



Financial Viability Assessment Report

Address: Lamorna, Dartmouth
Park Road, London, NW5 1SU

Prepared for: HGG London Limited

INSTRUCTIONS

This Financial Viability Assessment (FVA) is submitted to the London Borough of Camden ('The Council') to accompany a detailed planning application for the proposed residential development at Lamorna, Dartmouth Park Road, NW5 1SU. The application is made on behalf of HGG London Limited ('The Applicant').

In producing this FVA we can confirm that all those involved, including sub-consultants, have acted objectively and impartially and without interference. Additionally, all those involved have given full consideration to how the proposed development will be delivered and the associated performance metrics. The conclusions of this assessment have been made with reference to all the appropriate guidance / policy including:

- National Planning Policy Framework (NPPF – updated December 2023);
- Planning Practice Guidance (PPG) – Viability (updated September 2019);
- RICS Assessing viability in planning under the National Planning Policy Framework for England, 1st Edition (March 2021); and
- RICS Financial Viability in Planning: Conduct and Reporting 1st Edition (May 2019)

This FVA has been carried with regard to the Professional and Ethical standards set out within PS2 of the RICS Valuation – Global Standards 2020 (The Red Book), effective from January 2020.

We confirm this Financial Viability Assessment and all subsequent engagement with the council and their independent reviewer has and will be conducted in a reasonable and transparent manner.

Confidentiality

We understand that the report will be submitted to the London Borough of Camden as a supporting document to the planning application. The report must not be recited or referred to in any document (save the consultants instructed by the Council to review the report) without our written consent.

Report Limitations

Please note that the advice provided on values is informal and given purely as guidance. Our views on price are not intended as a formal valuation and should not be relied upon as such. No liability is given to any third party and the figures suggested are not in accordance with the RICS Valuation – Global Standards 2020 (incorporating the IVSC International Valuation Standards), together the 'Red Book', and neither The Roscoe Group Ltd nor

the author can accept any responsibility to any third party who may seek to rely upon it, as a whole or any part as such.

Conflict of Interest

We confirm that there are no conflicts of interest between The Roscoe Group Ltd and either the Applicant, the Council or the Subject.

Date of Appraisals

The Date of the Appraisal is the date of this Financial Viability Assessment.

This report is not a Red Book Valuation. The report and accompanying appendices should only be used for the stated purposes.

This report is reliant upon market evidence. Readers should be mindful that the market evidence is subject to variation over time and this could have significant effect of the residual outputs.

This report has been prepared by Max Pickett MRICS who has considerable experience in preparing Viability Assessments for residential and mixed-use developments of varying sizes across London and the South East.

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- Appendix 1 – Site Location Plan
- Appendix 2 – Existing Accommodation Schedule and Plans
- Appendix 3 – Proposed Accommodation Schedule and Plans
- Appendix 4 – Cost Plan
- Appendix 5 – Residual Land Value Appraisal

1. Executive Summary

- 1.1.1. The site is located on the south side of Dartmouth Park Road to the east of the junction with Highgate Road in the London Borough of Camden.
- 1.1.2. The site currently comprises a two-storey detached residential dwelling (Use Class C3)
- 1.1.3. The proposed scheme comprises the demolition of the existing family dwelling and construction of a new five-storey plus basement residential building comprising six self-contained residential dwellings.
- 1.1.4. **Methodology**
- 1.1.5. We have assessed the development economics of the proposed scheme in order to identify the level of planning obligations the scheme can sustain. We have appraised the Residual Land Value (RLV) of the proposed scheme using propriety software Argus Developer and have based our appraisal upon the plans and schedule of accommodation shown in **Appendix 3**. the Residual Land Value is calculated by subtracting all associated development costs, including a suitable level of developer profit from the Gross Development Value (GDV) of the proposed scheme.
- 1.1.6. The assumptions we have adopted within our appraisal have been informed by market evidence and input from independent third-party experts where appropriate.
- 1.1.7. We have compared the RLV to our Site Value Benchmark to ascertain whether the proposed scheme produces a surplus or deficit against the Benchmark. If the RLV produced by the proposed scheme is lower than the Site Value Benchmark then the scheme is deemed unviable and is unlikely to come forward for development, unless the level of affordable housing and / or planning obligations can be reduced. If the residual land value is higher than the benchmark then the scheme can, in theory, provide additional affordable housing and / or planning obligations.
- 1.1.8. In determining the Site Value Benchmark we have given consideration to the Existing Use Value (EUV) of the Subject plus a suitable landowner premium.
- 1.1.9. The EUV has been calculated through a traditional comparable valuation methodology, which looks at analysing similar properties to the Subject and making suitable adjustments to reflect their differences.
- 1.1.10. We have not investigated the AUV of the Subject as we do not deem it appropriate in this instance.
- 1.1.11. **Conclusion**
- 1.1.12. We have appraised the proposed scheme and summarise the results in the table

below:

Residual Land Value	Site Value Benchmark	Deficit
£284k	£2m	-£1.7m

1.1.13. Given that the RLV generates a deficit against the SVB, the scheme is not considered viable in development viability terms.

2. Introduction

- 2.1.1. This FVA has been prepared by The Roscoe Group Ltd to examine the financial viability of the proposed scheme at Lamorna, Dartmouth Park Road, NW5 1SU (the Site). The Site is located within the London Borough of Camden.
- 2.1.2. The Applicant is HGG London Limited (hereafter 'The Applicant'). The detailed planning application seeks consent for a residential development ('the Proposed Development').
- 2.1.3. We have been provided with, and have relied upon the following information from the Applicant:
- Site Location Plan attached at Appendix 1;
 - Floorplans and schedule of the existing accommodation prepared by Bureau de Change Architects attached at Appendix 2;
 - Floorplans and schedule of the proposed accommodation prepared by Bureau de Change Architects attached at Appendix 3; and
 - Build Costs as advised by PSP Cost Consultants.

3. Subject Description

- 3.1.1. The Subject is located on Dartmouth Park Road in the London Borough of Camden.
- 3.1.2. The PTAL rating of the Subject is 5, which means that the site is easily accessible. With 0 being the least most accessible and 6b being the best PTAL rating.
- 3.1.3. The surrounding area is characterised by three-four storey buildings, comprising a mix of apartment blocks and individual family dwellings.
- 3.1.4. A location plan is attached at **Appendix 1.**
- 3.1.5. We understand the existing site comprises a two storey detached residential dwelling measuring approximately 1,624 sq. ft. that is presented in reasonable condition with a recently refurbished kitchen. The rest of the house would benefit from modernisation.
- 3.1.6. Further detail is provided within our Site Value Benchmark section below.
- 3.1.7. **Proposed Development**
- 3.1.8. We understand that a planning application has been submitted which seeks full planning consent for:

Demolition of existing family dwelling and construction of a new five storey plus basement residential building consisting of 6 x self-contained residential flats (Class C3).
- 3.1.9. An accommodation schedule and plans are attached at **Appendix 3.**

4. Planning Policy

- 4.1.1. The Planning Statement submitted as part of the planning application provides an overall review of the planning policy context in relation to the Proposed Development.
- 4.1.2. **National Planning Policy Framework**
- 4.1.3. The updated Government's National Planning Policy Framework ('NPPF') was published in February 2019 and updated in December 2023.
- 4.1.4. The NPPF sets out the government's expectation that all viability assessments should be made publicly available. However, the government response document goes on to state that it acknowledges there will be some situations where some of the information contained could be commercially sensitive and should not be made publicly available.
- 4.1.5. **Planning Practice Guidance**
- 4.1.6. The Planning Practice Guidance (PPG) provides guidance on viability assessments for the purposes of plan making. The guidance covers several areas including standardised inputs to viability assessments and approaches to benchmark land value. The PPG was updated in 1st September 2019.
- 4.1.7. **The London Plan (March 2021)**
- 4.1.8. The new London Plan was adopted in March 2021. Policy H5 relates to the delivery of affordable housing and Policy H6 relates to the threshold approach to development proposals. Under the London Plan the minimum threshold level of affordable housing on residential development is set at 35%.
- 4.1.9. If 35% affordable housing cannot be met a scheme will be considered under the Viability Tested route in line with Policy H6 Threshold approach to applications and the Mayor's Affordable Housing and Viability Supplementary Planning Guidance.
- 4.1.10. In line with the NPPF, PPG and the GLA site specific financial viabilities may be a material consideration in determining how much and what type of affordable housing should be required in residential and mixed-use developments.
- 4.1.11. **Camden Local Plan (July 2017)**
- 4.1.12. Policy H1 indicates that where sites are underused or vacant, the Council will expect the maximum reasonable provision of housing that is compatible with any other uses needed on the site. The Council will aim to secure a sufficient supply of homes to meet the needs of existing and future households by maximising the supply of housing and exceeding a target of 16,800 additional homes 2017-2031.
- 4.1.13. Policy H4 will aim to maximise the supply of affordable housing and exceed a borough wide strategic target of 5,300 additional affordable homes from 2017-2031, and aim for an appropriate mix of affordable housing types to meet the needs of households unable to access the market housing.

- 4.1.14. The Council will expect a contribution to affordable housing from all developments that provide one or more additional homes and involve a total addition to residential floor space of 100sqm GIA or more. The Council will seek to negotiate the maximum reasonable amount of affordable housing on the following basis:
- 4.1.15. Where developments have capacity for fewer than 10 additional dwellings; the Council will accept a payment in-lieu of affordable housing.

5. Viability Methodology

- 5.1.1. Financial Viability Assessments are used to analyse and justify the level of affordable housing and planning obligations a scheme can realistically provide without making a scheme unviable.
- 5.1.2. The RICS define financial appraisals for planning purposes as:
- 5.1.3. *"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 market risk adjusted return to a developer in delivering a project."*
- 5.1.4. If the residual land value of a proposed scheme is reduced to below an appropriate site value benchmark the scheme is considered unviable to pursue the scheme and it is unlikely to proceed.
- 5.1.5. If the scheme is considered unviable due to S106 requirements, it would be appropriate to examine reducing those requirements in order to facilitate the viability of the proposed scheme.
- 5.1.6. The methodology underpinning a residual valuation is a relatively simple concept. Firstly, the Gross Development Value (GDV) of the proposed scheme is assessed. Secondly, the cost of building the development is deducted along with professional fees, finance costs and developers' profit. The costs are deducted from the GDV to leave a Residual Land Value. This is illustrated below

GROSS DEVELOPMENT VALUE	
Residential sales income	
Any Additional income (e.g., car parking, commercial space etc)	
Less	
COSTS	
Build costs	
Professional fees	
Planning obligations	
Marketing and disposal fees	
Finance costs	
Less	
DEVELOPERS PROFIT	
Equals	
RESIDUAL LAND VALUE	

- 5.1.7. The Residual Land Value (RLV) is then compared to the Site Value Benchmark. If the RLV is lower and/or not sufficiently higher than the SVB the project is technically unviable.

6. Site Value Benchmark

- 6.1.1. Identifying an appropriate SVB required judgement bearing in mind that national planning policy guidance indicates that appropriate land for housing should be 'encouraged' to come forward for development.
- 6.1.2. In line with the RICS Guidance Note Assessing Viability in Planning under the National Planning Policy Framework for 2019 for England, 1st Edition (March 2021), RICS Professional Statement 'Financial Viability in Planning: Conduct and Reporting (May 2019), and the latest PPG we have assessed the Site Value Benchmark using the Existing Use Value (EUV) of the Subject, plus a suitable landowner premium. Existing Use Value is sometimes referred to as Current Use Value (CUV), and these two terms are interchangeable when used for Financial Viability in planning. The latest guidance also requires us to investigate Alternative Use Value (AUV) of the Subject where an existing planning consent may already exist or where the Subject may benefit from being converted to an alternative lawful planning use.
- 6.1.3. Our conclusion of the EUV of the Subject are summarised below.
- 6.1.4. We are not aware that the Subject benefits from an existing planning consent or potential conversion to an alternative lawful planning use. As such we have not appraised the AUV of the Subject.
- 6.1.5. Given the available guidance, and our own professional experience, our views on what constitutes and appropriate viability benchmark is detailed below.
- 6.1.6. **Adopted Site Value Benchmark**
- 6.1.7. We understand that the existing site comprises a large family dwelling measuring approximately 1,624 sq. ft. We note from historic sales particulars that the home is presented in good condition with a recently refurbished kitchen and outside space.
- 6.1.8. We note from information available on HM Land Registry that the home sold for £1,720,000 in March 2021.
- 6.1.9. Properties in NW5 had an overall average price of £929,327 over the last year. The majority of sales in NW5 during the last year were flats, selling for an average price of £621,747. Terraced properties sold for an average of £1,563,257, with semi-detached properties fetching £2,898,562.
- 6.1.10. Overall, sold prices in NW5 over the last year were similar to the previous year and 3% up on the 2019 peak of £900,572.
- 6.1.11. In determining our Site Value Benchmark we consider it appropriate to adopt the comparable method of valuation and assess other homes that have sold in the area to identify a range of achievable values. Our evidence is set out below.

- 6.1.12. **23 Patshull Road, London, NW5 2JX** comprises a five bedroom three bathroom family home measuring approximately 3157 sq. ft. The property has been finished to a high standard and is presented in good condition. The comparable benefits from a small rear garden. The property sold in November 2023 for £2,650,000, which equates to £839 per sq. ft. The comparable is significantly larger than the subject dwelling, and as such, we would expect to achieve a lower capital value.
- 6.1.13. **81 West Dartmouth Park Road, London, NW5 1SL** comprises a three bedroom, two bathroom ground floor flat with a large garden. The comparable measures approximately 1,012 sq. ft. and is presented in good condition. The property is sold in September 2023 for £1,846,000, which equates to £1,824 per sq. ft. The comparable is finished to a higher standard than the subject house and as such we would expect to achieve a lower capital value.
- 6.1.14. **49 Patshull Road, London, NW5 2JX** comprises a four bedroom one bathroom semi-detached property measuring approximately 1,853 sq. ft. The comparable is presented in a dated condition and would benefit from modernisation and benefits from a large rear garden. The comparable sold in September 2023 for £2,000,000 which equates to £1,079 per sq. ft. The comparable is slightly larger than the subject, and as such, we would expect to achieve a slightly lower capital value.
- 6.1.15. **2 Leighton Place, London, NW5 2QL** comprises a four bedroom, two bathroom end of terrace house measuring approximately 1,011 sq. ft. The property is presented in reasonable condition albeit it would benefit from modernisation and benefits from a private rear garden. The comparable sold in December 2022 for £1,050,000 which equates to £1,038 per sq. ft. The subject property is larger and as such we would expect to achieve a higher capital value.
- 6.1.16. **187 Leighton Road, London, NW5 2RD** comprises a three bedroom one bathroom house measuring approximately 1,187 sq. ft. The property is presented in a dated condition and would benefit from modernisation. The property is sold in September 2022 for £1,300,000 which equates to £1,095 per sq. ft. We consider the subject property to be larger and in a superior condition, and as such would expect to achieve a higher capital value.
- 6.1.17. **13 Boscastle Road, London, NW5 1EE** comprises a five bedroom two bathroom house measuring approximately 2,700 sq. ft. The property has been finished to a high standard with a new kitchen and AGA cooker. The property benefits from a large rear garden and outdoor office room. The comparable sold in September 2023 for £3,950,000 which equates to £1,462 per sq. ft. The comparable is significantly larger and has been finished to a higher standard than the subject, and as such, we would expect to achieve a lower capital value.
- 6.1.18. **49 Dartmouth Park Hill, London, NW5 1JD** comprises a five bedroom three bathroom house measuring approximately 3,122 sq. ft. The comparable has been finished to a very high standard and benefits from a large rear garden. The property sold in July 2023 for £2,500,000, which equates to £800 per sq. ft. The property is significantly larger than the subject and has been finished to a higher standard and as such, we would expect to achieve a lower capital value.

- 6.1.19. **2a Boscastle Road, London, NW5 1EG** comprises a four bedroom terraced house measuring approximately 1,960 sq. ft. The comparable is presented in good condition albeit dated and would benefit from modernisation. The comparable property sold in December 2023 for £2,621,000 which equates to £1,337 per sq. ft. The comparable is slightly larger than the Subject and is a superior residential location and as such would expect the Subject to achieve a lower capital value.
- 6.1.20. **10 Leighton Grove, London, NW5 2 RA** comprises a five bedroom three bathroom terraced house measuring 2,123 sq. ft. The property has been finished to a high standard and benefits from a large rear garden. The property sold in December 2022 for £1,900,000 which equates to £894 per sq. ft. We consider the comparable to be larger and in a superior condition to the subject and as such would expect to achieve a lower capital value.
- 6.1.21. Overall we have identified a range of achieved values within the vicinity of the subject ranging from £1,300,000 to £3,950,000 and as such we would expect to achieve a value within this range. Having considered the specification age and location of the subject, we would expect the property to achieve an open market value of £1,700,000.
- 6.1.22. Whilst we understand that purchase price is not a consideration in determining Site Value Benchmark we note that the subject site previously sold for 1,720,000 in March 2021 which we have indexed using the HM Land Registry's house price index to today's date which results in a value of £1,699,598 SAY £1.7m and as such consider this to be a reasonable benchmark land value.

7. Premium

- 7.1.1. In line with NPPF, RICS and Mayoral Guidance we consider it appropriate to apply a landowner premium in order to bring forward for development while allowing a sufficient contribution to fully comply with policy requirements.
- 7.1.2. There are a number of factors we consider influence and appropriate premium above EUV. It is important to note that premium will vary on the circumstances of the existing site but they are not directly linked to the precise development proposals associated with a specific planning application in absolute terms there will be a minimum incentive for a landowner to release an asset. We consider that the level of incentive will be influenced by a number of factors, which (although not limited to the following) may include one or a combination of the below:
- The value required to secure a similar asset to enable income, or an equivalent return of capital;
 - The minimum value that might be paid in acquisition resulting from a Compulsory Purchase Order, since this is the ultimate recourse to secure the release of land following a planning consent;
 - A value reflecting transactions of comparable land, appropriately adjusted in line with NPPF, and the uplift from EUV in those circumstances;
 - A value demonstrated by an alternate scheme appraisal that is compliant with policy (this might include a historic consent).
- 7.1.3. We understand that a 10% premium is a typical assumption under Compulsory Purchase, and that allowable costs are those associated with securing an equivalent asset (excluding purchase price) but allowing additional costs such as recovery of foregone profits, as such we consider a minimum premium should take these elements into account.
- 7.1.4. In addition since viability assessments assume that a proposed development has planning consent, it may be appropriate to consider the implication of time, cost and risk promoting a site up to that point are appropriate factors in determining premium above EUV.
- 7.1.5. In this instance we have adopted a premium of 20%, which equates to a Site Value Benchmark of **£2,040,000 SAY £2,000,000.**

8. Development Revenue

Residential Values

- 8.1.1. We have assessed a number of comparable transactions in the area to form an opinion of value for the proposed dwellings at the Subject, taking into account the location, size, aspect, provision of outside space, proposed accommodation and parking provision.
- 8.1.2. **1 Bedroom Apartments**
- 8.1.3. **High Gate Road, Kentish Town, NW5** comprises a one bedroom one bathroom flat located on the second floor within a purpose built development. The comparable is presented in a basic condition and was quoting a price of £435,000. We would expect the Subject units to achieve a higher value as we would expect them to be finished to a higher specification.
- 8.1.4. **North West Quarter, Carlton Value, NW6** comprises a one bedroom flat on the third floor of a new build block. The property measures 413 sq. ft. the property benefits from a private balcony and high specification of finish. The comparable was quoting a price of £425,000 which equates to £1,029 per sq. ft. The comparable is smaller than the proposed units and as such would expect to achieve a higher capital value.
- 8.1.5. **Park View, Kilburn High Road, NW6** comprises a one bedroom flat measuring approximately 441 sq. ft. the comparable has been finished to a high standard and was quoting a price of £425,000 which equates to £963 per sq. ft. the proposed one bedroom apartment at the Subject is larger than the comparable and such we would expect to achieve a higher capital value.
- 8.1.6. **Terranio Mews, London, NW5** comprises a 631 sq. ft. one bedroom two bathroom new build apartment. The comparable is presented in good condition and is currently quoting a price of £575,000 which equates to £911 per sq. ft. The comparable is presented in a good condition and as such we would expect to achieve a similar capital value.
- 8.1.7. **100 Upper Maisonette, Burghley Road, London, NW5 1AL** comprises a one bedroom flat measuring 405 sq. ft. the property is presented in good albeit slightly basic condition but does have access to a large communal garden. The comparable sold in January 2024 for £740,000 which equates to £1,827 per sq. ft. We consider the subject to be in an inferior residential location and as such would expect to achieve a lower capital value.
- 8.1.8. **56, Southfleet, Malden Road, London, NW5 4DD** comprises a one bedroom flat in a purpose build block measuring approximately 604 sq. ft. The comparable is presented in a dated and tired condition and would benefit from modernisation. The comparable property sold in January 2024 for £347,000 which equates to £574 per sq. ft. We would expect the Subject units to achieve higher capital values.

- 8.1.9. **12b Chetwynd Road, NW5 1BY** comprises a one bedroom one bathroom flat within a period conversion measuring 595 sq. ft. The comparable has been finished to a reasonable standard and sold in January 2024 for £505,000 which equates to £848 per sq. ft. We would expect the Subject unit to achieve a slightly higher value due to the new build specification.
- 8.1.10. **Two Bedroom Apartments**
- 8.1.11. **Torriano Mews, Kentish Town, NW5** comprises a two bedroom two bathroom flat measuring 850 sq. ft. the property benefits from high quality finished with oak flooring, Bosch appliances, Quartz stone counter tops and floor to ceiling bathroom tiles. The comparable was quoting a price of £825,000 which equates to £970 per sq. ft. We would expect the Subject units to achieve a similar rate per sq. ft.
- 8.1.12. **Torriano Mews, Kentish Town, NW5** comprises a two bedroom two bathroom flat measuring 789 sq. ft. the property benefits from high quality finished with oak flooring, Bosch appliances, Quartz stone counter tops and floor to ceiling bathroom tiles. The comparable was quoting a price of £745,000 which equates to £944 per sq. ft. We would expect the Subject units to achieve a similar rate per sq. ft.
- 8.1.13. **149b Prince of Wales Road, London, NW5 3PU** comprises a two bedroom one bathroom measuring 803 sq. ft. The comparable is presented in good condition having been recently refurbished. The comparable sold in March 2024 for £675,000 which equates to £840 per sq. ft. We would expect the proposed two bedroom units to achieve a slightly higher value to reflect the new build specification.
- 8.1.14. **Kennistoun House, Flat 31, Leighton Road, London, NW5 2UT** comprises a two bedroom one bathroom apartment measuring approximately 765 sq. ft. The comparable is presented in good albeit basic condition that would benefit from modernisation. The property sold in March 2024 for £435,500 which equates to £568 per sq. ft. We consider the comparable to be in an inferior residential location and as such would expect the proposed units to achieve higher capital values.
- 8.1.15. **32 York Rise, London, NW5 1SB** comprises a two bedroom apartment measuring 618 sq. ft. the comparable is presented in a reasonable albeit dated condition and would benefit from modernisation. The property sold in January 2024 for £540,000 which equates to £873 per sq. ft. We would expect the proposed units to be finished to a higher specification and as such would expect to achieve a higher value at the Subject.
- 8.1.16. **74a St Albans Road, London, NW5 1RH** comprises a two bedroom one bathroom ground floor flat measuring approximately 561 sq. ft. The comparable is presented in good condition but does not benefit from any outdoor space. The property sold in December 2023 for £500,000 which equates to £891 per sq. ft. We would expect the larger proposed two bedroom units at the Subject to achieve higher capital values.
- 8.1.17. **1 Ground Floor Flat, Lady Margaret Road, London, NW5 2NE** comprises a two bedroom two bathroom apartment measuring approximately 946 sq. ft. the comparable has been recently refurbished to a high specification and benefits from a private garden. The property sold in November 2023 for £820,000 which equates to £866 per sq. ft. We would expect the smaller Subject units to achieve a slightly lower value.

- 8.1.18. **19d, Caversham Road, London, Greater London, NW5 2DT** comprises a two bedroom one bathroom flat within a period conversion measuring approximately 669 sq. ft. the property is presented in reasonable condition and sold in November 2023 for £652,650 which equates to £975 per sq. ft. we would expect the larger proposed units to achieve a higher capital value.
- 8.1.19. **Three Bedroom Apartments**
- 8.1.20. **Wendling, Flat 202, Haverstock Road, London, NW5 4QY** comprises a three bedroom one bathroom maisonette located within a purpose build block measuring approximately 929 sq. ft. The comparable is presented in a basic condition and was sold in April for £417,000 which equates to £448 per sq. ft. We consider the Subject to be in a superior residential location and as such would expect to achieve significantly higher capital values.
- 8.1.21. **50 Upper Flat, Willes Road, NW5 3DL** comprises a three bedroom one bathroom flat measuring approximately 775 sq. ft. The property is presented in good condition having been recently refurbished. The Property sold in December 2023 for £740,000 which equates to £954 per sq. ft. We would expect the Subject units to achieve a similar rate per sq. ft.
- 8.1.22. **6a-6c Gillies Street, NW5 4DL** comprises a three bedroom one bathroom maisonette measuring approximately 773 sq. ft. the property has been finished to a high standard and benefits from a private rear garden. The property sold in November 2023 for £811,250 which equates to £1,049 per sq. ft. We consider the comparable to be in a superior residential location and would expect to achieve a slightly lower rate per sq. ft.
- 8.1.23. **17b Laurier Road, London, NW5 1SD** comprises a three bedroom one bathroom maisonette within a period conversion measuring 1,222 sq. ft. The comparable is presented in good condition and benefits from a private rear garden. The property sold in September 2023 for £1,335,000 which equates to £1,092 per sq. ft. We consider the comparable to be in a superior residential location and as such would expect the Subject units to achieve a slightly lower capital value.
- 8.1.24. Based on our research and advice from local agents we have adopted a Gross Development Value (GDV) of the proposed residential units of £4,482,000 equating to £901/sq ft.
- 8.1.25. **Ground Rents**
- 8.1.26. Draft legislation was included in the May 2021 Queens Speech, which will restrict the charging of financial ground rents on new long residential leases with the intention of tackling inconsistency and ambiguity in ground rents for new leaseholders whilst fixing the same at a 'peppercorn'.
- 8.1.27. We have therefore excluded ground rent income from our appraisal of the proposed scheme.

9. Development Costs

Introduction

- 9.1.1. The following assumptions have been adopted in assessing the costs of the proposed scheme.

Build Costs

- 9.1.2. We have been provided with a detailed cost plan by PSP Cost Consultants which we have adopted in our appraisal. These costs include an allowance for demolition, preliminaries, contingencies, contractors OH&P, and inflation up to start on site.

Contingency

- 9.1.3. We have adopted a contingency of 5% as per the advised costs. We have not applied a separate contingency at this stage but reserve the right to review in the future.

Professional Fees

- 9.1.4. We have adopted professional fees of 12%. We have not received a detailed breakdown of professional fees and therefore reserve the right to review in the future.

Disposal, Letting and Marketing

- 9.1.5. We have adopted the following:
- Marketing: 1.5%
 - Residential Sales Agent Fee: 1.5%
 - Residential Sales Legal Fee: 0.5%

Purchasers Costs

- 9.1.6. We have made a suitable allowance for purchasers' costs within our appraisal.

Planning Obligations

- 9.1.7. We have adopted the following cost estimates, as advised by Maddox Associates but await confirmation from LB Camden:
- Borough CIL: £288,306
 - Mayoral CIL: £33,720

Profit

- 9.1.8. We have made the following profit allowances which we consider to be reasonable in the current market:
- Private Residential GDV: 20%

Finance

- 9.1.9. We have adopted a finance rate of 8%. This is an 'all in' rate based on the scheme being 100% debt financed, which includes the basic margins, commitment fees, arrangement fees and exit fees, as well as a bank monitoring cost.

Timescales

- 9.1.10. We have been advised by PSP Cost Consultants that the following development programme would be achievable for the proposed scheme:

- Purchase, Planning & Pre-construction: 6 months
- Construction: 9 months
- Sales: We have allowed a 3 months sales period assuming that 25% would be sold off plan and 1-2 units per month thereafter.

10. Conclusion

- 10.1.1. We have appraised the proposed scheme against the Site Value Benchmark. The result of our Financial Viability Assessment is presented below and a copy of our appraisal is provided at Appendix 5.

Residual Land Value	Site Value Benchmark	Deficit
£284k	£2m	-£1.7m

- 10.1.2. Given the Residual Land Value of the proposed scheme produces deficit when compared to the Site Value Benchmark the scheme is not commercially viable and cannot afford to contribute towards affordable housing.

11. Sensitivity Analysis

- 11.1.1. The RICS Professional Statement titled 'Financial Viability in Planning: Conduct and Reporting'. 2019, required the use of sensitivity testing to consider the impact of changes in inputs on overall scheme viability.
- 11.1.2. We have undertaken a sensitivity analysis to reflect 5% variations in build costs and sales values to identify what the movements do to the Residual Land Value of the proposed scheme. This is shown in the table below:

Table of Gross Development Value and Land Cost

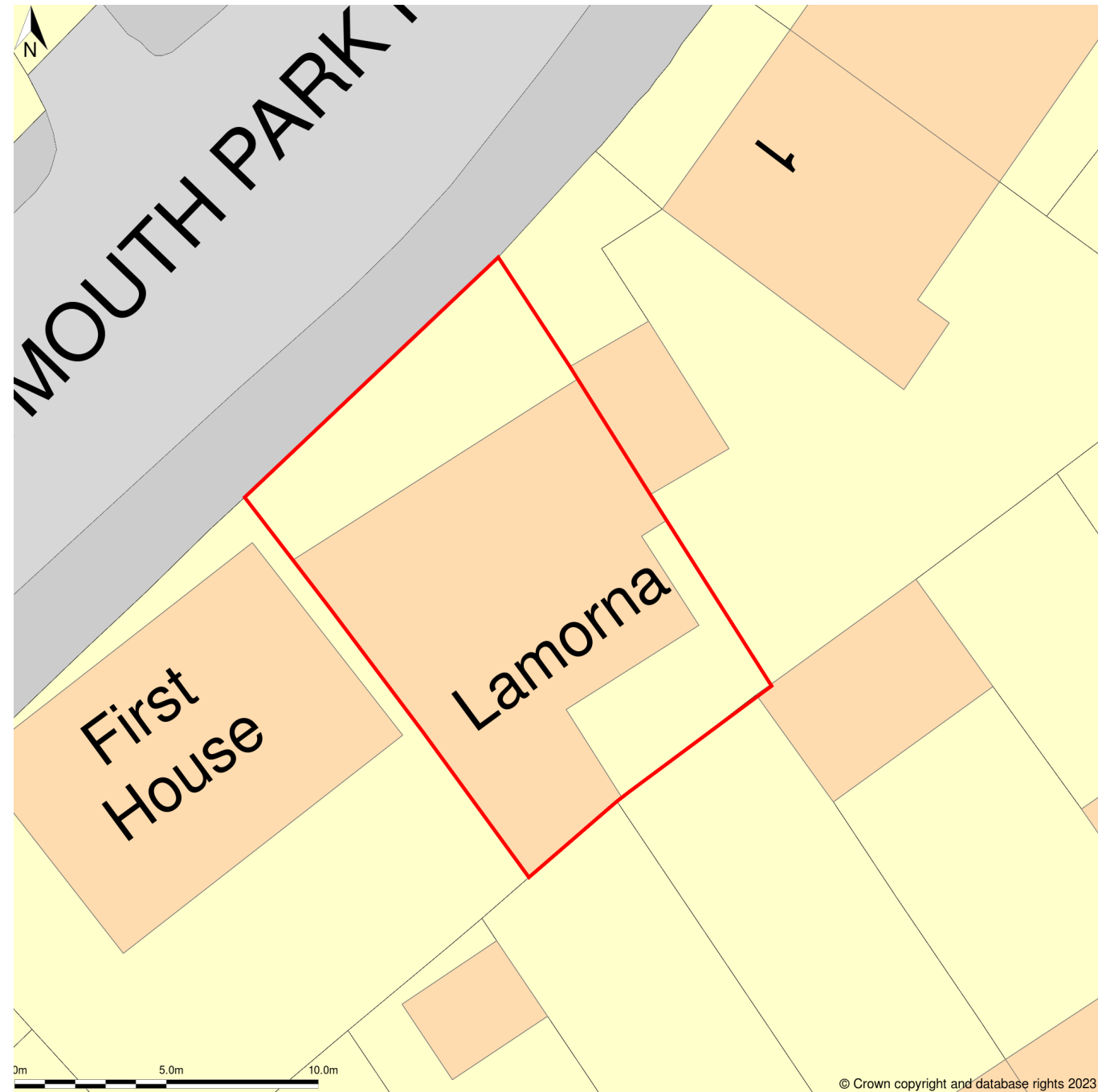
Construction: Gross Cost					
Sales: Gross Sales	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
	2,156,544	2,276,352	2,396,160	2,515,968	2,635,776
-10.000%	£4,033,800	£4,033,800	£4,033,800	£4,033,800	£4,033,800
4,033,800	(£226,966)	(£108,720)	£12,331	£140,894	£269,457
-5.000%	£4,257,900	£4,257,900	£4,257,900	£4,257,900	£4,257,900
4,257,900	(£370,296)	(£255,687)	(£137,921)	(£17,921)	£109,404
0.000%	£4,482,000	£4,482,000	£4,482,000	£4,482,000	£4,482,000
4,482,000	(£512,977)	(£398,368)	(£283,759)	(£166,807)	(£47,376)
+5.000%	£4,706,100	£4,706,100	£4,706,100	£4,706,100	£4,706,100
4,706,100	(£655,658)	(£541,049)	(£426,440)	(£311,831)	(£195,692)
+10.000%	£4,930,200	£4,930,200	£4,930,200	£4,930,200	£4,930,200
4,930,200	(£798,339)	(£683,730)	(£569,121)	(£454,512)	(£339,903)

- 11.1.3. The above demonstrates that for the scheme to become economically viable in planning terms there would need to be an increase in sales values of 10% and a decrease in build costs of 10%. If there was a decrease in sales values and increase in build costs the RLV would decrease making the proposal even less viable.

Appendix 1



Location Plan 1:1250 @ A3

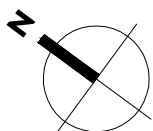


Block Plan 1:200 @ A3

Appendix 2

1. EXISTING SITE PLAN

0 1 2 4 6 8 10



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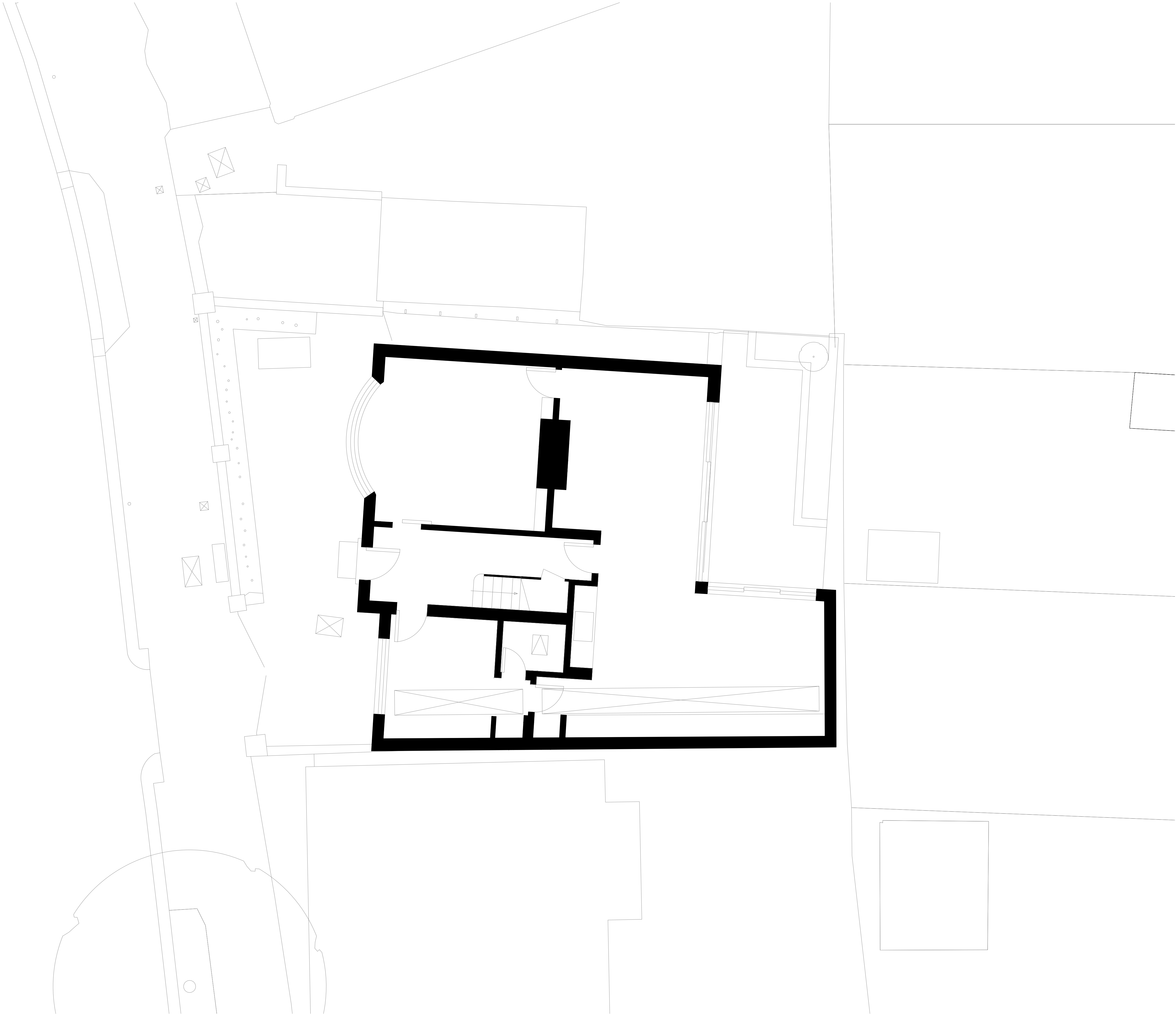
Unit 4
6 Hoxton Square
N1 6NU, London

KEY PLAN:

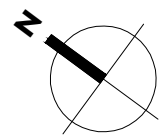
REVISION:

NOTES:

PROJECT	
112_LAM	
DRAWING TITLE	
EXISTING SITE PLAN	
A100	
PURPOSE OF ISSUE	
PLANNING	
SCALE	DATE
1:50 @ A3 / 1:100 @ A1	JULY 2024
DRAWN BY	REVISION
EL	P1



1. EXISTING GROUND FLOOR PLAN



bureau de change

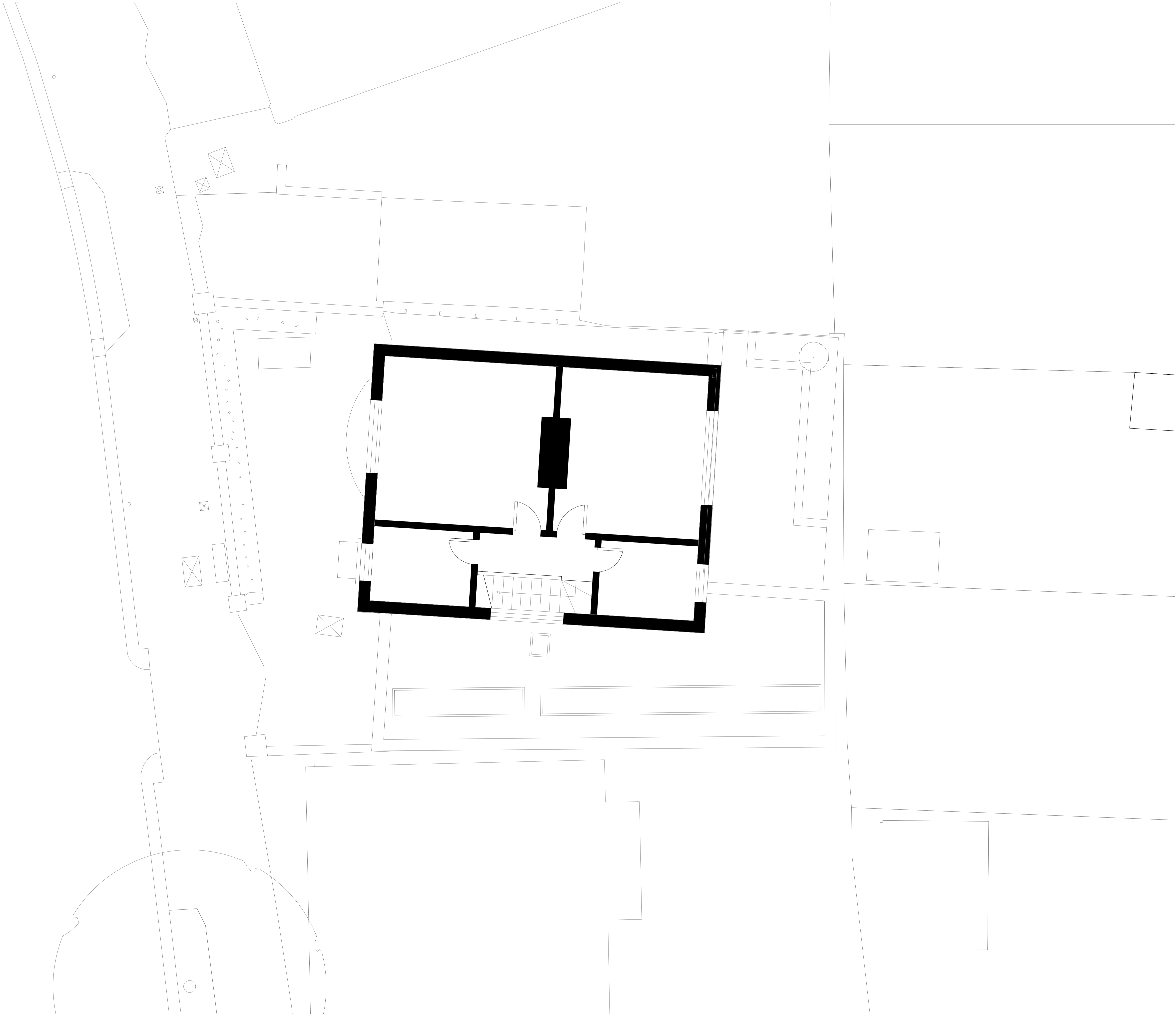
Unit 4
6 Hoxton Square
NT 6NU, London

KEY PLAN:

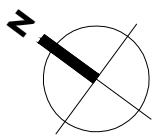
REVISION:

NOTES:

PROJECT 112_LAM	
DRAWING TITLE EXISTING GROUND FLOOR PLAN	
A101	
PURPOSE OF ISSUE PLANNING	
SCALE 1:100 @ A3 / 1:50 @ A1	DATE JULY 2024
DRAWN BY EL	REVISION P1



1. EXISTING FIRST FLOOR PLAN



bureau de change

Unit 4
6 Hoxton Square
N1 6NU, London

KEY PLAN:

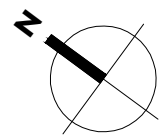
REVISION:

NOTES:

PROJECT 112_LAM	
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A102	
PURPOSE OF ISSUE PLANNING	
SCALE 1:100 @ A3 / 1:50 @ A1	DATE JULY 2024
DRAWN BY EL	REVISION P1



1. EXISTING ROOF PLAN



bureau de change

Unit 4
6 Hoxton Square
NT 6NU, London

KEY PLAN:

REVISION:

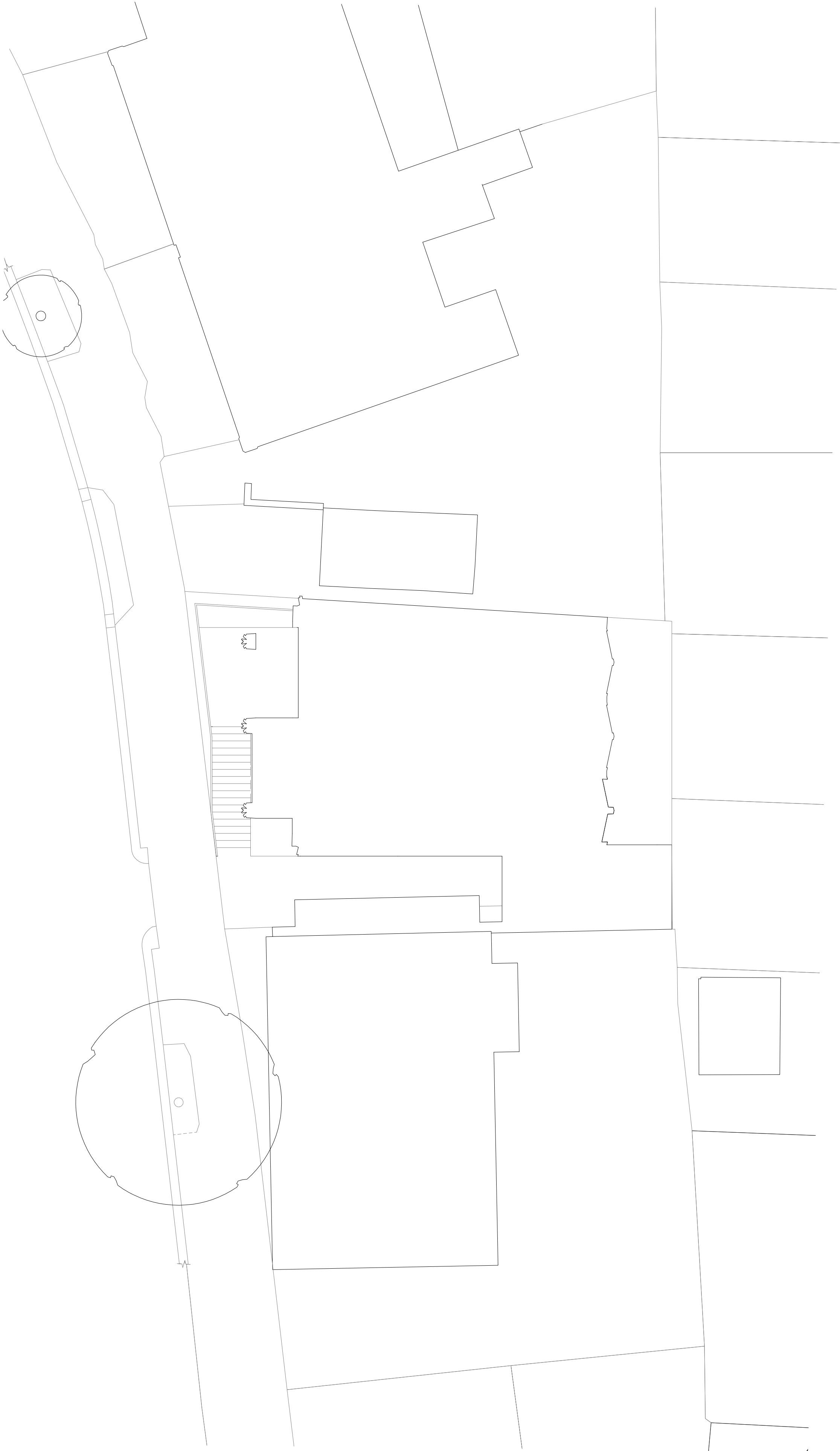
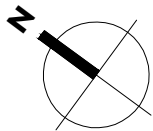
NOTES:

PROJECT 112_LAM	
DRAWING TITLE EXISTING ROOF PLAN	
A103	
PURPOSE OF ISSUE PLANNING	
SCALE 1:100 @ A3 / 1:50 @ A1	DATE JULY 2024
DRAWN BY EL	REVISION P1

Appendix 3

1. PROPOSED SITE PLAN

0 1 2 4 6 8 10



bureau de change

Unit 4
6 Hoxton Square
N1 6NU, London

KEY PLAN:

REVISION:

NOTES:

PROJECT 112_LAM	
DRAWING TITLE PROPOSED SITE PLAN	
A110	
PURPOSE OF ISSUE PLANNING	
SCALE 1:200 @ A3 / 1:100 @ A1	DATE JULY 2024
DRAWN BY EL	REVISION P1

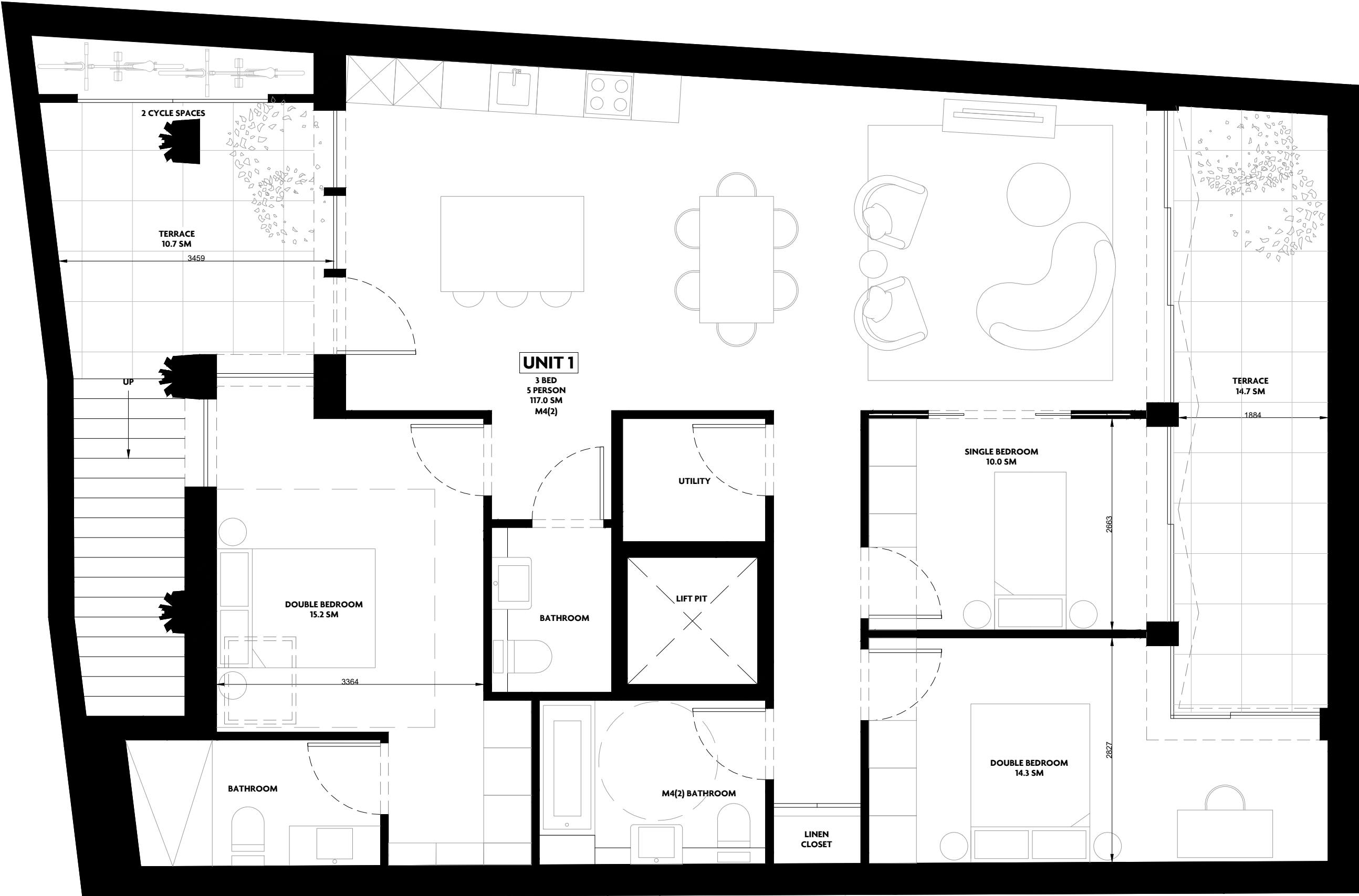
bureau de change

Unit 4
6 Hoxton Square
N1 6NU, London

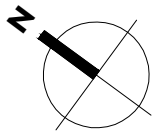
KEY PLAN:

REVISION:

NOTES:



1. PROPOSED LOWER GROUND FLOOR PLAN



PROJECT

112_LAM

DRAWING TITLE

PROPOSED LOWER GROUND FLOOR PLAN

A111

PURPOSE OF ISSUE

PLANNING

SCALE

1:100 @ A3 / 1:50 @ A1

DATE

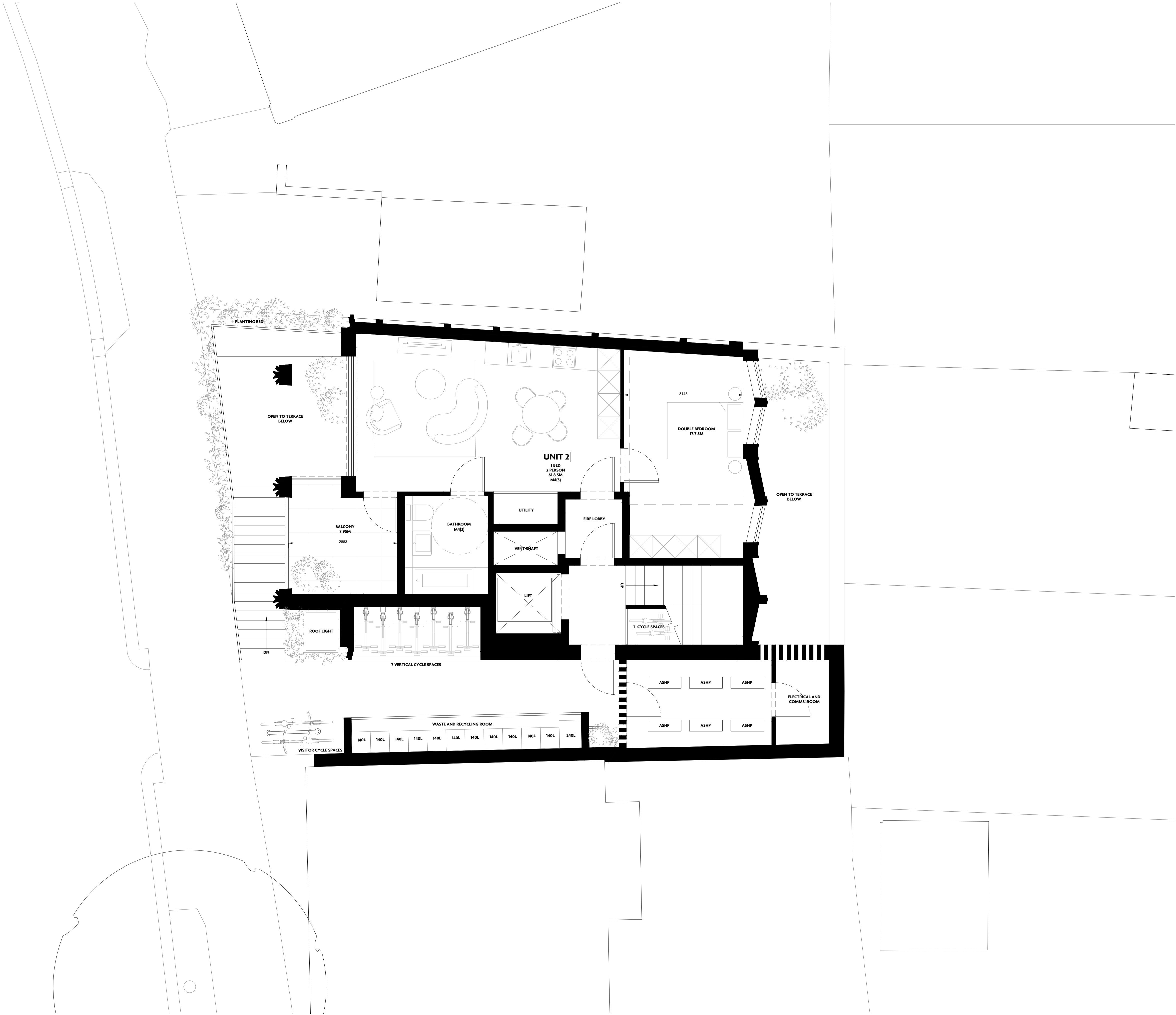
JULY 2024

DRAWN BY

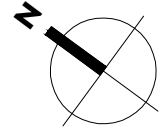
CO / EL

REVISION

P1



1. PROPOSED GROUND FLOOR PLAN



bureau de change

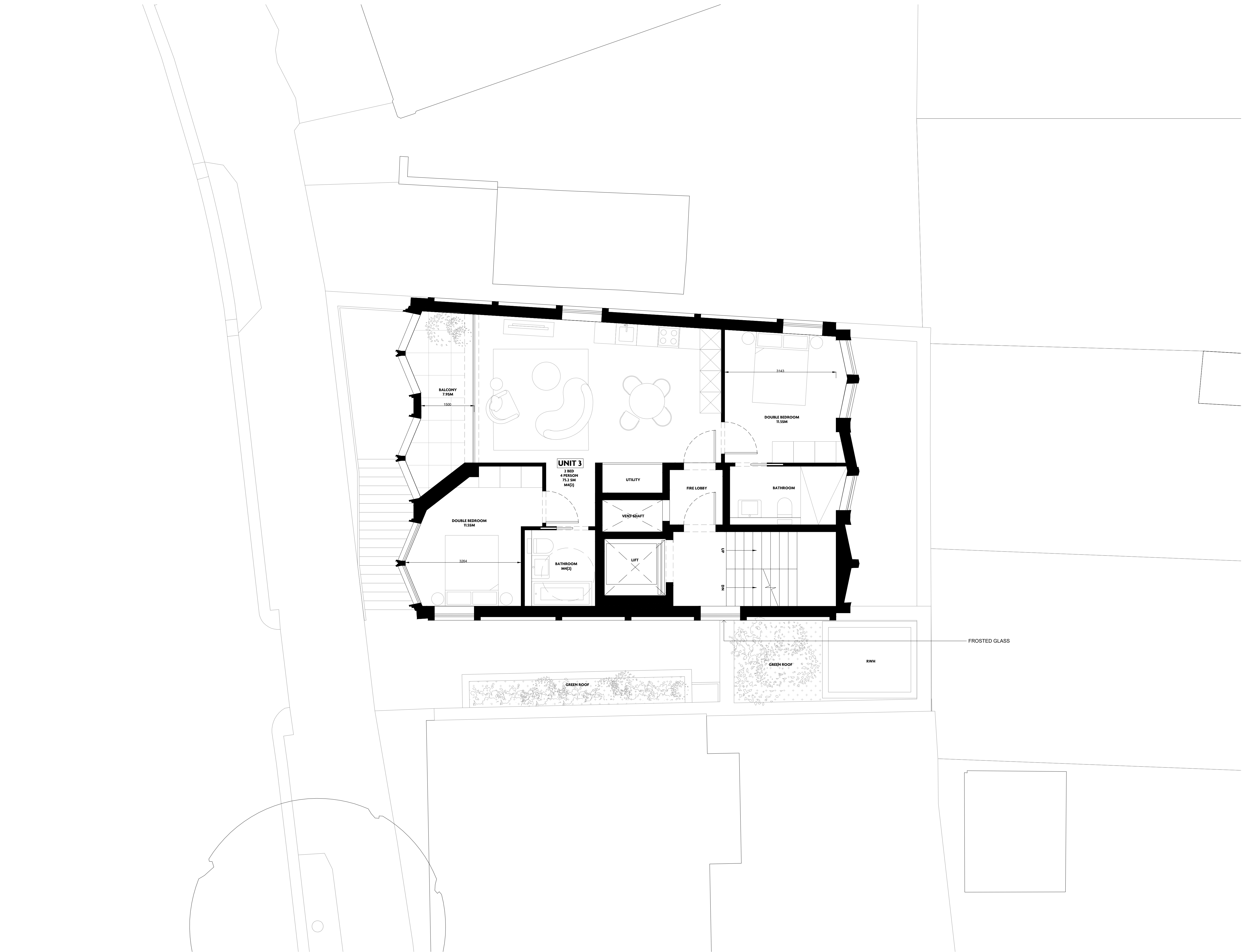
Unit 4
6 Hoxton Square
N1 6NU, London

KEY PLAN:

REVISION:

NOTES:

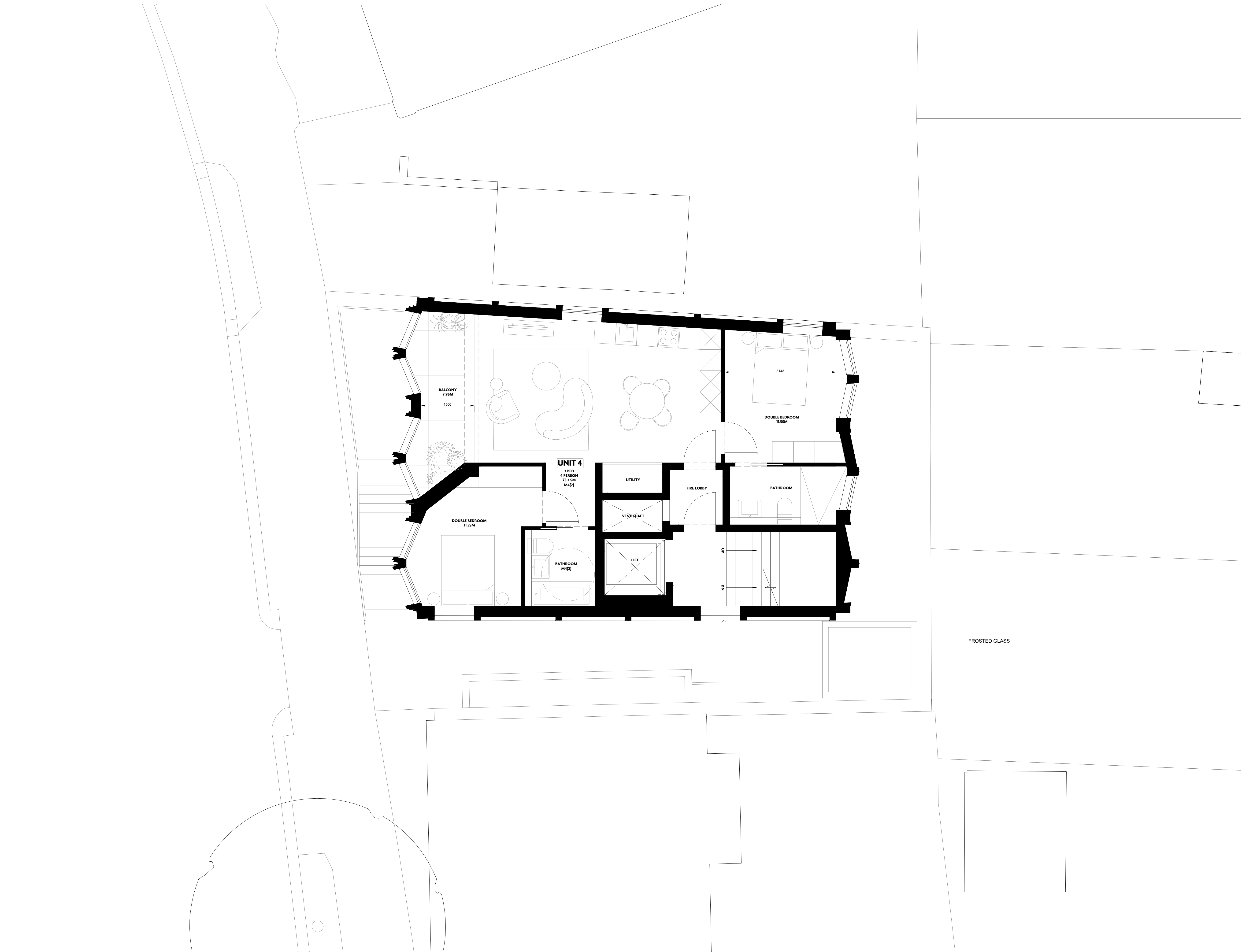
PROJECT 112_LAM	
DRAWING TITLE PROPOSED GROUND FLOOR PLAN	
A112	
PURPOSE OF ISSUE PLANNING	
SCALE 1:100 @ A3 / 1:50 @ A1	DATE JULY 2024
DRAWN BY CO / EL	REVISION P1



1. PROPOSED FIRST FLOOR PLAN

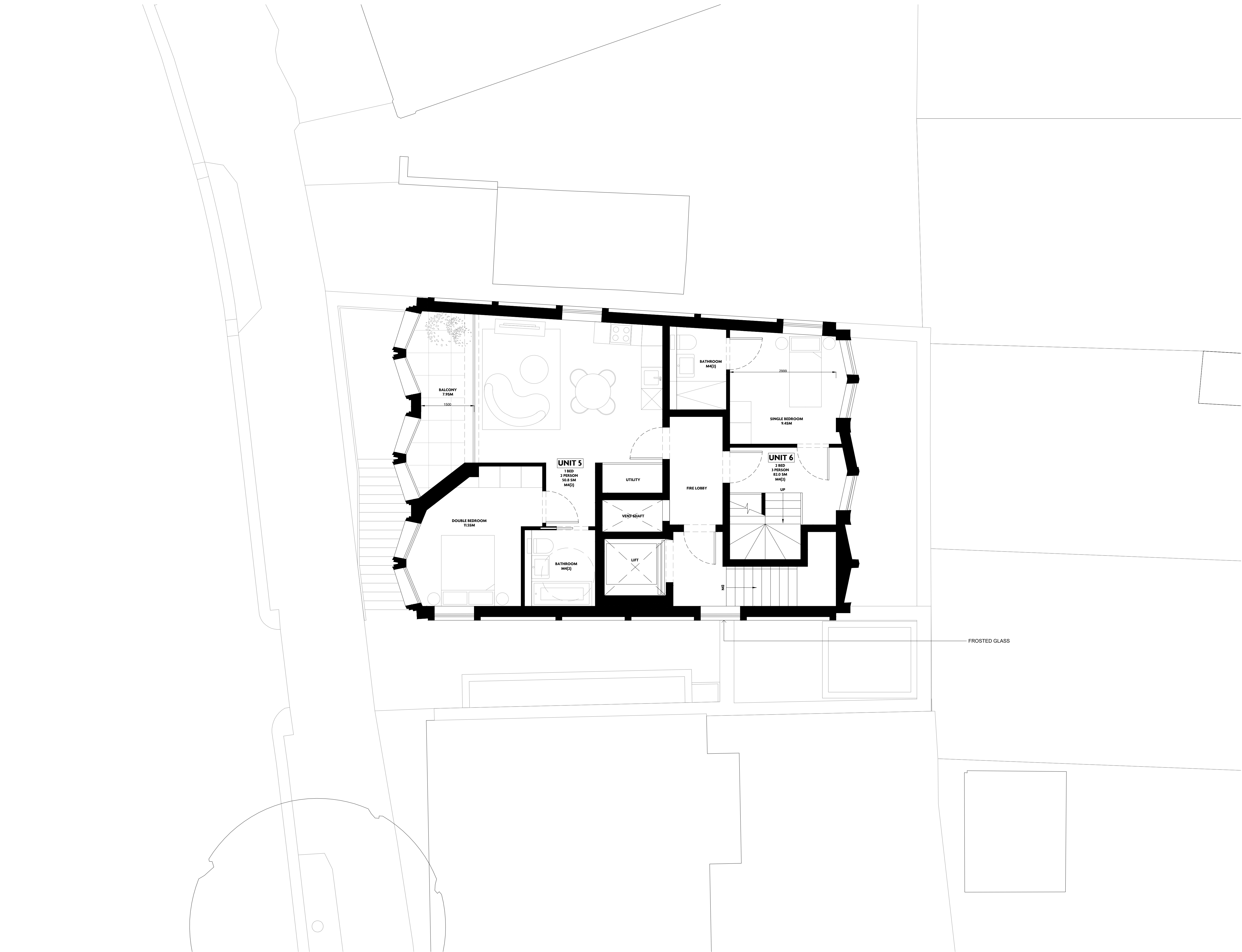


<div><div>bureau de change</div><div>Unit 4 6 Hoxton Square N1 6NU, London</div></div>	
KEY PLAN:	
REVISION:	
NOTES:	
PROJECT 112_LAM	
DRAWING TITLE PROPOSED FIRST FLOOR PLAN	
A113	
PURPOSE OF ISSUE PLANNING	
SCALE 1:100 @ A3 / 1:50 @ A1	DATE JULY 2024
DRAWN BY CO / EL	REVISION P1

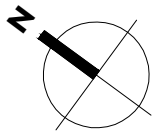


1. PROPOSED SECOND FLOOR PLAN

<div><div>bureau de change</div><div>Unit 4 6 Hoxton Square N1 6NU, London</div></div>	
KEY PLAN:	
REVISION:	
NOTES:	
PROJECT 112_LAM	
DRAWING TITLE PROPOSED SECOND FLOOR PLAN	
A114	
PURPOSE OF ISSUE PLANNING	
SCALE 1:100 @ A3 / 1:50 @ A1	DATE JULY 2024
DRAWN BY CO / EL	REVISION P1



1. PROPOSED THIRD FLOOR PLAN



bureau de change

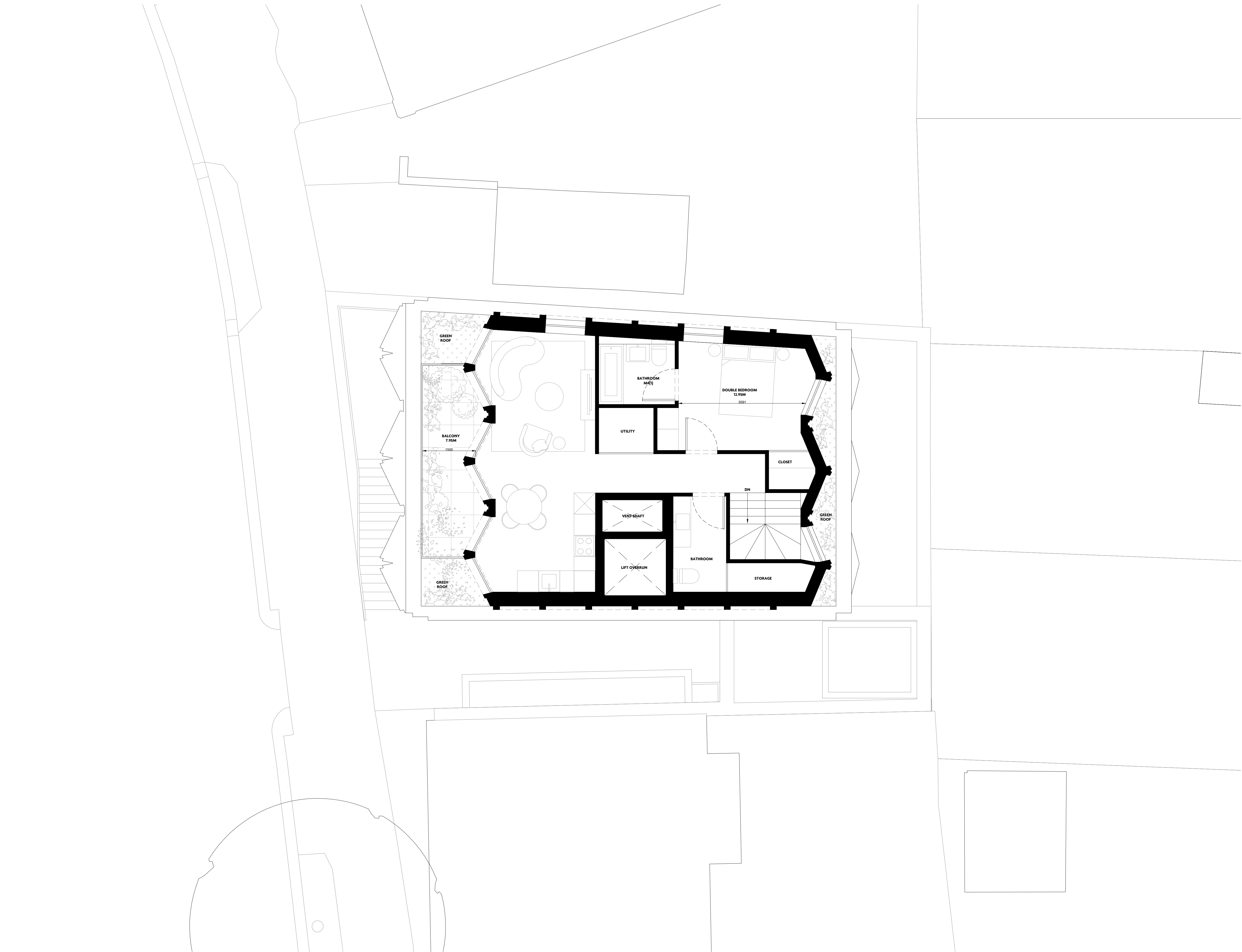
Unit 4
6 Hoxton Square
N1 6NU, London

KEY PLAN:

REVISION:

NOTES:

PROJECT 112_LAM	
DRAWING TITLE PROPOSED THIRD FLOOR PLAN	
A115	
PURPOSE OF ISSUE PLANNING	
SCALE 1:100 @ A3 / 1:50 @ A1	DATE JULY 2024
DRAWN BY CO / EL	REVISION P1



1. PROPOSED FOURTH FLOOR PLAN

bureau de change

Unit 4
6 Hoxton Square
N1 6NU, London

KEY PLAN:

REVISION:

NOTES:

PROJECT

112_LAM

DRAWING TITLE

PROPOSED FOURTH FLOOR PLAN

A116

PURPOSE OF ISSUE

PLANNING

SCALE

1:100 @ A3 / 1:50 @ A1

DATE

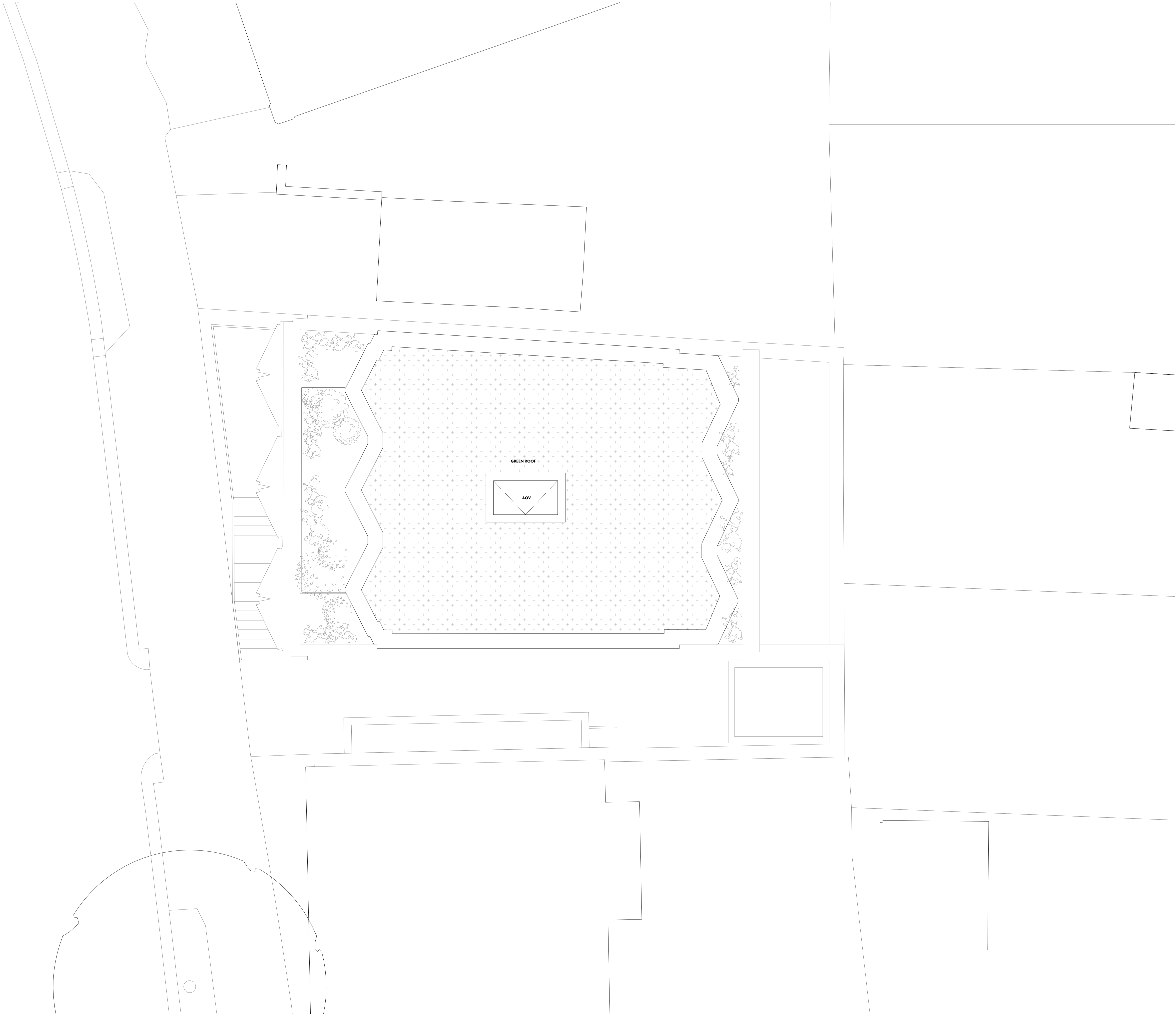
JULY 2024

DRAWN BY

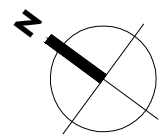
CO / EL

REVISION

P1



1. PROPOSED ROOF PLAN



bureau de change

Unit 4
6 Hoxton Square
N1 6NU, London

KEY PLAN:

REVISION:

NOTES:

PROJECT 112_LAM	
DRAWING TITLE PROPOSED ROOF PLAN	
A117	
PURPOSE OF ISSUE PLANNING	
SCALE 1:100 @ A3 / 1:50 @ A1	DATE JULY 2024
DRAWN BY CO / EL	REVISION P1

Appendix 4

***Demolition of existing single-family dwelling and
construction of a five-storey plus basement
building providing 6 x residential units***

***Lamorna, Dartmouth Park Road
London, NW5 1SU***

Elemental Cost Plan: No. [02]

[Residential]

October 2024

PROJECT SUMMARY

PROJECT TITLE:	Lamorna Dartmouth Park		
Building Function:	Residential		
Location:	Lamorna, Dartmouth Park Road London, NW5 1SU	Date of Acceptance	
Date for Receipt [of Tender]			
Date for Tender [Base Month]		Date of Site Possession:	
PROJECT DESCRIPTION:			
Development consisting of: <ul style="list-style-type: none">- Demolition of existing building- Construction of 6 residential units comprising a mixture of 2 x 1 bed, and 3 x 2 beds flats and 1 x 3 beds houses			

SITE CONDITIONS:

PROJECT TEAM	
Client/Employer	
Project Manager	
Architect:	Bureau De Change
Quantity Surveyor	PSP Consultants
CDM PD	TBA
Mechanical Services Engineer	
Electrical Services Engineer	
Structural Engineer	
Landscape Architect	
General Contractor	TBA

DETAILS OF BUILDING						
Areas	Levels		Area		Storeys	
Lower Ground Floor	1	nr	157	m ²	Percentage of Floor Area:	
Ground Floor	1	nr	133	m ²	Ground Floor	24 %
First Floor	1	nr	96	m ²	Above Ground Floor	76 %
Second Floor	1	nr	96	m ²	Average Storey Height:	
Third Floor	1	nr	96	m2	Lower Ground Floor	3 m
Fourth Floor	1	nr	74	m2	Above Lower Ground Floor	3 m
					External Envelope m ²	
					Ratios	
					Net : Gross	0.71
					Wall : Floor	0.00
Total [Gross Internal Floor Area]			652	m²		
[Net] Usable / Lettable* Area			462	m ²	Functional Units	
Circulation Area			48	m ²	Residential	6 units
Ancillary Areas			139	m ²	1 Bed Spaces	2
Plant Room(s)			3	m ²	2 Bed Spaces	3
Internal Divisions			-	m ²	3 Bed Spaces	1
Total [Gross Internal Floor Area]			652	m²		
Spaces Not Enclosed			0	m ²		
Total Amenity				m ²		
Area of Site				m ²		

1 KEY ASSUMPTIONS AND RISKS

- 1.1.1 Total Contingency/Risk included in the estimate total is 6%. There is a 3% design risk included which is essential since there is limited drawn information
- 1.1.2 We have not carried out a site visit of the existing premises. Our estimate is based on the information provided and the assumptions included in this document
- 1.1.3 We have assumed the existing off site drainage is sufficient to accommodate the new apartments without major infrastructure upgrades
- 1.1.4 We have made an allowance for incoming utilities/services

2 NOTES AND CLARIFICATIONS

- 2.1 Our estimate excludes the following:
 - 1 Loose fittings and furniture, we assume these will be procured from a separate budget
 - 2 Any marketing or sales costs
 - 3 Service diversions or lowering
 - 4 Land purchase price and agency fees
 - 5 Planning/Building Regulation fees
 - 6 Pre contract professional and all developers legal fees plus expenses
 - 7 Finance charges
 - 8 Party Wall matters and Rights of Light issues
 - 9 VAT
 - 10 Local and Mayoral CIL payments , cross rail levy, any Section 278 or Section 106 contributions
 - 11 Archaeological and cost associated
 - 13 Surveys and investigations

3 DRAWINGS USED

- 3.1 112_LAM_A001_P_Demolish-A001
- 3.2 112_LAM_A100_P_Existing-A100
- 3.3 112_LAM_A100_P_Existing-A101
- 3.4 112_LAM_A100_P_Existing-A102
- 3.5 112_LAM_A100_P_Existing-A103
- 3.6 112_LAM_A100_P_Existing-A104
- 3.7 112_LAM_A110_P_Proposed-A110
- 3.8 112_LAM_A110_P_Proposed-A111
- 3.9 112_LAM_A110_P_Proposed-A112
- 3.10 112_LAM_A110_P_Proposed-A113
- 3.11 112_LAM_A110_P_Proposed-A114
- 3.12 112_LAM_A110_P_Proposed-A115
- 3.14 112_LAM_A110_P_Proposed-A116
- 3.14 112_LAM_A110_P_Proposed-A117
- 3.15 112_LAM_A200_P_Existing Elevations-A200
- 3.16 112_LAM_A200_P_Existing Elevations-A201
- 3.17 112_LAM_A200_P_Existing Elevations-A202
- 3.18 112_LAM_A200_P_Existing Elevations-A203
- 3.19 112_LAM_A210_P_Proposed Elevations-A210
- 3.20 112_LAM_A210_P_Proposed Elevations-A211
- 3.21 112_LAM_A210_P_Proposed Elevations-A212
- 3.22 112_LAM_A210_P_Proposed Elevations-A213
- 3.23 112_LAM_A210_P_Proposed Elevations-A214
- 3.24 112_LAM_A300_P_Existing Section-A300
- 3.25 112_LAM_A310_P_Proposed Section-A310
- 3.26 112_LAM_Location Plan

4 EXCLUSIONS

Appendix 5

Lamorna
Dartmouth Park

Development Appraisal
ARGUS Software
October 10, 2024

APPRAISAL SUMMARY**ARGUS SOFTWARE****Lamorna
Dartmouth Park****Appraisal Summary for Phase 1****Currency in £****REVENUE**

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Private Sale	6	4,973	901.27	747,000	4,482,000

NET REALISATION**4,482,000****OUTLAY****ACQUISITION COSTS**

Residualised Price		283,759	
			283,759
Stamp Duty		4,188	
Effective Stamp Duty Rate	1.48%		
Agent Fee	1.50%	4,256	
			8,444

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Private Sale	5,749	416.80	2,396,160
Borough CIL			288,306
Mayoral CIL			33,720
			2,718,186

PROFESSIONAL FEES

Other Professional Fees	12.00%	287,539	
			287,539

MARKETING & LETTING

Marketing	1.00%	44,820	
			44,820

DISPOSAL FEES

Sales Agent Fee	1.00%	44,820	
Sales Legal Fee	0.50%	22,410	
			67,230

TOTAL COSTS BEFORE FINANCE**3,409,978****FINANCE**

Debit Rate 9.000%, Credit Rate 0.000% (Nominal)			
Land		41,771	
Construction		133,851	
Total Finance Cost			175,622

TOTAL COSTS**3,585,600****PROFIT****896,400**

APPRAISAL SUMMARY**ARGUS SOFTWARE****Lamorna****Dartmouth Park****Performance Measures**

Profit on Cost% 25.00%

Profit on GDV% 20.00%

IRR% (without Interest) 50.32%