

Land at 39-45 Kentish Town Road, London,
NW1 8NX



Application:2015/1937/P

Addendum Report

16 June 2015

1.0 Introduction

- 1.1 This report builds on the findings of our earlier report dated 2 June 2015 concerning the viability report submitted by Gerald Eve on behalf of Stanley Sidings Limited ('the applicant') in respect of the proposed development of Land at 39-45 Kentish Town Road ('the site') to the London Borough of Camden ('the council').
- 1.2 Our previous report concluded that the position in respect of construction costs appeared ambiguous and potentially had a significant impact on viability in respect of both the proposed and counterfactual schemes. Our Cost Consultant, Neil Powling, was of the opinion that they were potentially overstated by £2 million and £1.56 million respectively but in the absence of a detailed elemental cost plan was unable to form definitive opinion.
- 1.3 Since drafting our earlier report we have now received additional detailed cost evidence and as such Neil is now able to finalise his views on their accuracy.
- 1.4 In their original report Gerald Eve conclude that a higher proportion of affordable housing could be delivered off site. It is proposed that the affordable housing be provided in 'Building W' of the Camden Lock Village scheme. In total they suggest an off-site provision of 8 units in Building W together with a payment in-lieu of £541,942. This compares to an on-site option which would deliver 5 units described by Gerald Eve as a counterfactual scenario.

2.0 Conclusion

- 2.1 Following examination of the additional material our Cost Consultant advises

Following receipt yesterday of two further files providing full details of the residential fit out and mechanical electrical and plumbing (MEP) costs prepared by G&T for Block D of Camden Lock village (CLV) and that have been used as the basis for the costs of this project Block E. I can confirm

that I am now satisfied that the costs and specifications are properly detailed and a reasonable estimate for the works.

I have revised my elemental analysis and benchmarking reflecting the current information which shows the Applicant's costs to be in line with the adjusted benchmarking. I am therefore satisfied that the Applicants costs are reasonable.

2.2 We note that although there was no mention of ground rents in the Gerald Eve report we have now ascertained that an appropriate value has been included as 'additional revenue' in the appraisals supplied to us and we are now satisfied that they have been calculated at an appropriate level.

2.3 In light of our concerns regarding costs and values being addressed we conclude that the results of the appraisals for both the proposed scheme and the counterfactual scheme indicate that both represent the maximum provision of affordable housing consistent with viability. It should be noted that the on-site option (counterfactual) generates a modest deficit of £230,000 against the applicant's profit target.

3.0 Costs

3.1 Neil Powling has updated his elemental analysis and benchmarking estimate and this can be found in Appendix 1. Following Neil's discussions with John McEvoy of Gardner & Theobald and the further information received he is now of the view that the apparent costs overstatements of £2 million and £1.56 million for the respective scenarios have now been adequately justified.

3.2 By way of illustration the difference in the proposed scheme costs and Neil's benchmarking against BCIS is now £12,944 and as such Neil is now satisfied that the costs are indeed reasonable.

Appendix 1

[TABLE REDACTED]