

ODEON SHAFTESBURY AVENUE Feasibility Conversion to a 1000 Theatre (Version 1)

Capital Start Ltd

09 September 2019

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Job No. : 37939
Client : Capital Start Ltd

Issue Date : 09-Sep-19
Base Date : 3Q 19

CONTROL ISSUE SHEET

Version	Status	Prepared by	Authorised by
1	A	P M Elliot (Partner)	PE

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DEVELOPMENT COST SUMMARY

	Total (£)	£/m² (GIA)	£/ft² (GIA)
CLIENT / DEVELOPMENT COST			
2 Total Estimated Construction Cost	41,674,000	8,526	792
3 FF&E Excluded			
4 Project / Design Team Fees		excluded	
5 Other Development / Project Costs			
Prov Sum for Infrastructure Upgrades	300,000	61	6
CIL - London Borough of Camden (all uses)		excluded	
CIL - Mayoral (all uses)		excluded	
Model Room inc FF&E		excluded	
SubTotal (1)	41,974,000	8,587	798
6 Risk Allowances:			
Employer Change		excluded	
Employer Other		excluded	
7 Landlord and Lease Costs		excluded	
SubTotal (2)	41,974,000	8,587	798
8 VAT	20.0%	excluded	
TOTAL ESTIMATED DEVELOPMENT COST			42,000,000

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CONSTRUCTION COST SUMMARY

		Total (£)	£/m ² (GIA)	£/ft ² (GIA)
CONSTRUCTION COST				
1	Demolition	4,499,040	920	86
2	Construction and fit out	26,105,000	5,341	496
	Building Works SubTotal	30,604,040	6,261	582
3	Main Contractor's Add-Ons			
	Preliminaries	16.5% 5,050,000	1,033	96
	OHP	6.0% 2,140,000	438	41
	Fixed Price / Risk		included	
	PCSA Fee		N/A	
	Building Works Total	37,794,040	7,732	718
4	Inflation Allowance			
	Tender Inflation Estimate (<i>to start on site</i>)		excluded	
	Construction Inflation Estimate (<i>mid point</i>)		excluded	
	SubTotal	37,794,040	7,732	718
5	Contingency			
	Design Development Contingency	5.0% 1,890,000	387	36
	Construction Contingency	5.0% 1,990,000	407	38
TOTAL ESTIMATED CONSTRUCTION COST		41,674,040	8,526	792

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NOTES AND ASSUMPTIONS

Assumptions - General

- 1 We have assumed a modern type of theatre with a reasonable level of fit out but not as sophisticated as for example the Victoria Palace Theatre.
- 2 There are a number of significant assumptions / project risks. In particular we have assumed the existing façade will be retained and access to the site will be a challenge. Secondly we have assumed the existing basement slab will need to be replaced and allowed for secant piling to the basement. It is possible that this may not be required or only partially required. That extent of asbestos to be removed is also a significant unknown and represents significant cost and programme risks. In order to maintain as much consistency between this estimate and previous prepared estimates for the proposed hotel we have used similar if not identical assumptions to arrive at the construction cost.
- 3 Future market conditions are also extremely uncertain with a number of conflicting factors potentially influencing the future cost. The market has been at a high level for an extended period of time and arguably setting aside any other considerations might be due for a decrease in activity, naturally leading to a reduction in costs. However a hard Brexit could introduce tariffs on much of the electrical and mechanical equipment required pushing costs of this major element of the works higher. Another possible effect of a Brexit without a deal might be labour shortages again forcing costs upwards. The situation regarding exchange and interest rates is also likely to add to inflationary pressures. All these factors make this estimate indicative bearing in mind a necessary 18 month design period followed by a minimum 3-4 month period of procurement and mobilisation. The overall construction programme including the enabling works, construction fit out and commissioning is likely to be in the order of 3 years.
- 4 There is an error in Charcoalblues area calculations the area of "Total performers" is stated to be 114sqm but actually totals 369 sqm. We have assumed this additional 255 sq. m can be accommodated within the available envelope.
- 5 Given the uncertainties of the scope and market conditions it probably makes sense to consider a range of costs rather than settle on a definite figure. That being the case a minimum range would be plus or minus 5% with a notional likely maximum range of minus 5% plus 10%.
- 6 It should also be noted that professional fees on Theatre projects are more likely to be in the order of 20% than possibly the more usual 10-15%, due both to the complexity of theatre projects and also the enhanced role of the acousticians, and theatre specialists.

Assumptions - Procurement

- 1 We have assumed a competitive single stage traditional method of procurement for the demolition to be carried out in advance of the main contract works.
- 2 We have assumed a competitive single stage design and build method of procurement for the main contract works. We have made no allowance for two-stage tendering.

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Assumptions - Programme

- 1 All costs are based at present day (Base Date as noted above) with no allowance for any increased costs due to inflation due to the unknown programme. Notwithstanding this we have noted below G&T's most recent TPI report forecasts which would need to be applied to assess potential inflation costs.
- 2 Tender Price Index as G&T 2nd Quarter 2019 Forecast (Greater London):

TPI Forecast 2019	1.0%
TPI Forecast 2020	1.0%
TPI Forecast 2021	1.5%
TPI Forecast 2022	1.5%
- 3 No allowance has been included for any phased working or for any sectional completion
- 4 No provision has been included for out of hours or accelerated working

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EXCLUSIONS

Exclusions

- 1 VAT.
- 2 Site acquisition.
- 3 Legal, purchase, marketing and financing costs.
- 4 Statutory changes.
- 5 Currency and exchange rate fluctuations.
- 6 Costs resulting from tariffs or other charges applied by foreign countries following the withdrawal of the UK from the European Union.
- 7 Project insurances.
- 8 Pre-opening or marketing costs.
- 9 Fees or costs associated with any potential rights of light agreement, party wall awards, oversailing agreements etc.
- 10 Cross Rail Tariff - if applicable, TBC by planning consultant.
- 11 Incoming services diversions - TBC by MEP consultant.
- 12 Enhancements for sustainability, renewable energy, government carbon contributions etc.
- 13 Abnormal logistics constraints i.e. night time deliveries, flat packing plant, etc.
- 14 Costs relating to archaeological discoveries on site.
- 15 Distributed Antennae System - survey only.
- 16 Professional fees and surveys (recommended allowance 18-20%)
- 17 Planning costs and fees including Community Infrastructure, S106 and S278 costs and charges

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SCHEDULE OF AREAS AND ACCOMMODATION

AREA SCHEDULE - As per Charcoalblue Report dated Sept 2019

Function		Net	TOTAL (gross)
Public Areas			
Front of house		863	
Ticketing		40	
Catering		81	
VIP spaces		38	
Services		72	
Circulation / Cores / plant		601	1,695
Auditorium and stage			
Auditorium		1,105	
Stage		350	
Tech accomm		117	
Get In		38	
Circulation / Cores / plant		885	2,495
Performer areas			
Dressing rooms	Note: Error in CB report in area calc for this area	207	
Support accommodation		79	
Circulation / Cores / plant		157	443
Administration Rooms			
Tech staff		42	
Administrative areas		109	
Stage door		14	
Circulation / Cores / plant		90	255
Total Area			4,888

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SCHEDULE OF DESIGN INFORMATION

The compilation of this document is on the basis of the following design information:-

Architectural

No design

Structural

No design

MEP Services

No design

Theatre Consultant

Charcoalblue report dated September 2019

Quantity Surveyor

G&T Cost report Stage 2 Rev G - Odeon Shaftesbury
Av

*This Cost Plan has been used as a reference document
in order to provide a degree of consistency between
the theatre cost plan and the previously prepared
information*

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DEMOLITION / STRIP OUT

Item	Description	Quantity	Unit	Rate	Total
1.00	<u>STRIP OUT</u>				
1.01	Prov Sum for soft strip of existing building	1	PSUM	400,000	400,000
1.02	<u>DEMOLITION</u>				
1.03	Demolition of existing building	1	PSUM	1,200,000	1,200,000
1.04	Break out existing B2 slab	392	m2	500	196,000
1.05	<u>FAÇADE RETENTION</u>				
1.06	Façade retention system	2,040	m2	750	1,530,000
1.07	Prov Sum for temporary works including forming access through façade for demolition and excavation of new basement	1	PSUM	500,000	500,000
1.08	Remove / enlarge existing "ODEON" arch to Shaftesbury Avenue elevation	1	item	100,000	100,000
1.09	<u>GENERALLY</u>				
1.10	Prov Sum for asbestos removal	1	PSUM	200,000	200,000
1.11	Prov Sum for Vibration Monitoring	1	PSUM	200,000	200,000
	As Per estimate G&T dated 21/12/17 Rev F				
	Add for inflation To Sept 2019		4%		173,040
				Carried to Elemental Summary:	£ 4,499,040

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Theatre / Tech Equipment

Item	Description	Quantity	Unit	Rate	Total
1.00	<u>Abnormals</u>				
1.01	Works to basement / dewatering / piling	Based on Stage 2 cost plan			5,100,000
2.00	<u>Construction of new theatre</u>				
2.01	Allow benchmark rate	4,888	m2	3,750	18,330,000
3.00	<u>Theatre equipment</u>				
3.01	Seating / stage Eng / stage lighting / AV /	As CB report			2,675,000
Carried to Elemental Summary:					£ 26,105,000