

**1 Hampshire Street, London  
NW5 2TE**



**Application no. 2017/2883/P**

**Addendum 7<sup>th</sup> November 2017**

BPS Chartered Surveyors prepared an independent viability review on behalf of London Borough of Camden dated 21<sup>st</sup> July 2017. On the basis of our review we calculated that the scheme generates a surplus of [REDACTED] and concluded that the scheme would be able to contribute towards or provide some affordable housing.

Since the issue of our report and the subsequent response dated 4<sup>th</sup> October 2017, we have had further discussions with Andrew Haynes at Bidwells, who are the Applicant's viability consultants, in regard to the rent that should be attributable to the AUV scheme.

Bidwells are of the view that the same rent should be applied to the AUV scheme as we applied to the proposed scheme, [REDACTED]. In our report we had explained that the AUV scheme would present a lower quality of accommodation and therefore warrant a lower rent.

Bidwells suggest that the refurbished space will be just as good quality as the new build office space in the proposed scheme. We were concerned by architects plans for the proposed office space which showed that the first floor space is intersected with four overhead trusses which are below 1.5m over approximately two thirds of the width of the space. This would significantly reduce an occupier's options for the layout and use of the space. Having reviewed the additional information we remained of the view that a rent of [REDACTED] is appropriate for the space.

Bidwells have since provided additional information showing how the overhead trusses could be removed and an alternative support system could be implemented. This was accompanied by a revised cost plan allowing for the expense of these additional works. The floor areas have been slightly revised based on the reconfiguration.

On the basis of the information we have received we are of the view that a rent of [REDACTED] could be justified if the trusses are removed given that the space will be open plan and provide a more flexible workspace.

We attach an Argus appraisal prepared by Bidwells which incorporates the revised rental value and the additional build cost for the AUV scheme. The resulting residual land value is £4.3million. We are satisfied that this represents a realistic position and we will therefore adopt this value as our Benchmark Land Value.

The residual land value resulting from our appraisal of the proposed scheme was £4.34million. We have not proposed any amendments to this appraisal. When compared to our revised Benchmark Land Value this shows that the scheme generates a surplus of £40,000. This surplus could be contributed towards affordable housing.

BPS Chartered Surveyors

7<sup>th</sup> November 2017

1 Hampshire Street, NW5  
AUV Scheme - Roof trusses removed  
23 October 2017

Development Appraisal  
Bidwells LLP  
23 October 2017

1 Hampshire Street, NW5  
 AUV Scheme - Roof trusses removed

Summary Appraisal for Phase 1

Currency in £

**REVENUE**

**Rental Area Summary**

	Units	ft <sup>2</sup>	Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Studio to office refurbishment GF	1	4,740				
Studio to office refurbishment FF	1	3,511				
<b>Totals</b>	<b>2</b>	<b>8,251</b>				

**Investment Valuation**

<b>Studio to office refurbishment GF</b>						
Current Rent		YP @				
<b>Studio to office refurbishment FF</b>						
Current Rent		YP @				

**GROSS DEVELOPMENT VALUE**

Purchaser's Costs						
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**NET DEVELOPMENT VALUE**

<b>NET REALISATION</b>						
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**OUTLAY**

**ACQUISITION COSTS**

Residualised Price			4,302,232			
Stamp Duty		5.00%		4,302,232		
Agent Fee		1.00%				
Legal Fee		0.50%				

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Rate ft <sup>2</sup>	Cost
Studio to office refurbishment GF	5,016 ft <sup>2</sup>		
Studio to office refurbishment FF	3,608 ft <sup>2</sup>		
<b>Totals</b>	<b>8,624 ft<sup>2</sup></b>		
Contractor's overheads & profit			
Contingency			
Mayoral CIL (indexed)			
Camden CIL (indexed)			

**PROFESSIONAL FEES**

Architect						
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**MARKETING & LETTING**

Office letting agent fee						
Office letting legal fee						

**DISPOSAL FEES**

Office investment sale agent fee						
Office investment sale legal fee						

**FINANCE**

Debit Rate 6.000%, Credit Rate 0.000% (Nominal)						
Land						
Construction						
Letting Void						
Total Finance Cost						

**TOTAL COSTS**

<b>PROFIT</b>						
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**Performance Measures**

Profit on Cost%	18.94%
Profit on GDV%	15.00%
Profit on NDV%	15.92%
IRR	50.88%