

KINGSTON BRIDGE HOUSE, KINGSTON UPON THAMES, KT1 4AG

REVIEW OF ANTICIPATED CONSTRUCTED COSTS

Westcombe Group

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1. Introduction

Westcombe Group have requested that Fulkers Bailey Russell provide an impartial commentary on the construction costs included within Westcombe's latest development appraisal for the residential development proposed at Kingston Bridge House, Kingston Upon Thames, KT1 4AG.

The works comprise the full strip out and redevelopment of existing student accommodation into 70 nr apartments for private sale.

1.1 Fulkers Bailey Russell

Fulkers Bailey Russell is a leading construction consultancy firm offering project management, cost management, building surveying, Principal Designer and architecture services for new build, refurbishment, repair and upgrade of existing buildings. Established in 1998, the business has seven UK offices including London, Bristol, and Manchester.

Fulkers have extensive experience in the private and social housing sectors including pre contract cost planning and construction budget management in the mid to high rise private rental and sale sector.

This report has been prepared by Stephen Peters MRICS, Director at Fulkers Bailey Russell.

1.2 Report Structure

Section 2 provides a brief description of the Development, current construction and design status

Section 3 comments on the overall anticipated construction costs and areas of particular detail where costs currently seem at variance to the expected normal range.

Section 4 provides a like for like comparison with other similar projects know to Fulkers Bailey Russell

Section 5 draws conclusions re the current anticipated construction costs, including reference to anticipated areas of design development and market conditions.

2. Development Description

2.1 Site Location

The existing building is known as Kingston Bridge House, located on the northern side of Church Grove, at the corner of the junction with Hampton Court Road, to the east of the Kingston Bridge Thames crossing.



Kingston Bridge House

2.2 Development Details

The existing building is a part 4 storey and part 7 storey concrete framed building, previously owned by Kingston University, and operated as student accommodation. The ground floor area of the 4-storey block is open sided and provides parking/storage facilities. There are two entrances to the rear car parking area, one through the open sided ground floor and one to the left of the 4-storey block as described.

The proposed development of the existing building involves the full strip out of all existing fixtures, fittings, internal walls, building services installations and removal of the full external façade and roof finishes, back to the existing concrete frame. The new residential development will provide a total of 70 nr apartments with balconies, including landscaped gardens and parking for around 30 cars with access for refuse removal. A whole new building façade will be constructed in mainly brickwork with areas of render. New windows including full height opening doors to balconies will be installed with a mixture of inset and projecting balconies with glass balustrading being constructed. There is provision of 80 nr secure cycle spaces in the ground floor. The building will be served by 3 nr passenger lifts and all apartments will have mechanical heating and cooling installation.



The total gross internal area of the development is 5,423 m² (58,374 sq ft) with a nett area (apartments only) of 4,032 m² (43,401 sq ft). Nett to gross ratio of 74.3%.

The proposed accommodation schedule for the development

Apartment Type	Number of Apartments	Average Area (sq ft)
Studio	6	412
1 bed	38	578
2 bed	19	704
3 bed	7	929
Total/average	70	623

At time of preparation of this report Westcombe Group have completed strip out works and the property has had all external facades removed, leaving only the existing concrete frame intact. The perimeter of the building is fully scaffolded with a Monarflex sheet covering. Detailed design is ongoing currently, including consideration of amendments requested by the planning authority re enhanced environmental performance of the roof and any related structural requirements. Standards of finishes and building services installations are under review, pending receipt of market information from comparable developments in the same location.

3 Review of Anticipated Construction Costs

3.1 Detailed Cost Analysis

3.1.1 Appendix 1 Cost Sum Analysis 23 January 2023 is a conventional cost plan format covering the cost of enabling works, excluding substructure and frame costs as these are already in place, then including costs for external façade, roof coverings, external windows and doors, internal fit out of the apartments, fixtures, fittings and equipment, building services installations and external works, landscaping and utilities connections. Main contractors' preliminary costs are added, as are allowances for design development and construction risk. Note that no allowance is included for main contractors' overheads and profit at this time as project development profit is taken in lieu as works are intended to be completed by Westcombe themselves.

3.1.2 Taking a number of cost headings in turn, we comment as follows

Cost Sum Reference	Element	Total Cost £	Cost/ £ m2 GFA	Comment
0.1, 1.1, 1.2, 1.3	Enabling works and demolition	576,000	106.00	Westcombe have reported these costs as being actual costs incurred to date. FBR have not seen evidence to support the costs but consider the costs to be within the anticipated range given the extent of existing internal materials to be removed to recycle and the considerable work involved in careful removal of the façade.
2.1, 2.5, 2.6, 2.9, 2.10 and 2.11	Full replacement of façade including met frame structure, Y wall, stone cladding, all curtain walling and windows, external and balcony doors	2,656,650	490.00	Cost per m2 of external façade area are £754. Depending on specification and complexity of façade detailing an anticipated cost range would be between £700 and £850/m2. The façades are a mixture of stone and brickwork and curtain walling with detailing required re inset balconies and feature banding with stone window heads and cills. Costs are within anticipated

				range.
2.2, 2.3	Roof and rainwater goods, roof membrane	305,000	56.25	£305,000 equates to approximately £323/m2 roof area and, given the extent of upstand detailing at roof perimeters and lift over runs is within the anticipated range. The cost provided here EXCLUDE the additional costs provided to Westcombe for enhanced extent of green roof and introduction of blue roof technology. Westcombe have reported additional costs of £670,000 received from Bauder for these elements. Costs also exclude any required concrete floor, beam and column strengthening to support any additional structural loading
2.4	Staircases and balustrades	125,000	23.00	Costs here cover an allowance for any concrete repair to the existing treads, provision of nosing to treads, paint finish to walls and ceilings, metal painted handrailing and balustrading but enhanced standards from lower ground floor to first floor. The allowance equates to £5,900 per lift and is within anticipated allowance.
2.7, 2.8	Ceilings, partitions and plastering	900,000	166.00	£900,000 is £12,857 per apartment. Based on approximately 35m of fire rated walls and 60 m2 of ceiling, costs should be around £13,300 per apartment but that excludes allowances for corridor and communal areas. Overall costs could be in region of £1,175,000 so the cost plan allowance is considered below the anticipated range
2.12	Internal doors, skirting	230,000	42.40	£230,000 equates to £3,286 per apartment. Given number of communal fire rated doors, riser doors etc there is in the region of 470 doors at an average of £489 per door. FRBR would expect that rate to be around £550 per

				door on average and that's excluding an allowance of around £400 per apartment for skirting. Allowance considered to be around £56,500 lower than expected.
2.14	Lift	180,000		Three new lifts, 1 nr ground to third floor and 2 nr ground to sixth floor (1 nr firefighting) – allowance considered within the range. However, the current floor layouts do not indicate any DDA access to the lower ground gym and cinema room. As such additional builders work and a single storey platform lift may be required at an additional cost of circa £20,000 - £30,000.
2.15	Balcony structures and balustrades	450,000		Excluding those areas marked 'Terraces' to the ground floor then there are 60 nr balconies giving an allowance of £7,500 each. This cost is within the anticipated range.
3.1, 3.2	Wall, ceiling and floor finishes	555,000	102.34	The floor finishes allowance of £230,000 is £42 m2 and is an acceptable allowance to cover floor repair, levelling screed and vinyl/carpet finishes. With plastering allowed for in items 2.7 and 2.8, the allowance for wall and ceiling paint, kitchen wall tiling is (£325,000). Approximate quantities suggest an overall wallarea of 25,000 m2 and ceiling area at 5,423 m2 which at £8/m2 = £243,000. An allowance for kitchen wall tiling should be circa £400 per apartment = £28,000. The total anticipated cost therefore is £271,000 leaving circa £54,000 for enhanced finishes to entrance lobby, gym staircase and cinema areas.
3.3	Bathroom tiles	120,000	22.00	The approximate area of bathroom wall and floor tiling per apartment is 25 m2. Based on £70/m2 for supply and fix that equates to £1,750 per bathroom

				which is just above the £1,714 allowance in the cost plan. However, we would anticipate a review of bathroom provision currently shown on the plans with the likely introduction of ensuites in to the 3 and some of the 2 bed apartments. In this instance, an additional allowance should be necessary suggested at £60,000
4.1	Wardrobes	250,000	46.00	Working on the basis that a fitted wardrobe will be provided to all bedrooms except the 3 rd bedroom in the 3 bed apartments, a total of 96 wardrobes at £2,600 per unit will be provided. This allowance does seem generous with a rate of circa £1,800 normally considered appropriate. Therefore, the allowance is around £77,000 higher than expected.
4.2	Bathroom sanitary ware	485,000	89.43	The allowance equates to £6,928 which exceeds the anticipated range by as much as £4,000 (£280,000 total). However, we would anticipate a review of bathroom provision currently shown on the plans with the likely introduction of ensuites in to the 3 and some of the 2 bed apartments. In this instance the current allowance should be adequate
4.3	Kitchen and granite tops	545,000	100.50	The allowance included equates to £7,785 per apartment. We would expect the kitchen with granite worktop to be around £3,500 - £4,200, midrange appliances including washer dryer, dishwasher, oven, hob, extract, and fridge freezer to be around £2,200 and fitting between £1,800 to £2,200. Overall expected allowance circa £8,000 so the £7,785 is within the anticipated range.
4.4	Gym in basement	35,000	6.45	The current lower ground floor drawing shows provision of both

				cinema room and gym. The £35,000 allowance for both areas is unlikely to be adequate given requirements for additional ventilation, maybe glazed walls, soundproofing and FF and E. An allowance of closer to £65,000 would be considered appropriate.
5.0	Mechanical and electrical installations	3,486,660	642.94	The allowance equates to £49,807 per apartment. Subject to confirmation of heating and cooling specification, the allowance is within the anticipated £45,000 - £60,000 range.
7.0	External works inc utility services supply	750,000	138.30	£200,000 is included within this sum for utility connections for which quotations have been received. Westcombe to issue. The remaining £550,000 is for site works, hard and soft landscaping, fencing, external drainage. Given the areas outside of the site footprint are already constructed for parking provision, vehicle entry and areas of landscaping, it would be anticipated that works could be completed well within the £550,000 allowance.
8.0	Main contractors Preliminaries	1,750,000	322.70	The total allowance is 14.95% of construction cost. This is within the lower end of the range that would be anticipated, with preliminary costs normally between 14 – 19%
9.0	Main contractors overheads and profit			Excluded – currently excluded as the proposed procurement route for construction is for the works to be completed by the construction arm of Westcombe Group, with profit being taken from the sales of the apartments. However, due to commitments elsewhere, it is understood that Westcombe may procure the works through an alternative contractor. As such, an allowance of between 4 – 6%

				(say 5%) £757,850 would need to be included within the cost sum analysis.
12.0	Risks	1,008,000	186.00	Across the headings of design development, construction, change and other risks, the overall risk allowance is 7.5% of construction costs. At this stage of the project a figure of around 3 – 5% would normally be anticipated. However, in this instance, there does remain unknowns regarding environmental roof specification, and extent of bathroom provision. The construction industry is still working within a period of uncertainty re provision of materials and wage/material cost inflation. Therefore, it is currently prudent to have a higher than normal allowance for risk over and above industry norms at this stage of development.

4.0 Benchmarking of Anticipated Costs

4.1 Cost Summary Analysis

Appendix 1 Cost Sum Analysis 23 January 2023 identifies an anticipated total construction cost of £15,157,910. This figure is replicated in Appendix 2, Updated Appraisal Summary 31 January 2023, highlighted in blue. For the purposes of conventional comparison with other similar schemes, the inclusion of £700,000 for Consultants professional fees should be excluded. On that basis therefore, anticipated total construction cost totals £14,457,910 (£2,666/m², £248/sq ft), this is obviously excluding substructure and frame construction as those elements are already in place. Also, for comparison, an allowance of Main Contractors overheads and profit should be added in. Therefore, the Kingston development cost should be revised to £15,180,805 (£2,799/m², £260/sq ft)

4.2 Benchmark comparison

Project	Construction Cost (Rebased to 1Q 2023)	Cost/m2	Cost/sq ft	+/- % difference to Kingston Bridge House
Kingston Bridge House (70 units)	15,180,000	2,799.00	260.00	0
Multi block new build residential, Kent (exc substructure and frame) 1,729 units	356,755,368	2,130.00	197.00	-24.23 %
Multi block new build residential, Clapham (exc substructure and frame) 342 units	71,108,819	2,281.00	212.00	-18.46%
Multi block new build residential, West London (exc substructure and frame) 2083 units	451,105,562	2,167.00	201.00	-21.53%
Multi block new build residential, London Dock (exc substructure and frame) 141 units	62,222,063	3,715.00	345.00	+32.69%
Multi block new build residential, Fulham Gasworks, London (exc substructure and frame) 345 units	156,398,111	3,428.00	318.00	+22.30%

5.0 Summary

Kingston Bridge House is an existing student accommodation building to be significantly remodelled to provide 70 apartments for sale. The building is currently fully stripped back to concrete frame. The latest cost sum analysis totalling £15,157,910 has been provided to Fulkers Bailey Russell for comment.

Fulkers have provided commentary on all areas of cost. The majority of costs are considered to be within acceptable ranges for residential developments of a similar nature. Where outside of the range, approximate cost variances have been estimated. These are :-

Element	Lower than anticipated range, approximate additional costs	Higher than anticipated range, approximate savings
Roof covering and membrane	Subject to requirement for provision of full green/blue roof provision, additional costs of £670,000 could be incurred. These are currently excluded. Also excluded are any associated works to strengthen the existing concrete frame to accommodate additional loading of the roof	
Ceilings, partitions and plastering	£275,000	
Internal doors and skirting	£56,500	
Platform lift to lower ground floor	£25,000	
Bathroom tiles – additional bathrooms to be included	£60,000	
Wardrobes		£77,000
Fit out of lower ground floor gym and cinema room	£30,000	
External works, hard and soft landscaping		£150,000
Main contractors overheads and profit – procurement route to be confirmed	£757,850	
Contingency/risk allowance		£1,008,000
TOTAL	£1,874,350	£1,235,000

Fulkers have provided a brief benchmark comparison of residential development anticipated costs from the same British region. Current costs, when suitably adjusted, show that the Kingston Bridge project sits relatively central at £260 sq ft in comparison to other schemes ranging from £197 sq ft to £345 sq ft.

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