

SUPPLEMENTARY AGENDA for DCC 12.2.15

Agenda Item 7(2)

Address: 24-28 Gray's Inn Road WC1

Reference Number: 2014/1412/P

1. As mentioned in the Committee report, officers have continued to negotiate with the applicant to secure a higher contribution for offsite affordable housing than originally calculated. It was stated that the outcome of these negotiations and the final amount will be reported to Committee via a supplementary agenda report.

2. The originally offered amount as payment-in-lieu was £139,125. The applicant has now submitted an increased offer of £200,000 as the maximum reasonable payment that the client can afford here. This figure has been arrived as follows, based on the additional value of an all-private scheme and the additional conversion cost involved to change the unit from shared ownership to market sale.

The currently approved residential value of the whole scheme with 1 shared ownership unit = £13,380,000.

The proposed residential value of this if all units are private = £13,610,000.

This gives a potential new profit of £230,000.

Conversion costs to make the unit ready for market sale = £27,500; as this was a wheelchair accessible unit, it would mean removing certain fixtures and fittings such as specialist kitchen and bathroom accessories as a private purchaser would want a different specification.

The proposed Affordable Housing additional payment = £200,000

Thus the all-private value, less conversion cost and payment-in-lieu, gives a new value of £13,382,500, which is similar to the original value of the permitted scheme as quoted above.

3. It is considered that this revised offer is justified and acceptable in the circumstances.

4. The contribution can be utilised to either (i) contribute towards a CIP scheme or ii) be included in the existing Affordable Housing Fund to help achieve Camden's targets for example, to create more affordable intermediate housing or to reduce rent levels for rented and intermediate housing.