

# **Old Kings Head, Hampton Wick, London Borough of Richmond**

## **Viability Report**



**By Dr Andrew Golland BSc (Hons) PhD MRICS  
Andrew Golland Associates**

**[drajg@btopenworld.com](mailto:drajg@btopenworld.com)**

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# **1 Background**

I am Dr Andrew Golland, BSc (Hons), PhD, MRICS, a Chartered Surveyor. I am a Chartered Surveyor, have a PhD in Development Economics and am the founder of the GLA development appraisal Toolkit.

I have written several leading good practice guides on viability and Section 106, have completed over 80 viability studies for local authorities, and am a retained consultant for several councils across England and Wales on viability matters. I have presented viability appraisals for all the major UK house builders and have worked on several schemes, mainly across London, for smaller developers and land owners. My approach is consistent between public and private sectors with respect to appeal and Core Strategy examination precedent.

I have developed, along with a colleague, Dr Adam Watkins, over 150 development viability Toolkits (the ‘Three Dragons model’) for local authorities. This model is well received by developers as a way of sorting out viability issues. The model has been tested extensively at appeal and Core Strategy examinations.

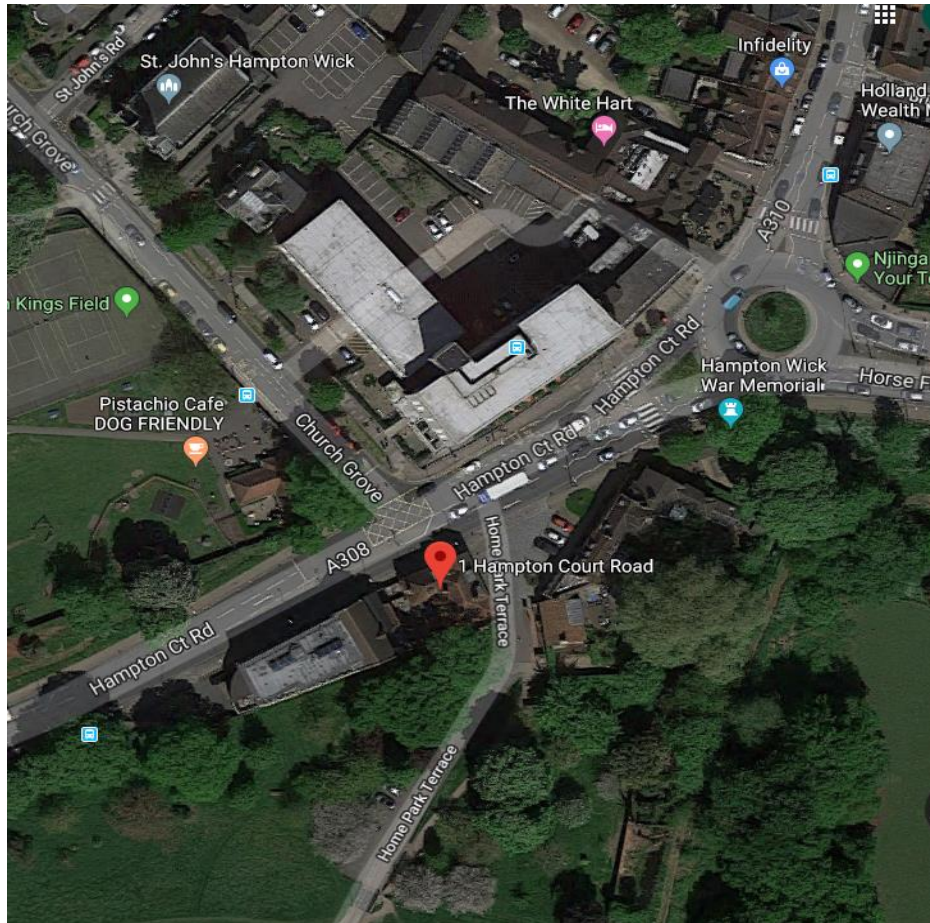
I have been instructed by Mr André Jason of Eastmont Holdings to assess the viability of a scheme at the site of the Old Kings Head, Hampton Court Road, Hampton Wick. This was previously assessed in June 2019.

The main objective of the work is to assess the viability of the proposed scheme, and to assess whether it can deliver Affordable Housing contribution that might be sought by the Council.

## **2 The site and the development**

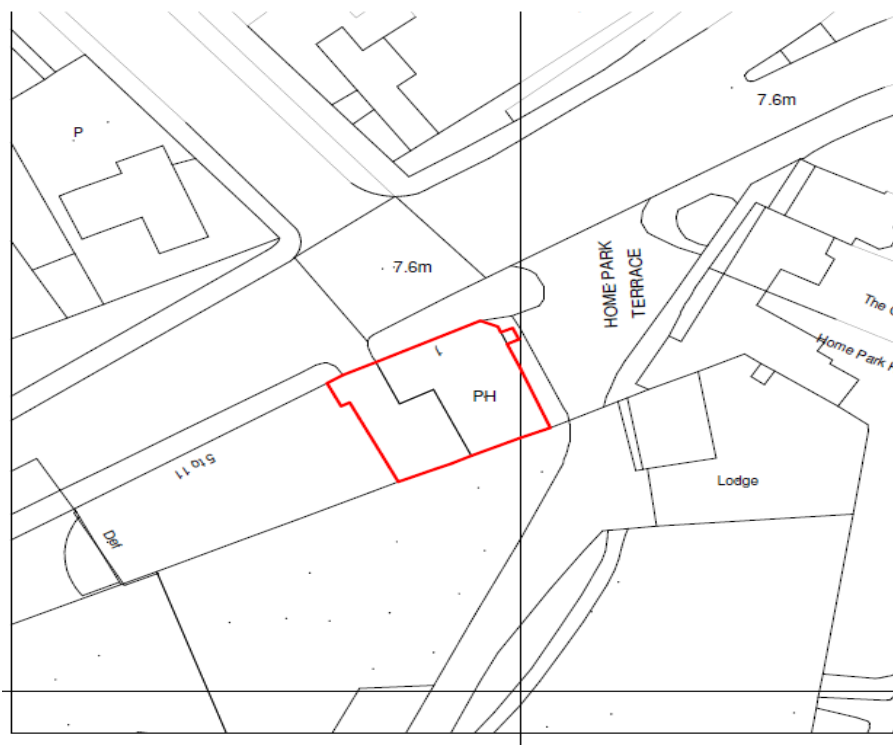
### **2.1 Site location**

The site is located to the south of Hampton Court Road, at the junction with Home Park Terrace. The site is some 400 metres from Hampton Wick Station. The river is some 200 metres to the east of the site. Hampton Wick is located to the south within the London Borough of Richmond.



To the west of the site is a building with offices at ground level and potentially, flats above. Opposite the site, to the north, is green space. To the north east, on the opposite side of the road, is Kingston Bridge House, which I understand are halls of residence.

The location plan is shown below:



## 2.2 Proposed development

The scheme involves the conversion of the ex-public house.

There will be a storage area in the basement.

The ground floor will be converted for a commercial units and a two bed flat.

The first floor is proposed to be converted to two, further two bed flats.

The second floor is proposed to be converted to a fourth, two bed flat.

The floor plans are set out below:





### **3 Policy background and viability**

#### **3.1 National planning**

There are a variety of issues surrounding viability questions at the current time. Initially, at the national level, the National Planning Policy Framework stated (Paragraphs 173 and 174) that:

‘Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.

Local planning authorities should set out their policy on local standards in the Local Plan, including requirements for affordable housing. They should assess the likely cumulative impacts on development in their area of all existing and proposed local standards, supplementary planning documents and policies that support the development plan, when added to nationally required standards. In order to be appropriate, the cumulative impact of these standards and policies should not put implementation of the plan at serious risk, and should facilitate development throughout the economic cycle. Evidence supporting the assessment should be proportionate, using only appropriate available evidence’.

However, the Revised NPPF (2021) appears to do away with a formal definition of viability; i.e. the previous paras (173 and 174) which dealt with the willing developer and land owner and competitive returns have been removed.

The most relevant paragraphs of the Framework now appears to be Numbers 47, 48 and 58 which deal with the relationship between Local Plans and planning applications:

#### **‘Determining applications**

47. Planning law requires that applications for planning permission be determined in accordance with the development plan, unless material considerations indicate otherwise. Decisions on applications should be made as quickly as possible, and within statutory timescales unless a longer period has been agreed by the applicant in writing.

48. Local planning authorities may give weight to relevant policies in emerging plans according to: a) the stage of preparation of the emerging plan (the more advanced its preparation, the greater the weight that may be given); b) the extent to which there are unresolved objections to relevant policies (the less significant the unresolved objections, the greater the weight that may be given); and c) the degree of consistency of the relevant policies in the emerging plan to this Framework (the closer the policies in the emerging plan to the policies in the Framework, the greater the weight that may be given).'

And:

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

### **3.2 Local planning policy – LB Richmond**

The adopted Local Plan (3rd July 2018) states as follows:

## 9.3 Affordable Housing

### Policy LP 36

#### Affordable Housing

##### A. The Council expects:

- 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.
- 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:

- 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.
- 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.
- 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 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:

- economic viability;
- individual site costs;
- the availability of public subsidy; and
- 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:

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- assess if the maximum reasonable amount of affordable housing is based on delivering the appropriate tenure, unit sizes and types that address local needs.
- consider whether it is necessary to secure provision for re-appraising the viability of a scheme prior to implementation to secure contingent obligations.
- 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.

## Community Infrastructure Levy (CIL)

The Council has an adopted CIL. I understand that the site falls within the Lower Band, at £190 per square metre. There will be an additional Mayoral CIL – at £80 per square metre for LB Richmond:



Development Type	CIL charge per sq m
Residential development (higher band)	£250
Residential development (lower band)	£190
Offices inside Richmond Town Centre	£25
Retail (wholly or mainly convenience) (all areas)	£150
Retail (wholly or mainly comparison) in Richmond Town Centre	£150
Hotels (lower band)	£25
Care homes (lower band)	£25
Standard Charge (all other uses not covered above)	£0

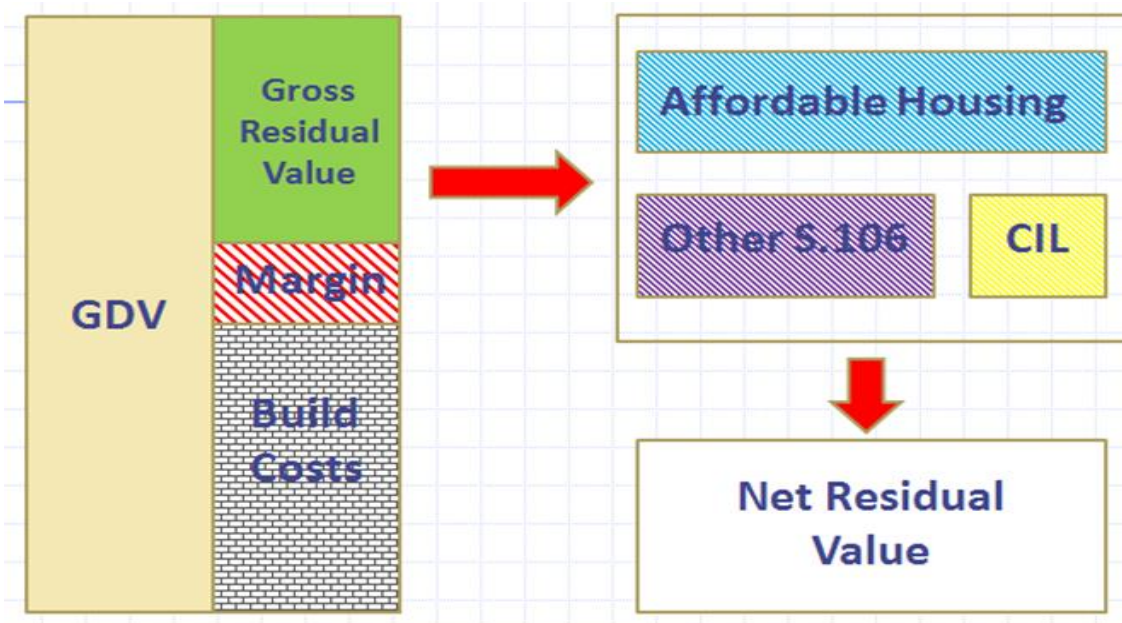
CIL is normally levied on net additional floorspace to a site.

## 4 Approach to viability assessment

### 4.1 Overview

It is important to understand how viability is assessed in the planning and development process. The assessment of viability is usually referred to a residual development appraisal approach. Our understanding is illustrated in the diagram below. This shows that the starting point for negotiations is the gross residual site value which is the difference between the scheme revenue and scheme costs, including a reasonable allowance for developer return.

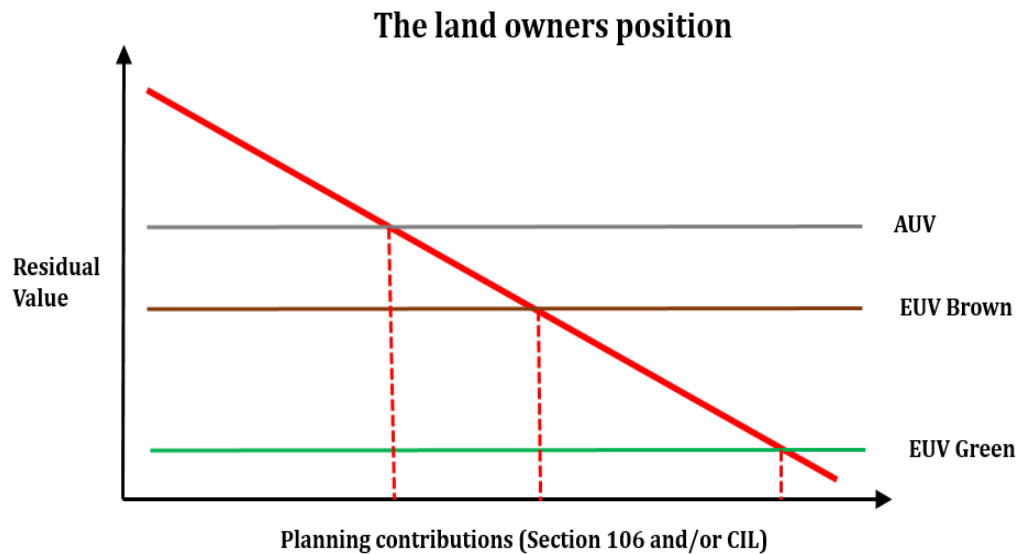
Once CIL or Section 106 contributions have been deducted from the gross residual value, a 'net' residual value results. The question is then whether this net residual value is sufficient in terms of development value relative to the site in its current use.



Calculating what is likely to be the value of a site given a specific planning permission, is only one factor in deciding what is viable.

## 4.2 Land owner considerations

A site is unlikely to proceed where the costs of a proposed scheme exceed the revenue. But simply having a positive residual value will not guarantee that development happens. The existing use value of the site, or indeed a realistic alternative use value for a site (e.g. commercial) will also play a role in the mind of the land owner in bringing the site forward and thus is a factor in deciding whether a site is likely to be brought forward for housing.



The diagram shows how this operates. The land owner will always be concerned to ensure that residual value clears the relevant land value benchmark.

## 5.1 Overview

The appraisal work and report relies on a range of information sources. These include comparable market analysis for house prices; this is derived from both my own research and best available secondary data sources. In addition, costs taken from both the BCIS industry standard source.

## 5.2 Costs

There are normally two main elements of cost analysis: base construction costs and other development costs. The base construction costs include items such as Build Plot costs (sub and superstructure), roads and sewers, landscaping and other external works. Added to these are abnormal construction costs and site remediation works.

Other development costs include such items as professional fees, developer overheads, finance costs and developer margin.

### 5.2.1 Construction costs

There is no bespoke bill of quantities. I have calculated therefore initially the likely construction costs based on industry standard BCIS costs for new build:

£/m2 study										
Description: Rate per m2 gross internal floor area for the building Cost including prelims.										
Last updated: 06-Nov-2021 00:44										
Maximum age of results:										
Default period <div></div>										
Building function				£/m <sup>2</sup> gross internal floor area						Sample
(Maximum age of projects)				Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
Rehabilitation/Conversion										
<a href="#">810. Housing, mixed developments (15)</a>				<a href="#">£1,670</a>	<a href="#">£441</a>	<a href="#">£1,076</a>	<a href="#">£2,098</a>	<a href="#">£2,364</a>	<a href="#">£2,371</a>	5
<a href="#">810.1 Estate housing (20)</a>				<a href="#">£1,336</a>	<a href="#">£390</a>	<a href="#">£780</a>	<a href="#">£1,065</a>	<a href="#">£1,505</a>	<a href="#">£4,938</a>	28
<a href="#">810.12 Estate housing semi detached (20)</a>				<a href="#">£2,039</a>	<a href="#">£803</a>	-	<a href="#">£2,184</a>	-	<a href="#">£3,130</a>	3
<a href="#">810.13 Estate housing terraced (20)</a>				<a href="#">£985</a>	<a href="#">£622</a>	<a href="#">£780</a>	<a href="#">£983</a>	<a href="#">£1,155</a>	<a href="#">£1,366</a>	8
816. Flats (apartments)										
<a href="#">Generally (15)</a>				<a href="#">£2,050</a>	<a href="#">£589</a>	<a href="#">£1,230</a>	<a href="#">£1,608</a>	<a href="#">£2,108</a>	<a href="#">£7,053</a>	81
<a href="#">1-2 storey (15)</a>				<a href="#">£2,660</a>	<a href="#">£869</a>	<a href="#">£1,352</a>	<a href="#">£1,686</a>	<a href="#">£3,067</a>	<a href="#">£7,053</a>	17
<a href="#">3-5 storey (15)</a>				<a href="#">£1,741</a>	<a href="#">£589</a>	<a href="#">£1,263</a>	<a href="#">£1,570</a>	<a href="#">£1,883</a>	<a href="#">£6,529</a>	47
<a href="#">6 storey or above (15)</a>				<a href="#">£2,371</a>	<a href="#">£686</a>	<a href="#">£1,106</a>	<a href="#">£1,754</a>	<a href="#">£2,889</a>	<a href="#">£5,912</a>	16
Baseline				£1,741						
External Works at 15%				£261						
Sub Total				£2,002						
Net to Gross (at 93%)				£2,142						
Contingency at 5%				£2,249						
Say				£2,250						

This (previous page) shows a baseline cost of £1,741 per square metre. To this should be added external works along with an adjustment from gross to nett (as the appraisal is set up on a nett basis whilst the BCIS costs are gross based).

### 5.2.2 Other development costs

Added to these costs will need to be other development costs. These are set out in the screenshot below:

Other Development Costs			
Additional Cost	Toolkit Values	User Values	
Professional Fees %	12.0%		of build costs
Interest rate (Market)	6.75%		of build costs (Sale, Equity Share and Low Cost Sale units)
Interest Rate (Affordable Hou	6.75%		of build costs Rental tenures and Shared Ownership)
Marketing Fees	3.0%		of market value
Developers Return	20.0%		of market value applies to market housing
Contractors Return	6.0%		of development costs (excl finance) (affordable housing)

These are the standard costs adopted in the GLA Toolkit.

### 5.3 CIL

I understand that the site falls within the Lower Band, at £190 per square metre. There will be an additional Mayoral CIL – at £80 per square metre for LB Richmond:

I have not factored in any CIL payment at this stage. This will need to be agreed between the applicant and the Council.

### 5.4 Values

There is no bespoke valuation of the new build dwellings for sale. This is a specific development and both the Council and the applicant should satisfy themselves of open market value when negotiating the scheme.



In order to ascertain the likely prices for the proposed units it has been necessary to establish a database of comparable properties sold in the immediate surroundings:

These are set out in the table overleaf:

## Comparables

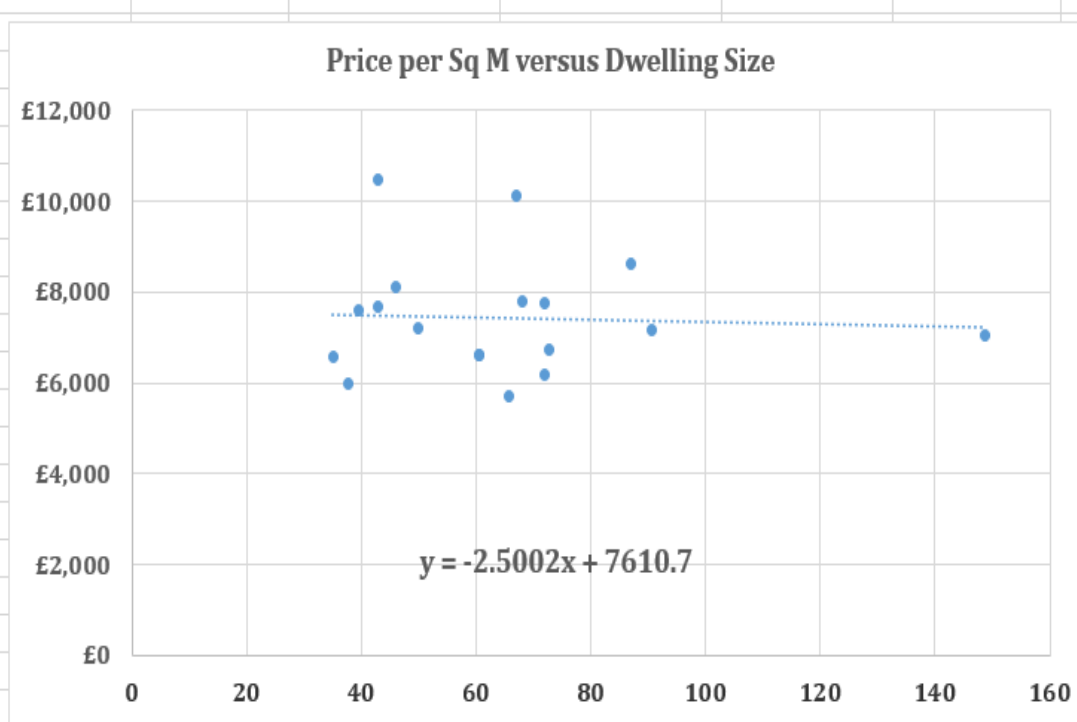
Address	Dwelling Type	Price	Sq M	Price per Sq M	Agent	Age
Hampton Court Road	2 Bed Flat	£650,000	90.5	£7,182	Foxtons	Older
High Street	1 Bed Flat	£225,000	37.6	£5,984	Snellers	Older
High Street	2 Bed Flat	£359,950	49.9	£7,213	Jackson-Stops	Older
High Street	1 Bed Flat	£230,000	35	£6,571	KFH	Older
St Johns Road	2 Bed Flat	£445,000	72	£6,181	Jackson-Stops	Older
St Johns Road	2 Bed Flat	£529,950	68	£7,793	Miles and Bird	Older
St Johns Road	2 Bed Flat	£489,950	72.6	£6,749	Snellers	Older
High Street	1 Bed Flat	£375,000	46.1	£8,134	Jackson-Stops	New
High Street	1 Bed Flat	£300,000	39.4	£7,614	Jackson-Stops	Older
High Street	2 Bed Flat	£400,000	60.5	£6,612	Snellers	Older
High Street	2 Bed Flat	£400,000	60.5	£6,612	Snellers	Older
Seymour Road	1 Bed Flat	£329,950	43	£7,673	Dexters	Older
High Street	3 Bed Terrace	£750,000	87	£8,621	Chase Buchanan	Older
Church Grove	1 Bed Flat	£375,000	65.6	£5,716	Websters	Modern
Church Grove	2 Bed Flat	£679,000	67	£10,134	Stock and Bonner	Older
High Street	2 Bed Terrace	£559,950	72	£7,777	Jackson-Stops	Older
Station Road	4 Bed Terrace	£1,050,000	148.6	£7,066	Dexters	Older
Seymour Road	2 Bed Flat	£449,950	43	£10,464	Jackson-Stops	Older

**Source: Rightmove**

Table sets out a range of values in the locality. I have looked, as previously, at the relationship between the size of dwellings and the price per square metre achieved.

This analysis is set out on the following page:

Sq M	Price per Sq M
90.5	£7,182
37.6	£5,984
49.9	£7,213
35	£6,571
72	£6,181
68	£7,793
72.6	£6,749
46.1	£8,134
39.4	£7,614
60.5	£6,612
60.5	£6,612
43	£7,673
87	£8,621
65.6	£5,716
67	£10,134
72	£7,777
148.6	£7,066
43	£10,464



Flats	Sq M	Equation	Calculation	Equation	Calculation	Asking Price	Selling Price	Adjustment Limited Parking
1	61.1	-2.5002	-152.76222	7610.7	£7,458	£455,680	£432,896	£346,317
2	61	-2.5002	-152.5122	7610.7	£7,458	£454,949	£432,202	£345,762
3	70	-2.5002	-175.014	7610.7	£7,436	£520,498	£494,473	£395,578
4	79	-2.5002	-197.5158	7610.7	£7,413	£585,642	£556,359	£445,088
						<b>GDV</b>		<b>£1,532,744</b>

The analysis (previous page) indicates a gross development value (GDV) of £1,532,744 for the four new flats.

This takes into account that there is limited parking for the schemes. This appears to be two spaces for four flats and one commercial unit; furthermore on street parking in this location looks non apparent.

I have adopted these sales values in my appraisal.

**Note:**

The previous analysis of the scheme (June 2019) generated a GDV of £1,468,272. Since then prices in LB Richmond have risen by circa 10%. Indexing forward therefore gives an imputed GDV (based on June 2019) of £1,615,099.

The updated GDV (£1,532,744) is therefore very credible for a local figure.

## **5.5 Commercial**

### **5.5.1 Values**

I understand that the proposed use - A2 'Financial and professional services'.

I have looked at local comparables, which are shown in the table below:

<a href="https://www.realla.co.uk/rent/office/richmond-upon-thames">https://www.realla.co.uk/rent/office/richmond-upon-thames</a>		
	Rent per Sq Ft	Rent per Sq M
Sovereign Gate	£53	£565.12
Kew Gardens	£27	£295.69
George Street	£35	£376.75
Shearwater House	£53	£565.12
Poppy Factory	£40	£430.57
Hill Rise	£39	£418.84
Station Point	£35	£379.98
Ottershaw House	£39	£415.93
Dee Road	£36	£386.33
South Avenue	£35	£376.75



Avalon House	£40	£430.57
Average		£515.74

I have applied a yield of 7% to this floor space, giving a Years Purchase of 14.3

I have adjusted the rent to £250 per square metre as this is not a strong commercial location and there is no parking evident for the unit.

On this basis a capital value of £3,575 per square metre results.

### 5.5.2 Costs

I have adopted the same costs as for the residential element - £2,250 per square metre.

## 6 Existing Situation – land value benchmark

The land value benchmark (LVB) is important in defining viability; in particular, the financial relationship between residual value and the LVB

Where the LVB is higher than the residual value (RV), then schemes are in principle, unviable.

### The Revised NPPG

The Revised NPPG is very clear that the land value benchmark should be based on existing use value (EUV). It states:

‘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 fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called ‘existing use value plus’ (EUV+).’

The guidance goes on to state:

‘Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield (excluding any hope value for development).

Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency data; public sector estate/property teams’ locally held evidence.’

### **Significance of the revised NPPF for viability and planning for housing**

The revised NPPF/G represents a watershed in the approach to viability. With the revised basis now EUV, the government has shifted the approach squarely back to the roots of the planning system and to the heart of the Section 106 process itself.

This (the Section 106 process) was always intended to capture planning gain and the increase in land value that emanates from the grant of planning permission. Indeed, there are numerous government statements and studies now attempting to re-focus the purpose of planning to this end.

A recent example is from the Letwin Review:

<https://www.planningresource.co.uk/article/1496790/letwin-review-to-recommend-land-value-capture-measures>

Fundamental to the Section 106 planning process are the concepts of Transfer Earnings and Economic Rent.

## Existing use value of the site

The Existing Use Value of the site consists of two main elements: the pub at ground floor level and residential at first and second floors.

For the commercial, I have taken the rateable value as a measure of existing use value. This is shown in the ratings record:

Address	Description	Total area (m <sup>2</sup> /unit)	Price per m <sup>2</sup> /unit	Current rateable value
<a href="#">The Old Kings Head, Hampton Court Road, Hampton Wick, Kingston Upon Thames, Surrey, KT1 4AE</a>	Public house and premises	Not published	Not published	£25,700

The rateable value of the pub is £25,700. This can reasonably be capitalised at a commercial yield of 7%.

This results in a capital value of £367,142

For the residential, I have taken the floor areas for the first and second floors (totalling 211.5 square metres). This results in a residential EUV of £896,834. To arrive at this figure, I have taken the existing accommodation at 75% of the, to be newly provided (converted) scheme units – on a per square metre basis, pro-rata.

This means that the EUV is £1,263,976.

To this I have added a land owner's return of 30% - which for a brown field property is reasonable.

This provides a land value benchmark (LVB) of circa £1.64 million.

## 7 Results and conclusions

The full appraisal for the scheme is shown in Toolkit form at Appendix 1.

This shows a residual value of £436,000. This means that revenue is higher than costs and means a viable scheme before taking the land value benchmark into account.

← Results →

Site	The Old Kings Head	Site Reference Number	
Address		Application Number	
Scheme	Conversion of former pub to Flats and a	NLUD Ref. Number	
Description	Commercial Unit	UPRN or Grid Ref.	

[Save Results](#)  
[View Results](#)  
[Discounting Function](#)  
[Floor Space Analysis](#)  
[Costs Analysis](#)  
[Child Occupancy & Bedrooms](#)

<b>RESIDUAL before land finance</b>	<b>£484,000</b>
<b>RESIDUAL after land finance</b>	<b>£436,000</b>
Per hectare	£10,900,000
Per dwelling	£109,000
Per market dwelling	£109,000
Per habitable room	£36,000
Per bedspace	£55,000

SCHEME UNITS		per ha.
No. of Dwellings	4	100
No. of Habitable rooms	12	300
No. of Bedrooms	8	200
Total floorspace (m2)	271	6778
% Wheelchair Units		

<b>SCHEME REVENUE</b>	<b>£1,765,000</b>
Contribution to revenue from:	
Market housing	£1,533,000
Affordable Housing	
- Low Cost Sale	
- Equity Share	
- Shared Ownership	
- Intermediate Rent	
- Affordable Rent	
- Social Rent	
Grant	
Capital Contribution	
Commercial Elements	£232,000

<b>LAND FINANCE</b>	
Total land finance	£48,000

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

<b>SCHEME COSTS</b>	<b>£1,281,000</b>
Contribution to costs from:	
Market housing	£1,056,000
Affordable Housing	
- Low Cost Sale	
- Equity Share	
- Shared Ownership	
- Intermediate Rent	
- Affordable Rent	
- Social Rent	
Planning Obligations	
Community Infrastructure Levy	
Exceptional Development Costs	
Commercial Elements	£225,000

<b>PUBLIC SUBSIDY (GRANT)</b>	
<b>Whole scheme</b>	£ -
Per Social Rent dwelling	£ -
Per Shared Ownership dwelling	£ -
Per Intermediate Rent dwellings	£ -
Per Affordable Rent dwelling	£ -


Alternative Site Values		Against residual
Existing Use Value	£ 1,640,000	-£1,204,000
Acquisition Cost	£ -	
Value for offices	£ -	
Value for industrial	£ -	
Value as hotel site	£ -	
Value as other alternative	£ -	

The scheme generates a 20% equivalent margin to the developer.

There is no CIL payment assumed.

The scheme is however unviable as the residual value falls below the land value benchmark. Hence, no Affordable Housing contribution is viable.

## Appendix 1      Appraisal

----- **Site Details** -----       *Use these arrows to navigate Toolkit pages. You should ensure there are no warning messages on a page before continuing.*     

Site Address	The Old Kings Head
Site Reference	
Application Number	
NLUD Reference	
UPRN or Grid Reference	
Scheme Description	Conversion of former pub to Flats and a Commercial Unit

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**Development Control Model - Greater London Authority - 2015**

***For queries on viability, development schemes and the Toolkit generally, please contact Dr Andrew Golland -      Tel: 01162 701 772 and E-Mail: [drajg@btopenworld.com](mailto:drajg@btopenworld.com)***

***For queries on spreadsheets and technical aspects of the Toolkit (including bug reports and feature requests), please contact Dr Adam Watkins -      Tel: 07746 809 748, and E-Mail: [Toolkits@Dread-IT.co.uk](mailto:Toolkits@Dread-IT.co.uk)***



← ----- Basic Site Information ----- →

Clear

You must complete this page

Site Area

Total Size of Site In Hectares0.04

Dwellings

☒ Number of Dwellings  
(Density is then calculated)

4

☐ Density  
(Enter a value, or choose from the  
listbox)

100.00

users own value

You can test a percentage increase or decrease on the resulting density by either entering a value in the box below, or by using the buttons.

Percentage increase/decrease

%

Reset

Resulting Number of Dwellings

4

Resulting Density

100 dph

Old Kings Head, Hampton Wick, LB Richmond – November 2021

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←

----- Unit Types & Details -----

→

Clear

Enter the details for each type of unit in the cells below. You can specify up to 40 types of unit, one per row. Each row must be either fully completed or left fully blank. Note: For wheelchair units; the Toolkit uses the size of the unit as entered by the user. Build costs for wheelchair and non-wheelchair units are the same.

Ref.	Description of Unit Type (for the users reference only)	Number of Bed rooms	Person Occupancy		Habitable Rooms		Wheel- chair Unit?	Is a Flat?	No. Of Storeys (1-99)	Size in sq m
			Bench - mark	User value	Bench - mark	User value				
1	Flat 1	2	3		3		NO	YES	3	61.1
2	Flat 2	2	3		3		NO	YES	3	61
3	Flat 3	2	3		3		NO	YES	3	70
4	Flat 4	2	3		3		NO	YES	3	79
5										

← ----- Tenure Mix ----- →
Clear

You can distribute units across the tenures in two ways:

☒ Input by Percentages  
☐ Input by Quantity

Total units to enter:		4
Total units entered:		4

Ref.	Description	Units
1	Flat 1	1
2	Flat 2	1
3	Flat 3	1
4	Flat 4	1

Affordable Units							
Sale	Low Cost Sale	Equity Share	Shared Ownership	Intermediate Rent	Affordable Rent	Social Rent	Units allocated
100%							100%
4.0							4.0
1.0							1.0
1.0							1.0
1.0							1.0
1.0							1.0

← ----- **Market Values** ----- →

Ensure you enter market values for all unit types in the scheme under the Sale Tenure.

Ref.	Description of Unit Type
1	Flat 1
2	Flat 2
3	Flat 3
4	Flat 4
5	
6	
7	

Sale		
You can adjust all market values by entering a percentage in the box to the right (this affects other tenures):		
		100%
Total Units	User Market Value	Adjusted Market Value
1	£ 346,317	£ 346,317
1	£ 345,762	£ 345,762
1	£ 395,578	£ 395,578
1	£ 445,088	£ 445,088
		£ -
		£ -
		£ -

← ----- Development Costs ----- →
Clear

Toolkit values will be used unless you enter your own value in the white cells. The CSH level is for reference purposes only.

Build Costs per sq m		
Building Type	Toolkit Values	User Values
Flats (40+ storeys)	£3,739	
Flats (16-40 storeys)	£3,001	
Flats (6-15 storeys)	£2,331	
Flats (5 & less storeys)	£1,713	£2,250.00
Houses <= 75m2	£1,274	
Houses > 75m2	£1,116	

Code for Sustainable Homes level (3-6)	
--	--

Exceptional Development Costs	
Total For Scheme	
Cost per dwelling	
Cost per hectare	
Cost per habitable room	No Info

Other Development Costs			
Additional Cost	Toolkit Values	User Values	
Professional Fees %	12.0%		of build costs
Interest rate (Market)	6.75%		of build costs (Sale, Equity Share and Low Cost Sale units)
Interest Rate (Affordable Hou	6.75%		of build costs Rental tenures and Shared Ownership)
Marketing Fees	3.0%		of market value
Developers Return	20.0%		of market value applies to market housing
Contractors Return	6.0%		of development costs (excl finance) (affordable housing)

Construction Period (1+ Years)	1.00
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You may also enter SCHEME totals for other exceptional costs. Enter the name of the cost in the left hand cells and the SCHEME value in the right hand cell

Costs incurred for Sustainable homes level of 3,4, 5 or 6	£	-
<Enter cost description>	£	-
<Enter cost description>	£	-
<Enter cost description>	£	-



----- Planning Obligations -----
Clear

For each type of contribution you may either enter a total figure (for that row) or you may enter values per unit (for each tenure). If you choose the second option, the Toolkit will calculate the total obligation 'cost' for the scheme.

To enter one total value for a row, tick the corresponding box in the "Enter Total?" column and enter a value in the "User Total" column : To enter the values by tenure leave the box un-ticked

	Input by Total		Input by Unit							Calculated Total (Affordable and Sale)
	Enter Total?	User Total	Sale	Affordable						
				Low Cost Sale	Equity Share	Shared Ownership	Intermediate Rent	Affordable Rent	Social Rent	
Education Contribution	<input type="checkbox"/>									£0
Highway works	<input type="checkbox"/>									£0
Contribution to public transport	<input type="checkbox"/>									£0
Contribution to community facilities	<input type="checkbox"/>									£0
Provision for open space	<input type="checkbox"/>									£0
Contribution to public art	<input type="checkbox"/>									£0
Environmental improvements	<input type="checkbox"/>									£0
Town centre improvements	<input type="checkbox"/>									£0
Waterfront improvements	<input type="checkbox"/>									£0
Support for employment development	<input type="checkbox"/>									£0
Employment related training	<input type="checkbox"/>									£0
Other	<input type="checkbox"/>									£0

Does CIL apply on this scheme? ☐ Yes ☐ No Please select Yes or No

Total for Scheme	£0
Total for Scheme per hectare	£0
Total for Scheme divided by total number of units	£0
Total for Scheme divided by number of sale units	£0

← - Community Infrastructure Levy - →
Clear

You must enter CIL in one of two ways. Either as a calculated figure or by entering a pre-calculated figure.

☒ CIL is a calculated figure

☐ CIL is a pre-calculated figure

You must enter a CIL value

	Qualifying Area (sq. M)	Borough CIL Rate (per Sq. M)	Mayoral CIL Rate (per Sq. M)	Total Payment
Residential (C3)				£ -
Hotels (C1)				£ -
Secure Residential (C2)				£ -
Retail (A1)				£ -
Financial (A2)				£ -
Restaurants & Cafes (A3)				£ -
Drinking Est (A4)				£ -
Hot Food (A5)				£ -
Business (B1)				£ -
General Industrial (B2)				£ -
Storage & Distribution (B8)				£ -
Clinics & Health Centres (D1)				£ -
Assembly & Leisure (D2)				£ -
Sui Generis				£ -
<b>Total calculated CIL</b>				£ -

← ----- Contribution from -----
→
Clear

**-- Commercial Elements --**

This page allows the user to input data relating to a commercial property element of a scheme. The user will need to complete the white boxes relating to size of scheme, rent, yield and capital value. In addition cost related data will need to be inputted

Revenues	Office	Industrial	Retail	Hotel	Leisure/Community Services	Other
Net area in Sq. m			65			
Rent (£ per sq.m per annum)			£ 250.00			
Yield (%)			7.0%			
Capital value	£ -	£ -	£ 232,143	£ -	£ -	£ -

Costs	Office	Industrial	Retail	Hotel	Leisure/Community Services	Other
Gross Internal Area in Sq. m			65			
Build costs (£ per GIA sq m)			£ 2,250			
Professional fees (% of Build Costs)			12.00%			
Interest Rate (% of Build Costs)			7%			
Marketing fees (% of Capital Value)			2%			
Return (% of Capital Value)			20%			

Total build costs	£ -	£ -	£ 146,250	£ -	£ -	£ -
Professional, other fees and finance costs	£ -	£ -	£ 32,430	£ -	£ -	£ -
Return	£ -	£ -	£ 46,429	£ -	£ -	£ -

Total development costs	£ -	£ -	£ 225,109	£ -	£ -	£ -
Site value for commercial element	£ -	£ -	£ 7,034	£ -	£ -	£ -

Total site value for all commercial Elements	£ 7,034					
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← ----- Land Finance ----- →
Clear

## & Site Value Comparisons

Land Finance

Reduction of Residual (%)	10%	Guide Values
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Values entered below will be shown on the results page compared to the scheme residual. These values cannot be calculated by the toolkit.

Existing use value	£	1,640,000
Acquisition cost	£	-
Value for offices	£	-
Value for industrial	£	-
Value as hotel site	£	-
Value as other alternative use	£	-

Indicative reductions to apply to the final Site Residual value (shown on the Results Page)

Site Development Time (Years)	Reduction
1	10%
2	13%
3	16%
4	19%
5	22%
6	25%
7	28%
8	31%

← ----- Results -----

Site	The Old Kings Head	Site Reference Number	
Address		Application Number	
Scheme	Conversion of former pub to Flats and a	NLUD Ref. Number	
Description	Commercial Unit	UPRN or Grid Ref.	

Save Results

View Results

Discounting Function

Floor Space Analysis

Costs Analysis

Child Occupancy & Bedrooms

<b>RESIDUAL before land finance</b>	<b>£484,000</b>
<b>RESIDUAL after land finance</b>	<b>£436,000</b>
Per hectare	£10,900,000
Per dwelling	£109,000
Per market dwelling	£109,000
Per habitable room	£36,000
Per bedspace	£55,000

<b>SCHEME UNITS</b>	<b>per ha.</b>	
No. of Dwellings	4	100
No. of Habitable rooms	12	300
No. of Bedrooms	8	200
Total floorspace (m2)	271	6778
% Wheelchair Units		

<b>SCHEME REVENUE</b>	<b>£1,765,000</b>
Contribution to revenue from:	
Market housing	£1,533,000
Affordable Housing	
- Low Cost Sale	
- Equity Share	
- Shared Ownership	
- Intermediate Rent	
- Affordable Rent	
- Social Rent	
Grant	
Capital Contribution	
Commercial Elements	£232,000

<b>LAND FINANCE</b>	
Total land finance	£48,000

<b>AFFORDABLE UNITS</b>							
	Low Cost	Equity	Shared	Intermediat	Affordable	Social Rent	Total
Units							
Units %							
Hab rooms							
Bedrooms							
Persons							
Floorspace							

<b>SCHEME COSTS</b>	<b>£1,281,000</b>
Contribution to costs from:	
Market housing	£1,056,000
Affordable Housing	
- Low Cost Sale	
- Equity Share	
- Shared Ownership	
- Intermediate Rent	
- Affordable Rent	
- Social Rent	
Planning Obligations	
Community Infrastructure Levy	
Exceptional Development Costs	
Commercial Elements	£225,000

<b>PUBLIC SUBSIDY (GRANT)</b>	
<b>Whole scheme</b>	<b>£ -</b>
Per Social Rent dwelling	£ -
Per Shared Ownership dwelling	£ -
Per Intermediate Rent dwellings	£ -
Per Affordable Rent dwelling	£ -

<b>Alternative Site Values</b>		<b>Against residual</b>
Existing Use Value	£ 1,640,000	-£1,204,000
Acquisition Cost	£ -	
Value for offices	£ -	
Value for industrial	£ -	
Value as hotel site	£ -	
Value as other alternative	£ -	