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50 STATION ROAD, BARNES, LONDON SW13 0LP

Financial Viability Assessment for
A McDonald and JL Delagree
30th October 2024
Our Ref: SWRC/24-03032

Contents

Appendices

Quality Assurance

This report has been prepared within the quality system operated at Rapleys LLP according to British Standard ISO 9001:2015.

We confirm that the undersigned is an appropriately qualified and experienced Chartered Surveyor experienced in the commercial property sector.

Created by:	Simon Corp BSc)Hons) MCIOB Simon.corp@rapleys.com
Signature:	Simon Corp Simon Corp (Nov 29, 2024 09:50 GMT)
Checked by:	Nick Fell LLB(Hons) PGDip MRICS Nick.fell@rapleys.com
Signature:	Nick Fell Nick Fell (Nov 29, 2024 10:04 GMT)

1 INTRODUCTION

1.1 We have been instructed by the A McDonald and JL Delagree (the applicants) to provide a financial viability assessment of the proposed development to the rear of 50 Station Road, Barnes providing 1no detached three bedroom property.

1.2 The purpose of this report is to consider, in an open book format, the financial viability of the proposed scheme and the level of affordable housing and financial Section 106 contributions that can be supported. In preparing this viability report we have considered the London Borough of Richmond Upon Thames Local Plan adopted in July 2018 policy LP36 which states that a financial contribution equivalent to 5% affordable housing should be provided equating to a financial contribution at £43,457.

1.3 The financial viability assessment (FVA) considers the total value of the completed scheme and the total cost of its delivery, using recognised residual appraisal software)- Argus Developer. In accordance with standard viability methodology, the resulting residual land value is then compared with an appropriate benchmark value to determine the scheme's viability.

1.4 The advice set out in this report is provided in the context of negotiating planning obligations and therefore in accordance with PS 1 of the RICS Valuation – Global Standards (January 2022) incorporating the IVSC International Valuation Standards (Red Book), the provisions of VPS 1 – 5 are not of mandatory application and accordingly this report should not be relied upon as a Red Book Valuation.

1.5 Specifically we would state:

- Our advice and opinions contained herein are given without liability, therefore falling outside the scope of the requirement of the RICS Valuation – Global Standards January 2022 Edition.
- We have not conducted a full survey, inspection and measurement nor undertaken all the necessary enquiries required in providing a Red Book Valuation.

1.6 In accordance with the RICS Financial Viability in planning: conduct and reporting (May 2019) (FVIP), in preparing this report we have acted with objectivity and impartially, without interference and with reference to all appropriate available sources of information. This report fully complies with the requirements set out in FVIP.

1.7 Our terms of engagement are attached in Appendix 1, which confirm that no performance-related or contingent fees have been agreed in this instruction. We confirm that no conflict of interest exists.

1.8 We have been provided with, and relied upon, the following key information:

- Planning drawings provided by the applicant.

2 ASSUMPTIONS

2.1 In undertaking this report, unless otherwise specifically stated, we have made the following assumptions:

- We assume that the site is held freehold with vacant possession and free from all encumbrances such as onerous covenants, easements and rights of way.
- We assume that there are no items that could lead to adverse development costs such as contamination, adverse ground conditions, right of light issues or the designation of an area of archaeological significance.
- We assume that the site does not fall within a flood zone and therefore no overly onerous costs are required to deal with flood prevention measures.
- We have not arranged nor undertaken any investigations to determine whether or not any deleterious sub-standard or hazardous materials have been used in the construction, services or finishes of any existing structures or have been since incorporated.
- We have assumed that planning permission will be granted for the development as described in Section 5 below.

2.2 If any of these assumptions prove to be incorrect, they could have a significant impact on our conclusions.

3 NON-TECHNICAL SUMMARY

3.1 This non-technical summary presents an overview of the FVA and a summary of the viability position. We have assessed the viability of the scheme on all open market basis to determine the total surplus which is generated to support affordable housing and other s106 costs and a second policy compliant iteration of the appraisal including the policy compliant affordable housing financial contribution.

3.2 We have established that the scheme delivering 0% affordable housing generates a Gross Development Value (GDV) of £1.3 million. The total costs for delivering the scheme are £1.07 million and we have assumed a developer return at 17.5% return on GDV. Based on a 100% open market development with no affordable housing the scheme generates a residual land value at £0.50 million.

3.3 To assess the viability of the proposed scheme we need to compare the residual land value with the benchmark existing land value. The Planning Practice Guidance states that we should base the benchmark land value on an existing use plus premium valuation of the site or reasonable alternative use value if the use accords with planning policy. The existing use in this case is garden land and the benchmark land value has been based the diminution in value of the application property 50 Station Road from the loss of half of its garden which has been estimated at £50,000. We have allowed for a landowner's premium at 20% nd therefore benchmark land value has been set at £60,000. The results are summarised below:

ASSUMPTION	100% OPEN MARKET	POLICY COMPLIANT WITH CONTRIBUTION
Gross Development Value	£1,300,000	£1,300,000
Less		
Development Costs	£1,072,500	£1,072,500
Less		
Profit	£227,500	£227,500
Equals		
Residual Land Value	£505,969	£465,965
Compared To		
Benchmark Land Value	£60,000	£60,000
Equals		
Surplus	£445,969	£405,965

3.4 The appraisal including the policy compliant financial contribution towards affordable housing shows a significant surplus on the benchmark land value and so the development is considered viable and can make a full contribution towards affordable housing.

4 BACKGROUND

4.1 The application site is located at 50 Station Road in the Barnes area of the London Borough of Richmond upon Thames. It is proposed the rear garden is sub-divided and the lower half of the garden is developed with a three bedroom detached house accessed from Ellison Road.

SITE DESCRIPTION & LOCATION

4.2 Station Road is characterised by two storey residential properties and 50 Station Road enjoys a position overlooking Barnes Green, however the proposed property will front Ellison Road and does not benefit from this view. A range of retail, restaurants and pubs are available a short walk from the site as well the River Thames and Barnes Green open space.

4.3 Mainline train services are available from nearby Barnes Bridge Station providing regular services to London Waterloo and Putney Underground station is some 2km from the site.

5 PROPOSED DEVELOPMENT

5.1 The proposed residential scheme will provide the following property:

No	Type	Floor Area (m^2)
1	3b5p house	113.5
1		**113.5**

The property will have one off street car parking space at the front of the property and the ground floor has been raised to address flood risk. Part of the building extends to the rear at ground floor level where a green roof will be provided.

6 INTRODUCTION TO VIABILITY

6.1 In preparing our advice we have paid regard to Paragraph 58 of the National Planning Policy Framework (NPPF) updated December 2023, the Viability Guidance prepared by the Ministry of Housing, Communities & Local Government that sits alongside the NPPF, RICS Professional Statement "Financial Viability in Planning: conduct and reporting (First Edition) May 2019" (FVIP).

6.2 The Viability Guidance prepared alongside the 2019 NPPF at Paragraph: 010 Reference ID: 10-010-20180724 states:

> *"Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return."*

6.3 The NPPF and updated Viability guidance note advocates the use of viability assessments at the plan-making, rather than the decision-taking, stage. Specifically, paragraph 58 of the recently published NPPF details:

> *"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."*

6.4 The NPPF therefore puts the responsibility on the applicant to demonstrate whether particular circumstances justify the need for a viability assessment. In terms of the weight given to an assessment this is now a matter for the decision maker having regard to all of the circumstances in the case. The decision maker needs to pay regard to whether the plan and the viability evidence underpinning it are up to date.

6.5 The NPPF seeks to move the focus of viability studies to the plan making stage. Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable, without the need for further viability assessment at the decision making stage.

6.6 The NPPF was published in July 2018 and subsequently updated in December 2023. The process of preparing viability evidence to underpin local plans is still in its initial stages. We have referred to the London Borough of Richmond upon Thames Local Plan adopted in 2018. The Local Plan Viability evidence was updated in the BNP Paribas Local Plan Viability Assessment April 2023 but in common with all borough wide assessments this is based on a series of development typologies and appraisal assumptions and so it is reasonable to compare the site specific circumstances with the broader assumptions adopted in the Local Plan viability testing.

6.7 Paragraph 58 goes on to say:

> *"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."*

6.8 This viability assessment, with respect to the assessment of the proposed residential scheme, follows the recommended approach detailed in the Viability Guidance Note including the adoption of the standardised inputs. It is therefore reasonable and accords with policy requirements. With regard to our approach to the assessment of the benchmark land value, this is set out further down in the report.

6.9 A scheme is considered viable, in planning terms, if the value generated by the development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, planning obligations, land value, landowner premium, and developer return. In practical terms we assess viability by undertaking the following process:

GROSS DEVELOPMENT VALUE

less

COSTS

less

PLANNING CONTRIBUTIONS

less

PROFIT

equals

RESIDUAL LAND VALUE

compared to

APPROPRIATE BENCHMARK VALUE

7 VIABILITY APPROACH

7.1 We have considered the acceptable level of profit required by a developer and tested whether once the anticipated revenue and all the costs, including planning obligations, likely to be incurred in bringing the development forward are taken into account, a residual land value can be generated that is in excess of an appropriate benchmark land value.

7.2 The PPG for Viability advocates at paragraph 018 that for the purpose of plan making (which we also consider relevant to decision taking by LPAs) an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types.

7.3 In this context we have had regard to the current residential development market, current economic circumstances and the scale and nature of the proposed scheme and are of the opinion that a willing developer would require a minimum return of 17.5% of the GDV in respect of the private tenure units. We assess profit on any affordable tenure units at 6% on GDV.

7.4 To prepare the appraisals we have used the industry recognised Argus Developer residual valuation tool designed for viability assessment purposes.

8 APPRAISAL INPUTS

8.1 We have adopted inputs that reflect cost and values as at the date of this report. There is a possibility that our assumptions may change in accordance with the market as the scheme evolves and further information comes to light. We have set out the adopted assumptions below:

9 PRIVATE UNIT SALES VALUES

9.1 To assess the achievable residential sale values we have looked at comparable properties available on the market and recently sold within the last twelve months located within 0.5 miles of the application site.

9.2 The best evidence will be provided by comparable newbuild properties which reflect the new homes premium the property should achieve. The only comparable newbuild property on the market is a 3 bed detached house on South Worple Way, Mortlake. The property has a floor area at 135m^2 and is on the market at £1,000,000 but Barnes is arguably a slightly better sales location.

9.3 Looking at second hand properties on the market we identified Thames Cottage, Barnes this is slightly smaller than the proposed property with a floor area at 72m^2 and is on the market at £850,000 and we identified a period property on Station Road, Barnes with a floor area at 109m^2 on the market at £1,500,000 but properties fronting Station Road will achieve higher values. We also identified a three bedroom semi-detached house on Westmoreland Road, Barnes with a floor area at 192m^2 on the market at £1,750,000.

9.4 We need to be cautious relying on properties on the market as the listed values will be asking prices which can be subject to offers and asking price reductions. A more reliable evidence base will be sold values taken from Land Registry records from which we have identified the following transactions for the apartments:

PROPERTY ADDRESS	FLOOR AREA (M^2)	SALE PRICE (£)	SALE DATE	£/M^2 VALUE
10 Hermitage Walk, Barnes	162	£1,350,000	7/2024	£8,328
59 Cleveland Gardens, Barnes	172	£2,292,500	12/2023	£13,328
12 Stanton Road, Barnes	93	£1,050,000	12/2023	£11,290
9 Cambridge Road, Barnes	173	£2,000,000	12/2023	£11,560
1 Lowther Road, Barnes	313	£3,075,000	2/2024	£9,824
71 Elm Bank Gardens, Barnes	104	£1,100,000	11/2023	£10,543

9.5 A reasonable average second hand value would appear to be around £11,000-11,500/m^2, but we do need to reflect both a new home premium and the setting of the property on Ellison Drive and relatively small plot. On balance we consider an achievable value would be £1,300,000 which equates to £11,453/m^2 as summarised below:

No	Type	Floor Area (m^2)	Sales Value (£)	£/m^2
1	3b5p house	113.5	£1,300,000	£11,453
1		**113.5**	**£1,300,000**	

10 AFFORDABLE HOUSING CONTRIBUTION

10.1 The London Borough of Richmond upon Thames Local Plan policy LP36 requires a financial contribution equivalent to 5% affordable housing. The council publish a standard contribution calculator spreadsheet which shows based on 5% affordable housing provision a financial contribution at £43,457 will be required.

11 CONSTRUCTION COSTS

11.1 At the current relatively early stage of design development we don't have the benefit of a Quantity Surveyor developed cost plan and so in line with standard practice we have used the BCIS benchmark rates to establish a reasonable construction cost allowance. We have adopted the 1-3 unit detached rate rebased to Richmond which is currently £2,868/m^2. This is a relatively high rate and considered sufficient to fund the raising of the ground floor finished floor level and the green roof. This generates a construction cost budget at £325,518.

11.2 The BCIS rates exclude any allowances in connection with external works, the usual allowance is 10-20% of the base construction cost as the extent of external works is relatively limited we have adopted an allowance at around 10% utilising an allowance at £32,500. This will fund the highway crossover works, parking area, soft landscaping and new boundary treatments.

11.3 In line with standard practice we have also allowed for a construction contingency at 5%.

PROFESSIONAL FEES

11.4 We have allowed for design and professional fees at 10% of construction costs which is considered appropriate for a bespoke development of this type and is in line with other assessments we have completed across the wider region.

SECTION 106 COSTS

11.5 We have not been provided with any details of required s106 costs. The resultant appraisal surplus therefore represents the total subsidy available to fund all planning obligation costs.

COMMUNITY INFRASTRUCTURE LEVY (CIL)

11.6 We have allowed for CIL on the net additional residential area which has been calculated at 96.7m^2 and we have applied the index linked local authority CIL rate at £398.54/m^2 and the GLA index linked CIL at £92.36/m^2. This generates an overall CIL cost at £55,717.

ACQUISITION AND PREPARATION COSTS

11.7 We have assumed standard Stamp Duty Land Tax charges, 1% agents fees and a legal fee of 0.5% for site purchase.

DISPOSAL COSTS

11.8 We have assumed the following sales and legal fees for the private units:

- 2% fee agency fee inclusive of marketing.
- Legal Fee of £1000 per unit.

FINANCE

11.9 Over the last few years the author has agreed a finance assumption at 6.5% on similar developments across the region. This was however agreed when the base rate were in the range of 0.75-1% so the effective lending margin was 5.5-5.75 points, over the last few months in response to inflationary pressure in the economy the base lending rate has significantly increased to 5%. To maintain the same lending margin the finance rate would need to increase to 9% but it is possible lenders may take a commercial view on the required margins and we have adopted a slightly lower rate at 8%.

TIMESCALES AND PHASING

11.10 The table below details the timescale and phasing assumptions within our appraisals:

Timescale	Period
Purchase	1 month
Pre-Construction / Procurement	3 months
Construction	8 months
Private Sales Period	3 months
Project Period	15 months

12 VIABILITY APPRAISALS

12.1 Taking all of the above factors into account we have carried out development appraisals of the site. The full viability appraisals can be found at **Appendix 4.** In summary the results are as follows:

APPRAISAL SCENARIO	RESIDUAL LAND VALUE (£)	BENCHMARK LAND VALUE (£)	SURPLUS/DEFICIT (£)
1 unit open market	£505,969	£60,000	£445,969
1 unit policy compliant	£465,965	£60,000	£405,965

13 SENSITIVITY ANALYSIS

13.1 We have set out a sensitivity analysis below applying a change to the sales values and build cost rate at 5% the summary report is attached in the appendices to this report.

	Sales: Gross Sales				
Construction: Gross Cost	-10.000%	-5.000%	0.000%	5.000%	10.000%
	1,170,000	1,235,000	1,300,000	1,365,000	1,430,000
-10.000%	-448,081	-493,841	-539,601	-585,362	-631,122
292,966	1,170,000	1,235,000	1,300,000	1,365,000	1,430,000
-5.000%	-431,265	-477,025	-522,785	-568,546	-614,306
309,242	1,170,000	1,235,000	1,300,000	1,365,000	1,430,000
0.000%	-414,449	-460,209	-505,969	-551,730	-597,490
325,518	1,170,000	1,235,000	1,300,000	1,365,000	1,430,000
5.000%	-397,633	-443,393	-489,153	-534,913	-580,674
341,794	1,170,000	1,235,000	1,300,000	1,365,000	1,430,000
10.000%	-380,817	-426,577	-472,337	-518,097	-563,858
358,070	1,170,000	1,235,000	1,300,000	1,365,000	1,430,000

14 BENCHMARK LAND VALUE

14.1 The Viability Guidance Note attached to the 2019 NPPF confirms that a benchmark land value should be established on the basis of the existing use value (EUV) of the land. It defines EUV as the value of the land in its existing use together with the right to implement any development for which there are policy compliant extant planning consents, including realistic deemed consents, but without regard to alternative uses.

14.2 The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements (PPG para 16).

14.3 The Financial Viability in Planning (FVIP) details that when providing benchmark land value we must report the current use value (CUV) referred to as EUV or first component in the PPG referred to above. For the Benchmark Land Value, we have relied upon the Existing Use Value plus premium approach as advocated by national planning guidance and FVIP.

14.4 The Financial Viability in Planning (FVIP) details that when providing benchmark land value we must report the current use value (CUV) referred to as EUV or first component in the PPG referred to above. For the Benchmark Land Value, we have relied upon the Existing Use Value plus premium approach as advocated by national planning guidance and FVIP. With existing residential properties on the site there is no reasonable alternative use that could be proposed and an existing use plus premium valuation is considered the most appropriate valuation methodology.

14.5 The RICS Guidance Note 'Assessing viability in planning under the National Planning Policy Framework 2019 for England' (effective 1 July 2021) defines a 5-step process for defining Benchmark Land Value which we have adopted below. For reference we have reviewed the following steps:

- Existing Use Value (EUV)
- Premium
- Alternative Use Value (AUV)
- Policy Compliant Site Value – Residual Method
- Policy Compliant Site Value – Comparable Method

EXISTING USE VALUE

14.6 The site area extends to 142.7m^2 (0.014ha) and the existing use is garden land. On other similar assessments we have assessed the value of garden land by the diminution in value of the existing property from the loss of parts its garden. We estimate the value of the property would reduce by some £50,000 with the loss of around half of the garden and the reduction in residential amenity with a property on the rear boundary.

PREMIUM

14.7 The Planning Practice Guidance states that where we have based the benchmark land value on an existing use valuation, we should allow for a landowner's premium to provide an incentive to bring the site forward for development. The usual range is 10-30% in this case we have adopted a 20% premium resulting in a benchmark land value at £60,000.

ALTERNATIVE USE VALUE (AUV)

14.8 As set out above the proposed valuation is deemed to be an AUV valuation.

POLICY COMPLIANT SITE VALUE – RESIDUAL METHOD

14.9 We have assessed the value of the site on the basis of a policy compliant scheme at £465,965 as detailed earlier in this report, but planning consent does not yet exist for that use.

POLICY COMPLIANT SITE VALUE – COMPARABLE METHOD

14.10 We could not identify any comparable land sales in the search area.

BENCHMARK LAND VALUE

14.11 We have therefore adopted a benchmark land value based on an existing use plus premium valuation at £60,000.

15 CONCLUSION

15.1 We therefore set out below our assessment of the scheme and compare the residual land values against a Benchmark Land Value to assess the viability position.

Scheme	Residual Land Value	BLV	Viable / Not Viable
1 unit open market	£505,969	£60,000	Viable
1 unit policy compliant	£465,965	£60,000	Viable

15.2 The policy compliant appraisal including the affordable housing contribution shows a significant surplus on the benchmark land value and so can be considered viable. The proposed scheme can therefore viably provide a policy compliant affordable housing contribution at £43,457.

Appendix 1

Terms of Engagement

From: Gabriela Avendano gaby@paperproject.co.uk
Subject: FW: 50 Station Rd SW13 0LP - new detached family dwelling -AFFORDABLE HOUSING CONTRIBUTION
Date: 12 Aug 2024 at 12:23:04
To: Peter Allez peterallez@hotmail.com

From: Simon Corp <simon.corp@rapleys.com>
Sent: Monday, August 12, 2024 11:07 AM
To: Gabriela Avendano <gaby@paperproject.co.uk>
Subject: RE: 50 Station Rd SW13 0LP - new detached family dwelling - Full Planning Application

Hi Gaby

Many thanks for your email to my colleague Will Maby, we would be pleased to help I have completed several similar assessments in the Richmond area over the last few years.

In the majority of development projects the standard approach for assessing viability is to produce a residual appraisal that generates a Residual Land Value (RLV) output. This RLV is compared with the site's Existing Use Value (EUV) or Alternative Use Value (AUV) with the simple premise that if the RLV exceeds the EUV/AUV a surplus will be generated and the scheme can be considered as 'Viable'. If however, the RLV is less than the adopted EUV/AUV, a deficit is produced and the scheme can be considered 'Non-Viable'. In these circumstances one would then seek to reduce the level of affordable housing below policy levels as well as consider the extent of s106 contributions and/or commuted sum payments to improve the RLV until the break-even position is reached (where the RLV equals the EUV/AUV). In terms of the layout of the viability assessment, the simplified structure of our appraisal is usually as follows:

Gross Development Value (GDV)

Minus
Developer Costs
Minus
Planning Obligations
Minus
Developer Profit
Equals
Residual Land Value (RLV)

I confirm acceptance of your quote for £3000
Angela McDonald
12-08-24

RLV
Minus
EUV (including premium) / AUV
Equals
Surplus/Deficit

Given the context of the project and the time constraints, I recommend that we carry out the viability process over two stages.

1. We will run detailed appraisal modelling to consider the impact of providing differing levels of affordable housing and s.106 financial contributions for the proposed scheme against an appropriate benchmark. We will run iterations of the viability model and test this at various intervals down to 0% affordable housing provision. Based on this initial work we can then provide advice on the strength and weaknesses of the argument in providing lower

Appendix 2

Schedule of Accommodation

LONDON BOROUGH OF RICHMOND UPON THAMES

AFFORDABLE HOUSING SPD - ANNEXE A - COMMUTED SUM CALCULATION

REV A

Site Name: 50 Station Road Barnes	**Date** 30/10/2024		Notes
Number of Units on proposed development	1	No.	
Level of Affordable Housing required	5%		
Number of Affordable Units required	0.05	No.	
Percentage Affordable Rented required	80%		
Number of Affordable Rented Units required	0.04	No.	
Percentage Intermediate required	20%		
Number of Intermediate units required	0.01	No.	
Less on Site provision			
Affordable Rented Units provided on site	0	No.	
Net number of units of Affordable Rented off-site	0.04	No.	
Intermediate Units provided on site	0	No.	
Net number of Intermediate units off-site	0.01	No.	

Off-Site Commuted Sum calculation

Affordable Rented									
Unit type	Off Site Provision	OMV £	Profit 20.00%	Net Total Cost	Rent per week	Mgt Charge 25.00%	Yield 6.00%	Capitalised Rent	Commuted Sum
1 Bed Flat	0.04	1,300,000	260,000	1,040,000		0	6.00%	0	41,600
2 Bed Flat			0	0		0	6.00%	0	0
3 Bed Flat	0.00	0	0	0	213.01	2,769	6.00%	138,457	0
2 Bed Hse			0	0		0	6.00%	0	0
3 Bed Hse			0	0		0	6.00%	0	0
4 Bed Hse			0	0		0	6.00%	0	0
5 Bed Hse			0	0		0	6.00%	0	0
Total	0.04							**Total**	41,600

Intermediate - Shared Ownership										
Unit type	Off Site Provision	OMV £	Profit 20.00%	Net Total Cost	Equity Rent 2.75%	Mgt Charge 6.50%	Yield 6.00%	Capitalised Rent	1st Tranche 40.00%	Commuted Sum
1 Bed Flat	0.01	1,300,000	260,000	1,040,000	21,450	1,394	6.00%	334,263	520,000	1,857
2 Bed Flat			0	0	0	0	6.00%	0	0	0
3 Bed Flat	0.00	0	0	0	0	0	6.00%	0	0	0
2 Bed Hse			0	0	0	0	6.00%	0	0	0
3 Bed Hse			0	0	0	0	6.00%	0	0	0
4 Bed Hse			0	0	0	0	6.00%	0	0	0
5 Bed Hse			0	0	0	0	6.00%	0	0	0
Total	0.01									1,857

Total Units	**0.05**		**Total Commuted Sum**	**43,457**

Appendix 3

BCIS Cost Construction Rates

BCIS®

£/M2 STUDY

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

Last updated: 19-Oct-2024 07:10

Rebased to Richmond Upon Thames (119; sample 30)

MAXIMUM AGE OF RESULTS: DEFAULT PERIOD

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
New build								
820.1 'One-off' housing detached (3 units or less)								
Generally (15)	3,351	1,350	2,315	2,985	3,916	8,713	117	
Single storey (15)	2,771	1,634	2,053	2,643	3,495	5,010	28	
2-storey (15)	3,270	1,350	2,238	2,868	3,784	8,514	62	
3-storey (15)	3,876	1,796	3,083	3,894	4,240	7,068	22	
4-storey or above (20)	5,710	2,602	3,616	5,913	7,684	8,713	6	

Appendix 4

Financial Appraisals

50 Station Road Barnes
Open market Appraisal

50 Station Road
Barnes
London
SW16 0LP

Development Appraisal
Prepared by Simon Corp
Licensed Copy
30 October 2024

50 Station Road Barnes
Open market Appraisal

Appraisal Summary for Phase 1

Currency in £

REVENUE					
Sales Valuation	**Units**	**m²**	**Sales Rate m²**	**Unit Price**	**Gross Sales**
Open market residential	1	113.50	11,453.74	1,300,000	1,300,000
NET REALISATION				**1,300,000**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			505,969		
				505,969	
Stamp Duty			16,298		
Effective Stamp Duty Rate		3.22%			
Agent Fee		1.00%	5,060		
Legal Fee		0.50%	2,530		
				23,888	
CONSTRUCTION COSTS					
Construction	**m²**	**Build Rate m²**	**Cost**		
Open market residential	113.50	2,868.00	325,518		
Contingency		5.00%	16,276		
CIL			55,717		
				397,511	
Other Construction					
Other Construction			32,500		
				32,500	
PROFESSIONAL FEES					
Other Professionals		10.00%	32,552		
				32,552	
DISPOSAL FEES					
Sales Agent Fee		2.00%	26,000		
Sales Legal Fee	1.00 un	1,000.00 /un	1,000		
				27,000	
FINANCE					
Debit Rate 8.000%, Credit Rate 5.000% (Nominal)					
Land			7,065		
Other			46,015		
Total Finance Cost				53,080	
TOTAL COSTS				**1,072,500**	
PROFIT					
				227,500	
Performance Measures					
Profit on Cost%		21.21%			
Profit on GDV%		17.50%			
Profit on NDV%		17.50%			
IRR% (without Interest)		38.20%			
Profit Erosion (finance rate 8.000)		2 yrs 5 mths			

50 Station Road Barnes
Policy Compliant Appraisal

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50 Station Road
Barnes
London
SW16 0LP

Development Appraisal
Prepared by Simon Corp
Licensed Copy
30 October 2024

50 Station Road Barnes
Policy Compliant Appraisal

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	**Units**	**m²**	**Sales Rate m²**	**Unit Price**	**Gross Sales**
Open market residential	1	113.50	11,453.74	1,300,000	1,300,000

NET REALISATION				**1,300,000**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			465,965	
				465,965
Stamp Duty			14,298	
Effective Stamp Duty Rate		3.07%		
Agent Fee		1.00%	4,660	
Legal Fee		0.50%	2,330	
				21,288
CONSTRUCTION COSTS				
Construction	**m²**	**Build Rate m²**	**Cost**	
Open market residential	113.50	2,868.00	325,518	
Contingency		5.00%	16,276	
CIL and AH payment			99,174	
				440,968
Other Construction				
Other Construction			32,500	
				32,500
PROFESSIONAL FEES				
Other Professionals		10.00%	32,552	
				32,552
DISPOSAL FEES				
Sales Agent Fee		2.00%	26,000	
Sales Legal Fee	1.00 un	1,000.00 /un	1,000	
				27,000
FINANCE				
Debit Rate 8.000%, Credit Rate 5.000% (Nominal)				
Land			6,497	
Other			45,731	
Total Finance Cost				52,228
TOTAL COSTS				**1,072,500**
PROFIT				
				227,500
Performance Measures				
Profit on Cost%		21.21%		
Profit on GDV%		17.50%		
Profit on NDV%		17.50%		
IRR% (without Interest)		38.69%		
Profit Erosion (finance rate 8.000)		2 yrs 5 mths		

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