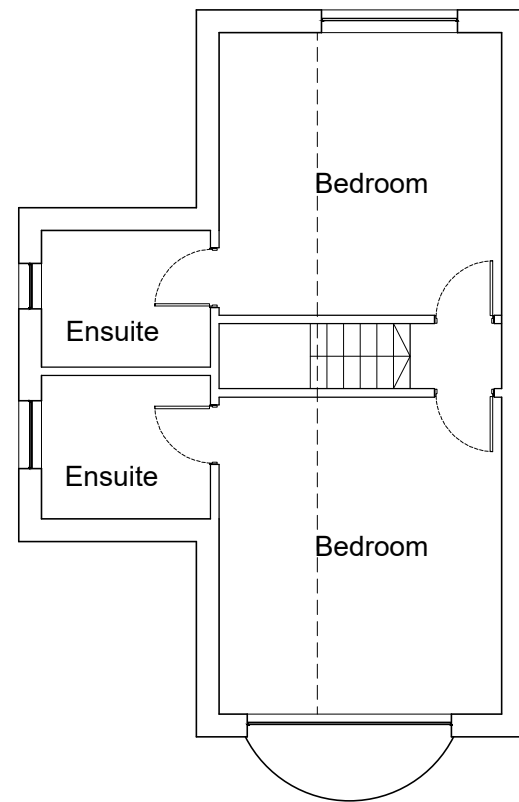
38 Vincam Close
1F Plan

Area: 77.1m2

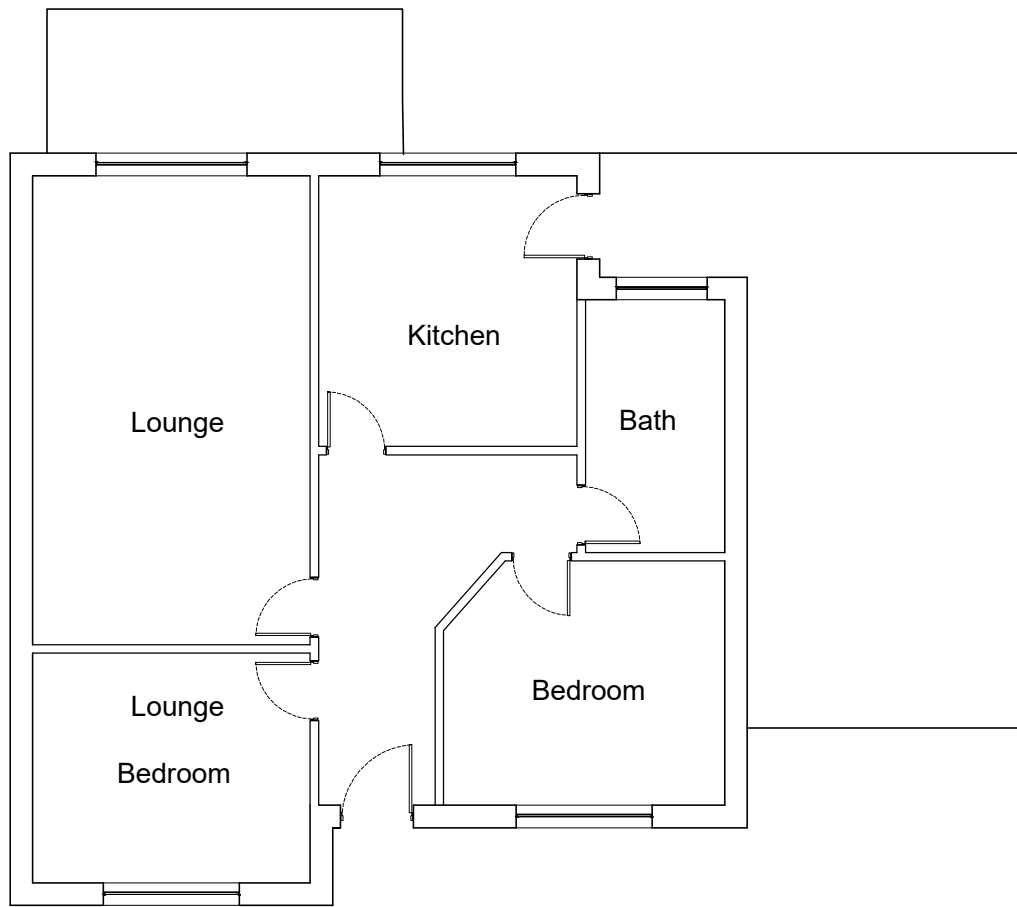


40 Vincam Close
GF Plan
Area: 84.6m²

Scale 1:100



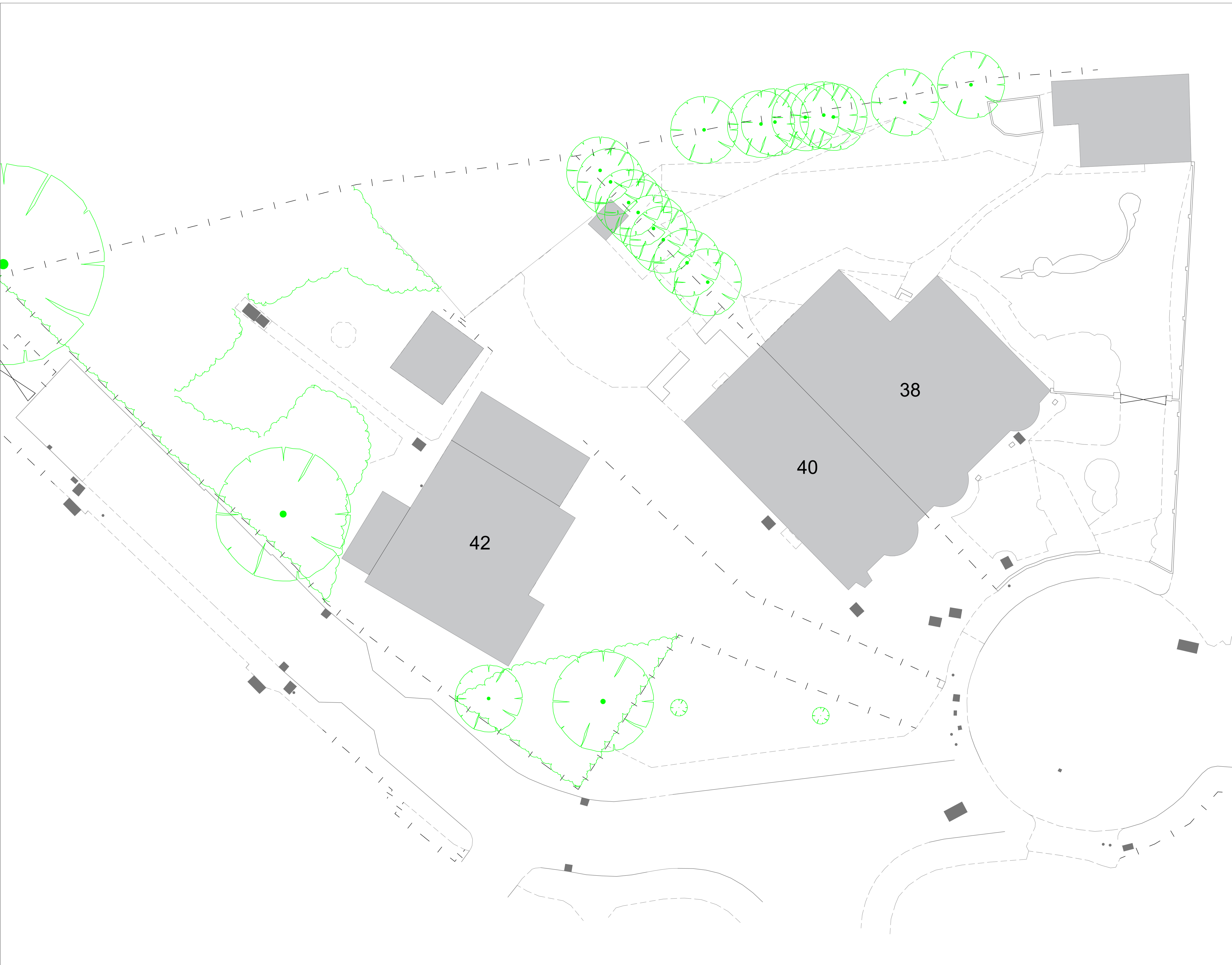
40 Vincam Close
1F Plan
Area: 43.5m²



42 Vincam Close
Scale 1:100



Area: 76.7m²



PO1	15/07/2021	Initial Issue	AG	EB
Rev	Date	Description	By	Checked
Project				
Vincam Close, Hounslow				
Drawing Title				
Site Plan				
Status / Purpose of Issue				
PLANNING				
Drawn By	AG	Checked	EB	
Scale	1:100 @ A1	Date	15/07/2021	

Appendix 5 – Site photos

38 Vincam Close





40 Vincam Close





42 Vincam Close





redloft

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London
E1 7NE

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Email: office@redloft.co.uk