Proof of Evidence of

Gareth Turner

Appeal Reference: APP/X5210/Q/21/3276844

Site Address: 100 Avenue Road, London, NW3 3HF

Local Planning Authority: London Borough of Camden

Inquiry Start Date: 9 November 2021

On behalf of Essential Living (Swiss Cottage) Ltd October 2021

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1. Introduction

1.1. Personal Profile

1.1.1. I am Gareth Turner a Director in the Development department at Savills (UK) Limited, 33 Margaret Street, London W1G 0JD.

1.1.2. I have been working in development with a focus on affordable housing since 2000. My career started at Tower Homes (a Housing Association within the London and Quadrant group) before moving to roles within London Borough of Hounslow and A2Dominion prior to joining Savills Development Viability team in 2011. I provide development consultancy and valuation advice to developers, Registered Providers, Local Authorities or landowners.

1.1.3. I am a development viability assessor to the major Housebuilders, Developers and Registered Providers (RPs) in London and the South East including a range of specialist Build to Rent (BtR) providers. I have also acted as a viability assessor for Local Authorities although more often work on behalf of Applicants.

1.2. Background

1.2.1. This Proof of Evidence has been prepared on behalf of Essential Living (Swiss Cottage) Limited ("the Appellant"), in support of a Planning Appeal made by the Appellant under section 106B of the Town and Country Planning Act 1990. It is also intended to reflect the spirit of the Town and Country Planning (Inquiries Procedure) (England) Rules 2000/1624 (see Appendix F of the PINS Procedural Guide – March 2021).

1.2.2. I was first instructed by the Appellant to carry out an assessment in August 2020 to provide a financial viability assessment of the proposed scheme in support of a Section 106A application.

1.2.3. The pre-application was independently assessed on behalf of the London Borough of Camden ('the Council') by BPS Surveyors ('BPS'), who concluded that the consented scheme was not viable in the current form and that the proposed modification would, whilst improving the viability, not result in a technically viable scheme.

1.3. Summary of Case

1.3.1. The viability appraisal parameters, inputs and outcomes have all been agreed through an Statement of Common Ground which is appended at **Appendix 1**.

1.3.2. There is agreement that the existing consent and proposed modified scheme both fall short of the technical level of required development profit to be viable. The level of deficit provides justification to modify the consent to improve the ability for the Appellant to deliver the project.

1.3.3. There is agreement that the proposed modifications deliver an improved viability, albeit that the proposed changes do not overcome the technical deficit.

1.3.4. The Appellant has provided a statement themselves as to their willingness to deliver the project if the proposed amendments are approved, attached at **Appendix 2**.

1.3.5. Section 2 provides a summary of further information provided to the Council in seeking to reach agreement and the response from the Council. The further information was provided as an Addendum Financial Viability Assessment and I have attached a copy at **Appendix 3**.

1.3.6. Section 3 provides a summary of the inputs and assumptions used in the residual appraisals today, including matters that are agreed.

1.4. Financial Viability Assessments Methodology

1.4.1. The financial viability methodology is stated in the assessment submitted with the application and I have not therefore restated it here.

1.4.2. In producing this Statement I confirm I have acted objectively and impartially and without interference. The conclusions of this Statement have been made with reference to all the appropriate guidance / policy including:

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

1.5. Declaration

1.5.1. I confirm that insofar as the facts stated in my Statement are within my own knowledge I have made clear which they are and I believe them to be true, and that the opinions I have expressed represent my true and complete professional opinion.

2. Further information provided

2.1. Overview

2.1.1. In seeking to reach agreement, Savills provided an Addendum Financial Viability Assessment to the Council and their advisors, as attached at **Appendix 2** of this Statement.

2.1.2. The Addendum FVA included further evidence in respect of market sale as a result of discussion with BPS where they highlighted their view that modelling a market sale scheme was appropriate to determine whether that was a viable alternative and cost which I have summarised below

2.2. Market Sale Appraisal

2.2.1. BPS on behalf of the Council advised that they considered it feasible for the current consent to be delivered as market sale. The Section 106 Agreement in the current form allows for up to 20% of the market rent homes to be sold as market sale; selling further homes triggers a viability review which compares the achieved income back to a threshold residual land value of £126.3m; it is technically possible to deliver a market sale scheme.

2.2.2. Notwithstanding that the Appellant is a BtR developer and their intention has always been to deliver a market rent scheme, we have assessed a market sale scheme and provided supporting evidence within the addendum FVA. BPS provided their own alternate view in response which is attached at **Appendix 3**. Subsequent discussion between ourselves and BPS allowed us to reach agreement on the assumptions as set out within the Statement of Common Ground.

2.2.3. The Appellant and the Council have agreed to rationalise the Section 106 Agreement irrespective of the outcome of the appeal to ensure that the scheme is delivered as BtR. Therefore reflecting the agreement between the parties I consider that the market sale appraisal is not relevant.

2.3. Updated Cost Information

2.3.1. As part of the Addendum FVA, I was provided with updated cost information from Gardiner & Theobald (G&T). The additional costs reflected movements over time from the cost plan presented with the 106A Application (costs dated March 2020) and the current day.

2.3.2. The cost information included commentary addressing the potential for value engineering to reduce construction costs (as identified within the Council's Statement of Case); G&T confirmed that the overarching movement in costs superseded any opportunity for such savings and as such the addendum FVA included the revised total costs. The revised total construction costs were reviewed and accepted by BPS; those costs are reflected in the Statement of Common Ground.

3. Agreed Viability Assumptions

3.1. Summary of Agreed Inputs

3.1.1. The table below show the agreed assumptions which are reflected in the Statement of Common Ground.

	Appraisal Input	Assumption
Costs	Construction Cost	£103,630,000
	Retention on Demolition	£120,000
	Parkland Licence Extension	£644,000
	S106	£239,000
	S278	£250,000
	Professional Fees	£12,435,600 (12%)
	Letting Agent Fees	10% of annual rent
	Letting Legal Fees	5% of annual rent
	Sales Agent Fee	1% of GDV
	Sales Legal Fee	0.5% of GDV
	Purchaser's Costs	6.8%
	Marketing Fees – market sale	1% of GDV
	Finance Rate (Debit)	6.75%
Profit	Profit on Market Sale	17.5% on GDV
	Profit on Affordable Housing (Social Rent / Shared Ownership / Discount Market Rent where sold to an RP)	6% on GDV
	Profit on Build to Rent	15% on GDV
Development Timescale	Pre-Construction Period	3 months
	Construction	24 months
Market Sales Period	Sales Period Post Completion	18 months

	Appraisal Input	Assumption
	Off Plan Sales	50%
Build to Rent Sales Timing	Assumes Sale of a stabilised asset, i.e. after a let-up period following practical completion	6 months stabilisation
Benchmark		£31m
Consented Scheme Income - assuming Market Sale	Market Sales Income GDV for 130 homes	£118,051,200 (£1,200/sqft)
	Affordable Housing GDV 36 homes	£8,170,000
	Discounted Market Rent GDV 18 homes	£6,970,831
	Retail including ancillary retail	£5,419,200
Consented Scheme Income – assuming Build for Rent	Market Rent GDV	£102,583,846
	Affordable Housing GDV 36 homes	£8,170,000
	Discounted Market Rent GDV 18 homes	£6,970,831
	Retail including ancillary retail	£5,419,200
Proposed Scheme Income	Market Rent GDV	£131,651,539
	Discounted Market Rent GDV 18 homes	£6,970,831
	Retail including ancillary retail	£5,419,200

3.2. Viability Appraisal Conclusions

3.2.1. The table below shows the agreed conclusions of the different assessments, as agreed with BPS.

Appraisal Iteration	Residual Deficit
Existing Consent. Assumes Market Sale	-£59,073,122 (Deficit)
Existing Consent. Assumes Build to Rent	-£70,964,078 (Deficit)
Proposed Scheme	-£56,651,291 (Deficit)

3.2.2. I have commented on the conclusions of the viability assessment below.

3.2.3. Market Sale Appraisal: as stated, The Appellant is a BtR developer and do not intend to deliver the scheme as market sale. Irrespective of this clear intention, the Appellant and the Council have agreed changes to the Section 106 Agreement that ensure that any increase in income from delivering a market sale scheme would be paid back to the Council within the covenanted period

3.2.4. The covenanted period is 7 years from implementation of the Section 106 Agreement which I am advised was satisfied in May2021 when the energy statement was approved by the Council and so expires in 2028. As such I do not consider a market sale route relevant.

3.2.5. For avoidance of doubt, a market sale appraisal produces a negative land value in excess of the level of profit in the scheme, this serves to demonstrate that an alternate developer (who might consider delivery of the site on the basis of market sale) could not take the site forward.

3.2.6. Existing Consent - Build to Rent: the existing consent has a deficit of £70.96m inclusive of a profit allowance at £17.74m. This shows that the scheme is not viable and justifies a case for modification of the consent to improve viability

3.2.7. Proposed Scheme – Build to Rent: the proposed amendments create a deficit of £56.65m inclusive of a profit allowance of £21.61m.

3.2.8. Whilst this is a technical deficit, this demonstrates an improvement in financial performance from the current consent. The appraisal leads to an increase in net rent at current day by £900K per annum and (consistent with the Appellant's statement at **Appendix 4**) would enable the Appellant to deliver the scheme.

4. Scheme Delivery

4.1. Overview

4.1.1. The Statement of Common Ground demonstrates that the deficit shown by the viability appraisals is circa £71m for the existing consent and £56m for the proposed scheme.

4.1.2. Given the large financial deficits I have considered the ability for the project to come forward. In addition, the Appellant has provided a statement at **Appendix 4**.

4.1.3. The deciding factor for the delivery of the project is that the Appellant as a BtR developer can depend on long-term rental income and rental growth beyond the equivalent life of a market sale appraisal.

4.2. Delivery Considerations

4.2.1. The Appellant is in a unique position in respect of this site. Given the financial deficit in all appraisals it is clear that no other party in the market could feasibly be expected to take on the site since the return (as demonstrated) is significantly below that which is commercially viable.

4.2.2. The Appellant's statement highlights a number of options which I have commented on below:

4.2.3. <u>Writing off current costs incurred</u>.

4.2.3.1. In effect this would lead to a consideration of the current site value in addition to all costs expended to date of £1.

4.2.3.2. To demonstrate the impact of this assumption I have undertaken appraisals of the existing consent and proposed scheme which are attached at **Appendices 5 and 6** respectively. The results of these appraisals are set out in the table below:

Sensitivity Analysis – Counterfactual Benchmark	Residual Deficit	Profit Allowance
Existing Consent. Assumes Build to Rent	-£31.62m (Deficit)	£17.74m
Proposed Scheme	-£17.08m (Deficit)	£21.61m

4.2.3.3. If the Appellant were able to adopt £1 as the current site value and exclude all costs incurred to date by writing them off, the profit in the proposed scheme as amended would exceed the deficit and thus present a net profit.

4.2.4. Dispose of the scheme as a consented site to another Build to Rent Developer.

4.2.5. The viability deficit demonstrates that there is insufficient incentive for an alternative developer to bring forward the site. In order to produce a scheme that is technically deliverable, the following would need to occur:

- Any incoming party would need to seek similar changes to the existing consent as the Appellant is proposing (and accept a profit margin significantly below a market level); and
- The Appellant would need to accept a sale price of £1.

4.2.6. In line with the Viability PPG any assessment of Site Value should provide a reasonable incentive for the landowner to sell a site and this would not be reflected by a forced sale at £1 since the land owner has expended several million pounds in promoting the development to this point. This is reflected in the Viability Planning Policy Guidance Paragraph: 013 (Reference ID: 10-013-20190509):

> *"To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive…"* (my emphasis).

4.2.6.1. The Appellant as a going concern is not compelled to dispose of the site. As such it is not reasonable to expect that the Subject site could be feasibly developed by another party given the viability conclusions.

4.2.7. Convert the scheme to market sale

4.2.7.1. In this case the agreed viability evidence demonstrates that a market sale scheme could not come forward since it would generate a substantial deficit. Such an approach would not allow a minimum return to the Appellant were they to sell the site, a minimum return to an incoming developer (in line with the commentary above) or income growth over the long term.

4.3. Delivery Conclusions

4.3.1. The actual costs the Appellant has incurred are greater than those contained in the appraisal analysis. The viability assessment excludes the majority of the construction, planning, professional fees, and finance costs in developing the site to the current point. I am advised that these real costs are a further circa £34m.

4.3.2. The Appellant is in a unique position in respect of this site. Given the financial deficit in all appraisals it is clear that no other party in the market could feasibly be expected to take on the site since the return in the options identified (as demonstrated) is lower than is viable.

4.3.3. Although there is substantial financial deficit in the development phase of the project, it is of no benefit for the site to stall indefinitely.

4.3.4. In spite of the extraordinary deficit the Appellant has determined that the scheme as presented in the appeal would allow them to deliver the project. It is only by constructing the proposed scheme that the Appellant would stand to receive any income that might recoup losses to date and in the long run generate an appropriate return.

4.3.5. The Appellant has a proven track record in delivery of BtR in London, are currently operating a number of assets and, I am advised, have strong financial backing. In their statement provided at **Appendix 4** the Appellant confirms that the proposed amendments to the consent will enable them to deliver the project.

4.3.6. I have identified the following appeals which support this assessment i.e. it is a matter for a site owner to confirm the basis on which they might deliver a project:

- 2-4 Lodge Place, Sutton, SM1 4AU. Appeal Ref: APP/P5870/W/20/3261627; and
- 2-4 Copse Hill and 52-54 Brighton Road, Sutton, SM2 6AD. Appeal Ref: APP/P5870/W/20/3249085

4.3.7. <u>Lodge Place</u>

4.3.7.1. In the decision at Lodge Place the inspector notes that the scheme could proceed at a lower than usual profit but that:

(Paragraph 10*) "The appellant is [well-funded] with substantial assets... with the ability to raise the necessary finance… The appellant has owned the site for a considerable time and therefore has not acquired it for purely speculative purposes. The appellant… is keen to see an improved return on the property… Delivering the scheme would achieve that aim."*

4.3.7.2. The Inspector further noted:

(Paragraph 12) "…there is no single approach to assessing deliverability and arriving at a 'correct' answer on the matter is far from an exact science. There is a danger that the process becomes a purely abstract theoretical exercise rather than one grounded in reality".

4.3.7.3. In this case the Subject site is owned by a BtR developer who has not been able to bring the site forward, has incurred large unforeseen increases in costs and is seeking to amend the existing position in order to deliver the project.

4.3.7.4. In the case of Lodge Place, the Inspector also notes that the viability considerations were agreed at zero affordable housing and questions whether any further consideration is required:

(Paragraph 13) "…*unusually, no dispute arises on the often potentially contentious issue of the quantum of affordable housing provision. Thus it is hard to see why the deliverability of the scheme should assume any central importance. In any event, the completed planning* *obligations includes early and late stage viability reviews that potentially would require the provision of affordable housing should it become viable to do so*".

4.3.7.5. The consent at the Subject will maintain a late stage review and therefore the Inspector's commentary would be directly applicable to the proposal at the Subject site.

4.3.8. 2-4 Copse Hill and 52-54 Brighton Road

4.3.9. In this case the Inspector took the view that the rationale for delivery was for the Appellant to determine:

(Paragraph 41): "*The Appellant's evidence shows that the scheme would be viable albeit with a reduced level of profit. In pursuing the appeal, it has to be assumed that the Appellant (an experienced developer) is prepared to accept a lower profit. Quite what other justification the Council requires, is not clear.*"

5. Concluding Remarks

5.1.1. The Viability Statement of Common Ground demonstrates a technical deficit in all the appraisal scenarios identified over the development phase.

5.1.2. The deficits in the financial viability demonstrate that no third parties could deliver the site and make a commercial return. A counterfactual assessment demonstrates that if the Appellant could write-off costs incurred to date then the proposed modified scheme would produce a net surplus profit, albeit one below the required market return for a Build to Rent development.

5.1.3. Such an approach would be specific to the Appellant; it would not be reasonable to assume that third parties would acquire and develop the Subject site on this basis since the Appellant could not realise a substantial loss on the costs incurred to date in promoting the development to this point.

5.1.4. It is of no benefit for the site to stall indefinitely and the Appellant is therefore in a unique position whereby in order to realise any return income from the project that might recover their losses they must continue to develop the project and take a long term view.

5.1.5. It is for the landowner to determine the commercial circumstances in which they will promote a development and the Appellant has identified circumstances in which they are prepared to deliver the scheme (as reflected in their statement) which relies on the modifications as proposed.

5.1.6. The proposed modification to the consent does improve the financial viability within the development phase and increases the number of market rented homes that provide the greatest opportunity for long term income growth.

Appendix 1 -
Statement of Common Ground

STATEMENT OF COMMON GROUND - VIABILITY MATTERS

London Borough of Camden and Essential Living (Swiss Cottage) Limited

COUNCIL REFERENCE: 2021/0025/P

PLANNING INSPECTORATE (APPEAL) REFERENCE: APP/X5210/Q/21/3276844

VIABILITY PARAMETERS

(notwithstanding the Council's views that viability is not relevant to the appeal)

The following matters are agreed between the two parties:

Appraisal Inputs

The table below reflects the agreed inputs.

	Appraisal Input	Assumption
Costs	Construction Cost	£103,630,000
	Retention on Demolition	£120,000
	Parkland Licence Extension	£644,000
	S106	£239,000
	S278	£250,000
	Professional Fees	£12,435,600 (12%)
	Letting Agent Fees	10% of annual rent
	Letting Legal Fees	5% of annual rent
	Sales Agent Fee	1% of GDV
	Sales Legal Fee	0.5% of GDV
	Purchaser's Costs	6.8%
	Marketing Fees – market sale	1% of GDV
	Finance Rate (Debit)	6.75%
Profit	Profit on Market Sale	17.5% on GDV
	Profit on Affordable Housing (Social Rent / Shared Ownership / Discount Market Rent where sold to an RP)	6% on GDV
	Profit on Build to Rent	15% on GDV
Development Timescale	Pre-Construction Period	3 months
	Construction	24 months

	Appraisal Input	Assumption
Market Sales Period	Sales Period Post Completion	18 months
	Off Plan Sales	50%
Build to Rent Sales Timing	Assumes Sale of a stabilised asset, i.e. after a let-up period following practical completion	6 months stabilisation
Benchmark		£31m
Consented Scheme Income - assuming Market Sale	Market Sales Income GDV for 130 homes	£118,051,200 (£1,200/sqft)
	Affordable Housing GDV 36 homes	£8,170,000
	Discounted Market Rent GDV 18 homes	£6,970,831
	Retail including ancillary retail	£5,419,200
Consented Scheme Income – assuming Build for Rent	Market Rent GDV	£102,583,846
	Affordable Housing GDV 36 homes	£8,170,000
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	Retail including ancillary retail	£5,419,200
Proposed Scheme Income	Market Rent GDV	£131,651,539
	Discounted Market Rent GDV 18 homes	£6,970,831
	Retail including ancillary retail	£5,419,200

Appraisal Results

Appraisal Iteration	Residual Deficit*1
Existing Consent. Assumes Market Sale	-£59,073,122 (Deficit)
Existing Consent. Assumes Build to Rent	-£70,964,078 (Deficit)
Proposed Scheme	-£56,651,291 (Deficit)

Note

The residual deficit has been derived using a conventional residual appraisal incorporating a fixed land cost at the BLV, together with the Appellant's profit target embedded as a fixed cost. The output deficit from each appraisal therefore identifies the overall deficit driven by each appraisal.

Surplus Profit for Post Completion Viability Assessment

The worked examples at Appendix 2 on the S106 deed will be adjusted such that the post completion viability assessment reflects the following depending on whether the appeal is allowed or not:

<u>Assumes the Appeal is refused (i.e. consent is maintained)</u>

The wording will be adjusted to refer to Worked Example of Calculation of Deferred Affordable Housing Contribution pursuant to **3.16** of the S106 agreement:

Review GDV less Application GDV = Surplus

50% of Surplus is payable to the Council.

Total Review GDV: to be calculated as follows:

[Gross Market Rent per sqft in Block A and Block B] x x 5% YP (20)

+ Retail GDV

+ Affordable Housing Sale

= Total Review GDV

Application GDV: £215,560,031

<u>Example</u>:

Gross Rent Received of x 11,000,000x 5% YP (20) = £220,000,000

+ Retail GDV (example): 5,419,200

+ Affordable Housing Sale (example): £8,170,000

Total Review GDV = £233,589,200

Application GDV: £215,560,031

Surplus: £233,589,200- £215,560,031 = £18,029,169

50% of Surplus = £9,014,584.5 due to the Council

<u>Assumes the Appeal is allowed (i.e. the scheme is amended)</u>

Review GDV less Application GDV = Surplus

50% of Surplus is payable to the Council.

Review GDV: to be calculated as follows:

[Gross Market Rent] x 5% YP (20)

+ Retail GDV

= Total Review GDV

Application GDV: £217,815,135

<u>Example</u>:

£15,000,000 x 5% YP (20) = £300,000,000

+ Retail GDV (example): 5,419,200

Total Review GDV = £305,419,200

Application GDV: £217,815,135

Surplus: £305,419,200- £217,815,135 = £87,604,065

50% of Surplus = £43,802,033 due to the Council

Signed on behalf of the Council by Andrew Jones of BPS:

Date: 18.10.2021

Signed on behalf of the Appellant by Gareth Turner (Savills, on behalf of Essential Living (Swiss Cottage) Limited):

Date: 18.10.2021

APPENDIX

Financial Appraisals:

1 – Consented Scheme assuming delivery as Market sale

2 – Consented Scheme assuming Build to Rent

3 – Proposed Scheme

4 – Consented Scheme Breakeven Appraisal to inform S106

5 – Proposed Scheme Breakeven Appraisal to inform S106

Appendix 1 – Consented Scheme Assuming Delivery as Market Sale

100 Avenue Road, Swiss Cottage
Consented Scheme
Assumes Market Sale

Development Appraisal
Savills
18 October 2021

APPRAISAL SUMMARY — SAVILLS

100 Avenue Road, Swiss Cottage
Consented Scheme
Assumes Market Sale

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	**Units**	**ft²**	**Sales Rate ft²**	**Unit Price**	**Gross Sales**
Block A Market	130	98,376	1,200.00	908,086	118,051,200
36 Affordable Housing Units	36	35,099	232.77	226,944	8,170,000
Totals	**166**	**133,475**			**126,221,200**

Rental Area Summary	**Units**	**ft²**	**Rent Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**	**Net MRV at Sale**
Block B DMR	18	13,518	21.61	16,233	219,141	292,188	219,141
Retail + Ancillary Retail	1	12,598	30.00	377,940	377,940	377,940	377,940
Totals	**19**	**26,116**			**597,081**	**670,128**	**597,081**

Investment Valuation				
Block B DMR				
Manual Value				6,970,831
Retail + Ancillary Retail				
Manual Value				5,419,200
Total Investment Valuation				**12,390,031**
GROSS DEVELOPMENT VALUE			**138,611,231**	
Purchaser's Costs		(842,522)		
Effective Purchaser's Costs Rate	6.80%			
			(842,522)	
NET DEVELOPMENT VALUE			**137,768,709**	
NET REALISATION			**137,768,709**	
OUTLAY				
ACQUISITION COSTS				
Fixed Price	31,000,000			
Fixed Price		31,000,000		
			31,000,000	
Stamp Duty		1,539,500		
Effective Stamp Duty Rate	4.97%			
Agent Fee	1.00%	310,000		
Legal Fee	0.80%	248,000		
			2,097,500	

CONSTRUCTION COSTS

Construction	**Units**	**Unit Amount**	**Cost**	
Construction Costs	1 un	103,630,000	103,630,000	
Retention on Demolition			120,000	
S106			239,000	
S278			250,000	
Parkland License Extension			644,000	
				104,883,000

PROFESSIONAL FEES			
All Professional Fees	12.00%	12,435,600	
			12,435,600
MARKETING & LETTING			
Marketing	1.00%	1,180,512	
Letting Agent Fee	10.00%	37,794	
Letting Legal Fee	5.00%	18,897	
			1,237,203
DISPOSAL FEES			
Sales Agent Fee	1.00%	1,377,687	
Sales Legal Fee	0.50%	688,844	
			2,066,531

Additional Costs

APPRAISAL SUMMARY			SAVILLS

100 Avenue Road, Swiss Cottage
Consented Scheme
Assumes Market Sale

Profit on private residential	17.50%	20,658,960	
Profit on DMR	15.00%	1,045,625	
Profit on affordable housing	6.00%	490,200	
Profit on commercial	15.00%	812,880	
			23,007,665
FINANCE			
Debit Rate 6.750%, Credit Rate 0.500% (Nominal)			
Land		5,166,845	
Construction		7,446,180	
Other		7,501,308	
Total Finance Cost			20,114,332
TOTAL COSTS			**196,841,831**
PROFIT			
			(59,073,122)
Performance Measures			
Profit on GDV%	-42.62%		
IRR% (without Interest)	-17.42%		

Appendix 2 – Consented Scheme Assuming Build to Rent

savills

100 Avenue Road, Swiss Cottage
Build to Rent As Consented

Development Appraisal
Savills
18 October 2021

APPRAISAL SUMMARY SAVILLS

100 Avenue Road, Swiss Cottage
Build to Rent As Consented

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Affordable Rent Block D	28	28,611	232.77	237,850	6,659,787
Intermediate Block F	8	6,488	232.77	188,777	1,510,213
Totals	**36**	**35,099**			**8,170,000**

Rental Area Summary	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Block A Market Rent	130	98,966	44.92	34,195	3,333,975	4,445,300	3,333,975
Block B DMR	18	13,518	21.61	16,233	219,141	292,188	219,141
Retail + Ancillary	1	12,598	30.00	377,940	377,940	377,940	377,940
Totals	**149**	**125,082**			**3,931,056**	**5,115,428**	**3,931,056**

Investment Valuation					
Block A Market Rent					
Current Rent	3,333,975	YP @	3.2500%	30.7692	102,583,846
Block B DMR					
Manual Value					6,970,831
Retail + Ancillary					
Manual Value					5,419,200
Total Investment Valuation					**114,973,877**
GROSS DEVELOPMENT VALUE				**123,143,877**	
Purchaser's Costs			(7,818,224)		
Effective Purchaser's Costs Rate		6.80%			
				(7,818,224)	
NET DEVELOPMENT VALUE				**115,325,654**	
Additional Revenue					
Stabilisation Rent			890,194		
				890,194	
NET REALISATION				**116,215,848**	

OUTLAY

ACQUISITION COSTS				
Fixed Price		31,000,000		
Fixed Price			31,000,000	
				31,000,000
Stamp Duty			1,539,500	
Effective Stamp Duty Rate		4.97%		
				1,539,500
Other Acquisition				
Other Acquisition		1.8000%	558,000	
				558,000
CONSTRUCTION COSTS				
Construction	**Units**	**Unit Amount**	**Cost**	
Construction Costs	1 un	103,630,000	103,630,000	
Retention on Demolition			120,000	
Parkland License Extension			644,000	
S278			250,000	
S106			239,000	
				104,883,000
PROFESSIONAL FEES				
All Professional Fees		12.00%	12,435,600	
				12,435,600
MARKETING & LETTING				
Letting Agent Fee		10.00%	37,794	

100 Avenue Road, Swiss Cottage
Build to Rent As Consented

Letting Legal Fee	5.00%	18,897	
			56,691
DISPOSAL FEES			
Sales Agent Fee	1.00%	1,153,257	
Sales Legal Fee	0.50%	576,628	
			1,729,885
Additional Costs			
Profit on BtR	15.00%	16,433,202	
Profit on Affordable Housing	6.00%	490,200	
Profit on Commercial	15.00%	812,880	
			17,736,282
FINANCE			
Debit Rate 6.750%, Credit Rate 0.500% (Nominal)			
Land		5,166,845	
Construction		7,477,569	
Letting		4,596,553	
Total Finance Cost			17,240,968
TOTAL COSTS			**187,179,925**
PROFIT			
			(70,964,078)
Performance Measures			
Profit on GDV%	-57.63%		
IRR% (without Interest)	-23.79%		

Appendix 3 – Proposed Scheme

100 Avenue Road, Swiss Cottage
Proposed Scheme
Build to Rent.

Development Appraisal
Savills
18 October 2021

APPRAISAL SUMMARY **SAVILLS**

100 Avenue Road, Swiss Cottage
Proposed Scheme
Build to Rent.

Appraisal Summary for Phase 1

Currency in £

REVENUE

Rental Area Summary	**Units**	**ft²**	**Rent Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**	**Net MRV at Sale**
Block A Market Rent	130	98,966	44.92	34,195	3,333,975	4,445,300	3,333,975
Block B DMR	18	13,518	22.37	16,800	226,800	302,400	226,800
Block D - Market Rent	28	28,611	34.99	35,754	750,825	1,001,100	750,825
Block F Market Rent	8	7,288	35.47	32,312	193,875	258,500	193,875
Retail + Ancillary Retail	1	12,598	30.00	377,940	377,940	377,940	377,940
Totals	**185**	**160,981**			**4,883,415**	**6,385,240**	**4,883,415**

Investment Valuation

Block A Market Rent					
Current Rent	3,333,975	YP @	3.2500%	30.7692	102,583,846
Block B DMR					
Manual Value					6,970,831
Block D - Market Rent					
Current Rent	750,825	YP @	3.2500%	30.7692	23,102,308
Block F Market Rent					
Current Rent	193,875	YP @	3.2500%	30.7692	5,965,385
Retail + Ancillary Retail					
Manual Value					5,419,200
Total Investment Valuation					**144,041,569**

GROSS DEVELOPMENT VALUE				**144,041,569**
Purchaser's Costs			(9,794,827)	
Effective Purchaser's Costs Rate		6.80%		
				(9,794,827)
NET DEVELOPMENT VALUE				**134,246,743**
Additional Revenue				
stabilisation rent			1,314,097	
				1,314,097
NET REALISATION				**135,560,840**

OUTLAY

ACQUISITION COSTS				
Fixed Price		31,000,000		
Fixed Price			31,000,000	
				31,000,000
Stamp Duty			1,539,500	
Effective Stamp Duty Rate		4.97%		
				1,539,500
Other Acquisition				
Other Acquisition		1.8000%	558,000	
				558,000

CONSTRUCTION COSTS

Construction	**Units**	**Unit Amount**	**Cost**	
Construction Costs	1 un	103,630,000	103,630,000	
Retention on Demolition			120,000	
Parkland License Extension			644,000	
S278			250,000	
S106			239,000	
				104,883,000

APPRAISAL SUMMARY			SAVILLS

100 Avenue Road, Swiss Cottage
Proposed Scheme
Build to Rent.

PROFESSIONAL FEES			
All Proffessional Fees	12.00%	12,435,600	
			12,435,600
MARKETING & LETTING			
Letting Agent Fee	10.00%	37,794	
Letting Legal Fee	5.00%	18,897	
			56,691
DISPOSAL FEES			
Sales Agent Fee	1.00%	1,342,467	
Sales Legal Fee	0.50%	671,234	
			2,013,701
Additional Costs			
Profit on BtR and DMR	15.00%	20,793,355	
Profit on Commercial	15.00%	812,880	
			21,606,235
FINANCE			
Debit Rate 6.750%, Credit Rate 0.500% (Nominal)			
Land		5,166,845	
Construction		7,442,660	
Letting		5,509,898	
Total Finance Cost			18,119,403
TOTAL COSTS			**192,212,131**
PROFIT			
			(56,651,291)
Performance Measures			
Profit on GDV%	-39.33%		
IRR% (without Interest)	-15.75%		

Appendix 4 – Consented Scheme Breakeven Appraisal to Inform S106

100 Avenue Road, Swiss Cottage
Build to Rent As Consented
Break-even to inform 106

Development Appraisal
Savills
18 October 2021

APPRAISAL SUMMARY	SAVILLS

100 Avenue Road, Swiss Cottage
Build to Rent As Consented
Break-even to inform 106

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Affordable Rent Block D	28	28,611	232.77	237,850	6,659,787
Intermediate Block F	8	6,488	232.77	188,777	1,510,213
Totals	**36**	**35,099**			**8,170,000**

Rental Area Summary	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Block A Market Rent	130	98,966	85.38	65,000	6,337,500	8,450,000	6,337,500
Block B DMR	18	13,518	21.61	16,233	219,141	292,188	219,141
Retail + Ancillary	1	12,598	30.00	377,940	377,940	377,940	377,940
Totals	**149**	**125,082**			**6,934,581**	**9,120,128**	**6,934,581**

Investment Valuation

Block A Market Rent					
Current Rent	6,337,500	YP @	3.2500%	30.7692	195,000,000
Block B DMR					
Manual Value					6,970,831
Retail + Ancillary					
Manual Value					5,419,200
Total Investment Valuation					**207,390,031**

GROSS DEVELOPMENT VALUE				**215,560,031**
Purchaser's Costs			(14,102,522)	
Effective Purchaser's Costs Rate		6.80%		
				(14,102,522)
NET DEVELOPMENT VALUE				**201,457,509**
Additional Revenue				
Stabilisation Rent			890,194	
				890,194
NET REALISATION				**202,347,703**
OUTLAY				
ACQUISITION COSTS				
Fixed Price		31,000,000		
Fixed Price			31,000,000	
				31,000,000
Stamp Duty			1,539,500	
Effective Stamp Duty Rate		4.97%		
				1,539,500
Other Acquisition				
Other Acquisition		1.8000%	558,000	
				558,000
CONSTRUCTION COSTS				
Construction	**Units**	**Unit Amount**	**Cost**	
Construction Costs	1 un	103,630,000	103,630,000	
Retention on Demolition			120,000	
Parkland License Extension			644,000	
S278			250,000	
S106			239,000	
				104,883,000
PROFESSIONAL FEES				
All Professional Fees		12.00%	12,435,600	
				12,435,600
MARKETING & LETTING				

APPRAISAL SUMMARY SAVILLS

100 Avenue Road, Swiss Cottage
Build to Rent As Consented
Break-even to inform 106

Letting Agent Fee	10.00%	37,794	
Letting Legal Fee	5.00%	18,897	
			56,691
DISPOSAL FEES			
Sales Agent Fee	1.00%	2,014,575	
Sales Legal Fee	0.50%	1,007,288	
			3,021,863
Additional Costs			
Profit on BtR	15.00%	30,295,625	
Profit on Affordable Housing	6.00%	490,200	
Profit on Commercial	15.00%	812,880	
			31,598,705
FINANCE			
Debit Rate 6.750%, Credit Rate 0.500% (Nominal)			
Land		5,166,845	
Construction		7,477,569	
Letting		4,596,553	
Total Finance Cost			17,240,968
TOTAL COSTS			**202,334,326**
PROFIT			
			13,377
Performance Measures			
Profit on GDV%	0.01%		
IRR% (without Interest)	6.58%		

Appendix 5 – Proposed Scheme Breakeven Appraisal to Inform S106

savills

100 Avenue Road, Swiss Cottage
Proposed Scheme
Build to Rent - Breakeven

Development Appraisal
Savills
18 October 2021

APPRAISAL SUMMARY SAVILLS

100 Avenue Road, Swiss Cottage
Proposed Scheme
Build to Rent - Breakeven

Appraisal Summary for Phase 1

Currency in £

REVENUE

Rental Area Summary	**Units**	**ft²**	**Rent Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**	**Net MRV at Sale**
Block A Market Rent	130	98,966	77.22	58,786	5,731,616	7,642,155	5,731,616
Block B DMR	18	13,518	22.37	16,800	226,800	302,400	226,800
Block D - Market Rent	28	28,611	34.99	35,754	750,825	1,001,100	750,825
Block F Market Rent	8	7,288	35.47	32,312	193,875	258,500	193,875
Retail + Ancillary Retail	1	12,598	30.00	377,940	377,940	377,940	377,940
Totals	**185**	**160,981**			**7,281,056**	**9,582,095**	**7,281,056**

Investment Valuation

Block A Market Rent					
Current Rent	5,731,616	YP @	3.2500%	30.7692	176,357,412
Block B DMR					
Manual Value					6,970,831
Block D - Market Rent					
Current Rent	750,825	YP @	3.2500%	30.7692	23,102,308
Block F Market Rent					
Current Rent	193,875	YP @	3.2500%	30.7692	5,965,385
Retail + Ancillary Retail					
Manual Value					5,419,200
Total Investment Valuation					**217,815,135**

GROSS DEVELOPMENT VALUE			**217,815,135**
Purchaser's Costs		(14,811,429)	
Effective Purchaser's Costs Rate	6.80%		
			(14,811,429)
NET DEVELOPMENT VALUE			**203,003,706**
Additional Revenue			
stabilisation rent		1,314,097	
			1,314,097
NET REALISATION			**204,317,803**

OUTLAY

ACQUISITION COSTS			
Fixed Price	31,000,000		
Fixed Price		31,000,000	
			31,000,000
Stamp Duty		1,539,500	
Effective Stamp Duty Rate	4.97%		
			1,539,500
Other Acquisition			
Other Acquisition	1.8000%	558,000	
			558,000

CONSTRUCTION COSTS

Construction	**Units**	**Unit Amount**	**Cost**	
Construction Costs	1 un	103,630,000	103,630,000	
Retention on Demolition			120,000	
Parkland License Extension			644,000	
S278			250,000	
S106			239,000	
				104,883,000

APPRAISAL SUMMARY — SAVILLS

100 Avenue Road, Swiss Cottage
Proposed Scheme
Build to Rent - Breakeven

PROFESSIONAL FEES			
All Professional Fees	12.00%	12,435,600	
			12,435,600
MARKETING & LETTING			
Letting Agent Fee	10.00%	37,794	
Letting Legal Fee	5.00%	18,897	
			56,691
DISPOSAL FEES			
Sales Agent Fee	1.00%	2,030,037	
Sales Legal Fee	0.50%	1,015,019	
			3,045,056
Additional Costs			
Profit on BtR and DMR	15.00%	31,859,390	
Profit on Commercial	15.00%	812,880	
			32,672,270
FINANCE			
Debit Rate 6.750%, Credit Rate 0.500% (Nominal)			
Land		5,166,845	
Construction		7,442,660	
Letting		5,509,898	
Total Finance Cost			18,119,403
TOTAL COSTS			**204,309,520**
PROFIT			
			8,283
Performance Measures			
Profit on GDV%	0.00%		
IRR% (without Interest)	6.60%		

Appendix 2 -
Addendum FVA

savills

Financial Viability Assessment Addendum Report

S106A Application in respect of

'Theatre Square', 100 Avenue Road, NW3 3HF

Instructions

This Financial Viability Assessment (FVA) provides an update to the submitted report in support of the S.106A application and appeal at 100 Avenue Road, NW3 3HF ('the Subject'). The report is prepared on behalf of Essential Living (Swiss Cottage) Limited ('the Applicant').

The statement seeks to identify further evidence in order to reach agreement with BPS on behalf of LB Camden, in accordance with the planning Inspectorate's instructions. The report should be read in conjunction with Savills Financial Viability Assessment Report dated December 2020.

The Applicant has proposed some further minor amendments to the S106 agreement and we have commented on these changes in this report.

In producing this report 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 (updated February 2019);
- Planning Practice Guidance (PPG) – Viability (updated September 2019);
- RICS Financial Viability in Planning 1st Edition (July 2012); and
- RICS Financial Viability in Planning: Conduct and Reporting 1st Edition (May 2019).

This FVA has been carried out 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 that this report and all subsequent engagement with the Council and their 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 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 express prior 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 Savills 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.

Conflicts of Interest

We can confirm that there are no conflicts of interest between Savills and either the Applicant, the Council or the Subject.

Declaration of Previous Involvement with Local Planning Authority

Although we do not consider any of the below to constitute a conflict of interest we are obliged to declare that we have historically advised LB Camden in relation to the following matters;

- Planning Advice
- Residential Development Consultancy
- Shared Ownership Services

Date of Appraisals

The date of these Appraisals is the date of this report.

Confirmation of Reporting Timescales

We can confirm that an adequate amount of time has been allowed for in the preparation of this report and the timeframes stated within our Terms of Engagement were not extended.

Signatures to the Report

Prepared by:

Gareth Turner

Director

Contents

1. Executive Summary

1.1. Introduction

1.1.1. In order to seek to reach agreement with LB Camden and BPS in respect of the Financial Viability Assessment, this addendum report provides further information in respect of the key appraisal inputs as set out below and updated appraisal conclusion. We have addressed the following points:

- Market Sale GDV: we understand that this is the basis of BPS' assessment of the existing consent;
- Construction Costs: the original cost plan was produced in October 2020. We are advised that construction prices are increasing rapidly at present and therefore Gardiner & Theobald have updated their cost summary for this report and we have taken into consideration their revised costs in our appraisals of the existing consent and proposed scheme; and
- Residual Land Values of a scheme assuming Market Sale and a Build to Rent scheme.

1.1.2. This is not intended as an exhaustive note addressing all outstanding areas of disagreement since respective proofs of evidence are still being drafted. We anticipate further information may be prepared or required in respect of some inputs to the overall viability assessment.

1.1.3. We have within this note addressed the proposed amendments to the S106 as put forward week commencing 20th September and have identified the impact of these changes on the assessment scheme.

1.1.4. We summarise below our conclusions The table below shows the updated appraisal results for Market Sale based on the existing consent

Appraisal Scenario	Residual Land Value	GDV	Build Cost	Profit
Consented Scheme - assuming market sale	-£17.46m	£132,.43m	£103.63m	£21.33m
Proposed Scheme (Savills Assumptions)	-£14.91m	£143.11m	£103.63m	£21.47m
Proposed Scheme (BPS Assumptions)	-£14.07m	£141.29m	£103.63m	3.93%

1.1.5. Our appraisals are provided at **Appendix 3** of this report.

1.1.6. All appraisal results conclude a negative land value. The scheme financial performance of the BTR scheme is less viable than stated in the assessments submitted by Savills and BPS in December 2020 and March 2021 respectively by virtue of the increased construction costs.

1.1.7. Since the consented market sale concludes a negative land value we do not consider it an appropriate measure of Site Value Benchmark. The substantive conclusions of the viability process to date are unchanged.

2. Updated Scheme Information

2.1. Market Sales Scheme

2.1.1. We understand that BPS intend to value the consented scheme on the basis of Market Sale for the private units, due to their interpretation of the disposal viability definition clause within the 106.

2.1.2. The 106 allows for a re-evaluation of the scheme if more than 20% of market rent homes are sold; the results of the updated appraisal are then compared back to a threshold residual of £126.3m; BPS have confirmed that they consider that the appropriate assessment of the consented scheme is therefore based on market sales.

2.1.3. Whilst we consider the overall intent of the 106 to restrict delivery of the homes to BTR which is reflective of Essential Living's status as a build to rent developer, in order to address BPS' point we have undertaken an appraisal of the existing consent on the basis of market sale. Within the current drafting of the 106 this could also apply to the proposed scheme.

2.1.4. We have attached at **Appendix 1** of statement an assessment of residential comparable sales evidence, commentary and pricing which has been prepared in conjunction with Savills New Homes Team. We conclude a total value for the market sales of: £113,037,500

2.1.5. Our assessment is based on similar programme assumptions to the existing appraisals, with the following changes:

- Sales Period of 18 months, assuming 30% off-plan sale;
- Profit at 17.5% on GDV for the market sale homes, 15% for the non-residential uses and 6% for the affordable and DMR homes; and
- For the affordable housing we have adopted the offer from Origin Housing at £8.17m on the basis of a turnkey (i.e. income received at practical completion).

2.1.6. In respect of the DMR homes we have adopted a lower profit purely on the assumption that they would be forward-sold to a Registered Provider, with income received at practical completion.

2.1.7. We have adopted a delivery programme consistent with the previous appraisal based on a pre-construction of 2 months and construction of 22 months.

2.2. S106 Amendments

2.2.1. The Applicant has proposed further amendments to the S106 which would ensure that the homes were secured as build to rent, with the effect being:

- Covenant period for build to rent homes extended to 15 years from practical completion;
- The disposal clawback provisions will take effect with any disposal of market rent homes in that period;

- The disposal clawback would convert 100% of any uplift in value being payable back to the Council; and
- The post-completion viability review would refer back to the viability assessments within the S106A application rather than the FVA from 2014.

2.2.2. The changes if applied would lead to the proposed scheme being restricted to a Build to Rent.

2.2.3. Whilst we consider that the appropriate methodology for assessing the scheme is build to rent we have considered the appraisal on both a build to rent and market sale basis.

2.3. Cost Information

2.3.1. Gardiner and Theobald have provided updated cost information which takes into account cost inflation since their assessment in October 2020.

2.3.2. The revised construction costs total: £103.63m to complete the project and we have adopted these costs in updated market sale and build to rent appraisals.

2.4. Other Construction Costs

2.4.1. Essential Living (EL) have provided an updated breakdown of outstanding costs for S106, 278 and contribution to the Parkland License, a set out below:

Item	Cost	Timing
S106	£239,000	Practical Completion
S278	£250,000	Practical Completion
Parkland License Extension	£644,000	Start on Site
Demolition Retention	£120,000	Start on Site

2.4.2. In respect of the S278 works, EL have paid a bond of circa £640K to LB Camden and therefore it is likely that the cost of the 278 works will be higher - we are seeking further confirmation of this figure

2.5. Build to Rent Appraisal

2.5.1. For completeness we have reflected the impact of the revised build costs on the build to rent appraisal assumptions adopted by both BPS and Savills.

3. Other Outstanding Matters

3.1. Value Engineering

3.1.1. As part of the Council's statement of case BPS raise the question on the potential value engineering within the adopted provided cost information.

3.1.2. We have been provided with a hypothetical summary from Gardiner & Theobald (G&T) which identifies a potential saving of up to £870K.

3.1.3. G&T have advised the following:

- The statement demonstrates that some items are contradictory and that (for example) it would not be possible to secure savings from changes to sliding doors to both balcony and winter gardens. As such the total sum is not applicable.
- The cost items are subject to subsequent market tender and as a result the potential savings are hypothetical only. The revised cost estimate of £114m (£103.63m excluding demolition and woks to ground floor) is an all-inclusive view of the cost of delivering the project. This costs includes some updated market-tendered costs.

3.1.4. We note that the potential saving is hypothetical and would be dependent on market conditions at the time that any build contract was let. Since G&T have advised that cost inflation is expected to be high, and is currently increasing, it's likely that any value engineering would be overridden by general cost inflation.

3.1.5. Since the project is subject to a late stage review which would identify actual achieved costs (inclusive of any cost savings or over-spend) at this stage we have not applied any potential reduction.

3.2. Site Value Benchmark

3.2.1. We acknowledge the different approaches to Site Value Benchmark. We consider that a minimum Site Value Benchmark should apply in consideration of an appropriate recognition of the costs to date in the project.

3.2.2. However since appraisals on either a market sales or build to rent basis creates negative land value the adopted Site Value Benchmark would not affect the conclusions of the appraisal.

3.3. Build to Rent Cashflow

3.3.1. We acknowledge the different approaches to the development cashflow in respect of build to rent. Again, since an appraisal adopting a market sale assessment creates a negative land value and BPS' report confirms the proposed scheme is already in a financial deficit the conclusions of the existing assessments are unaffected.

4. Appraisal Results

4.1. Market Sale – Existing Consent

4.1.1. The table below shows the updated appraisal results for Market Sale based on the existing consent

Residual Land Value	GDV	Build Cost	Profit
-£17.46m	£132,.43m	£103.63m	£21.33m

4.1.2. Our appraisal is provided at **Appendix 3** of this report.

4.2. Build to Rent - Proposed Scheme Savills Assumptions

4.2.1. The table below shows the updated appraisal results for a Market Rent appraisal of the existing consent and proposed scheme:

Appraisal Scenario	Residual Land Value	GDV	Build Cost	Profit
Proposed Scheme	-£14.91m	£143.11m	£103.63m	£21.47m

4.3. Build to Rent - BPS Assumptions

4.3.1. The table below shows the updated appraisal results for a Market Rent appraisal based on BPS assumptions, based on a fixed land appraisal:

Appraisal Scenario	Residual Land Value	GDV	Build Cost	Residual Profit
Proposed Scheme	-£14.07m	£141.29m	£103.63m	3.93%

4.4. Conclusions

4.4.1. All appraisal results conclude a negative land value. The scheme financial performance is less viable than the viability assessments submitted by Savills in December 2020 and BPS in March 2021 by virtue of the increased costs.

4.4.2. Since the consented market sale concludes a negative land value we do not consider it an appropriate measure of Site Value Benchmark.

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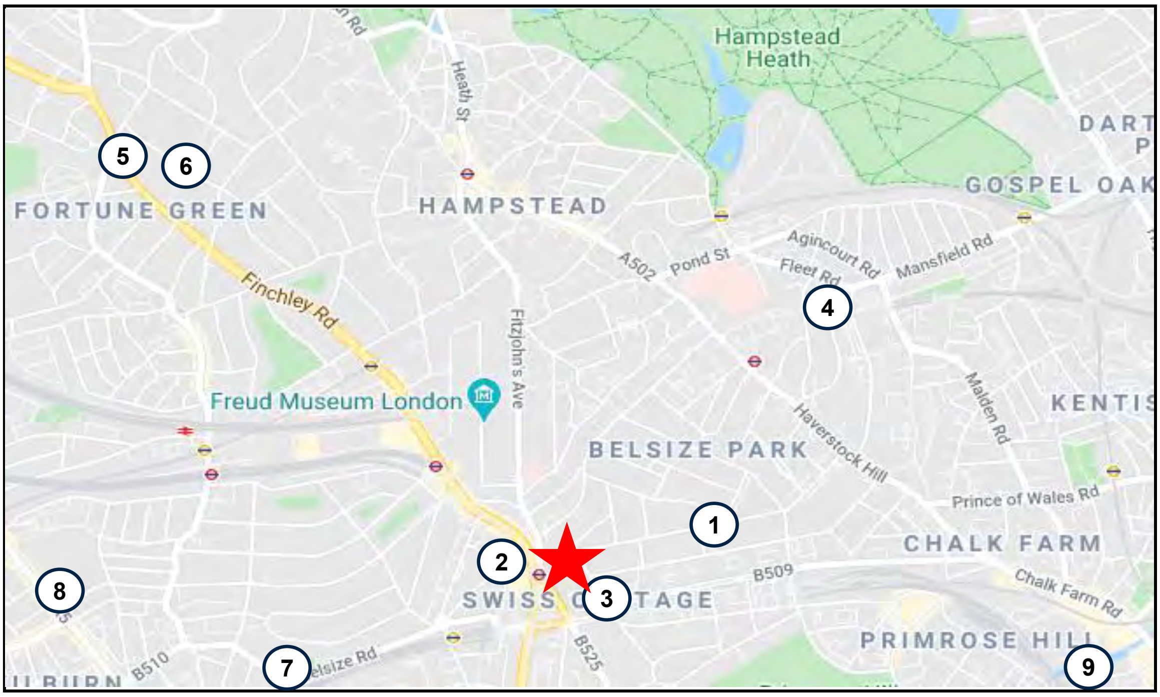
Appendix 1 – Residential Value Analysis and Pricing

100 Avenue Road

Sales Comparables

savills

Sales Comparables Map



Map Ref	Scheme	Av £/sqft	
		Asking	Achieved
1	Belsize Park Firehouse	£1,345	£1,340
2	Centre Heights	£1,010	£945
3	Winchester Place	£1,010	£925
4	Thirty2 (Fleet Community Centre)	£1,110	£1,025
5	Kidderpore Green	£1,215	£1,050
6	Hampstead Manor	£1,490	£1,335
7	Abbey Road Cross	£825	£815
8	Park Place	£910	£820
9	Mode	£1,025	£1,035

Comparable Schemes Analysis

Belsize Park Firehouse

Asking Prices

Unit Type	Min Size	Av Size	Max Size	Min Price	Av Price	Max Price	Min £/sqft	Av £/sqft	Max £/sqft
1 Bed	517	606	1,298	£600,000	£793,571	£1,700,000	£1,111	£1,310	£1,402
2 Bed	587	925	1,359	£775,000	£1,205,000	£1,750,000	£1,141	£1,303	£1,440
4 Bed	2,568	2,568	2,568	£3,950,000	£3,950,000	£3,950,000	£1,538	£1,538	£1,538
Total	**517**	**784**	**2,568**	**£600,000**	**£1,054,250**	**£3,950,000**	**£1,111**	**£1,345**	**£1,538**

Achieved Prices

Unit Type	Min Size	Av Size	Max Size	Min Price	Av Price	Max Price	Min £/sqft	Av £/sqft	Max £/sqft
1 Bed	535	683	1,298	£710,000	£901,667	£1,760,000	£1,231	£1,320	£1,356
2 Bed	588	892	1,215	£775,000	£1,225,000	£1,750,000	£1,316	£1,373	£1,440
Total	**535**	**753**	**1,298**	**£710,000**	**£1,009,444**	**£1,760,000**	**£1,231**	**£1,341**	**£1,440**

Centre Heights

Asking Prices

Unit Type	Min Size	Av Size	Max Size	Min Price	Av Price	Max Price	Min £/sqft	Av £/sqft	Max £/sqft
Studio	398	398	398	£430,000	£430,000	£430,000	£1,080	£1,080	£1,080
1 Bed	452	524	560	£450,000	£519,333	£560,000	£979	£991	£1,000
Total	**398**	**492**	**560**	**£430,000**	**£497,000**	**£560,000**	**£979**	**£1,009**	**£1,080**

Achieved Prices

Unit Type	Min Size	Av Size	Max Size	Min Price	Av Price	Max Price	Min £/sqft	Av £/sqft	Max £/sqft
Studio	398	398	398	£317,522	£393,131	£440,000	£797	£987	£1,105
1 Bed	409	504	560	£326,277	£469,136	£575,000	£796	£931	£1,138
Total	**398**	**478**	**560**	**£317,522**	**£450,711**	**£575,000**	**£796**	**£943**	**£1,138**

Winchester Place

Asking Prices

Unit Type	Min Size	Av Size	Max Size	Min Price	Av Price	Max Price	Min £/sqft	Av £/sqft	Max £/sqft
1 Bed	527	527	527	£435,000	£435,000	£435,000	£825	£825	£825
2 Bed	1,680	1,680	1,680	£1,535,000	£1,535,000	£1,535,000	£914	£914	£914
3 Bed	1,220	1,335	1,450	£1,295,000	£1,472,500	£1,650,000	£1,061	£1,103	£1,138
Total	**527**	**1,219**	**1,680**	**£435,000**	**£1,228,750**	**£1,650,000**	**£825**	**£1,008**	**£1,138**

Achieved Prices

Unit Type	Min Size	Av Size	Max Size	Min Price	Av Price	Max Price	Min £/sqft	Av £/sqft	Max £/sqft
1 Bed	527	565	603	£430,000	£515,000	£600,000	£816	£912	£995
2 Bed	1,680	1,680	1,680	£1,350,000	£1,350,000	£1,350,000	£804	£804	£804
3 Bed	1,220	1,335	1,450	£1,230,000	£1,350,000	£1,470,000	£1,008	£1,011	£1,014
Total	**527**	**1,096**	**1,680**	**£430,000**	**£1,016,000**	**£1,470,000**	**£804**	**£927**	**£1,014**

Thirty2 (Fleet Community Centre)

Asking Prices

Unit Type	Min Size	Av Size	Max Size	Min Price	Av Price	Max Price	Min £/sqft	Av £/sqft	Max £/sqft
Studio	434	434	434	£510,000	£510,000	£510,000	£1,175	£1,175	£1,175
1 Bed	540	545	552	£600,000	£748,333	£1,350,000	£1,087	£1,373	£2,459
2 Bed	663	717	800	£650,000	£757,000	£835,000	£931	£1,056	£1,135
3 Bed	963	970	985	£899,000	£899,333	£900,000	£914	£927	£934
Total	**434**	**689**	**985**	**£510,000**	**£763,400**	**£1,350,000**	**£914**	**£1,108**	**£2,459**

Achieved Prices

Unit Type	Min Size	Av Size	Max Size	Min Price	Av Price	Max Price	Min £/sqft	Av £/sqft	Max £/sqft
Studio	434	451	468	£699,000	£759,500	£820,000	£1,611	£1,684	£1,752
1 Bed	540	546	552	£475,000	£738,361	£994,700	£878	£1,353	£1,812
2 Bed	663	741	883	£555,000	£712,915	£928,159	£689	£962	£1,330
3 Bed	926	960	985	£590,000	£679,125	£755,000	£613	£707	£815
Total	**434**	**719**	**1,284**	**£475,000**	**£737,151**	**£1,672,926**	**£613**	**£1,025**	**£1,812**

Kidderpore Green

Asking Prices

Unit Type	Min Size	Av Size	Max Size	Min Price	Av Price	Max Price	Min £/sqft	Av £/sqft	Max £/sqft
1 Bed	552	601	632	£625,000	£653,750	£685,000	£1,018	£1,089	£1,241
2 Bed	851	981	1,539	£799,995	£1,208,416	£2,390,000	£910	£1,231	£1,652
3 Bed	921	1,364	2,316	£885,000	£1,735,652	£2,765,000	£961	£1,272	£1,648
4 Bed	852	2,272	3,132	£870,000	£2,605,000	£3,850,000	£917	£1,147	£1,337
Total	**552**	**1,263**	**3,132**	**£625,000**	**£1,537,306**	**£3,850,000**	**£910**	**£1,217**	**£1,652**

Achieved Prices

Unit Type	Min Size	Av Size	Max Size	Min Price	Av Price	Max Price	Min £/sqft	Av £/sqft	Max £/sqft
1 Bed	632	632	632	£600,000	£734,930	£814,650	£949	£1,163	£1,289
2 Bed	850	944	1,130	£581,000	£935,327	£1,275,000	£661	£991	£1,232
3 Bed	1,140	1,388	1,927	£1,200,000	£1,547,380	£2,242,000	£742	£1,115	£1,467
Total	**632**	**1,055**	**1,927**	**£581,000**	**£1,105,616**	**£2,242,000**	**£661**	**£1,048**	**£1,467**

Hampstead Manor

Asking Prices

Unit Type	Min Size	Av Size	Max Size	Min Price	Av Price	Max Price	Min £/sqft	Av £/sqft	Max £/sqft
Studio	451	451	451	£650,000	£650,000	£650,000	£1,441	£1,441	£1,441
1 Bed	460	593	785	£725,000	£874,583	£1,290,000	£1,238	£1,474	£2,337
2 Bed	770	951	1,461	£785,000	£1,396,893	£1,795,500	£733	£1,468	£2,078
3 Bed	1,366	1,687	1,946	£2,095,000	£2,495,050	£2,975,000	£1,340	£1,479	£1,554
4 Bed	1,112	1,791	2,130	£1,750,000	£2,900,000	£3,500,000	£1,574	£1,620	£1,643
Total	**451**	**980**	**2,130**	**£650,000**	**£1,457,821**	**£3,500,000**	**£733**	**£1,488**	**£2,337**

Achieved Prices

Unit Type	Min Size	Av Size	Max Size	Min Price	Av Price	Max Price	Min £/sqft	Av £/sqft	Max £/sqft
Studio	463	469	474	£490,050	£613,025	£736,000	£1,058	£1,308	£1,553
1 Bed	538	574	667	£615,000	£753,265	£1,018,350	£1,079	£1,313	£1,632
2 Bed	753	947	1,313	£788,000	£1,290,015	£2,300,000	£919	£1,362	£2,227
3 Bed	1,238	1,562	1,905	£1,370,000	£2,032,273	£3,050,000	£914	£1,301	£1,601
4 Bed	2,626	2,626	2,626	£3,570,000	£3,570,000	£3,570,000	£1,359	£1,359	£1,359
Total	**463**	**918**	**2,626**	**£490,050**	**£1,226,838**	**£3,570,000**	**£914**	**£1,336**	**£2,227**

Abbey Road Cross

Asking Prices

Unit Type	Min Size	Av Size	Max Size	Min Price	Av Price	Max Price	Min £/sqft	Av £/sqft	Max £/sqft
1 Bed	534	541	548	£495,000	£507,500	£520,000	£903	£938	£974
2 Bed	806	869	940	£650,000	£706,071	£752,500	£747	£813	£889
3 Bed	1,356	1,410	1,464	£1,225,000	£1,225,000	£1,225,000	£837	£869	£903
Total	**534**	**882**	**1,464**	**£495,000**	**£726,094**	**£1,225,000**	**£747**	**£823**	**£974**

Achieved Prices

Unit Type	Min Size	Av Size	Max Size	Min Price	Av Price	Max Price	Min £/sqft	Av £/sqft	Max £/sqft
1 Bed	534	541	548	£470,700	£487,350	£504,000	£859	£901	£944
2 Bed	806	858	902	£634,625	£693,541	£740,000	£746	£809	£883
3 Bed	1,356	1,410	1,464	£1,136,250	£1,155,000	£1,173,750	£802	£819	£838
Total	**534**	**885**	**1,464**	**£470,700**	**£723,573**	**£1,173,750**	**£746**	**£817**	**£944**

Park Place

Asking Prices

Unit Type	Min Size	Av Size	Max Size	Min Price	Av Price	Max Price	Min £/sqft	Av £/sqft	Max £/sqft
1 Bed	543	559	571	£510,000	£545,294	£595,000	£893	£976	£1,053
2 Bed	686	824	988	£630,000	£748,793	£940,000	£829	£909	£1,020
3 Bed	944	1,088	1,307	£795,000	£952,389	£1,300,000	£764	£875	£995
Total	**543**	**828**	**1,307**	**£510,000**	**£752,000**	**£1,300,000**	**£764**	**£909**	**£1,053**

Achieved Prices

Unit Type	Min Size	Av Size	Max Size	Min Price	Av Price	Max Price	Min £/sqft	Av £/sqft	Max £/sqft
1 Bed	543	548	560	£505,000	£520,000	£530,000	£920	£950	£984
2 Bed	697	787	988	£191,154	£611,795	£805,000	£224	£777	£942
3 Bed	961	1,070	1,263	£765,000	£868,889	£1,075,000	£772	£812	£864
Total	**543**	**846**	**1,263**	**£191,154**	**£692,441**	**£1,075,000**	**£224**	**£819**	**£984**

Mode

Asking Prices

Unit Type	Min Size	Av Size	Max Size	Min Price	Av Price	Max Price	Min £/sqft	Av £/sqft	Max £/sqft
1 Bed	547	578	612	£640,000	£666,929	£687,000	£1,070	£1,153	£1,254
2 Bed	757	833	877	£695,000	£798,143	£920,000	£797	£958	£1,114
3 Bed	958	958	958	£1,100,000	£1,115,000	£1,130,000	£1,148	£1,164	£1,180
Total	**547**	**766**	**958**	**£640,000**	**£785,761**	**£1,130,000**	**£797**	**£1,026**	**£1,254**

Achieved Prices

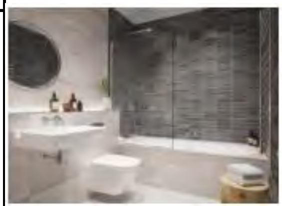
Unit Type	Min Size	Av Size	Max Size	Min Price	Av Price	Max Price	Min £/sqft	Av £/sqft	Max £/sqft
1 Bed	549	590	614	£590,000	£602,500	£640,000	£977	£1,021	£1,166
2 Bed	710	818	872	£799,000	£846,000	£920,000	£975	£1,034	£1,218
3 Bed	958	958	958	£1,015,000	£1,026,944	£1,045,000	£1,059	£1,072	£1,091
Total	**549**	**752**	**958**	**£590,000**	**£778,423**	**£1,045,000**	**£975**	**£1,036**	**£1,218**

Belsize Park Firehouse
NW3 4PB

Developer:	Vulcan Properties/ Eastern Homes	
Overall Av £/sq ft:	**Asking:**	£1,345
	Achieved:	£1,340
Total Units:	20	
Total Private Units:	20	

Private Unit Mix:	#	%
Studio	0	0%
1 Bed	14	70%
2 Bed	5	25%
3 Bed	0	0%
4 Bed	1	5%

Max No. Storeys:	6
Launch Date:	Mar-18
Completion Date:	Aug-21
Transport Links:	8 mins walk from Swiss Cottage Tube Station
	11 mins walk from Belsize Park Tube Station
	14 mins walk from Finchley Road Station
Local Authority:	Camden
Specification:	Contemporary Italian kitchens Feature lighting beneath high level units Stone worktops Chrome mixer taps and stainless steel mounted sinks Premium brand integrated appliances Porcelain natural wall & floor tiles Counter basins w/ stone top or integrated vanity units Electric underfloor heating in all bathrooms
Amenity Provision:	Weekly cleaning of internal and external areas On-site gardener for maintenance of communal gardens On-site porter for upkeep and deliveries
# Parking Spaces:	7
Parking Space £:	£60,000.00
Current Status:	Under construction
Units Sold:	9
Av Sales Rate PCM:	0.22
Incentives:	
Other Comments:	



Plot	Floor	Unit Type	Area Sq Ft	Asking Price	Asking £/sqft	Achieved Price	Achieved £/sqft	Date Sold
Flat 1	B	1 Bed	588	£775,000	£1,318	£775,000	£1,318	Jul-20
Flat 2	B	1 Bed	589	£775,000	£1,316	£725,000	£1,231	Feb-21
Flat 3	B	1 Bed	539	£715,000	£1,327		£0	
Flat 4	B	1 Bed	545	£715,000	£1,312		£0	
Flat 5	G	2 Bed	1215	£1,750,000	£1,440	£1,750,000	£1,440	TBC
Flat 6	G	4 Bed	2568	£3,950,000	£1,538		£0	
Flat 7	1	1 Bed	550	£725,000	£1,318	£725,000	£1,318	May-21
Flat 8	1	1 Bed	1298	£1,700,000	£1,310	£1,760,000	£1,356	Jul-20
Flat 9	2	2 Bed	1359	£1,550,000	£1,141		£0	
Flat 10	2	2 Bed	874	£1,150,000	£1,316	£1,150,000	£1,316	
Flat 11	2	1 Bed	540	£600,000	£1,111		£0	
Flat 12	1	2 Bed	588	£775,000	£1,318	£775,000	£1,318	TBC
Flat 13	1	1 Bed	539	£700,000	£1,299		£0	
Flat 14	1	1 Bed	544	£700,000	£1,287		£0	
Flat 15	1	2 Bed	587	£800,000	£1,363		£0	
Flat 16	1	1 Bed	540	£730,000	£1,352		£0	
Flat 17	1	1 Bed	535	£715,000	£1,336	£715,000	£1,336	
Flat 18	1	1 Bed	517	£725,000	£1,402		£0	
Flat 19	3, 4, 5	1 Bed	620	£800,000	£1,290		£0	
Flat 20	1	1 Bed	539	£735,000	£1,364	£710,000	£1,317	Mar-21

Centre Heights
NW3 6JG

Developer:	Anaspel Ltd	
Overall Av £/sq ft:	**Asking:**	£1,010
	Achieved:	£945
Total Units:	49	
Total Private Units:	49	

Private Unit Mix:		#	%
	Studio		#DIV/0!
	1 Bed		#DIV/0!
	2 Bed		#DIV/0!
	3 Bed		#DIV/0!
	4 Bed		#DIV/0!

Max No. Storeys:	12
Launch Date:	Feb-15
Completion Date:	Sep-20
Transport Links:	2 mins walk from Swiss Cottage Tube Station (Jubilee line)
	6 mins walk from Finchley Tube Station
Local Authority:	Camden
Specification:	Worktops in Corian white or granite or Siles stone Blanco Zeus Electrolux kitchen appliances and washer/dryer Bianco Culina kitchen tap Corian white or porcelan basin Hansgrohe taps Underfloor heating Basic Oak Tabacco flooring
Amenity Provision:	Onsite Management, concierge and security
# Parking Spaces:	TBC
Parking Space £:	TBC
Current Status:	Part Sold - Marketing on Hold
Units Sold:	40
Av Sales Rate PCM:	0.59
Incentives:	
Other Comments:	Resale values achieved price increases of up to 19% on new build price. There are two parts to the scheme: - 40 flats (35 conversion and five newbuild extension) are complete and either sold or rented out, although a penthouse is still advertised via Hamptons and Douglas & Gordon in the hope that someone might buy it. - Nine mews houses have yet to be started. A mini multi-storey car park currently stands on the site and there was talk of a new application for a block of flats on the site, but this has not materialised.

Plot	Floor	Unit Type	Area Sq Ft	Asking Price	Asking £/sqft	Achieved Price	Achieved £/sqft	Date Sold
101	1	1 Bed	409		£0	£445,000	£1,088	Oct-16
102	1	1 Bed	452		£0	£465,000	£1,029	Oct-16
103	1	1 Bed	538		£0	£525,000	£975	Apr-17
104	1	1 Bed	560		£0	£560,000	£1,000	Oct-16
105	1	1 Bed	560		£0	£545,000	£974	Oct-16
106	1	Studio	398		£0	£420,000	£1,055	Oct-16
107	1	Studio	398		£0		£0	
201	2	1 Bed	409		£0	£348,500	£852	Feb-16
202	2	1 Bed	452		£0	£480,000	£1,062	Feb-16
203	2	1 Bed	538		£0	£458,000	£851	Feb-16
204	2	1 Bed	560		£0	£484,500	£866	Feb-16
205	2	1 Bed	560		£0	£575,000	£1,027	Apr-19
206	2	Studio	398		£0	£415,000	£1,042	Jan-16
207	2	Studio	398		£0	£410,000	£1,029	Feb-16
301	3	1 Bed	409		£0	£440,000	£1,076	Jan-16

302	3	1 Bed	452		£0	£485,000	£1,073	Feb-16
303	3	1 Bed	538		£0	£458,000	£851	Jan-16
304	3	1 Bed	560		£0	£484,500	£866	Feb-16
305	3	1 Bed	560		£0	£476,000	£850	Feb-16
306	3	Studio	398		£0		£0	
307	3	Studio	398		£0	£400,000	£1,004	Feb-16
401	4	1 Bed	409		£0	£465,500	£1,138	Jan-17
402	4	1 Bed	452	£450,000	£995	£430,000	£951	Oct-17
403	4	1 Bed	538		£0	£560,500	£1,041	Jan-17
404	4	1 Bed	560	£560,000	£1,000	£499,950	£893	Jul-18
405	4	1 Bed	560	£548,000	£979	£528,000	£943	Sep-17
406	4	Studio	398		£0	£440,000	£1,105	Jan-17
407	4	Studio	398	£430,000	£1,080	£425,000	£1,067	Nov-17
501	5	1 Bed	409		£0	£326,277	£798	Mar-16
502	5	1 Bed	452		£0	£360,495	£797	Mar-16
503	5	1 Bed	538		£0	£428,934	£797	Mar-16
504	5	1 Bed	560		£0	£453,604	£810	Mar-16
505	5	1 Bed	560		£0	£445,646	£796	Mar-16
506	5	Studio	398		£0	£317,522	£797	Mar-16
507	5	Studio	398		£0	£317,522	£797	Mar-16

Winchester Place
NW3 3NT

Developer:	Galliard Homes		
Overall Av £/sq ft:	**Asking:**	£1,010	
	Achieved:	£925	
Total Units:	76		
Total Private Units:	54		
Private Unit Mix:		**#**	**%**
	Studio	0	0%
	1 Bed	21	39%
	2 Bed	16	30%
	3 Bed	10	19%
	4 Bed	4	7%
	6 Bed	3	6%
Max No. Storeys:	-		
Launch Date:	Sep-08		
Completion Date:	Sep-08		
Transport Links:	4 mins walk from Swiss Cottage Station (Jubilee line)		
Local Authority:	Camden		
Specification:	High Balcony		
Amenity Provision:	24 hour concierge, underground parking		
# Parking Spaces:	No		
Parking Space £:	n/a		
Current Status:	All sold		
Units Sold:	54		
Av Sales Rate PCM:	Rapid Sale - all sold within 2 years. Calcualte circa 2.25 per month		
Incentives:			
Other Comments:	The scheme will complete in June 2010 and whilst there were units for sale these are re-sales. Resale values are displayed below. The Resale values have shown an average increase in prices of 17%.		

Plot	Floor	Unit Type	Area Sq Ft	Asking Price	Asking £/sqft	Achieved Price	Achieved £/sqft	Date Sold
FLAT 2		1 Bed	603		£0	£600,000	£995	Oct-18
FLAT 6		3 Bed	1450	£1,650,000	£1,138	£1,470,000	£1,014	Jul-19
FLAT 33		2 Bed	1680	£1,535,000	£914	£1,350,000	£804	Jul-19
FLAT 50		3 Bed	1220	£1,295,000	£1,061	£1,230,000	£1,008	Jan-20
FLAT 16		1 Bed	527	£435,000	£825	£430,000	£816	Dec-20

Thirty2 (Fleet Community Centre)
NW3 2XU

Developer:	Fairview New Homes		
Overall Av £/sq ft:	**Asking:**	£1,110	
	Achieved:	£1,025	
Total Units:	72		
Total Private Units:	56		
Private Unit Mix:		#	%
	Studio	0	0%
	1 Bed	18	32%
	2 Bed	28	50%
	3 Bed	10	18%
	4 Bed	0	0%
Max No. Storeys:			
Launch Date:	Sep-16		
Completion Date:	Mar-18		
Transport Links:	Belsize Park Underground Station - 5 minutes Hampstead Heath Overground Station - 12 minutes		
Local Authority:	Camden		
Specification:	Integrated appliances from Miele and Siemens White high gloss kitchen units with soft close, handle-less doors Black Nero granite worktops Engineered oak flooring to hall, kitchen, living/dining room and bedrooms		
Amenity Provision:	N/A		
# Parking Spaces:	TBC		
Parking Space £:	TBC		
Current Status:	All sold		
Units Sold:	56		
Av Sales Rate PCM:	3.1		
Incentives:			
Other Comments:	At the end of Q1 2018 the scheme has sold out, having completed during Q4 2017. We provide below the latest sales along with some more recent reseales.		

Plot	Floor	Unit Type	Area Sq Ft	Asking Price	Asking £/sqft	Achieved Price	Achieved £/sqft	Date Sold
27	G	Studio	434	£510,000	£1,175	£699,000	£1,611	Nov-17
61	5	Studio	468		£0	£820,000	£1,752	Jul-17
1	G	1 Bed	540	£650,000	£1,204	£590,000	£1,093	Jul-17
20	5	1 Bed	541		£0	£600,000	£1,109	Oct-17
23	6	1 Bed	541	£640,000	£1,183	£580,000	£1,072	Mar-20
36	1	1 Bed	541	£600,000	£1,109	£475,000	£878	Jun-17
43	2	1 Bed	541		£0	£685,000	£1,266	Jul-17
56	4	1 Bed	541		£0	£900,000	£1,664	May-17
60	5	1 Bed	548	£650,000	£1,186	£875,000	£1,597	Aug-17
42	2	1 Bed	549		£0	£850,000	£1,548	Aug-17
45	2	1 Bed	549		£0	£710,000	£1,293	Oct-17
47	3	1 Bed	549	£1,350,000	£2,459	£949,000	£1,729	Jun-17
49	3	1 Bed	549		£0	£600,000	£1,093	Sep-17
55		1 Bed	549		£0	£775,000	£1,412	Sep-20
62	5	1 Bed	549		£0	£994,700	£1,812	Jun-17
31	G	1 Bed	552	£600,000	£1,087	£753,360	£1,365	Jan-18
17	3	2 Bed	663	£750,000	£1,131	£760,000	£1,146	Nov-17
19	4	2 Bed	663	£750,000	£1,131	£655,000	£988	Sep-17
22	5	2 Bed	663		£0	£600,000	£905	Sep-17
34	1	2 Bed	680	£670,000	£985	£555,000	£816	Oct-17
41	2	2 Bed	694		£0	£800,000	£1,153	May-17

48	3	2 Bed	694		£0	£719,300	£1,036	Sep-17
32	1	2 Bed	698	£700,000	£1,003	£928,159	£1,330	Oct-17
39	2	2 Bed	698	£650,000	£931	£800,000	£1,146	May-17
46	3	2 Bed	698		£0	£600,000	£860	Jun-17
5	2	2 Bed	736	£799,999	£1,087	£640,000	£870	Sep-17
7	3	2 Bed	736	£835,000	£1,135	£600,000	£815	Dec-17
9		2 Bed	736		£0	£600,000	£815	Aug-17
37	1	2 Bed	746	£800,000	£1,072	£700,000	£938	Feb-18
44	2	2 Bed	746		£0	£893,000	£1,197	Jun-17
57	4	2 Bed	746	£780,000	£1,046	£795,000	£1,066	May-17
30	G	2 Bed	758		£0	£742,500	£980	Feb-18
58	4	2 Bed	785		£0	£880,000	£1,121	Jul-17
15	2	2 Bed	800	£835,000	£1,044	£580,000	£725	Aug-17
25	6	2 Bed	800		£0	£695,000	£869	Sep-17
26	6	2 Bed	822		£0	£795,175	£967	Dec-17
53	4	2 Bed	856		£0	£590,000	£689	Jun-17
24	6	2 Bed	883		£0	£756,000	£856	Dec-17
21	5	3 Bed	926		£0	£755,000	£815	Sep-17
59	5	3 Bed	934		£0	£740,000	£792	Sep-17
12	1	3 Bed	963		£0	£641,000	£666	Nov-17
14	2	3 Bed	963	£899,000	£934	£685,000	£711	Nov-17
16	3	3 Bed	963	£899,000	£934	£600,000	£623	Aug-17
18	4	3 Bed	963		£0	£590,000	£613	Sep-17
4	1	3 Bed	985	£900,000	£914	£702,000	£713	Oct-17
10	4	3 Bed	985		£0	£720,000	£731	Nov-17
51 & 52	3		1284		£0	£1,672,926	£1,303	Sep-17

Kidderpore Green
NW3 7ST

Developer:	Barratt London	
Overall Av £/sq ft:	**Asking:**	£1,215
	Achieved:	£1,050
Total Units:	128	
Total Private Units:	93	

Private Unit Mix:	#	%
Studio	0	0%
1 Bed	15	16%
2 Bed	38	41%
3 Bed	36	39%
4 Bed	4	4%

Max No. Storeys:	6
Launch Date:	Sep-15
Completion Date:	Mar-19
Transport Links:	0.8 miles from West Hamstead Station (Northern line)
Local Authority:	Camden
Specification:	Spanish handleless furniture Ceramic worktops Grohe chrome finish mixer tap Siemens integrated appliances Wine cooler Duravit white sanitary ware Engineered tongue and groove flooring to hall and living areas
Amenity Provision:	Residents landscape garden, private parking, 12 hour concierge
# Parking Spaces:	N/A
Parking Space £:	N/A
Current Status:	All Sold
Units Sold:	93
Av Sales Rate PCM:	2.2
Incentives:	-
Other Comments:	The scheme sold out during March 2019, having completed during Q4 2018.

Plot	Floor	Unit Type	Area Sq Ft	Asking Price	Asking £/sqft	Achieved Price	Achieved £/sqft	Date Sold
1	G	3 Bed	2261	£2,765,000	£1,223		£0	
2	1	4 Bed	2176	£1,995,000	£917		£0	
3	G	3 Bed	2316	£2,750,000	£1,187		£0	
4	1	4 Bed	2606	£3,120,000	£1,197		£0	
9	G	2 Bed	1234	£1,950,000	£1,580		£0	
10	G	3 Bed	1368	£1,800,000	£1,316		£0	
11	2	3 Bed	1143	£1,620,000	£1,417		£0	
13	2	2 Bed	1035	£1,420,000	£1,372		£0	
18	3	2 Bed	1035	£1,650,000	£1,594		£0	
19A 07	G	3 Bed	1725	£1,950,000	£1,130		£0	
20	3	3 Bed	1222	£1,815,000	£1,485		£0	
21B 06	1	4 Bed	1923	£1,895,000	£985		£0	
22	4	3 Bed	1143	£1,740,000	£1,522		£0	
24	4	2 Bed	1035	£1,710,000	£1,652		£0	
25B 02	1	4 Bed	2176	£2,450,000	£1,126		£0	
37	6	3 Bed	1539	£2,390,000	£1,553		£0	
40	G	1 Bed	614	£625,000	£1,018		£0	
42	1	1 Bed	604	£640,000	£1,060		£0	
47	G	2 Bed	921	£845,000	£917		£0	
50	3	2 Bed	921	£855,000	£928		£0	
51	4	1 Bed	552	£685,000	£1,241		£0	
KG 01	House	4 Bed	3132	£3,850,000	£1,229		£0	
WH 01	G	4 Bed	3132	£3,750,000	£1,197		£0	

FLAT 1		2 Bed	904		£0	£997,500	£1,103	Jun-18
FLAT 2		2 Bed	904		£0	£870,000	£962	Mar-19
FLAT 3		2 Bed	904		£0	£870,000	£962	Nov-18
FLAT 4		2 Bed	926		£0	£830,000	£896	Feb-19
FLAT 5		2 Bed	850		£0	£836,000	£984	Jun-18
FLAT 6		2 Bed	904		£0	£875,000	£968	Jun-18
FLAT 7		2 Bed	904		£0	£970,000	£1,073	Jun-18
FLAT 8		2 Bed	990		£0	£965,000	£975	Jun-18
FLAT 9		2 Bed	850		£0	£820,000	£965	Jul-18
FLAT 10		2 Bed	904		£0	£800,000	£885	Dec-18
FLAT 11		2 Bed	904		£0	£980,000	£1,084	Jun-18
FLAT 12		2 Bed	990		£0	£940,000	£949	Aug-18
FLAT 13		3 Bed	1927		£0	£1,800,000	£934	Jun-18
BH 14	G	2 Bed	909	£1,050,000	£1,155		£0	
BH 15	G	2 Bed	901	£870,000	£966		£0	
BH 16	G	2 Bed	898	£904,000	£1,007		£0	
BH 17	G	3 Bed	921	£885,000	£961		£0	
BH 18	1	4 Bed	852	£870,000	£1,021		£0	
BH 19	1	5 Bed	900	£1,040,000	£1,156		£0	
BH 23	2	6 Bed	897	£910,000	£1,014		£0	
BH 25	2	7 Bed	990	£986,000	£996		£0	
MH 01		2 Bed	861		£0	£810,000	£941	Nov-18
MH 02	G	2 Bed	855	£850,000	£994		£0	
MH 03	1	2 Bed	879	£799,995	£910		£0	
MH 05	1	1 Bed	632	£665,000	£1,052	£805,000	£1,274	Nov-18
MH 06	2	2 Bed	879	£990,000	£1,126	£805,000	£916	Sep-18
MH 08	2	1 Bed	632		£0	£600,000	£949	Jun-18
MH 09	2	1 Bed	632		£0	£814,650	£1,289	Jul-18
MH 10	3	2 Bed	879	£849,000	£966	£814,650	£927	Jun-18
MH 11	3	2 Bed	879	£849,000	£966	£581,000	£661	Jun-18
MH 12	3	1 Bed	632		£0	£650,000	£1,028	Jun-18
MH 13	3	1 Bed	632		£0	£805,000	£1,274	Aug-18
MH 14	G	2 Bed	909		£0	£815,000	£897	Jun-18
MH 15	G	2 Bed	900		£0	£650,000	£722	Jun-18
MH 16	G	2 Bed	898		£0	£600,000	£668	Jun-18
MH 18	1	2 Bed	852	£1,035,000	£1,215		£0	
MH 25	2	2 Bed	990	£1,150,000	£1,162		£0	
MH 39	3	3 Bed	1364	£1,650,000	£1,210		£0	
FLAT 1		2 Bed	904		£0	£800,000	£885	Jun-19
FLAT 2		2 Bed	990		£0.00	£1,125,000	£1,136	Jun-18
FLAT 3		2 Bed	850		£0.00	£795,000	£935	Feb-19
FLAT 4		2 Bed	915		£0.00	£971,250	£1,061	Sep-18
FLAT 5		2 Bed	904		£0.00	£875,000	£968	Jun-18
FLAT 6		2 Bed	990		£0.00	£1,045,000	£1,056	Jun-18
FLAT 7		2 Bed	850		£0.00	£855,000	£1,006	Sep-18
FLAT 8		2 Bed	893		£0.00	£865,000	£969	Jun-18
FLAT 9		2 Bed	904		£0.00	£910,000	£1,007	Sep-18
FLAT 10		2 Bed	990		£0.00	£1,075,000	£1,086	Jun-18
FLAT 11		2 Bed	850		£0.00	£930,000	£1,094	Jun-18
FLAT 12		2 Bed	893		£0.00	£927,000	£1,038	Jun-18
FLAT 13		3 Bed	1464		£0.00	£1,450,000	£990	Sep-18
FLAT 14		3 Bed	1453		£0.00	£1,400,000	£964	Jun-18
RH 29	G	2 Bed	851	£880,000	£1,034.08		£0	
RH 35	2	2 Bed	902	£920,000	£1,019.96		£0	
RH 39	3	3 Bed	1364	£1,655,000	£1,213.34		£0	
CH 01	1	3 Bed	1367		£0	£1,400,000	£1,024	Jun-16
CH 02	1	4 Bed	2176	£2,910,000	£1,337		£0	
FLAT 3		3 Bed	1658		£0	£1,975,000	£1,191	Dec-16
FLAT 4		2 Bed	1033		£0	£1,000,000	£968	Apr-17
FLAT 5		3 Bed	1216		£0	£1,225,000	£1,007	May-17
FLAT 6		3 Bed	1744		£0	£1,850,000	£1,061	Jun-17
FLAT 7		2 Bed	1130		£0	£1,125,000	£996	Nov-17
FLAT 8		2 Bed	1130		£0	£1,105,000	£978	Aug-17

FLAT 9		2 Bed	1033		£0	£1,100,000	£1,065	Dec-16
FLAT 10		3 Bed	1216		£0	£1,200,000	£987	Oct-17
CH 11	2	3 Bed	1143	£1,250,000	£1,094	£1,520,625	£1,330	Jun-16
CH 12	2	3 Bed	1671	£2,205,000	£1,320	£1,240,000	£742	Jan-17
CH 13	2	2 Bed	1035	£1,250,000	£1,208	£1,100,000	£1,063	Nov-17
CH 14		2 Bed	1130		£0	£1,150,000	£1,018	Jun-17
CH 15		2 Bed	1033		£0	£1,200,000	£1,162	Sep-16
CH 16	2	3 Bed	1143	£1,300,000	£1,137	£1,200,000	£1,050	Jun-17
CH 17	2	3 Bed	1147	£1,257,000	£1,096	£1,200,000	£1,046	Feb-18
CH 18	3	2 Bed	1035	£1,375,000	£1,329	£1,275,000	£1,232	Nov-16
CH 19	2	3 Bed	1223	£1,350,000	£1,104	£1,650,000	£1,349	Aug-16
CH 20	3	3 Bed	1222	£1,685,000	£1,379	£1,250,000	£1,023	Jun-17
CH 21	3	2 Bed	1030	£1,470,000	£1,427	£1,030,000	£1,000	Aug-17
CH 22	4	3 Bed	1143	£1,275,000	£1,115		£0	
CH 23	3	3 Bed	1140	£1,369,000	£1,201	£1,275,000	£1,118	Aug-17
CH 24	4	2 Bed	1030	£1,400,000	£1,359	£1,261,000	£1,224	Mar-17
CH 25	3	3 Bed	1223	£1,459,000	£1,193	£1,560,000	£1,276	Apr-17
CH 26	3	3 Bed	1222	£1,600,000	£1,309	£1,500,000	£1,227	May-17
CH 27		3 Bed	1507		£0	£1,909,965	£1,267	Dec-16
CH 28		3 Bed	1539		£0	£2,100,000	£1,365	Dec-16
CH 30		3 Bed	1528		£0	£2,242,000	£1,467	Jun-16
CH 32	4	3 Bed	1222	£1,650,000	£1,350		£0	
CH 33	4	2 Bed	1030	£1,540,000	£1,495		£0	
CH 36	5	3 Bed	1517	£2,500,000	£1,648		£0	
CH 37	6	2 Bed	1539	£2,390,000	£1,553		£0	

Hampstead Manor
NW3 7ST

Developer:	Mount Anvil		
Overall Av £/sq ft:	**Asking:**	£1,490	
	Achieved:	£1,335	
Total Units:	156		
Total Private Units:	125		
Private Unit Mix:		#	%
	Studio	0	0%
	1 Bed	1	1%
	2 Bed	40	32%
	3 Bed	60	48%
	4 Bed	13	10%
	5 Bed	10	8%
	6 Bed	1	1%
Max No. Storeys:			
Launch Date:	Nov-16		
Completion Date:			
Transport Links:	0.9 miles from Hamstead Station (Northern lines)		
Local Authority:	Camden		
Specification:	Kitchens by Moores from the Elise range feature; Zanussi Integrated appliances Roca bath suite Blanco crest single lever basin mixer Solido Elite wood laminate flooring to Hallway		
Amenity Provision:	24 hour concierge, Spa, 5m x 14m swimming pool, sauna, steam room, jacuzzi, gym, landscape gardens		
# Parking Spaces:	right to park		
Parking Space £:			
Current Status:	For sale		
Units Sold:	123		
Av Sales Rate PCM:	2.2		
Incentives:			
Other Comments:	Two units remain unsold at the end of Q2 2021 - a 2-bed at £1.425m and a 3-bed at £2.35m.		

Plot	Floor	Unit Type	Area Sq Ft	Asking Price	Asking £/sqft	Achieved Price	Achieved £/sqft	Date Sold
B.1.01	3	1 Bed	765	£975,000	£1,275		£0	
B.2.01	2	2 Bed	860	£1,425,000	£1,657		£0	
B.2.02	4	2 Bed	1063	£1,625,000	£1,529		£0	
B.G.01	1	1 Bed	522	£725,000	£1,389		£0	
B.G.03	G	Studio	451	£650,000	£1,441		£0	
B.UG.02	2	2 Bed	1083	£1,725,000	£1,593		£0	
B.UG.05	2	1 Bed	615	£1,100,000	£1,789		£0	
C.1.03	1	2 Bed	860	£1,575,000	£1,831		£0	
C.1.04	1	2 Bed	999	£1,695,000	£1,697		£0	
C.G.01	G	2 Bed	1461	£1,795,500	£1,229		£0	
C.G.02	G	2 Bed	1306		£0		£0	
C.G.03	G	3 Bed	1648	£2,560,250	£1,554		£0	
C.G.04	G	3 Bed	1946	£2,975,000	£1,529		£0	
C.G.05	G	3 Bed	1614	£2,350,000	£1,456		£0	
DB.1.01	1	4 Bed	1112	£1,750,000	£1,574		£0	
DB.1.02	1	2 Bed	1028	£1,650,000	£1,605		£0	
DB.2.01	2	2 Bed	1037	£1,567,500	£1,512		£0	
DB.2.02	2	2 Bed	877	£1,450,000	£1,653		£0	
DB.2.04	2	2 Bed	1022	£1,425,000	£1,394		£0	
DB.G.01	G	3 Bed	1862	£2,495,000	£1,340		£0	
DB.G.02	G	2 Bed	1330	£1,750,000	£1,316		£0	

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M.2.05	4	3 Bed	1366	£2,095,000	£1,534		£0	
M.G.02	G	1 Bed	785	£1,050,000	£1,338		£0	
RF.G.01	G	2 Bed	1096	£1,275,000	£1,163	£1,175,000	£1,072	Jun-19
RF.G.02	G	2 Bed	1152	£1,325,000	£1,150		£0	
RF.G.03	G	2 Bed	992			£1,100,000	£1,109	Jun-19
RF.1.01	1	3 Bed	1234		£0		£0	
RF.1.02	1	1 Bed	548	£765,000	£1,396		£0	
RF.1.03	1	2 Bed	865	£1,200,000	£1,387		£0	
RF.1.04	1	2 Bed	820	£1,200,000	£1,463		£0	
RF.1.05	1	2 Bed	826	£1,210,000	£1,465		£0	
RF.1.06	1	1 Bed	552	£755,000	£1,368		£0	
RF.2.03	2	1 Bed	552	£755,000	£1,368		£0	
RF.3.01	3	3 Bed	1243		£0		£0	
RF.3.03	3	1 Bed	552	£775,000	£1,404		£0	
RF.3.04	3	2 Bed	865	£1,280,000	£1,480		£0	
RF.3.05	3	2 Bed	820	£1,280,000	£1,561		£0	
RF.3.06	3	2 Bed	826	£1,290,000	£1,562		£0	
RF.3.08	3	2 Bed	770	£1,600,000	£2,078		£0	
RF.4.01	4	2 Bed	1071	£785,000	£733		£0	
RF.4.03	4	1 Bed	552	£1,290,000	£2,337		£0	
RF.4.04	4	2 Bed	859	£1,290,000	£1,502		£0	
RF.4.05	4	2 Bed	817	£1,290,000	£1,579		£0	
RF.4.06	4	2 Bed	818	£1,300,000	£1,589		£0	
RF.4.07	4	2 Bed	560		£0		£0	
TR.02	House	4 Bed	2130	£3,450,000	£1,620		£0	
TR.07	House	4 Bed	2130	£3,500,000	£1,643		£0	
W.1.02	1	2 Bed	800	£1,240,000	£1,550		£0	
W.1.03	1	1 Bed	648	£802,500	£1,238		£0	
W.3.02	3	2 Bed	1034	£1,470,000	£1,422		£0	
W.3.03	3	1 Bed	460	£747,500	£1,625		£0	
W.G.01	G	1 Bed	570	£755,000	£1,325		£0	
W.G.02	G	2 Bed	800	£1,195,000	£1,494		£0	
W.LG.01	LG	2 Bed	779	£1,200,000	£1,540		£0	
Rosalind Franklin House								
1		2 Bed	1098		£0	£1,175,000	£1,070	Jun-19
3		2 Bed	990		£0	£1,100,000	£1,111	Jun-19
7		Studio	463		£0	£490,050	£1,058	Jun-19
8		1 Bed	570		£0	£615,000	£1,079	Jun-19
10		1 Bed	657		£0	£720,000	£1,096	Jun-19
11		2 Bed	1227		£0	£1,641,250	£1,338	Jun-19
12		1 Bed	549		£0	£720,000	£1,311	Jun-19
14		2 Bed	861		£0	£1,156,250	£1,343	Jun-19
15		2 Bed	818		£0	£1,025,000	£1,253	Nov-19
16		2 Bed	829		£0	£1,170,000	£1,411	Jul-19
17		1 Bed	549		£0	£725,000	£1,321	Jul-19
18		2 Bed	753		£0	£1,150,000	£1,527	Jul-19
19		3 Bed	1238		£0	£1,520,000	£1,228	Jul-19
20		1 Bed	549		£0	£740,000	£1,348	Jul-19
21		1 Bed	549		£0	£709,700	£1,293	Jun-19
22		2 Bed	861		£0	£1,000,000	£1,161	Nov-19
23		3 Bed	1722		£0	£2,300,000	£1,336	Jun-19
24		1 Bed	549		£0	£727,500	£1,325	Sep-19
25		2 Bed	775		£0	£1,126,000	£1,453	Jul-19
26		3 Bed	1238		£0	£1,650,000	£1,333	Jul-19
27		1 Bed	549		£0	£735,000	£1,339	Aug-19
28		1 Bed	549		£0	£745,000	£1,357	Jul-19
29		2 Bed	861		£0	£1,170,000	£1,359	Aug-19
31		1 Bed	560		£0	£742,250	£1,325	Jun-19
32		2 Bed	775		£0	£1,197,000	£1,545	Jun-19
33		3 Bed	1238		£0	£1,370,000	£1,107	Jun-19
34		1 Bed	549		£0	£755,000	£1,375	Jul-19
35		1 Bed	549		£0	£737,900	£1,344	Aug-19

36		2 Bed	861		£0	£1,340,000	£1,556	Jul-19
37		3 Bed	1711		£0	£2,250,000	£1,315	Sep-19
38		1 Bed	560		£0	£738,000	£1,318	Jul-19
39		2 Bed	775		£0	£1,238,000	£1,597	Jul-19
Bay House								
3		1 Bed	538		£0	£785,000	£1,459	Dec-18
4		3 Bed	1378		£0	£1,700,000	£1,234	Dec-18
5		1 Bed	570		£0	£745,000	£1,307	Dec-18
6		Studio	474		£0	£736,000	£1,553	Jun-18
8		2 Bed	786		£0	£1,350,000	£1,718	Jun-19
9		2 Bed	915		£0	£1,540,000	£1,683	Dec-18
10		2 Bed	1163		£0	£1,585,000	£1,363	Dec-18
11		1 Bed	614		£0	£980,000	£1,596	Nov-19
12		1 Bed	614		£0	£745,000	£1,213	Dec-18
13		1 Bed	592		£0	£765,000	£1,292	Dec-18
15		1 Bed	624		£0	£1,018,350	£1,632	Sep-18
Champman House								
2		2 Bed	1313		£0	£1,400,000	£1,066	Dec-18
6		2 Bed	861		£0	£1,334,000	£1,549	Nov-20
7		1 Bed	538		£0	£788,000	£1,465	Oct-19
8		2 Bed	807		£0	£1,470,000	£1,822	Dec-18
9		3 Bed	1905		£0	£3,050,000	£1,601	Mar-19
10		3 Bed	1615		£0	£2,075,000	£1,285	Dec-18
11		2 Bed	786		£0	£788,000	£1,003	Oct-19
14		2 Bed	1001		£0	£1,580,250	£1,579	Sep-19
Dudin House								
FLAT 1		3 Bed	1701		£0	£1,555,000	£914	Jan-20
FLAT 2		2 Bed	1033		£0	£1,574,000	£1,524	Jun-18
FLAT 3		2 Bed	1109		£0	£1,330,000	£1,199	Jul-18
FLAT 5		2 Bed	1023		£0	£1,650,000	£1,613	Nov-18
FLAT 4		2 Bed	1033		£0	£2,300,000	£2,227	Jan-19
Maynard House								
1		3 Bed	1593		£0	£2,430,000	£1,525	Nov-19
5		2 Bed	1119		£0	£1,584,000	£1,416	Mar-19
6		2 Bed	1119		£0	£1,350,000	£1,206	Mar-19
9		2 Bed	915		£0	£1,268,000	£1,386	Sep-20
10		2 Bed	915		£0	£1,225,000	£1,339	Aug-19
14		2 Bed	861		£0	£1,088,000	£1,264	Jun-19
Willoughby House								
2		1 Bed	570		£0	£715,000	£1,254	Mar-19
3		2 Bed	797		£0	£1,150,000	£1,443	Mar-19
4		1 Bed	667		£0	£720,000	£1,079	Mar-19
5		1 Bed	538		£0	£719,100	£1,337	Mar-19
6		1 Bed	560		£0	£719,100	£1,284	Mar-19
7		3 Bed	1841		£0	£2,455,000	£1,334	Mar-19
8		2 Bed	797		£0	£1,140,800	£1,431	Mar-19
9		1 Bed	667		£0	£730,000	£1,094	Mar-19
10		1 Bed	538		£0	£745,000	£1,385	Jan-19
12		4 Bed	2626		£0	£3,570,000	£1,359	Feb-19
13		2 Bed	958		£0	£880,000	£919	Mar-19
14		2 Bed	947		£0	£1,155,000	£1,220	Aug-19
15		2 Bed	1206		£0	£1,225,000	£1,016	Mar-19

Abbey Road Cross
NW6 4BR

Developer:	LB Camden		
Overall Av £/sq ft:	**Asking:**	£825	
	Achieved:	£815	
Total Units:	241		
Total Private Units:	127		
Private Unit Mix:		**#**	**%**
	Studio	0	0%
	1 Bed	38	30%
	2 Bed	72	57%
	3 Bed	17	13%
	4 Bed	0	0%
Max No. Storeys:	13		
Launch Date:	Oct-18		
Completion Date:	Q2 2019		
Transport Links:	South Hampstead, Swiss Cottage, West Hampstead, St. John's Wood and Kilburn in walking distance		
Local Authority:	Camden		
Specification:	Timber floor to all room, video entry system, LED lighting, underfloor heating, Siemens appliances		
Amenity Provision:	12 hour concierge, cycle storage		
Service Charge:	£3.05		
Ground Rent:		**£ per annum**	
	Studio		
	1 Bed	£350	
	2 Bed	£450	
	3 Bed	£550	
	4 Bed		
# Parking Spaces:	37		
Parking Space £:	£45,000 reduced to £30,000		
Current Status:	Under Construction		
Units Sold:	60		
Av Sales Rate PCM:	1.6		
Incentives:	Stamp duty savings		
Other Comments:	Phase 1 included 75 units across three private blocks, which completed during Q1 2019: - Blocks D and E are 14 units each and LB Camden has rented these rather than sell them. - Block F is 47 units and 31 had sold by the end of Q1 2021. Phase 2 is due to be a health centre and community facilities. Phase 3 will include the remaining 52 private units and is likely to be subject to a design review.		

Plot	Floor	Unit Type	Area Sq Ft	Asking Price	Asking £/sqft	Achieved Price	Achieved £/sqft	Date Sold
Flat 8	2	2 bed	806	£657,500	£816	£634,625	£787	Feb-20
Flat 12	3	2 bed	806	£665,000	£825	£641,750	£796	Sep-20
Flat 14	4	2 bed	897	£692,500	£772	£668,500	£746	Apr-21
Flat 21	6	1 bed	548	£495,000	£903	£470,700	£859	Feb-20
Flat 30	8	2 bed	902	£730,000	£809	£703,500	£780	Jan-20
Flat 32	8	2 bed	848	£720,000	£849	£690,000	£813	Mar-21
Flat 34	9	2 bed	902	£737,500	£818	£710,625	£788	
Flat 35	9	2 bed	851	£705,000	£828	£672,000	£789	Aug-20
Flat 47	12	3 Bed	1464	£1,225,000	£837	£1,173,750	£802	Aug-20
Flat 45	12	3 Bed	1356	£1,225,000	£903	£1,136,250	£838	Feb-20
Flat 39	9	2 Bed	818	£727,500	£889	£722,500	£883	Jan-20
Flat 36	9	2 bed	848	£727,500	£858	£701,163	£827	Dec-20
Flat 38	10	2 bed	902	£745,000	£826	£717,750	£796	Jul-20
Flat 40	10	2 bed	848	£735,000	£867	£708,250	£835	Nov-20
Flat 42	11	2 bed	874	£752,500	£861	£740,000	£847	May-20
Flat 44	11	2 bed	848	£742,500	£875	£705,375	£832	Jan-20
Flat 41	11	1 bed	534	£520,000	£974	£504,000	£944	Jan-20

Flat 2	1	2 bed	897	£670,000	£747			
Flat 3	1	2 bed	905	£680,000	£751			
Flat 4	1	2 bed	806	£650,000	£806			
Flat 7	2	2 bed	905	£687,500	£759			
Flat 11	3	2 bed	905	£695,000	£768			
Flat 15	4	2 bed	905	£702,500	£776			
Flat 16	4	2 bed	806	£672,500	£834			
Flat 18	5	2 bed	897	£700,000	£781			
Flat 19	5	2 bed	905	£710,000	£784			
Flat 20	5	2 bed	806	£680,000	£843			
Flat 22	6	2 bed	900	£715,000	£795			
Flat 23	6	2 bed	940	£730,000	£777			
Flat 24	6	2 bed	847	£705,000	£832			
Flat 26	7	2 bed	902	£722,500	£801			
Flat 28	7	2 bed	848	£712,500	£840			

Park Place
NW6 2BS

Developer:	Godfrey London		
Overall Av £/sq ft:	**Asking:**	£910	
	Achieved:	£820	
Total Units:	60		
Total Private Units:	45		
Private Unit Mix:		**#**	**%**
	Studio	0	0%
	1 Bed	10	22%
	2 Bed	20	44%
	3 Bed	15	33%
	4 Bed	0	0%
Max No. Storeys:	5		
Launch Date:	Nov-18		
Completion Date:	Unknown		
Transport Links:	Kilburn station (0.4 miles), Brondesbury station (0.2 miles)		
Local Authority:	Camden		
Specification:	Siemens appliances, Composite stone work surface, Oak flooring, Sonos sound system, Underfloor heating		
Amenity Provision:	Gym, cycle storage		
Service Charge:	£2.77		
Ground Rent:		**£ per annum**	
	Studio		
	1 Bed	£400	
	2 Bed	£475	
	3 Bed	£550	
	4 Bed		
# Parking Spaces:	N/A		
Parking Space £:	N/A		
Current Status:	Construction		
Units Sold:	30		
Av Sales Rate PCM:	c. 4 per month		
Incentives:	N/A		
Other Comments:	Moorfields has advertised 21 unsold units in the scheme for bulk sale, with offers invited in the region of £13m. The scheme appears to be held on the brink of completion - it looks 99% complete but is devoid of activity and is hoarded up. The bulk sale and current status renders this a lower quality comparable scheme.		

Plot	Floor	Unit Type	Area Sq Ft	Asking Price	Asking £/sqft	Achieved Price	Achieved £/sqft	Date Sold
APARTMENT 101	1	3 Bed	1263	£999,000	£791	£940,000	£772	Jun-21
APARTMENT 301	3	2 Bed	697	£655,000	£940	£600,000	£884	Mar-21
APARTMENT 109		2 Bed	850			£191,154	£224	Mar-21
APARTMENT 107	1	1 Bed	543	£520,000	£958	£515,000	£956	Mar-21
APARTMENT 307	3	1 Bed	543	£530,000	£976	£530,000	£984	Feb-21
APARTMENT 113	1	2 Bed	845	£735,000	£870	£705,000	£861	Feb-21
APARTMENT 507	4/5	3 Bed	1246	£1,125,000	£902.89	£1,075,000	£846	Aug-20
APARTMENT 401	4	3 Bed	972	£860,000	£885	£810,000	£864	Jul-20
APARTMENT 314	3	2 Bed	807	£735,000	£911	£710,000	£903	Jul-20
APARTMENT 206	2	3 Bed	999	£840,000	£841	£780,000	£805	Jul-20
APARTMENT 201	2	2 Bed	714	£630,000	£882	£585,000	£849	Jul-20
APARTMENT 102	1	2 Bed	774	£715,000	£924	£710,000	£942	Jul-20
APARTMENT 405	4	2 Bed	988	£825,000	£835	£805,000	£840	Jul-20
APARTMENT 309	3	3 Bed	1065	£885,000	£831	£845,000	£817	Jul-20
APARTMENT 112	1	3 Bed	961	£795,000	£827	£765,000	£826	Jul-20
APARTMENT 306	3	3 Bed	999	£850,000	£851	£830,000	£856	Jul-20
APARTMENT 302	3	2 Bed	714	£640,000	£896	£600,000	£870	Jul-20
APARTMENT 208	2	3 Bed	961	£815,000	£848	£785,000	£801	Jul-20
APARTMENT 508	5	3 Bed	1162	£1,100,000	£947	£990,000	£852	Jul-20

606	6	1 Bed	565	£595,000	£1,053			
605	6	3 Bed	1307	£1,300,000	£995			
604	6	1 Bed	570	£595,000	£1,044			
603	6	2 Bed	922	£940,000	£1,020			
603	6	3 Bed	1307	£999,000	£764			
602	6	1 Bed	565	£590,000	£1,044			
602	6	2 Bed	922	£940,000	£1,020			
601	6	1 Bed	571	£595,000	£1,042			
601	6	1 Bed	571	£595,000	£1,042			
509	5	1 Bed	560	£570,000	£1,018	£530,000	£946	
506	5	2 Bed	730	£735,000	£1,007			
505	5	3 Bed	1027	£1,000,000	£974			
504	5	2 Bed	950	£910,000	£958			
503	5	2 Bed	917	£890,000	£971			
503	3	2 Bed	917	£890,000	£971			
502	5	3 Bed	944	£925,000	£980			
502	5	3 Bed	944	£925,000	£980			
501	5	3 Bed	1131	£1,050,000	£928			
409	4	2 Bed	752	£715,000	£951			
408	4	3 Bed	1081	£900,000	£833			
407	4	2 Bed	812	£735,000	£905			
407	4	2 Bed	812	£735,000	£905			
406	4	2 Bed	686	£660,000	£962			
404	4	3 Bed	1219	£945,000	£775			
403	4	1 Bed	565	£525,000	£929			
402	4	2 Bed	714	£650,000	£910			
308	3	2 Bed	862	£765,000	£887			
305	3	2 Bed	906	£775,000	£855			
304	3	1 Bed	560	£520,000	£929			
303	3	1 Bed	549	£530,000	£965	£505,000	£920	
213	2	2 Bed	845	£745,000	£882			
207	2	1 Bed	543	£525,000	£967	£520,000	£958	
205	2	2 Bed	906	£765,000	£844			
204	2	1 Bed	560	£515,000	£920			
203	2	1 Bed	549	£525,000	£956			
202	2	2 Bed	697	£645,000	£925	£600,000	£861	
106	1	3 Bed	999	£830,000	£831			
105	1	2 Bed	911	£755,000	£829			
103	1	1 Bed	549	£520,000	£947			
7	G	1 Bed	565	£510,000	£903			
6	G	1 Bed	571	£510,000	£893			
5	G	2 Bed	774	£675,000	£872			
4	G	2 Bed	840	£725,000	£863			
3	G	2 Bed	796	£695,000	£873			
2	G	2 Bed	818	£705,000	£862			
1	G	2 Bed	856	£730,000	£853			

Mode
NW1 7EP

Developer:	Fairview New Homes	
Overall Av £/sq ft:	**Asking:**	£1,025
	Achieved:	£1,035
Total Units:	76	
Total Private Units:	49	

Private Unit Mix:		#	%
	Studio		#DIV/0!
	1 Bed		#DIV/0!
	2 Bed		#DIV/0!
	3 Bed		#DIV/0!
	4 Bed		#DIV/0!

Max No. Storeys:	
Launch Date:	Jun-19
Completion Date:	Dec-20
Transport Links:	6 minutes to Camden Town 9 minutes walk to Regent's Park
Local Authority:	Camden
Specification:	Amtico flooring throughout USB charging points to reception, kitchen and bedrooms Light granite worktops Integrated Miele oven and hob Integrated Bosch appliances Smeg cooker hood White sanitaryware with Vileroy and Boch semi-recessed counter top basin Hansgrohe mixer taps and shower set
Amenity Provision:	Children's play area Management Company will ensure maintenance and cleaning of common areas, e.g. staircases, gardens, access ways, refuse and cycle stores
# Parking Spaces:	TBC
Parking Space £:	TBC
Current Status:	Complete and Sold Out
Units Sold:	49
Av Sales Rate PCM:	2.72
Incentives:	-
Other Comments:	The scheme sold out during Q4 2020. We understand significant price reductions helped sales here. Construction completed during Q1 2020.

Plot	Floor	Unit Type	Area Sq Ft	Asking Price	Asking £/sqft	Achieved Price	Achieved £/sqft	Date Sold
FLAT 13	NKN	1 Bed	549		£0	£600,000	£1,093	Sep-20
FLAT 31	NKN	1 Bed	549		£0	£640,000	£1,166	Dec-19
FLAT 4	NKN	1 Bed	549		£0	£600,000	£1,093	Oct-20
FLAT 15	NKN	1 Bed	603		£0	£600,000	£995	Mar-20
FLAT 24	NKN	1 Bed	603		£0	£595,000	£987	Sep-20
FLAT 33	NKN	1 Bed	603		£0	£590,000	£978	Jul-20
FLAT 6	NKN	1 Bed	603		£0	£600,000	£995	Dec-19
FLAT 14	NKN	1 Bed	614		£0	£600,000	£977	Jul-20
FLAT 23	NKN	1 Bed	614		£0	£600,000	£977	Sep-20
FLAT 32	NKN	1 Bed	614		£0	£600,000	£977	Sep-20
FLAT 49	NKN	2 Bed	710		£0	£865,000	£1,218	Mar-20
FLAT 48	NKN	2 Bed	721		£0	£800,000	£1,110	Mar-20
FLAT 10	NKN	2 Bed	786		£0	£800,000	£1,018	Oct-19
FLAT 19	NKN	2 Bed	786		£0	£835,000	£1,062	Sep-20
FLAT 28	NKN	2 Bed	786		£0	£800,000	£1,018	Sep-20
FLAT 37	NKN	2 Bed	786		£0	£830,000	£1,056	Jul-20
FLAT 44	NKN	2 Bed	786		£0	£820,000	£1,043	May-20

FLAT 25	NKN	2 Bed	807		£0	£799,000	£990	Feb-20
FLAT 11	NKN	2 Bed	872		£0	£900,000	£1,032	Mar-20
FLAT 20	NKN	2 Bed	872		£0	£852,000	£977	Nov-19
FLAT 29	NKN	2 Bed	872		£0	£859,000	£985	Feb-20
FLAT 38	NKN	2 Bed	872		£0	£860,000	£986	Sep-20
FLAT 41	NKN	2 Bed	872		£0	£850,000	£975	Feb-20
FLAT 42	NKN	2 Bed	872		£0	£920,000	£1,055	Feb-20
FLAT 45	NKN	2 Bed	872		£0	£900,000	£1,032	Feb-20
FLAT 12	NKN	3 Bed	958		£0	£1,015,000	£1,059	Dec-19
FLAT 3	NKN	3 Bed	958		£0	£1,020,833	£1,066	Jul-20
FLAT 30	NKN	3 Bed	958		£0	£1,045,000	£1,091	Dec-19
40	2	1 Bed	547	£680,000	£1,243			
31	1	1 Bed	548	£649,000	£1,184			
58	4	1 Bed	548	£687,000	£1,254			
33	G	1 Bed	598	£665,000	£1,112			
42	2	1 Bed	598	£640,000	£1,070			
51	3	1 Bed	598	£672,500	£1,125			
41	2	1 Bed	612	£675,000	£1,103			
73	6	2 Bed	757	£750,000	£991			
46	3	2 Bed	790	£870,000	£1,101			
55	3	2 Bed	790	£875,000	£1,108		£0	
64	4	2 Bed	790	£880,000	£1,114		£0	
28	G	2 Bed	804	£775,000	£964		£0	
43	2	2 Bed	813	£845,000	£1,039		£0	
34	1	2 Bed	814	£695,000	£854		£0	
74	6	2 Bed	851	£775,000	£911		£0	
38	1	2 Bed	873	£920,000	£1,054		£0	
36	1	2 Bed	874	£725,000	£830		£0	
45	2	2 Bed	874	£730,000	£835		£0	
70	5	2 Bed	874	£745,000	£852		£0	
35	1	2 Bed	877	£699,000	£797		£0	
44	2	2 Bed	877	£890,000	£1,015		£0	
30	1	3 Bed	958	£1,100,000	£1,148		£0	
48	3	3 Bed	958	£1,130,000	£1,180		£0	

Project: 100 Avenue Road, NW3
Schedule: 15050 190807 Avenue Road Accommodation Schedule_Rev M
Date: 17-Sep-21
Ref: RF / OT

UNIT TYPE	MIN SIZE (SQ FT)	AV SIZE (SQ FT)	MAX SIZE (SQ FT)	AV AREA (SQ M)	LOW £/FT SQ	AV £/FT SQ	HIGH £/FT SQ	MIN PRICE	AV PRICE	MAX PRICE	UNIT MIX	NO. UNITS	TOTAL PRICE	% GDV	TOTAL AREA (SQ FT)	TOTAL (SQM)	% AREA
Studio	426	**441**	457	41.0	£1,094	**£1,217**	£1,350	£500,000	**£536,600**	£575,000	19%	**25**	**£13,415,000**	11.9%	11,022	1,024	11%
1B2P	548	**554**	564	51.5	£1,031	**£1,164**	£1,296	£565,000	**£645,234**	£710,000	25%	**32**	**£20,647,500**	18.3%	17,743	1,648	18%
2B3P	894	**894**	894	83.1	£978	**£1,002**	£1,018	£875,000	**£895,833**	£910,000	5%	**6**	**£5,375,000**	4.8%	5,366	499	5%
2B4P	761	**869**	894	80.7	£1,002	**£1,088**	£1,203	£775,000	**£945,581**	£1,075,000	33%	**43**	**£40,660,000**	36.0%	37,366	3,471	38%
3B5P	1,006	**1,006**	1,006	93.5	£1,193	**£1,230**	£1,267	£1,200,000	**£1,237,500**	£1,275,000	5%	**6**	**£7,425,000**	6.6%	6,036	561	6%
3B6P	1,140	**1,158**	1,200	107.6	£1,096	**£1,224**	£1,345	£1,250,000	**£1,417,500**	£1,615,000	14%	**18**	**£25,515,000**	22.6%	20,843	1,936	21%
ALL		**757**		**70.3**		**£1,149**			**£869,519**		**100%**	**130**	**£113,037,500**	**100%**	**98,376**	**9,139**	**100%**

Assumptions:

1. A long leasehold interest of minimum 250 years unexpired
2. A high-quality internal specification and quality of finish in accordance with market expectations
3. Optimised internal layouts in accordance with market expectations
4. Good floor to ceiling heights (2.5m+ throughout)
5. Reasonable Ground Rents and Service Charges, commensurate with the development and its location
6. An appropriate marketing programme in accordance with current practice, relative to the development

Range	Value	No. Of Units	% Of Units	% Of Value
Up to £300k	-	-	0%	0%
£300k - £450k	-	-	0%	0%
£450k - £600k	16,315,000	30	23%	14%
£600 - £750k	17,747,500	27	21%	16%
£750k - £900k	10,385,000	12	9%	9%
£900k - £1m	26,195,000	28	22%	23%
£1m - £1.25m	14,345,000	13	10%	13%
£1.25m +	28,050,000	20	15%	25%
Does Not Incl. Parking	£ 113,037,500	130		

Appendix 2 – Updated Cost Information

REPORT NO 1

100 AVENUE ROAD

S278 & Market Update

15. 09. 21
By: Simon Thornton
For: Essential Living

1. INTRODUCTION

This report provides a summarised update on the construction market specifically reviewing the changing costs for S278 works since the original estimate that TFL/ the council provided in 2019. Separately this report also summarises key market changes and developments since the last Cost Plan was issued in October 2020 and any impact market changes have had on construction costs. A copy of G&T's August Market report can be seen appended to this document.

2. S278 WORKS

The initial agreement between Transport for London (TFL) and Essential Living (Swiss Cottage) Limited on the 15th of August 2019 sets out the agreement for works relating to 100 Avenue Road London including a series of highways related projects and associated estimated costs as provided by TFL.

The costs as presented by TFL are defined as estimates until the works are complete and a final account is presented.

The following table reflects an updated assessment of the estimates. This update includes a view of the market and changing construction costs since the estimate was first produced in 2019. This assessment assumes the scope of works as priced by TFL remains the same. Market feedback suggest that costs have inflated 5% year on year which is higher than predicted TPI's however TFL works are subject to framework up-lifts. The following table provides an estimate as to the updated costs.

TFL Cost Assessment	**Aug-19**	**Delta**	**Sep-21**
	TFL Estimate		**G&T Assessment**
Bus Shelter Mitigation Contribution	155,000	16,000	171,000
Estimated Works Cost	411,015	41,985	453,000

The assessment assumes an updated cost to current day (September 2021) and excludes any additional construction/ tender inflation beyond Sept 21.

3. MARKET

The following section provides a summary view of the current market conditions including a forecast of how the construction industry has changed since October 2020.

Materials

Key building materials have shown significant volatility in the last 12 months. This is due to Brexit, Covid and typical supply vs demand factors. Steel for example has seen a significant shift in cost with 100% increase on its unfabricated cost over the last year. The resultant effect on tendered steel rates (fully fabricated steel) is showing a 32% increase in costs, which has been predominately due to British Steel formally shutting its order books.

Price flattening will likely be negated by contractor demand in the shorter to mid-term, with more new schemes looking to get ahead of further price hikes over the coming 12 months. (Overall impact on package value 3-5%)

Additionally, rebar has seen significant increases in costs with raw material prices doubling in the last 12 months. Overall costs of rebar have increased by 37% with impact to tender package values being up between 0-2%. As rebar has shown such volatility the expectation around this is for prices to soften back to more recognisable pricing levels over the next year. The following graph reflects price shifts over the last year on rebar supply prices.

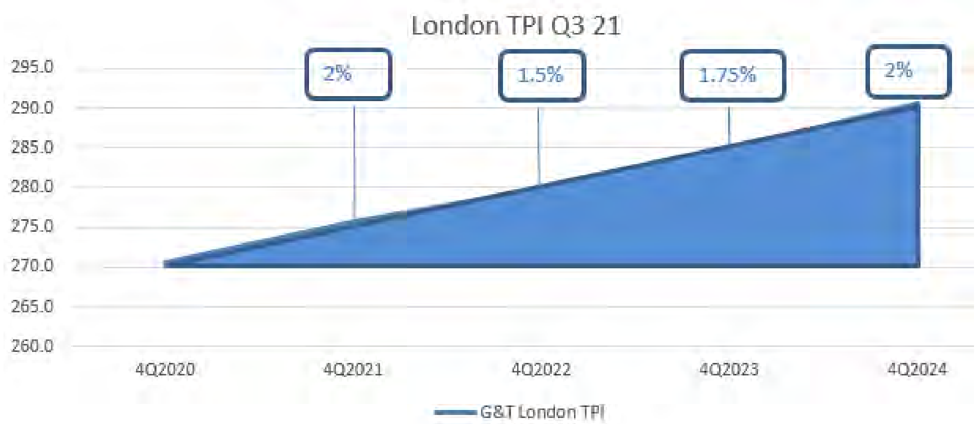
Concrete has seen increases in purchasing price from circa £160-180/m3 on average (subject to function: columns, walls, slabs etc) to around £180- 185/m3. Reflecting around 5% increase on average in raw material costs.

Other materials including aluminium feature significantly in the fabrication of façade systems and Mechanical and Electrical equipment which has seen price increases of 25% in its raw material form the result of this sees an increase of around 2-3% of package values. This is mostly caused by lack of production in the year effected by Covid and the increased importation costs from China.

Main Contractor Mark Ups
Preliminaries, Overheads and Profit have remained relatively unchanged over the last year with little to no impact seen on tendering projects as contractors remain competitive following the Covid outbreak.

Labour
Labour shortages are impacting all trade packages which are naturally seeing higher prices as trade contractors are forced into paying premiums for their workforce. Added to this, workload and new project enquiries remain high which is putting further strain on labour availability.

Inflation
The impact of the above on overall tender prices has seen on average increases of circa 1% in the last year. The following table summarises predictions over the next 4 years (London Projects Tender Price Indices).



Swiss Cottage
Taking the above into consideration, its vital to analyse each project on its own merits and ascertain the true impact the above factors have on individual projects. The impact to Swiss Cottage is as follows:

1. Concrete frame including volatile rebar prices and increasing cost of concrete is impacting frame values by Circa 3%. Analysis of Swiss Cottage quantities shows the high-level impact as follows:

Item		Qty	Unit	Previous Cost (Avg £)	Revised Cost (Avg £)	Change in market rate (Avg £)	Cost Increase
Reinforcement		1,376	t	1050	1125	75	103,212
Concrete		10,044	m3	170	185	15	150,655
Sub Total Package increase							**254,000**

2. Internal Doors and general carpentry is up by 25% on raw materials however the raw material makes up 40% of the cost plan rate the resultant impact is around 10%. Analysis shows the high-level impact as follows:

Item		Qty	Unit	Previous Cost (Avg £)	% Impact by Market Changes (£)	Change in market rate (Avg £)	Cost Increase
Internal Doors (average door cost)		2,151	nr	1,366	547	137	293,929
Sub Total Package increase							**293,929**

3. Aluminium in MEP equipment and general increases in market pricing is resulting in increases on MEP packages of 0-5%.

4. Façade system as indicated by tenders from Skonto and Staticus +10%. The following is an extract from Staticus revised costs that reflect current pricing and market conditions.

Cost	Description
£25,488,894.00	As Staticus Quote
£113,933.00	Storage Facility - Optional Extra
£54,000.00	Edge protection - Optional Extra
£27,000.00	Edge protection training - Optional Extra
£30,000.00	Site storage - Optional Extra
£25,716.00	Extra restrain - Optional Extra
£24,859.00	Waterproofing - Optional Extra
£68,850.00	Façade Consultant - Optional Extra
£57,600.00	Temp Works - Optional Extra
£43,200.00	Stone Consultant - Optional Extra
£217,298.00	Warranty Upgrade - Optional Extra
£264,177.00	No Advance Payment - Optional Extra
£51,615.00	35 day payment - Optional Extra
£115,000.00	Off site storage - increased off site storage allowance
£150,000.00	Maintenance and replacement of protection
£171,440.00	Extra stillages - 2 floors ahead - Optional Extra
£54,861.00	Extra stillage collections - Optional Extra
£30,600.00	Cleaning halfens - Optional Extra
£125,000.00	Launching tables and logistics - Optional Extra
£140,000.00	Traffic Management team, including forklift team for unloading
£125,000.00	Additional Spider Cranes
£50,000.00	Backpropping underneath spider crane (on each floor)
£12,947.00	Abseil anchor points to façade
£27,441,990.00	**Total**
£23,975,000.00	**Jan 2020 Price**
£3,466,990.00	**Movement**

5. Preliminaries and OHP: Whilst the market remains flat, preliminaries are directly linked to the value of measured works (trade packages) and therefore preliminaries and OH&P are increasing in line with the package values.

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The following table summarises the current day costs taking into account the above factors and high-level analysis of key material cost changes.

	CONSTRUCTION COST		2020 Cost Plan	Delta +/-	October 21 Rebase	Comments
0	Facilitating / Demolition Works		2,600,000	-	2,600,000	
1	Substructure		7,770,000	-	7,770,000	
2	Frame & Upper Floors		7,730,000	250,000	7,980,000	Concrete and Rebar Prices +3%
3	Roof Structure & Coverings		1,340,000	-	1,340,000	
4	Staircases & Ramps		770,000	-	770,000	
5	External Envelope		23,490,000	3,000,000	26,490,000	Maket Testing +10%
6	Internal Walls		3,220,000	320,000	3,540,000	Carpenty raw materials+25%
7	Internal Doors		2,990,000	300,000	3,290,000	Carpenty raw materials+25%
8	Internal Finishes		7,030,000	-	7,030,000	
9	Fixtures, Fittings and Equipment		6,710,000	330,000	7,040,000	Carpenty raw materials+25%
10	M&E Services		25,000,000	1,250,000	26,250,000	MEP packages +5% of total value (Aluminium +25%)
11	External Works		2,340,000	-	2,340,000	
	Sub Total		90,990,000	5,010,000	96,000,000	
12	Main Contractor's preliminaries		10,500,000	160,000	10,660,000	Pro Rata increase
13	Main Contractor's Overheads and Profit		5,080,000	70,000	5,150,000	Pro Rata increase
	Building Works Total		106,570,000	5,240,000	111,810,000	
14	Contract Risk		800,000	40,000	840,000	Pro Rata increase
15	Design Development Risk Allowance		-	-	-	
16	Construction Risk Allowance		1,330,000	70,000	1,400,000	Pro Rata increase
	Sub Total		108,710,000	5,290,000	114,000,000	
17	Tender Inflation Estimate	-	Excl		Excl	
18	Construction Inflation Estimate	-	Excl		Excl	
			-	-	-	
	Total Estimated Construction Cost		**108,710,000**		**114,000,000**	

APPENDIX A

Market Update August 2021

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MARKET UPDATE

August 2021

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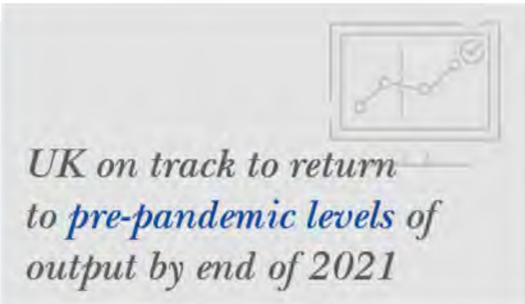
G&T's Market Update for August 2021 provides an overview of the UK construction market. Against a backdrop of ongoing disruption caused by the coronavirus (COVID-19) pandemic and new Brexit trading rules, our latest report highlights changes to key macro-economic indicators over the reporting period, as well as construction-specific metrics such as the IHS Markit/CIPS UK Purchasing Managers' Index (PMI) construction output, new orders and key material costs. We also outline our latest trade package and tender price inflation forecasts based on our quarterly surveys and regular discussions with the supply chain.

In this update we:

- Review some of the factors putting upward cost pressure on rising input costs as workloads rise
- Provide our insights and forecasts on trade package inflation for the next 12 months
- Analyse the ONS' Business Insights and Impact on the UK Economy dataset in order to gain an insight into the impact of the pandemic on turnover, trade and employment

Please note – whilst our Market Update uses the most recently published data at the time of writing, release schedules between datasets differ. This inevitably means that not all datasets will cover identical periods.



The UK economy surged forward in Q2 2021, growing **4.8%** as consumer spending picked up and COVID-19 restrictions began to ease.

The rapid quarterly growth rate allowed the economy to recover much of the lost ground over the past two years. Although output is still below the pre-pandemic level, the economy is on track to return to these levels before the end of the year and emerge from the pandemic with less long-term scarring than had been initially feared.

The Bank of England's Monetary Policy Committee (MPC) expects the economy to grow by **8%** in 2021 - up from its previous forecast of **7.25%** - but it warned that with this robust recovery, inflation will hit **4%** this year. However, it noted that the above-target rise was likely to be temporary and will begin to wane "as commodity prices stabilise, supply shortages ease and global demand rebalances," pushing down price growth next year towards its **2%** target.

Having peaked at **5.2%** in the Oct-Dec 2020 period and fallen gradually since, the BoE's upbeat assessment suggests that there will be no negative fallout from the ending of the furlough scheme in September. Wage rises, which it said were averaging **3.5%**, would also remain strong.

In its Summer Forecast the EY Item Club upgraded its economic outlook and it now expects the economy to grow by **7.6%** this year (previously **6.8%**).

- Business investment to lag economic performance, with growth of **3.1%** this year, albeit followed by a much stronger outlook (**12%** growth) in 2022
- UK is well-placed to reap a strong bounce-back in growth but because the economy shrank so much compared to most of its peers means there's more lost ground to make up
- Fiscal policy remains in loosening mode, while the Chancellor may be able to rein back planned future tax rises and spending cuts if the economy recovers more strongly than the Office for Budget Responsibility (OBR) expects
- Involuntary household savings expected to drive consumer spending
- Technical factors, combined with supply disruption connected to the reopening of economies globally, will push inflation up further during the rest of this year and into 2022. But other influences, including the stronger pound, will keep a lid on price pressures. The ingredients needed to support sustained high inflation appear to be lacking.

UK Construction activity expanded rapidly in both May and June, when it reached a 24-month high of 66.3. But output lost momentum in July (with the IHS Markit/CIPS UK Construction PMI falling to 58.7) and slower growth was seen across all three main sectors (residential, commercial and civil engineering).

There were reports of difficulties in keeping pace with high workloads and a surge in demand for projects, especially in light of the ongoing material supply shortages and the shrinking availability of sub-contractors.

Reduced availability of materials acted as a brake on purchasing volumes and on output growth. Difficulties in filling staff vacancies is also holding back construction activity and adding to price pressures but despite capacity concerns, new orders continue to rise sharply.

While there are signs that the initial spurt of activity in the first half of 2021 appears to be coming off the boil, optimism toward future output growth remains historically high.

According to the latest ONS data:

- UK construction output ('All Work') rose by **3.3%** in Q2 2021 compared to the previous quarter, driven in part by new work growth. However, construction output growth was some way below the economy overall at **4.8%**
- The low base effect meant that construction output grew by an average of nearly **60%** across all regions in the UK in Q2 (year-on-year)
- On a monthly basis, construction output fell for a third successive month in June, declining by **1.3%** compared to the previous month – a sign that capacity issues and supply shortages are starting to bite
- Following two consecutive quarters of decline, total construction new orders grew by **17.6%** (or £1,998m) in Q2 2021 compared with the first quarter
- New orders rose above their pre-pandemic level for the first time in Q2 2021, with the infrastructure and commercial sectors being the biggest drivers of growth

The basic trends of the last six months remain. Ongoing imbalances between global supply and demand have given rise to higher prices for a wide range of construction products and materials. Furthermore, a severe lack of haulage availability is causing transportation costs to rise and lead times to extend.

- The ONS' material price index for **'All Work'** rose by ***20.1%*** in the year to July 2021. Inflationary rises are no longer a short-term problem and are creating challenges for businesses across the supply chain
- Contracts being signed for delivery now for delivery in 2022 will face challenges in sourcing materials. These challenges could be exacerbated if there are no contractual mechanisms in place to recover cost inflation and so organisations should look to include price adjustment clauses to help manage the issue
- While some shortages for items produced in the UK should be resolved in the coming months, steel and timber shortages could last longer and support sustained inflationary pressure as they are both imported and impacted by international demand and shipping costs
- Official BEIS data revealed that both fabricated structural steel and imported timber prices for sawn or planed wood have increased by more than **64%** in the year to July 2021
- Some key commodity prices have begun to stabilise or fall in recent months. Copper prices are down from their highs in early May and Iron ore prices fell by **28%** in the month to 17th August. Timber futures have also plummeted by more than **70%** from their record-high in May to mid-August
- However, with retailers still selling inventory bought at higher prices these commodity price falls are not yet being passed on down the supply chain. With demand so strong, there is little reason to immediately lower prices
- Contractors are managing the situation by collaboratively working with suppliers, helping all parties better understand forward demand and taking mitigating actions to help alleviate pressure on suppliers
- With the severity of widespread shortages yet to peak, further material prices rises are expected. In fact, a recent RICS survey indicated that surveyors expect material prices to rise by around **10%** over the next year – significantly higher than expected annual tender price inflation

Resurgent Consumer Spending

Consumer spending rebounded to pre-pandemic levels in July - up **11.6%** compared to the same period in 2019

OECD Projects Strong Economic Growth

OECD upgraded its UK GDP growth forecasts to **7.2%** (2021) and **5.5%** (2022)

PRS Demand Growing

Residential demand spurs increased investment in high rise construction projects outside of London

Commodity Prices Stabilising

Prices for some key commodities such as iron ore, copper and timber have **fallen from their peak**

UK Construction PMI 58.7
(July 2021)

Down from an all-time high of **66.3** in June amid supply bottlenecks

CPI 2%
(July 2021)

Annual inflation eases back from three-year high, helped by a low base effect

0.1% Base Interest Rate

Base rate held but BoE could raise rates sooner than expected

Strengthening trade with EU

UK growth in exports to EU bucks trade deficit trend

4.8% UK GDP

UK economy grew 4.8% in Q2 2021 - the fastest Q2 quarterly growth seen in the G7

4.7% Unemployment Rate *(Apr – Jun 2021)*

Unemployment rate on a downward trend, suggesting unfurloughed workers are not moving into unemployment

14.3% UK Construction Earnings

Average weekly earnings in Construction (Y-on-Y three month average) rose **14.3%** in June 2021

Source: *Barclaycard, ONS, OECD*

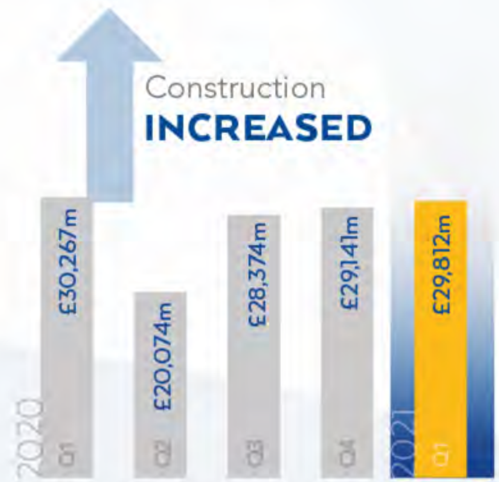
UK Economy

Overview	Actual	Forecast Q3/21	Q4/21	Q1/22	Q2/22	Units
GDP Growth Rate	4.8	2.5	1.1	1.4	1.2	%
Unemployment Rate	4.7	4.8	5.1	4.9	4.7	%
CPI (Annual Rate)	2.0	2.3	2.1	2.2	1.9	%
RPI (Annual Rate)	3.8	3.7	3.4	3.6	3.2	%
Interest Rate	0.1	0.1	0.1	0.1	0.1	%
GDP from Construction	29,812	30,218	30,307	31,839	31,332	GBP Million
Government Debt to GDP (the ratio between a country's government debt (cumulative amount) and its GDP)	97.4	107	107	110	110	%

Source: *Trading Economics and ONS*

Please note: *The economic forecasts provided above have been sourced from Trading Economics. These forecasts are updated periodically and do not necessarily reflect G&T's UK economic outlook. The 'Actual' column indicates the latest confirmed figures at the time of writing in August 2021.*

GDP: Quarter on Quarter Growth: Chained Volume Measure Seasonally Adjusted



UK GDP From Construction

Construction Productivity Index: Output per job (Q1 1990=100), SA, UK

The UK economy rebounded strongly from its winter lockdowns with GDP jumping by **4.8%** in Q3 2021. Growth was supported by the easing of restrictions and reopening of hospitality venues, spurring a recovery in consumer spending. However, the economy is still **4.4%** smaller than it was in Q4 2019

GDP from Construction in the UK increased by **2.3%** in Q1 2021. However, GDP from construction still remains some **1.5%** lower than it was one year ago

The ONS Construction Productivity Index rose by **2.2%** in Q1 2021, meaning that productivity is now broadly on par with pre-pandemic levels. While construction sites may keep some precautions in place CLC site 'SOP' guidance is no longer current, which may provide a boost to site productivity

***Please note** – Chained Volume Measure (CVM) means that data from successive years has been put in real (inflation-adjusted) terms by computing the production volume for each year in the prices of the preceding year, and then 'chain linking' the data together to obtain a time-series of production figures from which the effects of price changes (ie monetary inflation or deflation) have been removed.*

Source: *Trading Economics and ONS*

Europe

The eurozone's economy emerged from recession in Q2 2021, growing by **2%**.

The 19-bloc nation suffered from a double-dip recession after contracting in the previous two quarters but individual economies reported growth in Q2.

GDP remains **3%** down from its pre-pandemic level in late 2019 but strong growth is expected in Q3 as business and consumer confidence continues to rebound.

Bottlenecks and supply constraints continue to impact eurozone manufacturers, pushing up prices of manufactured goods. Accordingly, inflation in the bloc rose faster than most economists had expected to **2.2%** in July - above the ECB's target of **2%**.

The ECB expects eurozone GDP to reach **4.6%** by the end of 2021, followed by **4.7%** next year.

US

US GDP rose by **1.6%** in Q2 (or **6.5%** on an annualised basis), bringing output back above its pre-pandemic level for the first time since COVID-19 struck.

Labour shortages and supply chain disruptions are acting as a drag on what is otherwise a robust US expansion supported by strong consumption. However, surging prices could weaken purchasing power and cause GDP growth to slow in Q3.

The Biden administration's $3.5tn budget plan may have further inflationary effects but some argue that most things in the spending bill should increase the capacity of the economy and create efficiencies, helping to moderate inflation. However, the plan's 10-year time horizon will limit its immediate economic impact.

The IMF raised its US growth forecasts to **7%** (2021) and **4.9%** (2022).

China

The Chinese economy advanced **7.9%** year-on-year in Q2 2021.

A slowdown in factory activity, higher raw material costs, and new COVID-19 outbreaks in some regions all weighed on growth.

China has set an economic growth target of "above **6%**" for 2021. However, widespread flooding, coronavirus outbreaks and an expectation that consumers globally will start to spend more on services (hitting China's export sector) could impact the country's growth trajectory in the second half of 2021.

China's factory output growth slowed sharply in July. Producers are grappling with higher costs, supply bottlenecks and production controls, which has resulted in a slump in export growth.

The IMF reduced its 2021 growth forecast to **8.1%**, citing a scaling back of public investment and overall fiscal support.

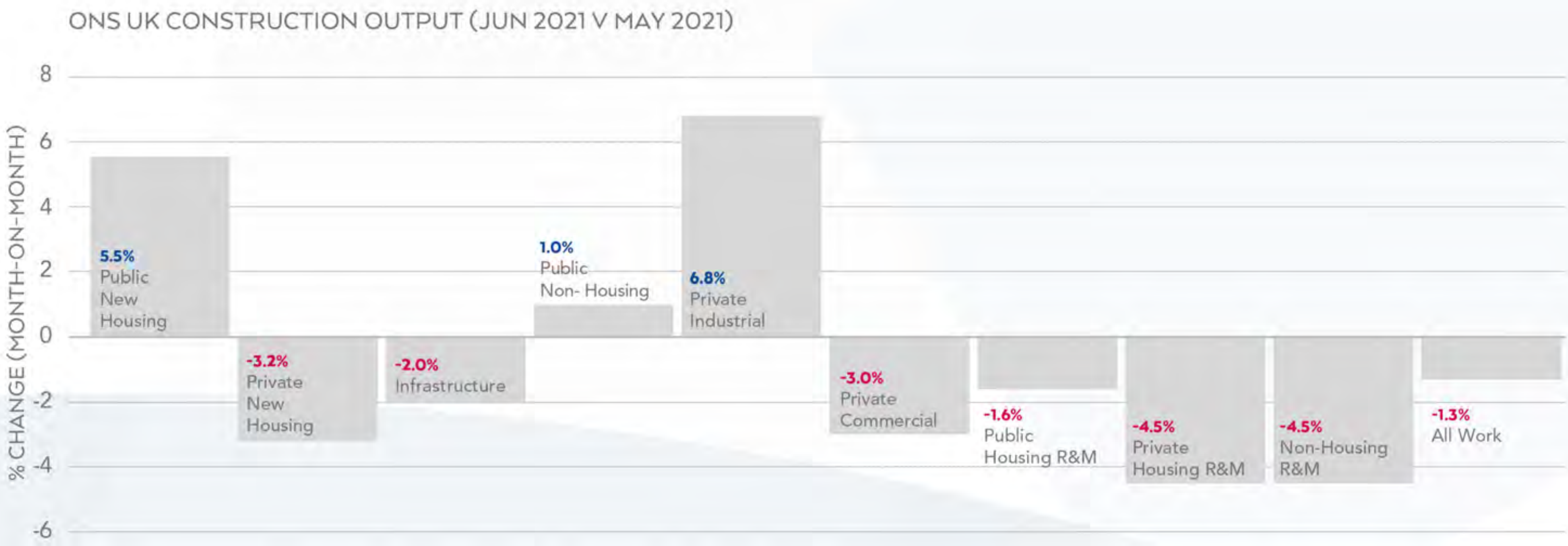
*** The PCE** *(or 'Personal Consumption Expenditures') price index is a measure of the prices that people living in the United States pay for goods and services. It captures inflation across a range of consumer expenses.*

- Slowest overall increase in construction output since February, amid difficulties in keeping pace with the recent surge in demand for construction projects, raw material supply shortages and rapidly shrinking sub-contractor availability.
- Slower output growth was seen across all three categories of work with housebuilding being the best-performing category, followed closely by commercial.
- Total order books continued to improve but new work rose the least since March 2021.
- The rapid pace of input cost inflation continued in July, fuelled by supply shortages and robust demand for construction items.
- Higher charges from sub-contractors and difficulties filling construction vacancies added to price pressures
- Reduced materials availability acted as a brake on purchasing volumes and around **66%** of the survey panel reported longer wait times for supplier deliveries
- Supply chain delays were amplified by a lack of transport availability, port congestions and Brexit-related trade frictions.
- The pace of hiring at construction firms remained strong, reflecting rising new orders and confidence regarding the near-term outlook.
- Business confidence eased to a six-month low but remained strong by historical standards.

Source: *IHS Markit/CIPS*

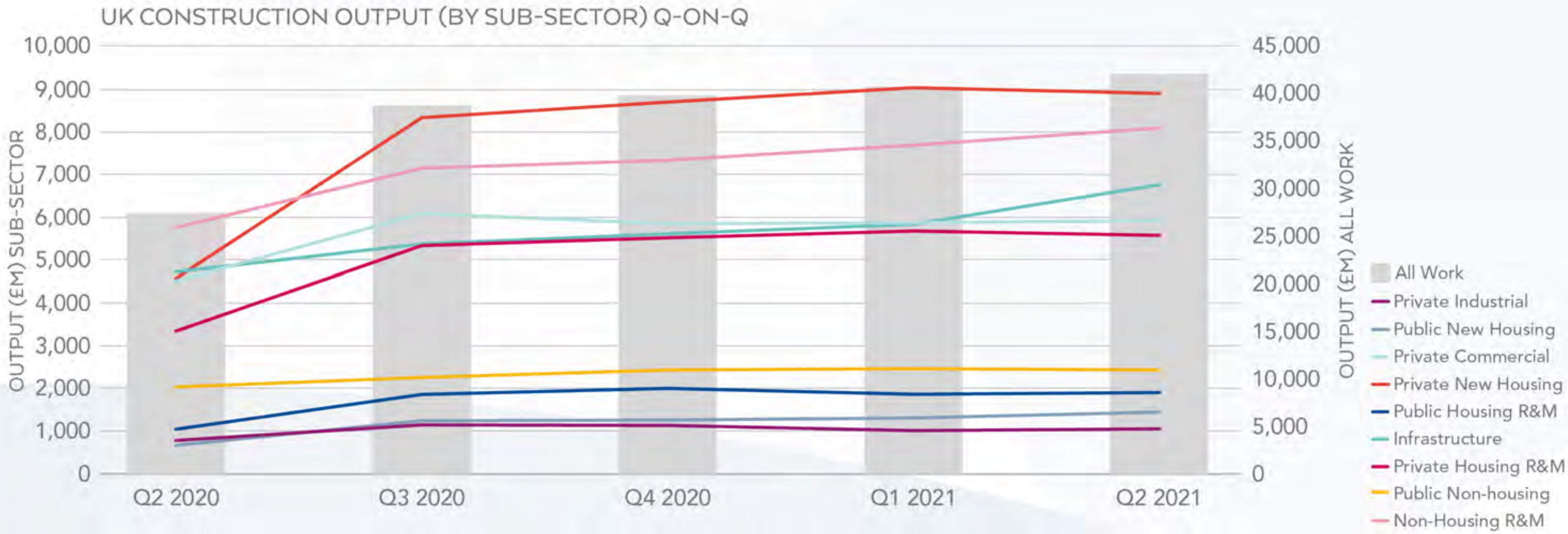
- Construction output ('All Work') across all regions in Q2 2021 grew by an average of nearly **60%** compared to the same quarter one year earlier.
- However, this significant increase was due to the low base effect as construction activity on site was suspended for a period during the first lockdown.
- For most regions, Q2 2021 was the best performing quarter over the past year in terms of output growth. Only the North East, North West and South East regions experienced lower quarterly output growth in Q2 than they did in previous quarters over the last year.
- Comparing Q1 2021 to Q2 2019 output, five regions have exceeded their pre-pandemic quarterly output levels: Yorks & Humber, East, London, South West and Scotland.
- Almost all other regions in Q2 2021, apart from the East and West Midlands, have nearly returned to their Q2 2019 (pre-pandemic) levels of output.
- Across all regions most output growth has come from a handful of key sectors; namely the private residential, infrastructure and private industrial sectors. These sectors have led the recovery in output.

Source: *ONS*



- Construction output ('All Work') fell for a third successive month in June, declining by **1.3%** compared to the previous month.
- Monthly construction output fell by £178m in June due to a **4.2%** decline in repair & maintenance (R&M) work. This was partially offset by a **0.5%** increase in new work that was driven by the public new housing and private industrial sectors.
- Construction output in June was marginally lower (**-0.3%**) than it was just before the pandemic hit the UK. The recent cooling of output growth is due to contractor/sub-contractor capacity issues as well as the well-publicised raw material supply shortages.
- The third consecutive drop in output raises some concerns that the pandemic bounce-back could potentially be scuppered by the ongoing materials shortage issues, inflationary material price rises, difficulties recruiting labour and also a shortage of HGV drivers to supply sites.
- Activity on site has also been impacted by the so-called 'pingdemic' in recent months. Forcing employees that come into contact with COVID-19 throughout the supply chain to isolate is having an impact on both capacity, productivity and ultimately output.
- Construction PMI data from IHS Markit/CIPS suggests that official output figures will come off the boil in the coming months, unable to maintain growth at the 24-year high reported by purchasing managers in June.

Source: *ONS*



- In contrast to the monthly fall, the quarterly UK construction output series painted a more positive picture, which grow by **3.3%** (Q-on-Q) in Q2 2021.
- Both 'new work' and 'repair & maintenance' output rose in Q2, increasing by **3.9%** and **2.3%** respectively. Output from new Infrastructure (**+15.9%**) and Public Housing (**+10.6%**) grew the most over the quarter but other sectors, namely Private Industrial (**+3.8%**) and Private Commercial (**+0.8%**) new work, made positive contributions.
- On an annual basis, construction output grew by **3.4%** in June 2021 - the strongest annual rate of output growth since August 2019.
- While encouraging to see output growth in Q2, the rate of growth was some way below the economy overall at **4.8%**. However, with the first quarter of 2021 spent under lockdown it's unsurprising that construction was outperformed by the services sector in Q2.
- Slowing momentum and weakening sentiment about future output growth points to a potential drop in output values in Q3, but certain sectors (eg housebuilding and public infrastructure) will likely see strong growth trends.
- Despite the recent marginal monthly falls in output, the CPA say that output is still buoyant and predict a **13.7%** overall rise in output in 2021.

Source: *ONS*

- Following two consecutive quarters of decline, total construction new orders grew by **17.6%** (or £1,998m) in Q2 2021 compared with the first quarter.
- New orders rose above their pre-pandemic level for the first time in Q2 2021 – **1.6%** higher than they were in Q1 2020 and also **11.6%** higher than the five-year quarterly new order average.
- New orders were strong across the board in Q2, confirming the sustainability of the post-pandemic bounce back. However, Infrastructure and (perhaps somewhat surprisingly) the Commercial sector were the biggest drivers of new order growth, rising by more than **24%** and **48%** respectively quarter-on-quarter.
- On a regional level, eight of the 11 regions saw positive quarterly new order growth in Q2. Of those eight regions the average Q-on-Q growth was just over **42%** – a substantial jump that, once again, appears to have been largely driven by strong Infrastructure, housebuilding and Private Industrial new orders.
- In the three regions where new orders declined in Q2 (North West, Yorks & Humber and East Midlands), new order values in the previous quarter were particularly high by historical standards. Q2 new orders in each of these regions were still around their long-term quarterly average.
- Q2 new order data indicates that client confidence is returning and a good pipeline of work is starting to be built. They also suggest that construction activity will be reasonably well spread across the UK.

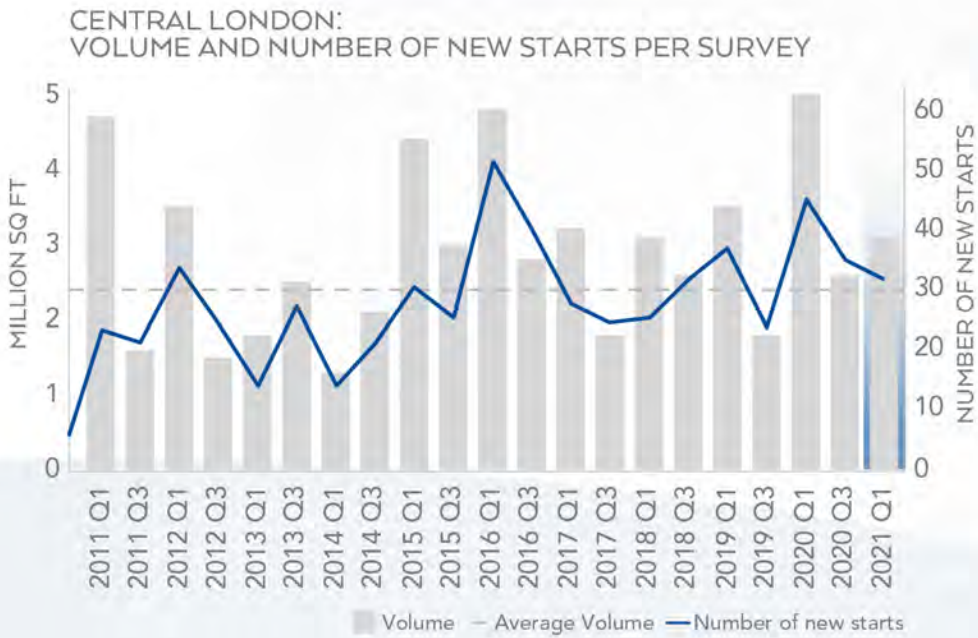
Source: *ONS*

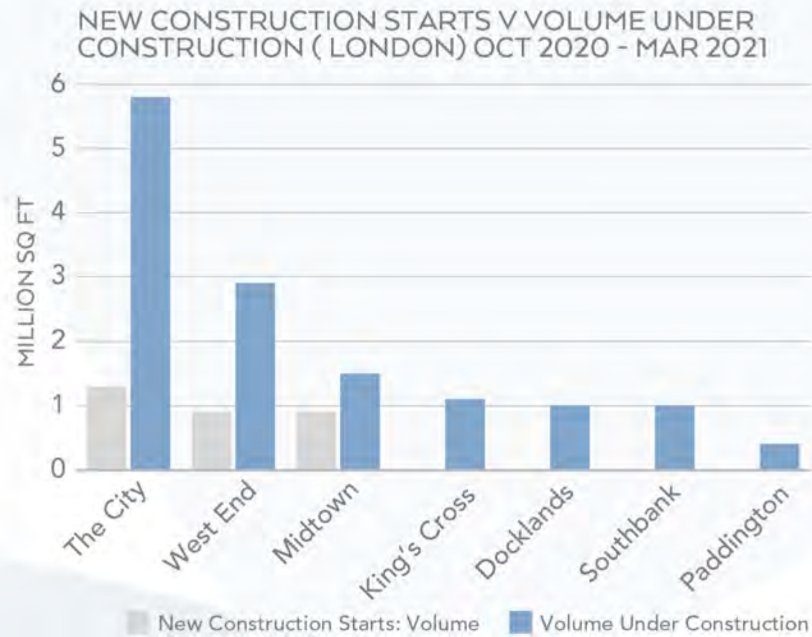
- London private residential new orders rose by **112%** in Q2 2021 to **£1.66bn** – well above of the five-year quarterly average of **£1.09bn**.
- While private housing new orders in London rose in Q2, new order values in London's public housing sector fell by **45%** to **£177m**
- The number of new residential construction starts in London (on sites with more than 20 homes) remains low. There were **15,891** new starts in the year to Q2 2021 – **16%** fewer than in the same quarter last year.
- With completions outpacing new starts, the number of homes under construction in London shrunk to its lowest in six years (**55,326** homes).
- Demand for prime residential has been sluggish but the mainstream market has fared better, helped by the Build to Rent sector. As international travel restrictions ease, demand for prime London residential is likely to rise.
- The London residential pipeline promising. There was a **17%** rise in the number of permissions granted in the year to Q2 2021, but new planning applications submitted continue to fall (**-10%** annually).
- According to Savills, although London's private residential supply is forecast to increase over the next 18 months, subdued permissions and applications in previous years will likely mean that future housing delivery in London will remain short of targets.
- Public/ affordable housing new orders are expected to rise in the coming years as councils build significant development pipelines. However, due to excess demand large shortfalls are still expected over the next five years.

Source: *ONS, Molior, Savills*

- London Commercial new orders rose by **64%** in Q2 2021, from **£1.45bn** to **£2.36bn** – the highest quarterly value since Q2 2007.
- There is a strong central London office pipeline for 2021 but it has been boosted by a significant number of delayed schemes that shifted many completions from 2020 to 2021.
- Q2 new order figures point to growing confidence of developers and clients who had previously delayed speculative commercial office developments, waiting for further clarity on future working practices before deciding on long-term strategies.
- Similarly, some retail, leisure and hospitality clients waited for the services sector to pickup before mobilising postponed schemes. Signs of a recovery in the services sector prompted a flurry of repurposing and refurbishment projects in preparation for the reopening of the economy in Q2.
- Grade A commercial office space remains the preference for occupiers. Savills reported that in H1 2021 **89%** of take up in the City was for such space and the 'flight for quality' shows no signs of slowing. Demand for high quality office space with strong ESG, sustainability and health and wellbeing features across central London is likely to continue to increase.
- Although relatively little new commercial office construction is expected to start over the next six to nine months, the current hive of activity in the commercial fit out sector could continue to support new orders in H2 2021 as occupiers reconfigure/ redesign their space.

Source: *ONS, Molior, Savills*



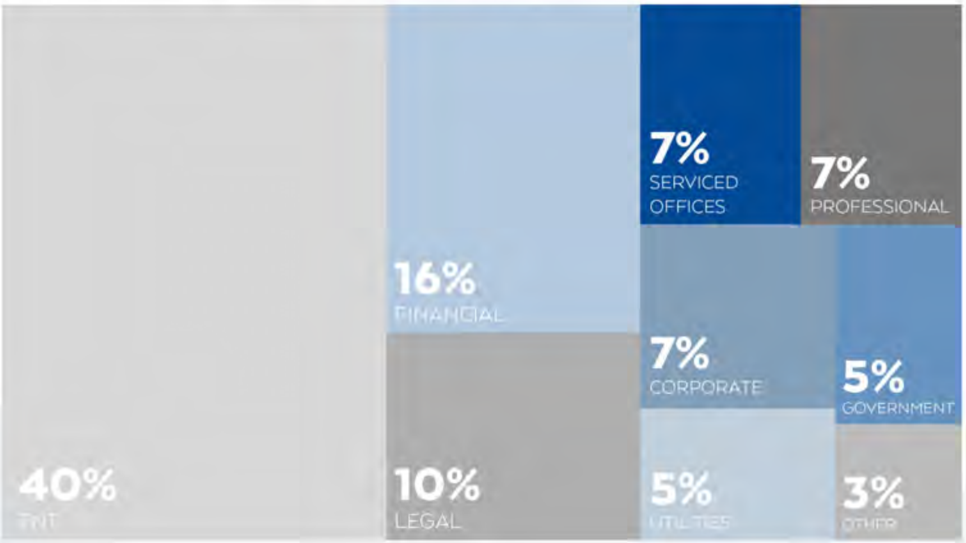


- **20%** increase in the volume of new construction starts (both new build and refurbishments) compared to the six months to March 2021.
- 3.1m sq ft of new London office projects started in the six months to March 2021 across central London.
- 32 separate new schemes commenced during the survey period – a higher figure than the long-term average of 25.
- The level of pre-letting in new construction starts dropped from **45%** to just **19%,** suggesting a higher proportion of speculative office developments.
- **56%** of new construction starts involved an extensive upgrade to existing office stock in as many as 21 schemes.

- In the six months to March 2021, new starts were concentrated in London's core City, West End and Midtown markets, with the West End and Midtown combining to account for 57% of all new office construction in central London.
- There were no new starts reported in Southbank, Docklands, Paddington or King's Cross.
- New office starts in the West End almost doubled from the previous survey, with 0.9m sq ft breaking ground across 14 new developments. The City saw the highest volume of new starts but only two schemes were new-build developments.

Source: Deloitte Real Estate

PERCENTAGE OF PRE-COMPLETION SPACE LET BY SECTOR



Homeworking expected to **reduce office demand** (sector-dependent)

Occupiers becoming more discerning about **net zero offices**

Majority of developers looking to **increase their pipelines**

Stronger focus on **'best-in-class'** office space

- Pre-letting activity weakened. **59%** of completions were pre-let, down from **70%** in the previous survey and below the five-year average of **65%**.
- In terms of office space under construction in central London, less than a third (**32%**) is committed to compared to **45%** in the previous survey.
- TMT sector continues to drive office demand taking up **40%** of all pre-let space under construction. The sector is not intending to scale back on space to the same degree as others due to its expectations of business growth.
- Financial Services accounted for a modest **16%** of the pre-let space under construction. This reflects the sector's shift towards scaling down on real estate by consolidating its office presence in central London, and with many back-office functions being moved to the regions.
- Appetite for flexible office space has diminished due to weaker tenant demand for short-term space as a result of the increase in homeworking. However, there is growing demand from tenants that are unable to agree terms to extend their lease with their current landlord and who need short-term space while they assess their accommodation needs.

Source: *Deloitte Real Estate*

CONSTRUCTION MATERIAL PRICE INDICES

	MONTH ON MONTH May 21 - June 21	YEAR ON YEAR June 20 - June 21
NEW HOUSING	5.8%	19.8%
OTHER NEW WORK	3.1%	19.6%
REPAIR & MAINTENANCE	6.7%	23.0%
ALL WORK	4.5%	20.1%

- The BEIS 'All Work' material price index rose by just over **20%** in the year to July 2021, hitting a record high as the sector struggles with supply ongoing chain disruptions.
- Material prices increased **4.5%** in July – the largest monthly rise on record – while the price of certain types of imported timber rose by **23%**.
- Securing imported products, especially from China such as copper and steel, remains difficult. Domestically produced products such as bagged cement are also in short supply. This is particularly affecting smaller contractors with less secure pipelines who typically don't buy in advance.
- Material availability issues are largely COVID-related, stemming from factory slowdowns, closures constraining production and reduced freight container capacity.
- While supply side risks remain, some key commodity prices have stabilised or even fallen in recent months. According to the LME, copper prices are down from their highs in early May. Iron ore prices also fell by **28%** in the month to mid-August.
- By mid-August timber futures had plummeted by more than **70%** from their record-high in May. However, price falls are not yet being passed on down the supply chain as retailers sell inventory bought at higher prices. Furthermore, with demand so strong there is little reason to immediately lower prices.
- While output and building activity has returned to near pre-pandemic levels, supply hasn't been able to keep up with demand. The recent falls in monthly construction output are, in part, related to rising material prices.

Source: *BEIS*

Key Trade Analysis Likely 12-month inflationary range for key trade packages based on our Q3 2021 TPI Survey results

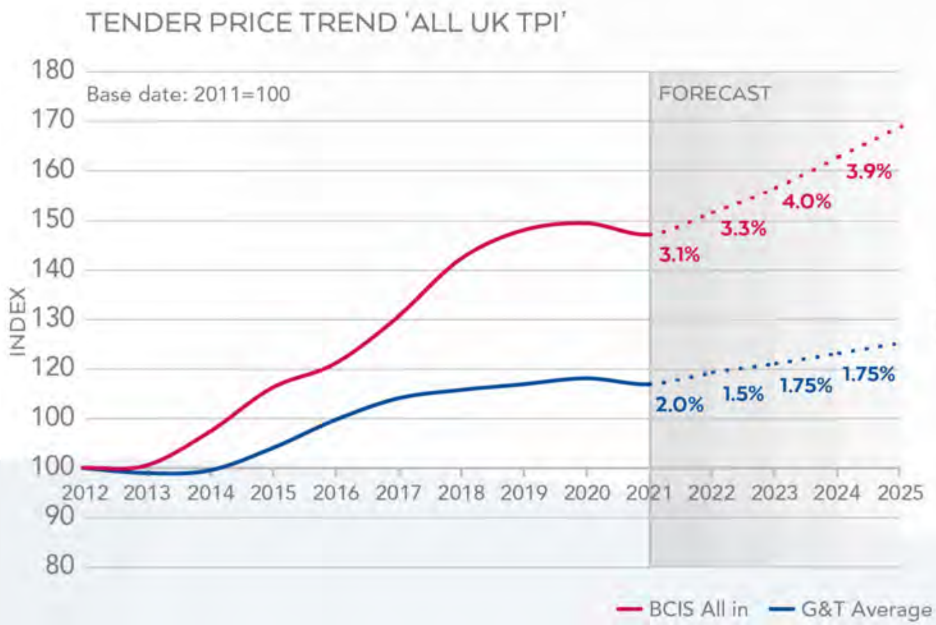
Key Trade Packages	Summary	Likely Inflation Range (Next 12 months)
Demolition	New demolition/site remediation frameworks along with rising new orders indicating a growing new build pipeline is positive news for demolition contractors. However, with many of these schemes not committed to start until the end of the year there is likely to be spare capacity in the market in the short-term, keeping demolition and enabling works relatively competitive. With high scrap metal prices, contractors can continue to offer keen pricing and the credit for scrap is often being passed through in bids. Looking further ahead, the low carbon agenda is likely to change the profile of work being commissioned with a greater proportion of conversion and refurbishment relative to new-build. This will necessitate greater capture of second-hand materials for recycling/ repurposing, impacting demolition processes and pricing.	**-1% to 1%**
Groundworks	Cement and ready-mixed concrete prices have remained relatively flat, increasing by around 3-4% each in the year to July 2021. However, rebar prices continue to rise and are up by more than 59% over the same period, prompting groundworks and frame contractors to state that rebar is at an unsustainable level. Contractors continue to actively seek work but expect that planned infrastructure and enabling civils works will bolster their pipelines over the next 12 months.	**0% to 1.5%**
Concrete	Although ready-mixed concrete has seen more subdued price inflation than other materials, shortages of cement are causing delays and increasing project costs. The CLC say that demand for bagged cement is unprecedented and both bagged and bulk cement are on allocation. However, they note there regional variations with some areas more affected than others. All UK kilns are operating but it may be some time before stocks return to normal. With high demand supported by major infrastructure schemes getting underway, extended delivery times are expected to remain until the end of the year.	**1% to 2%**
Steel	According to BEIS data, fabricated structural steel prices were up by nearly 65% in the year to July 2021. Within infrastructure and commercial construction, steel continues to experience significant supply disruption and price inflation. However, iron ore prices have fallen sharply since mid-July after China announced it would reign in steel production. Ramped up commitments by China to reduce emissions by cutting steel output triggered a selloff in iron ore, but the 28% fall in the price of the steel-making ingredient in the last month has not yet passed through the supply chain and is unlikely to do so when demand remains so high.	**3% to 5%**
Facades	Supply pressure and increased cost of design, installation and materials creating uncertainty in the supply chain with bids being caveated. Some materials have increased significantly with aluminium prices hitting a record high in August. Brexit/tariffs not expected to be a major issue as glass, aluminium and fabrication generally comes from the EU and countries where trade deals are in place. Façade sub-contractor workloads are steady with 2021 pipeline largely secure. Lead times have lengthened due to reduced capacity of manufacturing facilities and suppliers increasing procurement periods. Contractors are still tendering competitively with low conversion rates and pricing is fairly tight.	**2% to 4%**

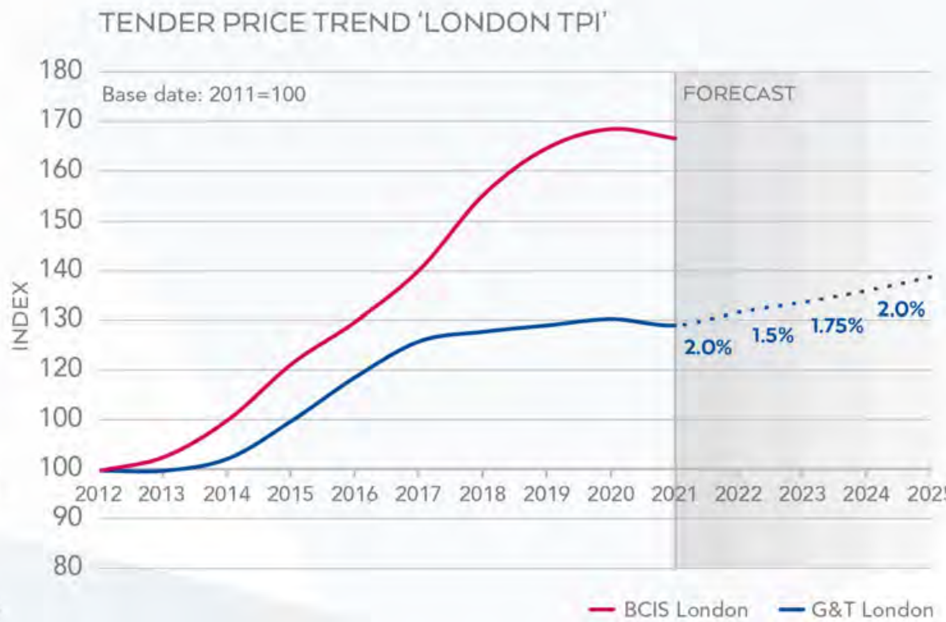
Key Trade Analysis Likely 12-month inflationary range for key trade packages based on our Q3 2021 TPI Survey results

Key Trade Packages	Summary	Likely Inflation Range (Next 12 months)
Brick	Brick production and deliveries (both lead indicators of residential construction volumes) continued to edge higher in Q2 2021 as stocks fell. Demand has recovered strongly (fuelled by a housebuilding boom and repair & maintenance improvements) and manufacturers are now back at full production capacity. However, manufacturers are wary that present shortages of labour, raw materials and transport across the wider construction sector could impact demand for bricks. According to a recent RICS survey, inflationary pressures are stemming from a scarcity of bricklayers which is putting upward pressure on rates.	1% to 2%
Dry lining	Shortages of skilled labour are supporting prices, particularly in residential. Costs are being pushed up by supplier stock shortages of plasterboard, plywood and insulation materials. Contractors are factoring in average inflationary rises of 10% per year (to 2023) from British Gypsum for plasterboard. High steel prices are a concern for metal studs and lay in grids and this is influencing supply and cost. Drylining lead times remain at 13 weeks but no further rise is anticipated.	1.5% to 2.5%
Carpentry	Demand for carpentry from the residential sector continues to stretch capacity and put pressure on labour supply. According to BEIS data, imported sawn or planed wood prices rose by more than 64% in the year to July 2021. Price rises are being driven by shortages – a result of Covid-19 restrictions limiting timber mill production, Brexit red tape complicating imports, compounded by a global increase in demand for timber construction products. Even though sawmill supply is being ramped up following the maintenance season in July, supply is expected to remain tight into Q3 2021 and unrelenting demand for imported timber means an immediate retail price correction is unlikely. Contractors expect carpentry lead times to increase further until there is a return to a more recognisable balance between supply and demand.	1.5% to 2.5%
Joinery	Workload and enquiries remain strong which is putting strain on labour availability. Strong demand from the residential sector, global supply shortages and rising raw material prices are putting upward price pressure on the trade.	1.5% to 2.5%
Finishes	Finishing trades are being impacted by increasing costs for finishing materials such as paints, varnishes and tiles. Fit-out firms are reporting rising enquiries as well as growing order books as tenants and landlords revamp their existing workspaces.	1% to 2%
M&E	Bidding competition has eased from 2020 but remains higher than it was pre-pandemic. An increasing number of lower tier subcontractors are bidding for larger open tenders which is keeping pricing keen. In addition to commodity-based material price volatility, contractors continue to report supply issues. Projects are being affected by microprocessor shortages, increased delivery costs and extending delivery periods. Demand is outstripping supply, increasing costs across ventilation packages, cablings, pipework and containment in particular. Even larger firms, that had extra stock, are now depleted and this is impacting programmes and costs on projects.	1.5% to 2.5%

Key Trade Analysis Likely 12-month inflationary range for key trade packages based on our Q3 2021 TPI Survey results

Key Trade Packages	Summary	Likely Inflation Range (Next 12 months)
Roof	The National Federation of Roofing Contractors (**NFRC**) reports that workloads are rising and shortages intensifying. Most common shortage areas are concrete/ clay tiles, timber battens, insulation and general timber, pushing prices higher. Labour availability continues to worsen, pushing up wage rates. Contractors anticipate further, broad-based growth over the next 12 months. However, the availability and cost of skilled labour and materials will be potential brakes on the pace of the recovery.	**1% to 2%**
Preliminaries	After rising from 13.5% in 2019 to 15.3% in 2020, average Main Contractor preliminaries costs the first six months of 2021 have fallen to 12.3%. Contractors have evidently tried to be competitive with their elements of works so far this year as they filled their order books, particularly in light of the rapid rise of material costs. The CLC SOP's are no longer current but some of the additional site welfare facilities may remain in place for the short-term and so have little immediate impact on preliminaries costs. Skills shortages are pushing up staff and operative rates which will be a key contributing factor rising preliminaries costs over the next 12 months.	**Neutral - Increasing**
OH&P	Average overheads and profits (OH&P) have retreated from 6% in 2020 to 5.6% for first six months of 2021. Contractors have been sensible with their margins this year but with rising new orders, margins are likely to recover as tendering competition eases. Contractors bidding in thriving sectors will have greater headroom to raise OH&P.	**Neutral - Increasing**





- Burst of pent-up demand and economic activity amid intense supply constraints causing transitory inflation.
- Price pressures expected to normalize as supply and demand meet in one place.
- Nearly all material prices moving upwards, putting pressure on contractors to pass these rises on through increased tender pricing.
- Expected wage-led inflationary growth as demand for skilled workers begins to outpace supply.
- Against this backdrop, our inflationary forecasts have been upwardly revised across all regions in 2021. Our resultant weighted UK average indicates that tender price inflation will rise by an average of **2%** this year – significantly higher than our previous forecast of **0.5%** in Q2 2021.
- If cost plans were being re-rated and materials procured now, tender price inflation would inevitably be much higher than **2%** but it's important to reiterate that we are forecasting across the whole year, providing an average inflationary rate across all sectors of the built environment. TPI is likely to vary from project-to-project more than ever.
- Signs that material-led input cost inflation has begun to give back some of its advances since the late spring. Commodity prices such as iron ore, copper and timber have all come off the boil, casting doubt on any inflation-related panic.
- Production output is recalibrating which should ease most supply-side issues, and once pent-up demand has passed through and begins to normalise, we anticipate that much of the inflationary pressures acting on material prices will ease.

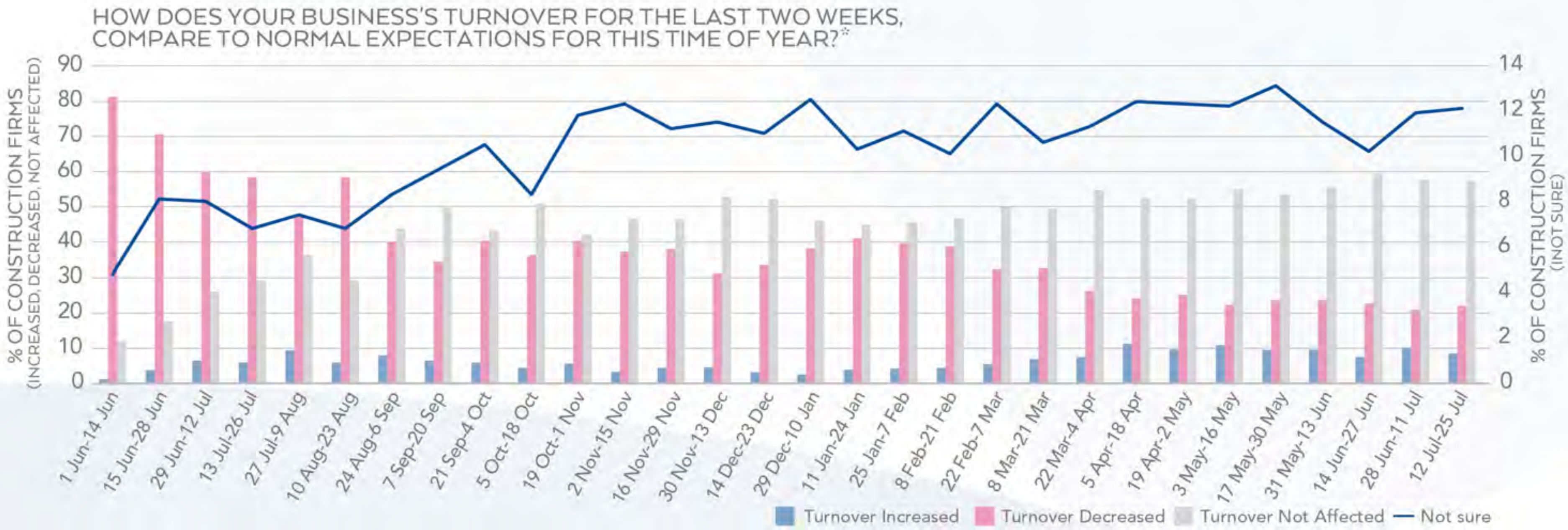
Note: BCIS does not publish regional TPI forecasts

- Key inflationary metrics such as the ONS's construction output prices index (**COPI**), CPI and RPI rose gradually in 2020 but growth rates have accelerated since January 2021.
- In the first seven months of 2021, CPI increased by **2.1%** and RPI by **3.7%**. The 'All Construction' COPI lagged both series, growing by just under **2%** but over a slightly shorter period (Jan – Jun 2021).
- The BCIS's general building cost index (which measures movement in the cost of labour, material and plant to a contractor) rose by **5.5%** in the first half of 2021, outpacing all other inflationary measures in the graph above.
- From mid-2021 onwards, there was a clear divergence between the BCIS All-in tender price index for the UK and all other inflationary metrics.

Typically, differences between tender pricing and input costs (as indicated by the COPI and BCIS general building cost index, above) are indicative of market conditions.

- While input costs were rising in H2 2020, tender price inflation was generally falling. This suggests that contractors were initially trying to absorb input cost rises, being competitive with their tender submissions while new order growth was still subdued.
- As input cost inflation accelerated further in H1 2021, contractors became less able to absorb the price rises. Recovering new orders also meant that contractors had greater capacity to pass inflationary rises on.

***Please note:** COPI is the ONS's best estimate of inflation within the UK construction industry. The index is compiled using existing ONS data sources on a project cost basis. Three types of input cost are estimated: materials, plant and labour. A mark-up is then applied, which accounts for profit. See ONS' methodology background for further information.*

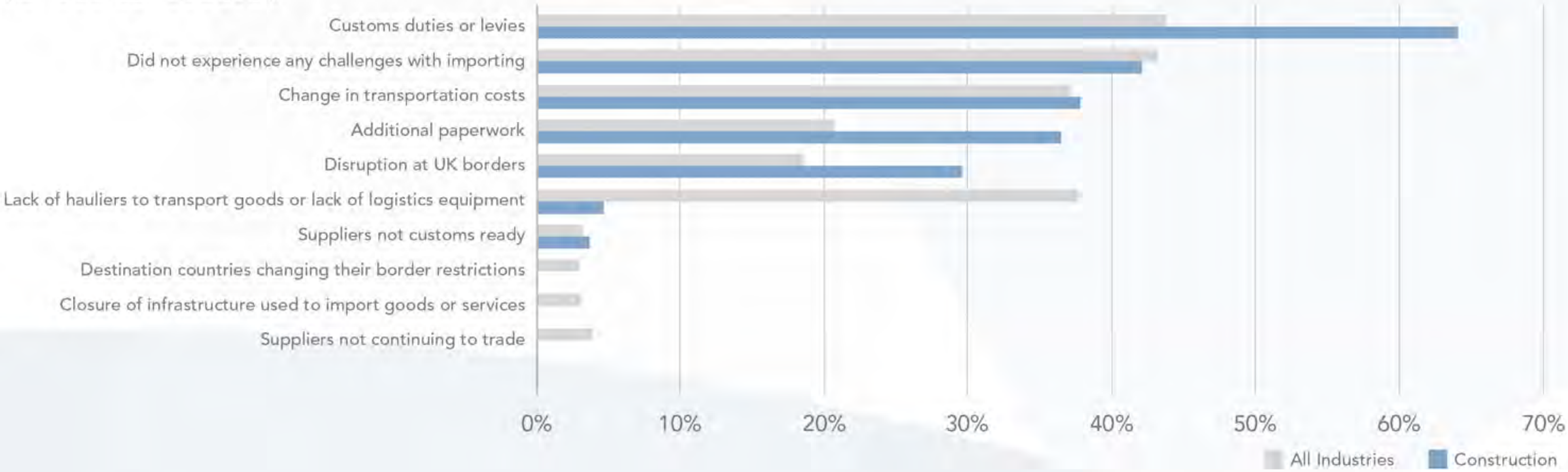


- According to the ONS' fortnightly Business Insights and Impact on the UK Economy dataset, the proportion of construction firms reporting that their turnover was lower compared to what was normally expected for the time of year hit a low point in the 28th June – 11th July period.
- Although a significant proportion of firms (**20.8%**) reported lower than normal turnover for the period, this metric has seen a general downward trend since summer 2020. Furthermore, the majority of firms (more than **57%**) reported that turnover was unaffected while a small proportion (**10.1%**) believe that turnover has actually increased in the period compared to normal expectations.
- A number of contractors have collapsed into administration as a result of falling margins on current jobs. According to Creditsafe, a total of thirteen companies in the construction sector went into administration in July 2021 – a rise from the seven that went under in June but lower than May's 15.
- Most companies have blamed this on a combination of the pandemic and Brexit, which have caused volatility in availability and prices of construction materials. This has made the completion of existing and future contracts both unprofitable and unviable. Delays to the completion of projects on site has also added complications.

** Percentage of construction businesses currently trading, broken down by industry and size band, weighted by turnover, UK, 1 June 2020 to 25 July 2021*

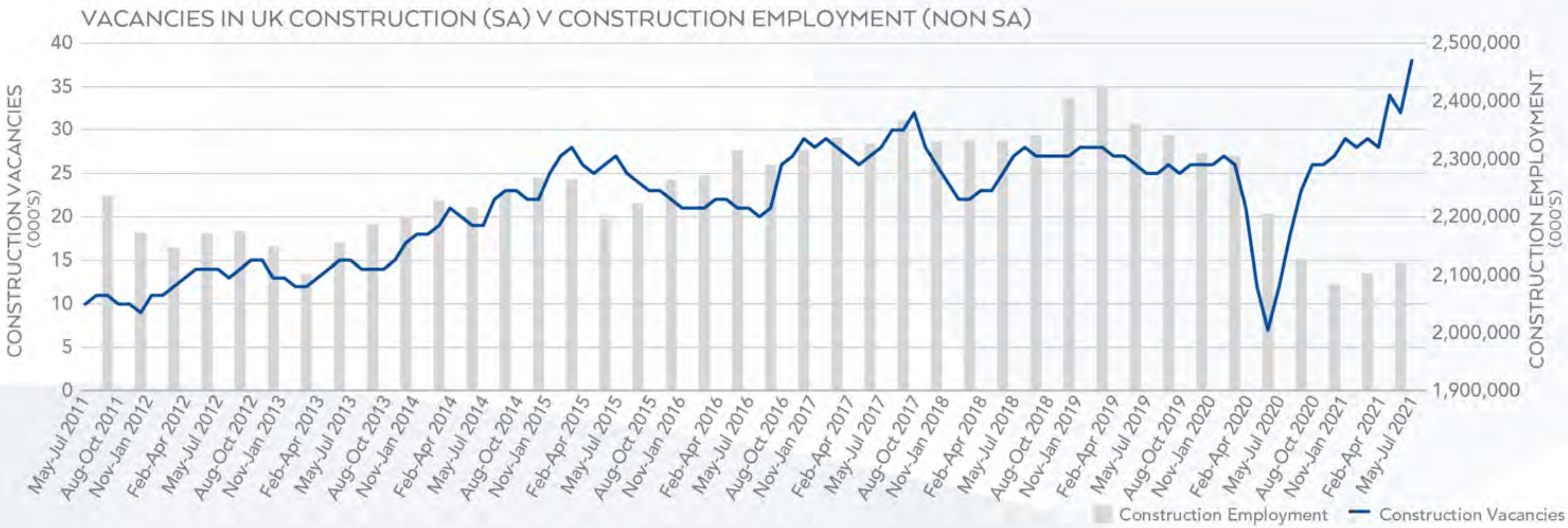
Source: ONS

HAVE YOU EXPERIENCED ANY OF THE FOLLOWING CHALLENGES WITH IMPORTING OVER THE LAST TWO WEEKS? (12TH JUL - 25TH JUL 2021)



- Between 12th – 25th July, surveyed construction companies said that the most common challenge with importing over the period was a ‘change in transportation costs’. Over **64%** of firms said that they experienced rising costs as contractors were hit by ripples of shipping ‘super inflation’ and a lack of transport availability.
- Following Brexit, ‘Additional paperwork’ (**42%**) and ‘Customs duties and levies’ (**38%**) have become increasingly burdensome to construction firms. A ‘Lack of hauliers to transport goods or a lack of logistics equipment’ was also a common challenge, affecting nearly **30%** of companies.
- Supply imbalances are being amplified by a lack of transport availability, port congestion and logistical logjams (caused by stretched international supply chains) and Brexit trade frictions. The result is historically long delivery times acting as a damper on overall construction activity and output growth.
- For contractors (particularly SMEs with less ability to hold stock and which don’t have professional procurement teams/established supply chains in place) that operate a ‘just in time’ delivery supply chain, even the slightest delay in materials or hike in transportation costs can have serious knock-on financial consequences. Companies on fixed-price agreements with clients could face difficulties if they don’t take proactive mitigating actions.

Source: ONS



- The latest ONS data shows construction vacancies hitting a 20-year high. Job vacancies in the three-month period between May-July 2021 were 38,000 - **19%** higher than the previous period (April-June 2021). Construction vacancies are now well above the 10-year average of 21,800.

- July's IHS Markit/CIPS UK Construction employment index signaled that the rate of job creation accelerated month-on-month and was close to its seven-year peak seen in May. Higher levels of employment were attributed to robust order books and optimism about near-term growth prospects.

- While the total number of construction employments appears to be growing in response to the sharp rise in vacancies, a substantial gap between the two data series remains.

- Employment growth is struggling to keep pace with growing workloads. This will be an obstacle for businesses looking to build out existing commitments or embark on new projects, and one that could limit activity in future months. In some sub-sectors, labour shortages have been driven by a sharp increase in infrastructure work and a surge in housebuilding and refurbishment work, drawing labour away from less active sectors.

Source: ONS

Market Update
August
2021

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gardiner.com
marketintel.gardiner.com

Appendix 3 – Market Sale Appraisal

100 Avenue Road, Swiss Cottage
Assumed Market Sale.
Contemporary Cost Assumptions

Development Appraisal
Savills
22 September 2021

APPRAISAL SUMMARY	SAVILLS

100 Avenue Road, Swiss Cottage
Assumed Market Sale.
Contemporary Cost Assumptions

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Block A Market	130	98,376	1,149.04	869,519	113,037,500
36 Affordable Housing Units	36	35,099	232.77	226,944	8,170,000
Totals	**166**	**133,475**			**121,207,500**

Rental Area Summary	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Block B DMR	18	13,518	21.61	16,233	219,141	292,188	219,141
Retail	1	11,211	30.00	336,330	336,330	336,330	336,330
Ancillary Retail	1	1,387	7.50	10,403	10,403	10,403	10,403
Totals	**20**	**26,116**			**565,873**	**638,920**	**565,873**

Investment Valuation

Block B DMR					
Current Rent	219,141	YP @	3.2500%	30.7692	6,742,800
Retail					
Market Rent	336,330	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	4,341,021
Ancillary Retail					
Market Rent	10,403	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	134,265
Total Investment Valuation					**11,218,087**

GROSS DEVELOPMENT VALUE				**132,425,586**
Purchaser's Costs			(762,830)	
Effective Purchaser's Costs Rate		6.80%		
				(762,830)
NET DEVELOPMENT VALUE				**131,662,756**
NET REALISATION				**131,662,756**

OUTLAY

ACQUISITION COSTS				
Residualised Price (Negative land)			(17,462,361)	
				(17,462,361)
CONSTRUCTION COSTS				
Construction	**Units**	**Unit Amount**	**Cost**	
Construction Costs	1 un	103,630,000	103,630,000	**103,630,000**
Retention on Demolition			120,000	
S106			239,000	
S278			250,000	
Parkland License Extension			644,000	
				1,253,000
PROFESSIONAL FEES				
All Professional Fees		12.00%	12,435,600	
				12,435,600
MARKETING & LETTING				
Marketing		1.00%	1,130,375	
Letting Agent Fee		10.00%	34,673	
Letting Legal Fee		5.00%	17,337	
				1,182,385
DISPOSAL FEES				
Sales Agent Fee		1.00%	1,316,628	
Sales Legal Fee		0.50%	658,314	
				1,974,941

APPRAISAL SUMMARY	SAVILLS

100 Avenue Road, Swiss Cottage
Assumed Market Sale.
Contemporary Cost Assumptions

FINANCE			
Debit Rate 6.750%, Credit Rate 0.500% (Nominal)			
Land		(2,124,324)	
Construction		7,446,180	
Other		1,993,573	
Total Finance Cost			7,315,429
TOTAL COSTS			**110,328,994**
PROFIT			
			21,333,762
Performance Measures			
Profit on GDV%	16.11%		
IRR% (without Interest)	25.07%		

Appendix 4 – BTR Appraisal

100 Avenue Road, Swiss Cottage
Proposed Scheme
Build to Rent. BPS Assumptions. Updated Costs

Development Appraisal
Savills
22 September 2021

APPRAISAL SUMMARY	SAVILLS

100 Avenue Road, Swiss Cottage
Proposed Scheme
Build to Rent. BPS Assumptions. Updated Costs

Appraisal Summary for Phase 1

Currency in £

REVENUE

Rental Area Summary	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Block A Market Rent	130	98,966	44.92	34,195	3,333,975	4,445,300	3,333,975
Block B DMR	18	13,518	22.37	16,800	226,800	302,400	226,800
Block D - Market Rent	28	28,611	34.99	35,754	750,825	1,001,100	750,825
Block F Market Rent	8	7,288	35.47	32,312	193,875	258,500	193,875
Retail	1	11,211	30.00	336,330	336,330	336,330	336,330
Ancillary Retail	1	1,387	30.00	41,610	41,610	41,610	41,610
Totals	**186**	**160,981**			**4,883,415**	**6,385,240**	**4,883,415**

Investment Valuation					
Block A Market Rent					
Manual Value					100,700,244
Block B DMR					
Manual Value					6,672,052
Block D - Market Rent					
Manual Value					22,920,510
Block F Market Rent					
Manual Value					5,918,442
Retail					
Market Rent	336,330	YP @	6.7500%	14.8148	
(1yr 6mths Rent Free)		PV 1yr 6mths @	6.7500%	0.9067	4,517,623
Ancillary Retail					
Market Rent	41,610	YP @	6.7500%	14.8148	
(1yr 6mths Rent Free)		PV 1yr 6mths @	6.7500%	0.9067	558,910
Total Investment Valuation					**141,287,782**

GROSS DEVELOPMENT VALUE				**141,287,782**
Purchaser's Costs			(9,607,569)	
Effective Purchaser's Costs Rate		6.80%		
				(9,607,569)
NET DEVELOPMENT VALUE				**131,680,212**
NET REALISATION				**131,680,212**
OUTLAY				
ACQUISITION COSTS				
Fixed Price		1		
Fixed Price			1	
				1
CONSTRUCTION COSTS				
Construction	**Units**	**Unit Amount**	**Cost**	
Construction Costs	1 un	103,630,000	103,630,000	
Retention on Demolition			120,000	
Parkland License Extension			644,000	
S278			250,000	
S106			239,000	
				104,883,000
PROFESSIONAL FEES				
All Proffessional Fees		12.00%	12,435,600	
				12,435,600
MARKETING & LETTING				
Letting Agent Fee		10.00%	37,794	

100 Avenue Road, Swiss Cottage
Proposed Scheme
Build to Rent. BPS Assumptions. Updated Costs

Letting Legal Fee	5.00%	18,897	
			56,691
DISPOSAL FEES			
Sales Agent Fee	1.00%	1,316,802	
Sales Legal Fee	0.50%	658,401	
			1,975,203
FINANCE			
Debit Rate 6.750%, Credit Rate 0.500% (Nominal)			
Land		0	
Construction		6,774,436	
Total Finance Cost			6,774,436
TOTAL COSTS			**126,124,931**
PROFIT			
			5,555,281
Performance Measures			
Profit on GDV%	3.93%		
IRR% (without Interest)	11.40%		

100 Avenue Road, Swiss Cottage
Proposed Scheme
Build to Rent. Savills Assumptions. Updated Costs

Development Appraisal
Savills
22 September 2021

APPRAISAL SUMMARY — SAVILLS

100 Avenue Road, Swiss Cottage
Proposed Scheme
Build to Rent. Savills Assumptions. Updated Costs

Appraisal Summary for Phase 1

Currency in £

REVENUE

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Block F Market Rent	8	7,288	35.47	32,312	193,875	258,500	193,875
Retail	1	11,211	30.00	336,330	336,330	336,330	336,330
Ancillary Retail	1	1,387	7.50	10,403	10,403	10,403	10,403
Totals	**186**	**160,981**			**4,852,208**	**6,354,033**	**4,852,208**

Investment Valuation

Block A Market Rent					
Current Rent	3,333,975	YP @	3.2500%	30.7692	102,583,846
Block B DMR					
Current Rent	226,800	YP @	3.2500%	30.7692	6,978,462
Block D - Market Rent					
Current Rent	750,825	YP @	3.2500%	30.7692	23,102,308
Block F Market Rent					
Current Rent	193,875	YP @	3.2500%	30.7692	5,965,385
Retail					
Market Rent	336,330	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	4,341,021
Ancillary Retail					
Market Rent	10,403	YP @	7.0000%	14.2857	
(1yr 6mths Rent Free)		PV 1yr 6mths @	7.0000%	0.9035	134,265
Total Investment Valuation					**143,105,287**

GROSS DEVELOPMENT VALUE				**143,105,287**
Purchaser's Costs			(9,731,159)	
Effective Purchaser's Costs Rate		6.80%		
				(9,731,159)
NET DEVELOPMENT VALUE				**133,374,127**
Additional Revenue				
stabilisation rent			1,314,097	
				1,314,097
NET REALISATION				**134,688,224**

OUTLAY

ACQUISITION COSTS

Residualised Price (Negative land)			(14,909,328)	
				(14,909,328)

CONSTRUCTION COSTS
Construction

	Units	Unit Amount	Cost	
Construction Costs	1 un	103,630,000	103,630,000	**103,630,000**
Retention on Demolition			120,000	
Parkland License Extension			644,000	
S278			250,000	
S106			239,000	
				1,253,000

APPRAISAL SUMMARY SAVILLS

100 Avenue Road, Swiss Cottage
Proposed Scheme
Build to Rent. Savills Assumptions. Updated Costs

PROFESSIONAL FEES			
All Proffessional Fees	12.00%	12,435,600	
			12,435,600
MARKETING & LETTING			
Letting Agent Fee	10.00%	34,673	
Letting Legal Fee	5.00%	17,337	
			52,010
DISPOSAL FEES			
Sales Agent Fee	1.00%	1,333,741	
Sales Legal Fee	0.50%	666,871	
			2,000,612
FINANCE			
Debit Rate 6.750%, Credit Rate 0.500% (Nominal)			
Land		(1,653,880)	
Construction		6,774,436	
Letting		3,639,982	
Total Finance Cost			8,760,538
TOTAL COSTS			**113,222,431**
PROFIT			
			21,465,793
Performance Measures			
Profit on GDV%	15.00%		
IRR% (without Interest)	22.85%		

Appendix 5 – VE Summary

REPORT NO 2

100 AVENUE ROAD - DRAFT

Value Engineering

17. 09. 21
By: Simon Thornton
For: Essential Living

1. INTRODUCTION

The following document and attached Value Engineering appendix summarises the current position on Value Engineering for Swiss Cottage, 100 Avenue Road.

2. VALUE ENGINEERING

As part of stage 4, Value Engineering was explored to provide guidance for Essential Living as to potential savings, cost opportunities and value during the next stage of design.

During the period between the previous cost plan and the current date (17.9.21) there have been significant market changes that have impacted construction costs across all projects. Whilst a formal cost plan update has not been produced for Swiss Cottage a high-level analysis of current day market prices and construction costs has shown that the construction cost for 100 Avenue Road has gone up circa £6million in the period (circa 5% increase in total value). Therefore, nearly all previous reviewed saving opportunities have been absorbed/ negated by inflating costs.

(Refer to 20210915_Market Report Swiss Cottage for full details on market factors)

A full review of Value Engineering will have to be undertaken during the next stage of design and reviewed in alignment with Grid architects and the eventual Main Contractor as some value engineering may not be achievable due to buildability and technical requirements.

The attached appendices reflects a summarised list of VE that will need analysing in further detail over the coming months prior to entering into a formal building works contract. Please note that whilst this list summarises a potential total Value Engineering number. Not all savings can be taken together as some elements have a number of alternative options.

APPENDIX A
Value Engineering

VALUE ENGINEERING REGISTER | Swiss Cottage

17/09/2021

		Cost / Saving	Effect to GIA from change: Area change ft2	Cost change £/ft2	Revised £/ft.	Comment
	Total Proposed VE (Note not all VE can be taken together)	**-870,000**		-3	411.29	
	External Envelope					
1	Tower and Block B - Change Sliding doors to winter gardens to outward opening	-11,000		-0.04		Cannot be taken with the below
2	Tower - Change sliding doors to balcony doors change to outward opening	-28,000		-0.11		Cannot be taken with the above
3	Tower - Tilt and turn window vs the side opening window	-5,000		-0.02		Requires technical review
4	Block B - Tilt and turn window vs the side opening window	-10,000		-0.04		Requires technical review
5	Alternative decking to tower balconies	-123,500		-0.49		
6	Tower and Block B - Sto render to lift over-runs in lieu of PPC ali	-10,000		-0.04		
7	Omit glazed balustrade in lieu of steel open balustrading			-		No saving available following review of market costs
8	Allowance for reduced height balustrade to balconies					No saving available following review of market costs
	Finishes					
9	Remove skirting from staircases	-1,470		-0.01		
	Brick and Blockwork					
10	Paint grade in lieu of fair faced block	-9,000		-0.04		
11	Trad windposts in lieu of W.I.	-50,000		-0.04		Main contractor to comment as to VE. Different contractors have different preferences.
	Drylining, Partitions and Ceilings (inc. Soffit and Wall Insulations)					
12	All areas - T&J finish in lieu of skimmed plaster to all walls and ceilings	-75,000		-0.30		
13	All apartments - Review of finishes required to utility cupboards internal walls	-10,000		-0.04		
14	Back of house areas - Review finishes requirement / fairface concrete / blockwork	-15,000		-0.06		
15	Remove ceilings from retail space	-35,400		-0.14		
16	All apartments - Standardisation of door sizes which have more than a 20mm size difference	-15,000		-0.06		GRID to comment
17	Change handles to apartment entrance doors omit Glutz access control	-13,000		-0.05		Essential Living to advice if acceptable
	FF&E			-		
18	Reduce building signage	-50,000		-0.20		Careful review required as current allowances can be easily consumed.
19	Target saving - Review handles to wardrobes (Remove Allgood SS1745 handles and add back £25 per handle)	-6,740		-0.03		Tower & Lower Block
20	Saving based on white MFC carcass and MDF doors primed for site decoration	-24,145		-0.09		To be reviewed with other wardrobe savings shown above
	Mechanical & Electrical					
21	Remove converged network	-50,000		-0.43		
22	Remove data point (Tower only)	-31,946		-0.13		Remove all data from apartment except 1 Nr point for Wi-Fi
23	Remove data point (Lower building only)	-12,515		-0.05		Remove all data from apartment except 1 Nr point for Wi-Fi
24	Remove TV point from all second & third bedrooms (Tower Only)	-10,161		-0.04		Remove TV points to second and third bedrooms
25	Remove TV point from all second & third bedrooms (Lower building Only)	-3,981		-0.02		Remove TV points to second and third bedrooms
26	Rationalise valve arrangements to FCU within apartments	-20,000		-0.08		
27	Omit temporary leak detection requirement	-22,172		-0.09		
28	Red dry/wet riser cabinets instead of stainless steel	-4,500		-0.02		
29	Omit apartment carbon filters above level 6	-52,670		-0.21		
30	Omit factory witness testing	-16,268		-0.06		
31	Change apartment copper pipework to MLCP	-35,000		-0.14		
32	Omit seasonal commissioning	-1,659		-0.01		
33	Omit apartment heat maintenance tape	-71,275		-0.28		
34	Replace video intercom with voice only (Tower Only)	-27,235		-0.11		Currently allowing for video intercoms.
	Vertical Transport					
35	All lift shafts - Omit lift shaft painting (pit only) / counterweight painting	-5,000		-0.02		
	External Works					
36	Reduce external works lighting allowance	-15,000		-0.06		Target saving to be given to design team to achieve.
	TOTAL	-870,000	0	-3	411.29	

Appendix 3 -
BPS Review of Market Sale Evidence

savills

Chartered Surveyors
215a High Street
Dorking, Surrey
RH4 1RU

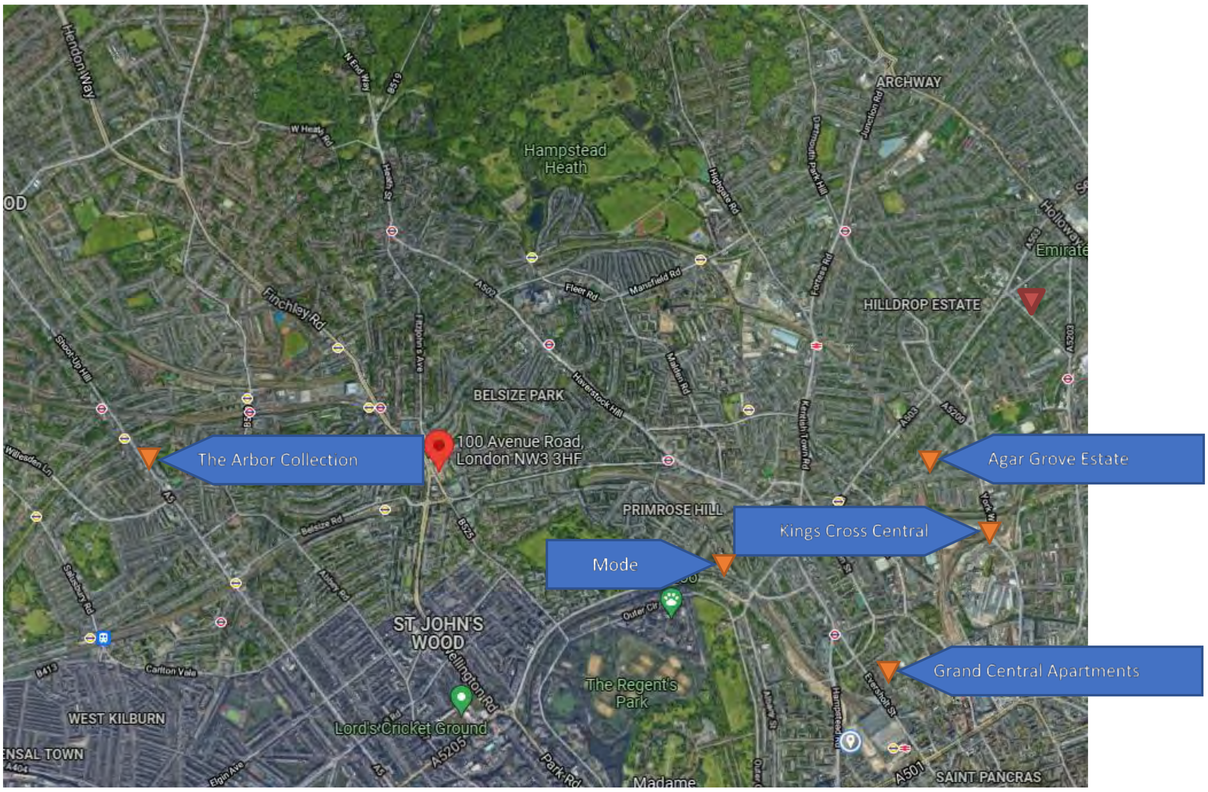
Telephone: 01483 565 433
E-Mail: info@bps-surveyors.co.uk
Web: www.bps-surveyors.co.uk

Sent by email 4th October 2021

Dear Gareth

This note outlines our view of key evidence and valuation premise in respect of a Build for Sale scenario at 100 Avenue Road, Camden, in light of the upcoming public inquiry. We are of the view than the analysis below justifies a private residential value of £1,315 per sq ft.

Set out below are the key comparables in the order of most relevant.



Grand Central Apartments, NW1

In October 2016 permission was granted for 7 buildings ranging 3-25 storeys in height. As of June 2021 the following prices were released:

Unit type	Size (sq ft)	Floor	Asking price (£psf)
2-bed	770	1	£1,145,000 (£1,487)
1-bed	591	4	£870,000 (£1,472)
2-bed	769	11	£1,265,000 (£1,645)
3-bed	1,443	18	£2,750,000 (£1,906)

We understand that the above do not include penthouses. This development overlooks 2 acres of public green space, is located in the heart of the Knowledge Quarter and has excellent connectivity to Kings Cross station.

Kings Cross Central, N1C

This 67-acre development is a large regeneration project providing a total of 2,000 new homes. As such, it has a neighbourhood feel and good amounts of publicity, but this is balanced against the need to sell units on-mass, which often require competitive pricing. The data below is for a 15-storey residential building providing 163 units of which 103 are private residential dwellings. Prices were launched in February 2021 via Knight Frank. Help to Buy is not available. We understand asking prices set in 2021 average £1,736 per sq ft.

<u>Data summary</u>

Unit type	Max value	Average value	Minimum value
2-bed	£1,860,000	£1,631,667	£1,255,000
3-bed	£2,435,000	£2,170,000	£1,970,000

Plot ref	Floor	Bed	Sq Ft	Most recent price	£PSF	Date of price
E.02.2	2	3	1575	£2,435,000	£1,546	Mar 2021
E.06.1	6	2	897	£1,550,000	£1,728	Mar 2021
E.07.1	7	2	901	£1,595,000	£1,770	Jun 2021
E.08.1	8	2	897	£1,630,000	£1,817	Jun 2021
E.08.2	8	2	890	£1,630,000	£1,831	Dec 2020
E.09.1	9	2	901	£1,685,000	£1,870	Jun 2021
E.10.2	10	2	890	£1,710,000	£1,921	Jun 2021
E.11.2	11	2	898	£1,745,000	£1,943	Jun 2021
E.12.1	12	2	904	£1,790,000	£1,980	Jun 2021
E.13.2	13	2	898	£1,815,000	£2,021	Jun 2021
E.14.1	14	2	902	£1,860,000	£2,062	Jun 2021
W.01.1	1	3	1423	£2,170,000	£1,525	Jun 2021
W.01.2	1	3	1455	£1,970,000	£1,354	Jun 2021
W.02.2	2	3	1449	£2,005,000	£1,384	Jun 2021
W.03.1	3	3	1431	£2,270,000	£1,586	Jun 2021
W.05.1	5	2	813	£1,255,000	£1,544	Jun 2021
W.08.1	8	2	808	£1,315,000	£1,627	Jun 2021

Agar Grove Estate, NW1

This development consists of multiple low-rise blocks that we anticipate will have lower average values per sq ft than the subject scheme (owing to the comparative height of Avenue Road). We do however feel that this development is a useful comparable for smaller 2-beds with poor aspects. The scheme is 507 units in total of which 251 were brought forward as private residential dwellings. Achieved values are not yet available however asking prices set December 2020-June 2021 average £963 per sq ft and are as follows:

Unit type	Max value	Average value	Minimum value
1-bed	£795,000	£608,333	£570,000
2-bed	£795,000	£777,000	£765,000

Plot ref	Floor	Bed	Sq Ft	Most recent price	£PSF	Date of price
01	G	1	575	£570,000	£991	Jun 2021
02	G	1	575	£575,000	£1,000	Jun 2021
03	G	1	575	£575,000	£1,000	Jun 2021
04	G	1	578	£575,000	£995	Jun 2021
05	G	1	634	£590,000	£931	Jun 2021
06	1	2	816	£765,000	£938	Jun 2021
08	1	1	621	£595,000	£958	Dec 2020
11	G	2	815	£765,000	£939	Jun 2021
12	3	2	839	£780,000	£930	Jun 2021
13	3	1	692	£600,000	£867	Dec 2020
16	2	1	650	£600,000	£923	Dec 2020
17	2	2	773	£780,000	£1,009	Jun 2021
18	3	2	801	£795,000	£993	Jun 2021
23	4	1	790	£795,000	£1,006	Dec 2020

Mode, 1 Centric Close, NW1

This Fairview New Homes Development sold out in 4Q2020 but experienced significant price reductions to speed up the sales process, following the launch in June 2019. This is a low-rise scheme maximum 7 storeys and therefore averages will be lower than are expected at Avenue Road. Achieved sales in 2020 ranged in values per sq ft from £974-£1,217. Average asking prices set September 2019-

Unit type	Max value	Average value	Minimum value
1-bed	£687,000	£666,929	£640,000
2-bed	£920,000	£798,143	£695,000
3-bed	£1,130,000	£1,115,000	£1,100,000

September 2020 were as follows:

Plot ref	Floor	Bed	Sq Ft	Most recent price	£PSF	Date of price
28	G	2	804	£775,000	£964	Sept 2020
34	1	2	814	£695,000	£854	Sept 2020
35	1	2	877	£699,000	£797	Sept 2020
36	1	2	874	£725,000	£830	Sept 2020
45	2	2	874	£730,000	£835	Sept 2020
70	5	2	874	£745,000	£852	Sept 2020
73	6	2	757	£750,000	£991	Sept 2020
74	6	2	851	£775,000	£911	Sept 2020
43	2	2	813	£845,000	£1,039	Jun 2020
46	3	2	790	£870,000	£1,101	Jun 2020
51	3	1	598	£672,500	£1,125	Jun 2020
30	1	3	958	£1,100,000	£1,148	Mar 2020
31	1	1	548	£649,000	£1,184	Mar 2020
64	4	2	790	£880,000	£1,114	Mar 2020

The Abor Collection, Kilburn High Road, NW6

This low-rise scheme consists of 1-3 bedroom apartments some of which qualify for Help to Buy. As of the date of reporting, the sold units are not yet available to view on Land Registry only 4 of the total 27 units remain unsold, having launched in September 2020. Asking prices ranged £854-£1,018 per sq ft, but given that the Avenue Road scheme has additional height premiums, we would anticipate the subject achieving higher values.

Unit type	Max value	Average value	Minimum value
1-bed	£600,000	£557,500	£515,000
2-bed	£815,000	£785,000	£750,000

Plot ref	Floor	Bed	Sq Ft	Most recent price	£PSF	Date of price
06		2	925	£790,000	£854	Dec 2020
08	1	1	506	£515,000	£1,018	Mar 2021
12		2	904	£815,000	£902	Dec 2020
15	4	2	850	£750,000	£882	Mar 2021
22		1	656	£600,000	£915	Dec 2020

We’ve also taken into account the following comps and transactions from the Savills evidence:

Belsize Park Firehouse

1-beds sold July 2020-March 2021 ranged £710,000-£775,000 (£1,231-£1,318 per sq ft), not including a very large 1,298 sq ft 1-bed sold in July 2020 which appears to be an anomaly. This was a low-rise, 6 storey block of 20 units.

Winchester Place

This scheme was launched in 2008 so it is likely that the 2020 transactions cited are second-hand sales without new-build premiums. We would anticipate the subject toa chieve superior values on this basis. Winchester Place is a 76-unit scheme which appears to be low-rise albeit floor heights were not available for scrutiny. In January 2020, a 3-bed sold for £1.23m (£1,008 per sq ft). We do not think the 1-bed sold in December 2020 was an open market sale, as it sold for £430,000 which was only a £10,000 improvement from its sale price new in 2010 for £420,000.

Thirty 2

A 72-unit scheme wherein 2 1-bed flats were sold in 2020, achieving between £640,000-£775,000 (£1,072-£1,412 per sq ft). The 2020 sales are not new-build and we would anticipate the subject to achieve a premium over Thirty 2 for this reason.

Hampstead Manor

Studios asking an average £650,000 (£1,441 per sq ft); 1-beds average £887,500 (£1,364 per sq ft); 2-beds average £1,482,600 (£1,466 per sq ft) and 3-beds £2.335m (£1,515 per sq ft).

2020 sales for 2-beds ranged £1.268m-£1.334m (£1,386-£1,549 per sq ft) and a 3-bed sold for £1.555m (£914 per sq ft). The 3-bed was notably larger than the proposed scheme. Amenities include concierge, spa, fitness suite and landscaped gardens. This is a 156-unit scheme across a selection of low-rise buildings.

Abbey Road

Phased estate regeneration scheme spanning 13 storeys, completed in October 2019. In March-April 2021 2-beds sold £690,000-£692,500 on the 4th-8th floors. We understand that as an estate regeneration scheme the market may be slightly different to that of the subject site.

Park Place

5-storey block containing 60 units in total. 21 units currently on the market for bulk sale. Savills describe this as a “low quality comparable scheme”.

1-beds achieving £515,000-£530,000 (£956-£984psf) in 2021, 1-beds asking £510,000-£595,000 (£893psf-£1,052psf)

2-beds achieving £585,000-£805,000 (£849-£942psf) July 2020-2021, 2-beds asking £645,000-£910,000 (£829-£1,020psf)

3-beds achieving £765,000-£1,075,000 (£772-£864psf) July 2020-June 2021, 3-beds asking £830,000-£1,300,000 (£764-£995psf)

Finally, we have sought developments beyond the LB of Camden but in similar heatmap areas. As a reminder, the following heatmap shows the subject site:

The Arc (St Matthew’s Hospital)

22-storey development of 100 private units.

Unit type	Bedrooms	Size sq ft	Average asking price March 2021	£psf	Lowest asking price	Highest asking price
Unit type 1	2	771	£1,200,000	£1,556	£1,200,000	£1,200,000
Unit type 2	1	543	£861,444	£1,586	£800,000	£910,000
Unit type 3	2	704	£1,085,625	£1,542	£1,040,000	£1,191,000
Unit type 4	2	833	£1,272,588	£1,528	£1,230,000	£1,362,000
Unit type 5	Studio	439	£733,000	£1,670	£733,000	£733,000

Carrick Yard, Westminster

168-unit development, but comps are asking prices set March-June 2021 and are maximum 5th floor. No height premium will therefore be reflected.

Unit type	Bedrooms	Average size sq ft	Average asking price March 2021	£psf
Smaller 1-bed	1	566	£766,250	£1,354
Larger 1-bed	1	602	£770,833	£1,282
Smaller 2-bed	2	849	£1,104,286	£1,301
Larger 2-bed	2	929	£1,180,000	£1,270
Smaller 3-bed	3	1024	£1,321,429	£1,291
Larger 3-bed	3	1176	£1,525,000	£1,297

Venice Court (Parsons North)

60-unit scheme. All asking prices were set March-June 201 and are on lower floors (maximum 3rd floor)

Unit type	Bedrooms	Average size sq ft	Average asking price March 2021	£psf
Unit type 1	Studio	498	£595,000	£1,195
Unit type 2	1	538	£652,500	£1,213
Unit type 3	1	578	£665,000	£1,151
Unit type 4	2	779	£910,000	£1,168
Unit type 5	2	770	£952,500	£1,237
Unit type 6	2	1074	£1,250,000	£1,164
Unit type 7	3	963	£1,205,000	£1,251

In our view Grand Central Apartments is the best comparable of the selection above, for the following reasons:

- It is a broadly similar height to the subject
- Apartments were launched after Covid, with prices reflecting the post-Covid market
- Connectivity is similar, albeit Grand Central Apartments are closer to Kings Cross/ St Pancras
- Where Grand Central Apartments have an advantage in connectivity, the subject has superior resident amenities such as the terraces on the 23rd floor

As a result, we calculate that minimum base values are to be as follows:

Typology	No. beds	Size (sq ft)	Base value from comps	Savills average value
Type 1	2 bed	765	£950,000	£895,833-£945,581
Type 2	Studio	468	£590,000	£536,600
Type 3	2 bed	901	£1,000,000	£895,833-£945,581
Type 4	2 bed WC	896	£1,000,000	£895,833-£945,581
Type 5	1 bed	549	£690,000	£645,234
Type 6	Studio	428	£580,000	£536,600
Type 7	1 bed	566	£700,000	£645,234
Type 8	3 bed	1,149	£1,250,000	£1,237,500-£1,417,500
Type 9	3 bed	1,200	£1,350,000	£1,237,500-£1,417,500
Type 10	3 bed	1,011	£1,150,000	£1,237,500-£1,417,500

These are not dramatically different from the Savills values, which can be seen shown as an average in the far right column.

The rental pricing schedule appended to the 2020 application sorts units into typologies. Unit types 1-10 are within Block A (the private units), and range in size, type, aspect, and private outdoor amenity space. We are of the view that there should be a difference in value between a unit of the same type with Juliette versus dual-aspect balconies, or a 1-bed unit on the 4th floor and the same type on the 15th floor. Therefore, we have added premiums to the base values above based upon the following evidence:

Grand Central Apartments, NW1

In our view this is our key comparable, so height premiums are relevant. Plots 01.1 and 11.1 differ by 1 sq ft and their height, with one being on the 1st floor and the latter being on the 11th floor. The unit on the 1st floor is £1,145,000 and its equivalent on the 11th floor is £1,265,000, a £120,000 difference that translates to £12,000 per floor. This is an average height premium per floor of 1%. All asking prices were set in June 2021.

Kings Cross Central, N1C

Plot E.07.1 and E.08.2 appear to be identical bar the former being 7th floor and the latter the 9th floor. The asking prices are £1.595m (£1,770psf) and £1.685m (£1,870psf) respectively, representing a difference of £90,000 or £45,000 increase per floor (a 3% increase per floor). On the higher levels the increase is less extreme, with Unit E.14.1 on the 14th floor increasing £175,000 in asking price to the aforementioned 9th floor unit, an increase of £35,000 or 2% per floor. All asking prices are set December 2020-June 2021.

Kings Square Estate, EC1V

Plot ref	Floor	Bed	Sq Ft	Most recent price	£PSF	Date of price

KH 24	1	2	751	£785,000	£1,045	Jun-21	
KH 27	2	2	751	£795,000	£1,059	Jun-21	+£10,000 per floor
KH 30	3	2	751	£805,000	£1,072	Jun-21	+£10,000 per floor
KH 25	1	2	798	£825,000	£1,034	Jun-21	
KH 31	3	2	800	£845,000	£1,056	Jun-21	+£10,000 per floor
KH 05	1	2	801	£825,000	£1,030	Jun-21	
KH 08	2	2	801	£835,000	£1,042	Jun-21	+£10,000 per floor
KH 11	3	2	801	£845,000	£1,055	Jun-21	+£10,000 per floor
KH 14	4	2	801	£855,000	£1,067	Jun-21	+£10,000 per floor
KH 23	1	2	809	£830,000	£1,026	Jun-21	
KH 26	2	2	809	£840,000	£1,038	Jun-21	+£10,000 per floor
KH 04	1	2	821	£830,000	£1,011	Jun-21	
KH 12	3	2	821	£850,000	£1,035	Mar-21	+£10,000 per floor

82 West/ Vetro, E14

29 Storey residential tower with 300-bed hotel and commercial on the lower floors. As of December 2020, a 2-bed unit (Unit 19.02) on the 19th floor is asking £805,000 and its equivalent (20.02) is asking £810,000 on the 20th floor. This increases to £820,000 on the 22nd floor and £825,000 on the 23rd floor, showing a consistent £5,000 increase for height (c. 0.6% increase per floor). However in larger units, such as the 1,370 sq ft and 1,586 sq ft 2-beds on the 24th-28th floors, the increase is more dramatic at £50,000 (c.2.7%) per floor:

Plot ref	Floor	Bed	Sq Ft	Most recent price	£PSF	Date of price
24.02	24	2	1370	£1,800,000	£1,314	Dec-20
26.02	26	2	1370	£1,850,000	£1,350	Dec-20
28.02	28	2	1370	£1,950,000	£1,423	Dec-20
24.01	24	2	1586	£2,000,000	£1,261	Dec-20
26.01	26	2	1586	£2,050,000	£1,293	Dec-20
28.01	28	2	1586	£2,150,000	£1,356	Dec-20

The adjustments/ premiums applied are as follows:

Height premium	
Lower floors	1%
10th floor and over	1.5%
Reduction for Juliette balconies	-£10,000
Dual-aspect balcony premium	£10,000
Aspect premium	
Poor	-5%
Average	0%
Good	5%
Very good	7.5%

This amends the average unit value overall:

Typology	No. beds	Average value after premiums	£psf
Type 1	2 bed	**£1,068,594**	£1,396.85
Type 2	Studio	**£642,854**	£1,373.62
Type 3	2 bed	**£1,154,714**	£1,281.59
Type 4	2 bed WC	**£1,020,000**	£1,138.39
Type 5	1 bed	**£801,308**	£1,459.58
Type 6	Studio	**£627,108**	£1,465.20
Type 7	1 bed	**£798,546**	£1,410.86
Type 8	3 bed	**£1,438,661**	£1,252.10
Type 9	3 bed	**£1,486,625**	£1,238.85
Type 10	3 bed	**£1,250,625**	£1,237.02

Broken down into average unit values per unit type (in terms of number of bedrooms), this is:

	Size	Average value	£psf	Savills values
Studio	447	£634,666	£1,421	£536,600
1-bed	556	£800,186	£1,440	£645,234
2-bed	878	£1,124,158	£1,283	£895,833-£945,581
3-bed	1,124	£1,399,646	£1,245	£1,237,500-£1,417,500

Our total private residential GDV on the basis that Block A is all private housing (and the affordable housing provision remains unchanged from the 2014 application) is £130,147,850 or £1,315 per sq ft.

When this is applied to the appraisal it produces a residual land value of £1,951,263, say £2m. This is a net effective profit in the appraisal of £23,333,995 or 15.52% of GDV. This is within the acceptable range in PPG and the above the range argued as reasonable for the Build to Rent scheme. Therefore, whilst at the lower end of the range typically adopted for the purposes of financial viability assessment, the profit is not unreasonable. We also acknowledge that the scheme is much more viable that the proposed Build to Rent scheme.

The calculations above are on a without prejudice basis and may be amended once our QS has had the opportunity to review construction costs.

Kind regards

Andrew Jones MRICS (Director of BPS)

Elise Thompson MSc MRICS (Senior Surveyor)

100 Avenue Road, Swiss Cottage
Build to Rent As Consented
2020 Costs / Values

Development Appraisal
BPS Surveyors
05 October 2021

100 Avenue Road, Swiss Cottage
Build to Rent As Consented
2020 Costs / Values

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Affordable Rent Block D	28	28,611	232.77	237,850	6,659,787
Intermediate Block F	8	6,488	232.77	188,777	1,510,213
Block A Build for Sale	130	98,966	1,315.08	1,001,137	130,147,850
Totals	**166**	**134,065**			**138,317,850**

Rental Area Summary	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Block B DMR	18	13,518	16.78	12,600	170,100	226,800	170,100
Retail	1	11,211	30.00	336,330	336,330	336,330	336,330
Ancillary Retail	1	1,387	30.00	41,610	41,610	41,610	41,610
Totals	**20**	**26,116**			**548,040**	**604,740**	**548,040**

Investment Valuation

Block B DMR					
Manual Value					6,970,831
Retail					
Market Rent	336,330	YP @	6.7500%	14.8148	
(6mths Rent Free)		PV 6mths @	6.7500%	0.9679	4,822,563
Ancillary Retail					
Market Rent	41,610	YP @	6.7500%	14.8148	
(6mths Rent Free)		PV 6mths @	6.7500%	0.9679	596,637
Total Investment Valuation					**12,390,031**

GROSS DEVELOPMENT VALUE			**150,707,881**
Purchaser's Costs		(368,506)	
Effective Purchaser's Costs Rate	2.97%		
			(368,506)
NET DEVELOPMENT VALUE			**150,339,375**
NET REALISATION			**150,339,375**

OUTLAY

ACQUISITION COSTS				
Residualised Price (Negative land)			(1,951,263)	
				(1,951,263)
CONSTRUCTION COSTS				
Construction	**Units**	**Unit Amount**	**Cost**	
Construction Costs	1 un	103,630,000	103,630,000	**103,630,000**
Retention on Demolition			120,000	
Parkland License Extension			644,000	
S278			250,000	
S106			239,000	
				1,253,000
PROFESSIONAL FEES				
All Professional Fees		12.00%	12,435,600	
				12,435,600
MARKETING & LETTING				
Letting Agent Fee		10.00%	37,794	
Letting Legal Fee		5.00%	18,897	
				56,691
DISPOSAL FEES				
Sales Agent Fee		1.00%	1,503,394	

100 Avenue Road, Swiss Cottage
Build to Rent As Consented
2020 Costs / Values

Sales Legal Fee		0.50%	751,697	
				2,255,091
FINANCE				
Timescale	**Duration**	**Commences**		
Pre-Construction	2	Oct 2020		
Construction	22	Dec 2020		
Sale	11	Oct 2022		
Total Duration	35			
Debit Rate 6.750%, Credit Rate 0.500% (Nominal)				
Land			(230,496)	
Construction			6,505,873	
Other			1,050,885	
Total Finance Cost				7,326,262
TOTAL COSTS				**125,005,380**
PROFIT				
				25,333,995
Performance Measures				
Profit on Cost%		20.27%		
Profit on GDV%		16.81%		
Profit on NDV%		16.85%		
Development Yield% (on Rent)		0.44%		
Equivalent Yield% (Nominal)		5.06%		
Equivalent Yield% (True)		5.22%		
IRR% (without Interest)		25.27%		
Rent Cover		46 yrs 3 mths		
Profit Erosion (finance rate 6.750)		2 yrs 9 mths		

Appendix 4 -
Essential Living Statement

savills

Essential Living Management Ltd
91 Wimpole Street
Marylebone
London
W1G 0EF

Gareth Turner
Savills
33 Margaret Street
London
W1G 0JD

19th October 2021

Swiss Cottage Scheme Delivery

Dear Gareth,

Background

Essential Living (EL), in promoting the application, are seeking to find the most appropriate balance between a scheme that contributes towards the Local Planning Authority's (LPA) housing objectives (through the provision of affordable housing), whilst allowing delivery of the scheme.

We acknowledge that there is a substantial technical deficit in the viability within the planning analysis prepared by Savills and agreed by BPS. The level of deficit is precisely why the changes to the scheme are vital to enable EL to deliver the project.

Essential Living Overview

EL is a leading Build to Rent developer, investor and operator, focused on the London residential market. Since its inception in September 2012, EL has secured a pipeline of c. 2,000 residential units, primarily within London Zones 2-3. The company employs over 50 professionals across the investment, development, management, lettings and operation of residential assets and has a strong track record of Build to Rent development and investment transactions in London.

EL's development activities have centered around bespoke, central London residential assets designed for long-term renting and operation.

To support this development, the company is funded through a very long-term capital commitment from a US state pension fund who has a long-term investment horizon.

Investment Rationale for the Swiss Cottage Development

Despite the deficit of the development, given the company's long-term investment horizon, EL has determined that the scheme as presented in the appeal would allow them to deliver the project by reducing the payback period to breakeven within an acceptable timeframe.

In reaching this view EL has considered the full range of options available to them:

- **Write-off the costs incurred to-date and promote the existing consent:** Even if EL were able to write-off the costs incurred so far on the existing consent, the consented scheme does not generate enough profit to cover the deficit within any reasonable time period. In contrast, the proposed scheme would allow for this.

- **Dispose of the scheme as a consented site to another BTR developer:** EL cannot sell the site to another Build to Rent developer because, as demonstrated by the agreed viability evidence, the scheme has a negative land value in excess of the profit at current day; it is not feasible to assume an incoming developer would take on the deficit. Any incoming party would require similar amendments to the scheme as are already proposed.

- **Convert the scheme to market sale:** EL are developers of Build to Rent rather than market sale and this option is not feasible within our business model given the costs spent to date. We are reliant on the long term ownership and income from a build to rent asset. The scheme (under the current consent) has a restriction on market sale disposal for a term of 7 years from implementation as defined under the S106 agreement, which would expire in 2028. In any case, the viability of such a market sale project does not allow us to promote such a scheme ourselves, or to dispose of the site to a an alternate party that would deliver market sale.

EL are therefore faced with the unenviable position where they cannot sell the site and have determined that they cannot deliver the scheme as is, and therefore must focus on mitigating losses.

It is only by building out this scheme that EL can secure any income at all from the site and recoup its losses in the future.

Whilst we accept that the proposed scheme changes still result in a technical deficit, it is a matter of agreement that the scheme changes lead to increases in the current GDV and profit of £27.82m (GDV) and £4.14m (profit). The increase in overall market rent per annum is circa £900K per year. There is a material improvement in viability between the consent and proposed scheme, with the ability for the value to increase over time.

With rental growth the deficit would be paid back within an extended investment period which eventually could meet EL's funding hurdles and therefore we would deliver the proposed scheme to achieve this.

The proposed changes create a greater number of market rented homes and growth in rent would have a greater impact than on the consented scheme. The traditional affordable homes in the current consent have a fixed sale value and there is no opportunity for EL's income to increase beyond the point of sale.

In simple terms, EL are forced in the short-term to operate the scheme at a zero development margin, with the overarching deficit made up from the revenue within the scheme and from other projects. The deficit would be recovered over time through rental income which will continue to grow, supported by EL's long-term capital base and investment time horizon.

By amending the scheme, there is the opportunity to reach breakeven, and the time taken to do so reduces to the point that EL are able to take forward the scheme.

Finally, the changes to the application are in keeping with planning policy in Build to Rent schemes in that the affordable housing will be delivered as Discounted Market Rent, with the affordable homes provided in perpetuity.

Yours sincerely,

Jeremy Baker, COO and Head of Development

Appendix 5 -
Sensitivity Analysis: Consented Scheme

savills

100 Avenue Road, Swiss Cottage
Build to Rent As Consented
Sensitivity Analyis

Development Appraisal
Savills
19 October 2021

APPRAISAL SUMMARY — SAVILLS

100 Avenue Road, Swiss Cottage
Build to Rent As Consented
Sensitivity Analyis

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	**Units**	**ft²**	**Sales Rate ft²**	**Unit Price**	**Gross Sales**
Affordable Rent Block D	28	28,611	232.77	237,850	6,659,787
Intermediate Block F	8	6,488	232.77	188,777	1,510,213
Totals	**36**	**35,099**			**8,170,000**

Rental Area Summary	**Units**	**ft²**	**Rent Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**	**Net MRV at Sale**
Block A Market Rent	130	98,966	44.92	34,195	3,333,975	4,445,300	3,333,975
Block B DMR	18	13,518	21.61	16,233	219,141	292,188	219,141
Retail + Ancillary	1	12,598	30.00	377,940	377,940	377,940	377,940
Totals	**149**	**125,082**			**3,931,056**	**5,115,428**	**3,931,056**

Investment Valuation					
Block A Market Rent					
Current Rent	3,333,975	YP @	3.2500%	30.7692	102,583,846
Block B DMR					
Manual Value					6,970,831
Retail + Ancillary					
Manual Value					5,419,200
Total Investment Valuation					**114,973,877**
GROSS DEVELOPMENT VALUE				**123,143,877**	
Purchaser's Costs			(7,818,224)		
Effective Purchaser's Costs Rate		6.80%			
				(7,818,224)	
NET DEVELOPMENT VALUE				**115,325,654**	
Additional Revenue					
Stabilisation Rent			890,194		
				890,194	
NET REALISATION				**116,215,848**	

OUTLAY

ACQUISITION COSTS				
Fixed Price		1		
Fixed Price			1	
				1
Other Acquisition				
Other Acquisition		1.8000%	0	
				0
CONSTRUCTION COSTS				
Construction	**Units**	**Unit Amount**	**Cost**	
Construction Costs	1 un	103,630,000	103,630,000	
Retention on Demolition			120,000	
Parkland License Extension			644,000	
S278			250,000	
S106			239,000	
				104,883,000
PROFESSIONAL FEES				
All Professional Fees		12.00%	12,435,600	
				12,435,600
MARKETING & LETTING				
Letting Agent Fee		10.00%	37,794	
Letting Legal Fee		5.00%	18,897	
				56,691

APPRAISAL SUMMARY			SAVILLS

100 Avenue Road, Swiss Cottage
Build to Rent As Consented
Sensitivity Analyis

DISPOSAL FEES			
Sales Agent Fee	1.00%	1,153,257	
Sales Legal Fee	0.50%	576,628	
			1,729,885
Additional Costs			
Profit on BtR	15.00%	16,433,202	
Profit on Affordable Housing	6.00%	490,200	
Profit on Commercial	15.00%	812,880	
			17,736,282
FINANCE			
Debit Rate 6.750%, Credit Rate 0.500% (Nominal)			
Land		0	
Construction		7,477,569	
Letting		3,513,104	
Total Finance Cost			10,990,674
TOTAL COSTS			**147,832,132**
PROFIT			
			(31,616,285)
Performance Measures			
Profit on GDV%	-25.67%		
IRR% (without Interest)	-12.94%		

Appendix 6 -
Sensitivity Analysis: Proposed Scheme

savills

100 Avenue Road, Swiss Cottage
Proposed Scheme
Sensitivity Analysis

Development Appraisal
Savills
19 October 2021

APPRAISAL SUMMARY **SAVILLS**

100 Avenue Road, Swiss Cottage
Proposed Scheme
Sensitivity Analysis

Appraisal Summary for Phase 1

Currency in £

REVENUE

Rental Area Summary	**Units**	**ft²**	**Rent Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**	**Net MRV at Sale**
Block A Market Rent	130	98,966	44.92	34,195	3,333,975	4,445,300	3,333,975
Block B DMR	18	13,518	22.37	16,800	226,800	302,400	226,800
Block D - Market Rent	28	28,611	34.99	35,754	750,825	1,001,100	750,825
Block F Market Rent	8	7,288	35.47	32,312	193,875	258,500	193,875
Retail + Ancillary Retail	1	12,598	30.00	377,940	377,940	377,940	377,940
Totals	**185**	**160,981**			**4,883,415**	**6,385,240**	**4,883,415**

Investment Valuation					
Block A Market Rent					
Current Rent	3,333,975	YP @	3.2500%	30.7692	102,583,846
Block B DMR					
Manual Value					6,970,831
Block D - Market Rent					
Current Rent	750,825	YP @	3.2500%	30.7692	23,102,308
Block F Market Rent					
Current Rent	193,875	YP @	3.2500%	30.7692	5,965,385
Retail + Ancillary Retail					
Manual Value					5,419,200
Total Investment Valuation					**144,041,569**
GROSS DEVELOPMENT VALUE				**144,041,569**	
Purchaser's Costs			(9,794,827)		
Effective Purchaser's Costs Rate		6.80%			
				(9,794,827)	
NET DEVELOPMENT VALUE				**134,246,743**	
Additional Revenue					
stabilisation rent			1,314,097		
				1,314,097	
NET REALISATION				**135,560,840**	
OUTLAY					
ACQUISITION COSTS					
Fixed Price		1			
Fixed Price			1		
				1	
Other Acquisition					
Other Acquisition		1.8000%	0		
				0	
CONSTRUCTION COSTS					
Construction	**Units**	**Unit Amount**	**Cost**		
Construction Costs	1 un	103,630,000	103,630,000		
Retention on Demolition			120,000		
Parkland License Extension			644,000		
S278			250,000		
S106			239,000		
				104,883,000	
PROFESSIONAL FEES					
All Proffessional Fees		12.00%	12,435,600		
				12,435,600	

100 Avenue Road, Swiss Cottage
Proposed Scheme
Sensitivity Analysis

MARKETING & LETTING			
Letting Agent Fee	10.00%	37,794	
Letting Legal Fee	5.00%	18,897	
			56,691
DISPOSAL FEES			
Sales Agent Fee	1.00%	1,342,467	
Sales Legal Fee	0.50%	671,234	
			2,013,701
Additional Costs			
Profit on BtR and DMR	15.00%	20,793,355	
Profit on Commercial	15.00%	812,880	
			21,606,235
FINANCE			
Debit Rate 6.750%, Credit Rate 0.500% (Nominal)			
Land		0	
Construction		7,442,660	
Letting		4,207,580	
Total Finance Cost			11,650,240
TOTAL COSTS			**152,645,469**
PROFIT			
			(17,084,629)
Performance Measures			
Profit on GDV%	-11.86%		
IRR% (without Interest)	-3.14%		

Appendix 7 -
Appeal Decisions

The Planning Inspectorate

Appeal Decision

Site visit made on 8 June 2020

by D M Young JP BSc (Hons) MA MRTPI MIHE

an Inspector appointed by the Secretary of State

Decision date: 06 July 2020

Appeal Ref: APP/P5870/W/20/3249085
2-4 Copse Hill and 52-54 Brighton Road, Sutton SM2 6AD.

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a refusal to grant outline planning permission.
- The appeal is made by Mr Mark Hendy (Shanly Homes Limited) against the decision of the Council of the London Borough of Sutton.
- The application Ref DM2019/00925, dated 31 May 2019, was refused by notice dated 15 October 2019.
- The development proposed is the redevelopment to provide part 4, part 6 and part 7 storey height building comprising 65 no. studio, 1 and 2-bed flats with access from Copse Hill, associated car parking and landscaping.

Decision

1. The appeal is dismissed.

Preliminary Matters

2. The application was submitted in outline with only 'landscaping' reserved for future approval.

3. To avoid repetition, I have omitted the site address from the description of development.

4. The Council's Appeal Statement[1] confirms that it no longer wishes to contest Reasons for Refusal (RfR) 11 (daylight), 12 (technical standards) and 17 (land contamination). I have dealt with the appeal accordingly.

Main Issues

5. The main issues are:
   (a) The effect of the development upon the character and appearance of the area;
   (b) The effect on the supply of family housing in the Borough;
   (c) The effect on the living conditions of future occupiers with regards to private outdoor amenity space and outdoor play space;
   (d) The effect of the development on the living conditions of neighbouring occupiers with particular regards to overlooking and a loss of daylight;
   (e) The effect on community facilities;
   (f) Whether the proposed level of affordable housing would be policy compliant;

[1] Paragraphs 1.1, 2.22 and 2.23

(g) The acceptability of the proposed car parking arrangements,

(h) Whether the development would comply with the Council's environmental policies with regards to carbon emissions, energy networks and air quality, and

(i) Whether the site would be satisfactorily drained.

Reasons

Character and appearance

6. The Council's opposition to the scheme is based on its scale, bulk, mass and layout which are described as 'excessive'. Amongst other things, Policy 28 of the "*Sutton Local Plan 2018*" (the LP) seeks to ensure that new buildings are attractive, respect local context and character in terms of scale, massing and height. Section (q) states that within '*Areas of Taller Building Potential'* development will be expected to integrate visually with the townscape and streetscape.

7. The appeal site is a square plot of brownfield land situated between the junctions of Copse Hill and Grange Vale, fronting Brighton Road. It is flanked by two imposing, eleven-storey flatted developments known as Dunfold Court and Leith Towers. Detached and semi-detached houses tend to dominate on the opposite side of Brighton Road and to the rear of the site along Copse Hill.

8. The appeal site is situated within easy walking distance of Sutton town centre and the shops, services and public transport facilities therein. I noted a wide array of building styles in the local area with flatted developments of one form or another dominating along Brighton Road. As the Council points out, many of these are set within generous plots, set-back from Brighton Road with significant landscaping. Whilst not unattractive, the site forms part of a robust and varied urban townscape which is not particularly sensitive in architectural or streetscape terms.

9. The site currently comprises four, two-storey dwelling houses[2] all of which would be removed to make way for the proposed part two, part six and part seven storey, U-shaped building comprising 65 self-contained residential units. The proposal would provide some soft landscaping to the edges of the site, with associated parking and circulation areas. The building itself would be constructed from brick cladding, weatherboard panelling, glass with a recessed top floor. Bulk and mass aside, the Council raises no particular objection to the detailed design and appearance of the development including the materials.

10. There can be little doubt that the removal of the existing residential scale buildings and their replacement with a large, modern flatted development would completely change the appearance of the land. However, that is not a reason to dismiss the scheme out of hand particularly as the appeal site lies within an area identified in the LP as an Area of Potential Intensification (API) where, along with the town centre, LP Policy 1 seeks the delivery of 3,400 homes over the plan period. The density of the development would be similar, if not less, than many of the surrounding flatted developments and according to the Appellant's calculations, would be within the range set out in the Matrix to LP Policy 7.

[2] 2 Copse Hill was converted to a dental surgery in the 1980s.

11. In terms of bulk and mass, the obvious starting point is to acknowledge the presence of the two high-rise towers immediately north and south of the appeal site. Whilst these do not set a precedent for the proposed building, they are an intrinsic part of the local context and clearly must carry considerable weight in any assessment.

12. The proposed building would sit comfortably below the height of the towers and would not impinge on their dominance. When viewed from public vantages to the north and south along Brighton Road, the proposed development would simply be seen against the backdrop of these much larger buildings. This point is amply illustrated by the Appellant's computer-generated images.

13. I acknowledge that the building would occupy a high proportion of its plot and would have a prominent and perhaps bulky appearance in frontal views from Brighton Road. However, I do not reasonably consider this could be described as harmful given the site's robust context. The computer-generated images demonstrate that the set-back of the top storey, the use of contrasting materials, recessive elements, corner balconies and strong fenestration patterns would all help provide articulation to the main elevations. Rather than oppressive and dominating, the result would be a striking building with considerable presence which would add a new and distinct element to the street scene.

14. Although the building would be set further forward than the two tower blocks, there is not a strong or uniform building line along the western side of Brighton Road and the footprint with its staggered front elevation would align roughly with that of the existing buildings on the site. The decrease in height from east to west would be sympathetic to the traditionally proportioned properties in Copse Hill. Although a notable difference in building height would still be apparent, one has to accept that a degree of contrast is almost inevitable in areas such as this where residential properties are located close to higher rise flatted developments. Indeed, I noted numerous examples in the area where multi-storey buildings sit aside more modest residential properties. At four-storeys, the height of the two rear wings close to the western site boundary would accord with Map 7.2 to the LP Annex which the Council has referred to.

15. I accept that the front part of the building would exceed four-storeys. However, it is far from clear from the wording of LP Policy 28 what status or weight should be given to the accompanying maps in the Annex. The Council refer to the maps as '*policy guidance*' rather than policy itself and there is no suggestion that any building over four-storeys would be contrary to LP Policy 28. In any event, I have set out above why I consider the height of the proposed building would be acceptable in this instance.

16. Although the landscaping to the site frontage would help to enhance the character and function of the Brighton Road frontage, I do have concerns that the Appellant is expecting too much from the site. The building would patently occupy a high proportion of its plot leaving little separation to its northern and southern site boundaries. The northern rear wing would also extend uncomfortably close to the western site boundary. Given the height of the southern rear wing and the proximity of existing landscaping along the shared boundary with No 6, the proposed area of amenity space in the north-west corner would be tightly constrained, secluded and heavily shaded. These

attributes are unlikely to endear it to future occupants nor would it be conducive for use as a children's play area.

17. Restrictions allied to the recent Covid-19 pandemic highlighted the importance of good quality private outdoor amenity space. However, looking at the layout, one gets the distinct impression that the design of the appeal scheme was dictated by the number of units and size of the building rather than outdoor space considerations. Even if I am wrong about that, the overall amount and quality of outdoor amenity space, particularly to the rear of the building, would be notably poor and is indicative of a poor design and overdevelopment of the site.

18. For the reasons set out above, I conclude that the development would have an unduly cramped appearance which would harm the character and appearance of the area. Accordingly, it would conflict with LP Policies 7 and 28, Policies 3.4, 3.5, 3.6, 7.4, 7.6 and 7.7 of "*The London Plan 2016*" insofar as they seek high-quality design that promotes local distinctiveness.

Family housing

19. LP Policy 9b(i) is clear that 50% of new developments outside Sutton town centre should comprise three-bedroom or larger units unless it can be demonstrated that this would be unviable or the particular site circumstances are not suitable for family housing. The policy is supported by "*The London Plan 2016*" which acknowledges "*there is significant need for affordable family homes*"[3].

20. The appeal scheme does not contain any three-bed flats. Drawing support from difficult sales at its Cavendish Road scheme, the Appellant argues that there is a general lack of demand for three-bed units at commercially viable values. However, these claims are disputed by several of the objectors. Even if I were to prefer the Appellant's narrative, I am not persuaded that reference to one site alone is a reasonable basis for waiving the requirements of a recently adopted Development Plan policy.

21. LP Policy 1 seeks to deliver 427 dwellings per annum over the plan period. Accordingly, I appreciate that a balance has to be struck between providing housing choice and making the most efficient use of the land particularly where a site is located within an API as is the case here. However, there is no substantial evidence before me to demonstrate that the Council is failing to meet its housing targets or that a policy compliant level of three-bed flats on the appeal site would jeopardise the Council's ability to meet those targets.

22. I therefore conclude that in the absence of substantial justification, the lack of three-bed units would bring the development into conflict with LP Policy 9.

Living conditions – future occupiers

23. LP Policy 9(f) states that the Council will not grant planning permission for new residential development which does not provide an adequate amount of private amenity space. An adequate amount of amenity space will be considered on a "*case-by-case basis with reference to the minimum standards (used as a guide)*". Standard 26 of the "*Mayor of London Housing Supplementary*

[3] Paragraph 3.44

Planning Guidance 2016" (the SPG) stipulates a minimum of $5m^2$ of private outdoor space for 1-2 person dwellings.

24. The Council has not disputed the Appellant's argument that the balconies serving plots 7, 9 and 31 would meet the required standard. However, the Appellant accepts that the dimensions of those balconies serving plots 8, 10, 11, 20, 22, 23, 32, 34, 35, 43, 45, 46, 55 and 56 would be smaller than the $5m^2$ set out in the SPG.

25. According to the Appellant, the balconies serving these plots would measure $4.2m^2$. The Council's Appeal Statement puts their size at $4.56m^2$. By either calculation there would be a small shortfall and therefore conflict with Policy 9(f). However, there is a degree of flexibility built into Policy 9(f) and in this case the Council has failed to explain how such a small shortfall would lead to unacceptable living conditions for future occupiers. There has been no suggestion that the balconies would not be of "*practical shape and utility*" which is one of the overarching aims of the SPG. In my view, the balconies would offer a good level of amenity with sufficient space for sitting out, the drying of clothes and the like.

26. Therefore, whilst there would be conflict with LP Policy 9(f), I am not persuaded on the evidence before me that the size of the balconies would materially harm the living conditions of future occupiers of these 14 plots. As reflected in the wording of LP Policy 9, outdoor space requirements should be applied on a case-by-case basis in a manner that recognises their overall aims and objectives. In this instance, the lack of harm to future occupiers tempers the weight I attach to the conflict with LP Policy 9(f). Put another way, the policy conflict would be insufficient in itself to withhold planning permission if the scheme were otherwise acceptable.

27. Policy 9(g) states that the council will not grant planning permission for new major residential development, which does not provide an adequate amount of play and informal recreation space on site. Beyond the identification of an area to the rear of the building, no meaningful details of the play area have been provided. Although the Council accept that the north-east corner of the site may provide an appropriate location, I have already set out my concerns in that regard. Taking a precautionary approach, I am not satisfied than an appropriate level of outdoor play space could be provided. Accordingly, the development would conflict with LP Policy 9(g).

Living conditions – neighbours

28. LP Policy 29 states that the Council will not grant planning permission for any development that adversely affects the amenities of future occupiers or those currently occupying adjoining or nearby properties, with regard to considerations of overlooking, outlook, light, noise and vibration, traffic movement amongst other things.

29. RfR 6 alleges that the balconies in the western elevation would result in unacceptable overlooking of the garden of 6 Copse Hill. The first point to make is that rather than facing westwards towards No 6, the plans indicate that the balconies would in fact be orientated to the south and therefore face towards the southern rear wing. Nonetheless, it would be possible to obtain westward views from the end of each balcony at a distance of approximately 7m metres at the closest point.

30. According to the Council, the balconies to plots 28, 16, 40 and 51 would be approximately 9.3m from the shared boundary with No 6. Although these balconies would be primarily orientated to the north, it would be possible to gain direct views of the bottom part of the rear garden to No 6. The balconies to plots 17, 29, 41 and 52 and 61 would be orientated to the south albeit that views of No 6's garden would be possible from the western edge of each balcony.

31. To remedy the potential for overlooking, the Appellant has suggested that privacy screens could be installed to the western edge of each balcony. The Council has not commented on this suggestion but in my view, screening would be an acceptable solution. Therefore, subject to the imposition of a planning condition, I am satisfied the development would not have an unacceptable effect on the living conditions of the occupiers of No 6.

32. The Council's second area of concern relates to a loss of daylight to the occupiers of 71 Brighton Road and 1-2 Melton Court which are located on the eastern side of Brighton Road. The Appellant's assessment of these matters is contained in a Daylight and Sunlight Assessment. In response to the Council's concerns an updated report was submitted with the appeal. Following well-established Building Research Establishment (BRE) guidelines[4], the report found that the reduction in daylight/sunlight to the majority of neighbouring buildings would be within acceptable limits. No instances of a reduction in sunlight to neighbouring gardens or amenity areas were found.

33. Although four instances of Vertical Sky Component (VSC) and 2 instances of No Sky Line non-compliance were found, in all cases, the authors of the report found that the degree of change would be negligible and not at a level to cause an adverse impact on the daylight and sunlight received by neighbouring buildings. In the case of the VSC assessment, the updated report notes that when the model outputs are rounded to a single decimal place there would be no exceedances of the BRE guidelines.

34. The Council have not challenged the Appellant's report with any cogent evidence of its own. I am therefore satisfied that the development would not result in any unacceptable loss of daylight/sunlight to surrounding properties. Accordingly, there would be no conflict with LP Policy 29.

Community facilities

35. The development would result in the demolition of the existing dental practice. LP Policy 22 states that the Council will not grant planning permission for development that involves the loss of social and community infrastructure unless the use is no longer required or suitable alternative provision is made or is available nearby.

36. Appendix 1 to the Appellant's Statement of Case includes a letter from The White House Practice Ltd which confirms that it will be merged with another provider in the local area. All current staff and patients will transfer to the new practice. Further details have now been provided and the merged practice will be located on Cedar Road, a short distance from the appeal site.

[4] 'Site Layout Planning for Daylight and Sunlight – A Guide to Good Practice (2011)

37. As the dental services would simply be re-provided at a different site nearby, I am satisfied that there would be no loss of community infrastructure. Accordingly, there would be no conflict with LP Policy 22.

Affordable housing

38. LP Policy 8 states that the council will seek a minimum of 35% of all dwellings to be affordable on a site when negotiating on individual residential and mixed-use schemes. It goes on to state that the Council will have regard to; individual site costs, economic viability, the availability of public subsidy and any other scheme requirements.

39. In support of the Appellant's decision not to offer an affordable housing contribution, a Viability Appraisal and Report was submitted with the planning application. In line with best practice, the report is based upon up to date market evidence in relation to land values and costs. Based on a developer's profit of 17.5% and with no affordable housing contributions, the report concludes that the proposal would be in deficit against the Benchmark Land Value. To reach break-even point, the developer's profit has been adjusted to 10.02% or £2.4m.

40. The Council concedes that is has not sought independent advice in relation to the Applicant's Viability Report and does not dispute its findings. Instead it argues that in light of the deficit there is a lack of justification concerning the deliverability of the scheme relying on paragraph 5.40 of its "*Affordable Housing and Financial Viability SPD 2020"* and paragraph 3.10 of The Mayor's "*Affordable Housing and Viability SPG 2017"*. These advise applicants to demonstrate deliverability of their scheme where a viability assessment shows a deficit.

41. The Council's submissions on this matter are unconvincing and appear to conflate the meaning of deficit and loss. The Appellant's evidence shows that the scheme would be viable, albeit with a reduced level of profit. In pursuing the appeal, it has to be assumed that the Appellant (an experienced developer) is prepared to accept a lower profit. Quite what other justification the Council requires, is not clear.

42. Although the contents of the SPD and SPG are noted, they are not policy and should not be construed as such. LP Policy 8 makes no such reference to deliverability. Accordingly, I am satisfied that the Applicant has demonstrated that the scheme would not be viable with an affordable housing contribution. The absence of such would not therefore conflict with LP Policy 8.

Car Parking

43. LP Policy 37 of the Sutton Local Plan states that '*new developments will be expected to provide car parking in accordance with the council's restraint based maximum car parking standards taking into account public transport accessibility levels, existing publicly available parking provision and usage in the vicinity of the site and the need to deter unnecessary car use while avoiding overspill parking problems'*. The supporting text explains that parking standards are normally lower in those areas most accessible by public transport in order to encourage the use of public transport and other forms of sustainable transport

44. There is no dispute that the site boasts excellent connectivity to public transport with the town centre, bus stops and local train station all within easy reach. The site has a PTAL rating of 5 'very good'. The proposal includes the provision of 32 car and 95 cycle parking spaces. This equates to approximately 0.5 spaces per flat. Although the Council accept that the level of provision is acceptable, the objection is based on the absence of a legal agreement which would prevent future occupiers from obtaining residential car parking permits in the Sutton Town Centre Controlled Parking Zone.

45. The Council and local residents argue that this would result in overspill car parking on the surrounding roads to the detriment of the safe and efficient operation of the public highway. I have several concerns with that approach.

46. Firstly, the Council's approach is not supported by Policy 37. This only seeks legal agreements in respect of 'car-free' development i.e. developments which do not provide parking. There is not a blanket requirement for all developers to provide prohibitive legal agreements. Secondly, there is no justification before me to explain why a departure from Policy 37 would be justified in this instance. For example, there is no substantive evidence of parking problems in the vicinity which the development would exacerbate. Indeed, no details have been provided about the location of the site in relation to the CPZ or whether permits therein are already over-subscribed. Finally, and perhaps most fundamentally, the Council have not explained how a development that is deemed policy compliant in terms of parking provision would lead to overspill parking in the first place.

47. Based on the above, the Council's parking objections do not stand up to scrutiny. Whilst I can well understand the concerns of local residents regarding the problem of parking, I noted on my site visit that restrictions are already in place on the surrounding streets. Consequently, illegal parking should it occur would be an enforcement matter for the Council. Accordingly, I conclude that the development would not conflict with LP Policy 37.

Carbon emissions, energy networks and air quality

48. RfR 15 alleges non-compliance with LP Policy 34 (environmental protection) and Policy 31 (carbon and energy). Amongst other things these require major developments to apply the Mayor's Energy Hierarchy and to achieve a 35% reduction in CO_2 emissions. The remaining regulated emissions must be secured by offsetting measures elsewhere and s106 contributions are sought in this regard.

49. The Appellant submitted a Sustainability and Energy Statement dated 28 May 2019 with the application. The report sets out how selected energy efficiency, low carbon and renewable energy technologies have either been omitted or included into the scheme[5]. The anticipated reduction in carbon emissions is shown in the table on page 3 of the report and equates to 35%. The report considered the possibility of a connection to a decentralised energy connection network but concluded the development was not of sufficient scale to make this a viable option. No technical evidence nor examples of other similarly sized developments have been adduced by the Council to counter these conclusions.

[5] The scheme would include a flue-gas heat recovery system in each flat as well as solar panels capable of generating 36.297 kW.

I am therefore satisfied that the applicant has demonstrated that a connection to a decentralised energy network is not feasible in this instance.

50. RfR 15 also refers to uncertainty regarding the proposed heating system. However, I am satisfied that the Council's requirement for ultra-low NO_x gas boilers could be secured via a suitably worded planning condition.

51. With regards to the offsetting contribution, it is not necessary for me to repeat my findings on the viability evidence but as with affordable housing, I am satisfied that the payment of an offsetting contribution would further erode the scheme's viability and should not be sought. Despite that, and unlike LP Policy 8, the requirements of Policy 31(a) are not contingent on the viability of the scheme. Accordingly, there would be conflict with Policy 31(a) insofar as the offsetting contribution is concerned and this weighs against the scheme in the overall planning balance.

52. LP Policy 34(d-f) requires development to minimise increased exposure to poor air quality as well as be '*air quality neutral*' and not lead to further deterioration of existing poor air quality. The appeal site lies within a Borough wide Air Quality Management Area (AQMA) which was designated in 2013. The Council accept that levels of NO_x and PM_{10} are below the AQMA thresholds for these pollutants in 2017. Tables 2 and 3 of the Appellant's air quality screening assessment dated 23 May 2019 show a general picture of improving air quality across the Borough since 2013.

53. The Appellant's report goes on to conclude that there would be no breaches of Institute of Air Quality Management thresholds in respect of road traffic emissions and any adverse impacts arising from construction activity could be adequately mitigated. Whilst the Council does not necessarily disagree, it argues that the Appellant's data does not consider the potential short-term exposure to pollutants. To remedy this, it is suggested that the Appellant undertakes active monitoring of the short-term exposure levels at the appeal site. Given that the Appellant does not dispute the existence of short-term NO_x exceedances, it is not clear from the Council's submissions what the purpose of further monitoring would be.

54. In my view, the data shows a clear downward trend in NO_x and PM_{10} pollutants across the Borough. Whilst there will inevitably be times, due to prevailing weather conditions, when concentration levels will exceed the requisite thresholds, I do not consider that is a reasonable basis for seeking to withhold planning permission. The Council have not presented any data to demonstrate that these short-term events are particular to the immediate area or would be of such frequency or duration as to expose future occupants to unacceptable levels of air pollution.

55. As the Council rightly point out, the main source of NOx pollution is from road traffic. In terms of its traffic impact, the Transport Assessment submitted with the application concludes that the development would generate a net increase of 2 and 4 two-way vehicular trips in the AM and PM peak hour[6]. The Council has not challenged these figures. It therefore strikes me that irrespective of the level of short-term exceedances, that the development would have a negligible impact on air quality.

[6] See Table 5.2 of the Iceni Transport Assessment May 2019

56. I am therefore satisfied that the development would be air quality neutral and not lead to further deterioration of existing air quality. Accordingly, there would be no conflict with LP Policy 34 (d-f).

Drainage

57. To reduce flood risk from new development, LP Policy 32 requires applications for major development to be accompanied by a Flood Risk Assessment. Part b to the policy also states that new development should incorporate effective sustainable drainage systems to manage surface water run-off which should aim to achieve minimum performance standards through the application of the Mayor's Drainage Hierarchy.

58. The site lies within Flood Zone 1 and is regarded as having a very low probability of flooding. The Appellant acknowledges that the proposed development would result in an increase in surface water runoff rates. For its part, the Council accept that the site is physically capable of being drained. The disagreement is therefore one of detail.

59. Section 6 of the Appellant's "*Flood Risk Assessment and Drainage Strategy*" sets out the intended approach to surface water drainage and references the hierarchy of techniques[7]. It notes that the underlying chalk geology will allow for some soakage. However, owing to space constraints and current restrictions, permeable paving is proposed rather than traditional soakaways.

60. The report calculates that the approach set out above would be sufficient to retain all storms including the peak 1 in a 100-year event. The Council has not adduced any technical evidence to repudiate the findings of the Appellant's report or to support its view that "*excess surface water could result localised flooding*". Based on the foregoing, I am satisfied that the proposal would not increase flood risk in the area and would accord with the requirements of LP Policy 32

61. The detailed design of the drainage scheme including further calculations, investigation and ownership/maintenance arrangements are all matters that could be resolved through the imposition of a planning condition which is the standard approach to these matters.

Other Matters

62. I have noted the wide range of concerns raised by the local community. In the main, these repeat the concerns raised by the Council which I have already dealt with. I have noted concerns about biodiversity. However, the site manifestly has little ecological value and therefore I am satisfied that it would be possible to ensure there is no net-loss to biodiversity at the Reserved Matters stage. In the absence of any substantial evidence to the contrary, I can see no impediment to the provision of satisfactory bin storage/collection arrangements.

Overall Conclusions

63. Section 38(6) of the Planning and Compulsory Purchase Act 2004 requires that the application is determined in accordance with the development plan unless material considerations indicate otherwise.

[7] See paragraph 6.3.3

64. I have found that the development would cause harm to the character and appearance of the area, the living conditions of future occupiers, the supply of family housing in the Borough and the Council's carbon offsetting strategy. These harms bring the development into conflict with LP Policies 7, 9, 28 and 31.

65. Although I have found the development acceptable in terms of its effect on the living conditions of neighbouring occupiers, loss of community facilities, affordable housing, car parking, drainage, energy networks and air quality, these are all neutral considerations in the planning balance. I have taken into account the economic and social benefits of the scheme. However, these do not outweigh the harm I have found and the conflict with the development plan in that regard.

66. For the reasons given above and taking into account all other matters raised, I conclude that the appeal should be dismissed.

D. M. Young

Inspector

The Planning Inspectorate

Appeal Decision

Hearing held on 23 & 30 March 2021

Site visits made on 22 March & 16 April 2021

by Matthew Nunn BA BPl LLB LLM BCL MRTPI

an Inspector appointed by the Secretary of State

Decision date: 9th August 2021

Appeal Ref: APP/P5870/W/20/3261627
2-4 Lodge Place, Sutton, SM1 4AU

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a refusal to grant planning permission.
- The appeal is made by The Rachel Charitable Trust against the decision of the Council of the London Borough of Sutton.
- The application Ref DM2019/01977, dated 21 November 2019, was refused by notice dated 29 May 2020.
- The development proposed was originally described as 'demolition of existing buildings and redevelopment of the site for a mixed-use development with 1,311 sqm (GIA) of commercial space (flexible A1 or A3 or B1 use) on the ground floor with 48 Class C3 residential units on (up to) six upper floors with associated communal amenity space, cycle parking and refuse and recycling storage facilities'.

Decision

1. The appeal is allowed and planning permission granted for the demolition of existing buildings and redevelopment of the site for a mixed-use development comprising commercial space (Class E: Commercial, Business and Service) on the ground floor with 48 residential units (Class C3) above, with associated communal amenity space, cycle parking, refuse and recycling facilities at 2-4 Lodge Place, Sutton, SM1 4AU, in accordance with the terms of the application Ref DM2019/01977, dated 21 November 2019, subject to the conditions in the attached schedule.

Procedural Matters

2. A new version of the London Plan[1] has been adopted since the application was originally refused by the Council. The Council has produced a schedule indicating the relevant new policies from that document which was discussed at the Hearing. I have assessed the appeal in relation to the new policies.

3. At the Hearing, the parties agreed an amendment to the description of the development was necessary to take account of recent revisions to the Use Classes Order to include reference to flexible 'Class E' use.

4. A planning obligation dated 13 April 2021 has been completed between the parties. The Council has since confirmed[2] that refusal ground No 6 relating to the lack of mechanism to ensure a 'car free' development and refusal ground

[1] Adopted March 2021
[2] Email from the Council dated 29 April 2021

No 7 relating the absence of a carbon offsetting contribution have now fallen away as a result of the completion of the planning obligation.

5. A new version of the National Planning Framework ('The Framework') was published on 20 July 2021[3]. The views of the parties were sought and the comments received have been taken into account in my decision.

Main Issues

6. The main issues are:

   (i) the provision of affordable housing, including the viability and deliverability of the scheme;

   (ii) the effect of the proposal on the character and appearance of the area;

   (iii) the effect of the proposal on the living conditions at neighbouring properties in terms of daylight, privacy and noise; and

   (iv) whether the proposal would comply with policies relating to air quality.

Reasons

Affordable Housing, Viability and Deliverability

7. Policy 8 of the Sutton Local Plan ('the Local Plan') states that the Council will seek a minimum of 35% of all dwellings to be affordable on a site when negotiating on individual and mixed-use schemes on all sites capable of delivering 11 units or more. In applying this policy, the Council will have regard to the following: individual site costs, economic viability, availability of public subsidy and any other scheme requirements. Policy H5 of the London Plan re-iterates that for proposals of this type, the threshold level for affordable housing is also set at a minimum of 35%.

8. The appellant has submitted a Viability Study[4] indicating that the scheme shows a deficit and could not support an affordable housing contribution. The Council, after analysing the appellant's Viability Study, has accepted that even though not all the development appraisal inputs are agreed, no affordable housing could be viably provided in the scheme[5]. Based on a notional developer's profit of 20% and with no affordable housing contribution, the appellant says the proposal would be in deficit against the Benchmark Land Value. This is not disputed by the Council, although its calculation shows a smaller deficit than the appellant's figures. Therefore, and importantly, the absence of affordable housing within the proposal is not in dispute. Rather, the Council's sole concern relates to what it perceives as a lack of justification of the 'deliverability' of the scheme.

9. The appellant's viability evidence mentions that arguably a development could be considered unlikely to be delivered unless it can achieve a profit margin of

[3] Replacing the version published in February 2019
[4] Turner Morum Report, January 2020
[5] Aspinall Verdi Report, January 2021; and Council's Closing Statement which records the parties are 'in agreement that no affordable housing can be provided on the site'.

around 20%[6]. However, the appellant's evidence also acknowledges that developers sometimes can take a 'commercial decision' to proceed at lower levels, based on an individual site basis[7]. At the Hearing, the appellant stated that it was content to proceed on a reduced level of profit. The appellant's submissions were that, with developer's profit adjusted downwards to 11.2%, the scheme would still be viable, albeit with a lower profit, and therefore deliverable. In other words, whilst the appellant's viability evidence shows a deficit, the proposal could be delivered without making a loss but with a lower level of profit than the objectively 'reasonable' level specified in the viability study.

10. I accept the Council's point that little detailed written evidence has been provided by the appellant in respect of the lower profit figure. However, at the Hearing, I heard that the appellant is a well-funded Charity with substantial assets, including local property holdings, with the ability to raise the necessary finance. I was also advised that the appellant has owned the site for a considerable time and therefore has not acquired it for purely speculative purposes. The appellant currently sees it as a declining asset and is keen to see an improved return on the property, thus benefiting its charitable activities. Delivering the scheme would achieve that aim. These submissions were not challenged or disputed by the Council at the Hearing.

11. My attention has been drawn to Sutton's Affordable Housing and Viability Supplementary Planning Document (SPD) 2020[8] and the Mayor's Affordable Housing and Viability Supplementary Planning Guidance (SPG) 2017[9]. Both documents advise applicants to demonstrate deliverability where a viability appraisal shows a deficit. The appellant highlights a previous appeal decision that found that both these documents were not 'policy' and should not be construed as such[10]. Whilst I accept that the Sutton SPD and Mayor's SPG may not have the status of development plan policy, they nevertheless provide guidance and are clearly a material consideration in planning decisions and cannot be ignored.

12. However, there is no single approach to assessing deliverability and arriving at a 'correct' answer on the matter is far from an exact science. There is a danger that the process becomes a purely abstract theoretical exercise rather than one grounded in reality. The references to deliverability in the Sutton SPD and Mayor's SPG relate to information that may be of relevance in development appraisals, but neither document directs that planning permission should be refused on the basis of deliverability. Moreover, neither Local Plan Policy 8 or London Plan Policy H5 specifically refer to 'deliverability', nor do those policies direct refusal on that basis. Similarly, there is nothing within the Framework that advocates such an approach.

13. I acknowledge that the deliverability concept has been introduced to establish that a target profit and benchmark land value can be achieved with the required level of planning obligations to be provided on a site, and to prevent a situation arising where viability may improve in the future and any 'betterment' not being able to be captured. In this case, however, it is of some relevance

[6] Turner Morum Report, Paragraph 2.16
[7] Ibid, Paragraph 7.3
[8] Paragraph 5.40
[9] Paragraph 3.10
[10] APP/P5870/20/3249085

that the Council has accepted no affordable housing can be provided as part of the proposal. Therefore, and unusually, no dispute arises on the often potentially contentious issue of the quantum of affordable housing provision. Thus, it is hard to see why the deliverability of the scheme should assume any central importance. In any event, the completed planning obligation includes early and late stage viability reviews that potentially would require the provision of affordable housing should it become viable to do so.

14. In pursuing this appeal, there is no reason to assume that the appellant is not prepared to accept a lower profit in this case. I see no advantage in doubting that the appellant is content to bring forward the scheme on that basis. Moreover, given the clear aim of the Government Policy is to significantly boost the supply of homes[11], make effective use of land to meet the need for homes[12] and to promote and support the development of under-utilised land and buildings[13], I find no sound policy reason to withhold permission on the basis of deliverability.

Character and Appearance

15. The appeal site comprises an irregularly shaped site on the southern side of Lodge Place within Sutton Town Centre. The site is currently occupied by an undistinguished single storey building comprising two retail units and includes expanses of parking either side. To the west, fronting the High Street, are three storey terraced parades with retail units at ground floor level, of varying styles, a number dating from the late 19th / early 20th century period. Immediately to the north is a relatively modern redbrick three storey terrace of flats, and on the corner of Lodge Place and Throwley Way is 'Windsor House', a contemporary styled building with a white finish rising to six storeys. Thus, there is a wide range of buildings in the locality, of different ages, sizes, designs and uses, including residential and commercial, with no single style predominant.

16. The Council's objection to the scheme relates to the massing and bulk of the eastern elevation, described as excessive, resulting in a dominant and imposing development, and the lack of high quality detailing. The building would comprise a building of three stepped elements: a lower three storey section on the western section closest to the High Street; an intermediate five storey section, and a seven storey part wrapping around the corner of the site fronting on to Throwley Way. To my mind, this stepped approach would successfully break up the mass and bulk of the building and mediate effectively between the lower three storey buildings fronting the High Street and the more substantial structures fronting Throwley Way.

17. In addition, the elevations would include recessed sections, and inset balconies, as well as protruding glass boxes, providing interest, articulation and visual punctuation to the facades. The eastern elevation itself is articulated in separate parts, inset at the southernmost end, and at the northern end curving around to a recessed element. An 'active' commercial frontage would be created at ground floor level. The scheme would employ a varied palette of materials, including a combination of multi-grey and darker grey brick, glazed tiles, as well as render and other finishes that would create diversity and

[11] Paragraph 60 of the Framework
[12] Paragraph 119 of the Framework
[13] Paragraph 120 of the Framework

articulation, thereby avoiding a bland appearance. All these design features would enliven the elevations, avoiding a monolithic look.

18. The proposal would rise significantly higher than the existing building. Importantly, however, the site is identified within the Local Plan as an allocation under Policy STC6 ('South of Lodge Place'). This identifies the site for a 'mixed use' comprising residential and retail. The policy also says, amongst other things, that any buildings should be between 1-7 storeys in height and provide active frontages on the ground floor along Lodge Place. Furthermore, Policy 28 advises that within Appendix 7 of the Local Plan, the area falls within an 'Area of Taller Buildings Potential' where, in respect of the appeal site, buildings of 7-10 storeys may be acceptable. These policies establish the principle of a taller building in this location. The proposal would be consistent with both policies in terms of its height, and it is notable that the Council's delegated report records that the 'height and scale of the development is acceptable'[14] .

19. I note that the Council has recently resolved to grant permission[15] for a tall building of some twenty storeys on a site in the locality to the rear of Times Square Shopping Centre[16] fronting on to Throwley Way. Whilst there are clear differences in the urban context of that site, it does nevertheless establish that the Council itself is content to allow taller developments in the locality. It also reinforces my view that the appeal proposal, of significantly less scale, would not appear alien or out of place, especially given the varied character of the area.

20. The site lies adjacent to, but outside, the Sutton Town Centre Conservation Area. Its significance largely derives from Sutton's historical status as an important highway route and stopping point, and the range of commercial architecture, much from the mid-19th century onwards[17]. In the immediate vicinity, No 166 High Street to the north of the site, and Nos 152 to 164 to the west form part of the Conservation Area. As the Council notes, the scheme would not be readily visible from the High Street, although the building would be seen, rising in scale in views towards Throwley Way, when looking eastwards down Lodge Place. From here, the building would undoubtedly create a greater sense of enclosure. However, the varied character of the locality means that the appeal scheme would be appropriately assimilated in the area without causing harm or appearing incongruous. The Council has not raised any objections in relation to any harmful impact on the adjacent Conservation Area. I am also satisfied that the proposal would preserve its setting.

21. The Council have alleged that the proposal would not improve the public realm. I understand that the appellant offered to fund some public realm improvements via the planning obligation, although this was not taken forward by the Council. The Council has suggested a greater 'set back' of the building fronting on to Lodge Place. In fact, I note that the new scheme would be marginally set back from the existing building line, resulting in a wider footpath. I see no advantage in any significantly greater setback, as advocated by the Council, and do not consider it would radically alter the appearance of

[14] Paragraph 5.30
[15] Subject to the completion of a legal agreement and 'Stage 2' referral to the Greater London Authority
[16] DM2020/01573
[17] Sutton Town Centre Conservation Appraisal and Management Plan 2019

the building or public realm. The Council has described the appeal site as of 'poor character'. I consider the new proposal would improve the area's overall appearance, including the public realm.

22. Overall, I am satisfied that the proposal would comply with Policy 28 of the Local Plan which requires new development to be of the highest standard, especially in terms of architectural detailing, respecting local context and responding to local character and heritage assets. It would also comply with Policy D3 and D4 of the London Plan. Together, these policies seek to make the best use of land through a design led approach that optimises site capacity, whilst delivering high quality design and an appropriate form of development.

Living Conditions

23. Daylight: The Council has expressed concerns in terms of the effect on living conditions at neighbouring properties, especially in terms of daylight and privacy. The nearest residential properties that would be affected are the flats above Nos 152 to 164 High Street, the residential properties to the rear of 166 High Street (Lodge Place), and the flats within Windsor House. Clearly, the scheme would create a building of greater bulk which would significantly alter the outlook and views from various properties in the vicinity.

24. The appellant's Daylight and Sunlight Report[18] uses the methodology set out in the BRE Guidelines[19]. In essence, the BRE Guidance says that if, following construction of the proposed development, the Vertical Sky Component (VSC)[20] is less than 27% and it is less than 0.8 times its former value, then the reduction in daylight could be noticeable, and the proposed development can be seen to have an adverse impact.

25. Although the BRE Guidelines provide an established metric for the assessment of impacts, they do not explicitly give guidance on what would be acceptable in specific circumstances. Indeed, it is made clear that numeric values should be interpreted flexibly and sensibly, especially in more built-up areas where higher degrees of obstruction may be unavoidable. The Mayor's Housing SPG also advises that an appropriate degree of flexibility needs to be applied when using the BRE Guidelines, taking into account local circumstances and the need to optimise housing capacity[21]. It continues that fully optimising housing potential on large sites may necessitate standards which depart from those presently experienced, but which still achieve satisfactory living conditions and avoid unacceptable harm.

26. The appellant's Daylight and Sunlight Report notes that a number of surrounding properties will see a reduction in daylight and breach the BRE Guidelines. In particular, the majority of the rear windows to 152-164 High Street would fall below the 27% VSC figure as set out in the BRE Guidelines, but most windows achieve a lower VSC figure of 20%. In fact, in a number of cases the windows only fall marginally below 27% figure. At No 166 High Street (Lodge Place), again a number of windows would fail the 27% VSC, but the majority would achieve 20%. At Windsor House, a number of windows fall below the 20% threshold but it should be noted that some windows are recessed because of balconies and daylight levels are already lower.

[18] Daylight and Sunlight Assessment, MLM Consulting Engineers Ltd
[19] Site Layout Planning for Daylight and Sunlight – A Guide to Good Practice (2011)
[20] This relates to the amount of light entering a room
[21] Housing Supplementary Planning Guidance, March 2016, Paragraph 1.3.46

27. Of considerable relevance is that the principle and acceptability of a building of larger scale and bulk of up to 7 storeys has already been established on this site by virtue of Policy STC6 of the Local Plan, as well as the site's inclusion within an Area of Taller Buildings Potential. This being so, it is inevitable that a more urbanised and enclosed feeling will be created at certain properties in the vicinity. The BRE Guidelines are an aid to analysing effects and they can assist in quantifying effects of development in terms of whether a room would become more gloomy, but they are not standards that, if not complied with, must dictate a scheme must fail. What is acceptable in a particular context remains a matter of judgement. The overall conclusions of the appellant's Report is that 'some of the surrounding properties will see minor reductions in daylight…in particular those which are closer to the proposed development'[22]. In my judgement, notwithstanding some breaches of the BRE Guidelines, I am satisfied that daylight levels for the most part would be acceptable in nearby properties, and no conflict would arise with Policy 29 of the Local Plan concerned with protecting amenity.

28. Privacy: The Council is concerned that the separation distances between the western elevation of the proposal and the existing properties would be insufficient and would result in overlooking and loss of privacy. The separation distances when measured from the edge of balconies would fall below 10 metres. However, the design of the west elevation proposes heavily 'inset' or recessed balconies. This means that the outside walls of the flats would be set back some distance from the outer 'skin' of the western elevation, thereby increasing the actual distance between the external windows/doors of the new flats and the existing properties. In addition, not all the windows at 154-164 High Street serve habitable rooms. The greater impact arising therefore would potentially be overlooking from the balconies themselves. To mitigate any loss of privacy, the appellant proposes the use of opaque glass in the screens which could be secured by condition.

29. I acknowledge that some existing residents would undoubtedly experience a significant change in outlook, but it must be remembered that the Council has already accepted the principle of a taller, more substantial building on the site by virtue of Policy STC6. The Council mentions the possibility of a 'slightly increased' [23] separation on the western elevation in order to improve the situation. However, I am not convinced this would significantly alter the relationship between the new and existing buildings. Some degree of mutual overlooking is inevitable in urban locations such as this. Overall, I am satisfied that no unacceptably harmful loss of privacy or overlooking would result, and there would be no conflict with Policy 29 of the Local Plan.

30. Noise: The Council's Hearing Statement[24] records that it 'is satisfied with the appellant's methodology and conclusions with regard to the protection of future occupiers against environmental noise sources (principally road traffic noise)'. The Council's main concern, re-emphasised at the Hearing, is that the appellant's Noise Impact Assessment[25] is not sufficiently comprehensive to enable a clear understanding of the degree of the scheme's impact, nor to establish the necessary mitigation measures in respect of the adjacent Marks and Spencer's (M&S) service yard. The Council highlights that there are no

[22] Daylight and Sunlight Assessment, MLM Consulting Engineers Ltd, Conclusions
[23] Paragraph 7.23, Council's Hearing Statement
[24] Paragraph 7.30, Council's Hearing Statement
[25] Noise and Air Quality Assessment, Rev A (October 2019) and Rev B (February 2020) M-EC Acoustic Air

existing planning restrictions on the operation of the M&S service yard, and this could potentially cause problems in respect of future residents. The Council also draws attention to a 'Retiming Deliveries Project in 2019' [26] which identified 'extremely noisy' activities with HGVs arriving and reversing (using 'beep-beep' alarms) at the M&S service yard[27].

31. I am aware that the Framework[28] states that existing businesses should not have unreasonable restrictions placed on them as a result of development permitted after they were established. The Framework is clear that where the operation of an existing business could have a significant adverse effect on new development, the applicant (or 'agent of change) should be required to provide suitable mitigation before the development has been completed.

32. I accept that the appellant's noise surveys in respect of the M&S Yard were rather limited in scope in terms of understanding the extent of potential noise sources arising in respect of the M&S Yard. Importantly, however, the Council accepted at the Hearing that any noise impacts could be capable of adequate mitigation using orthodox measures, after the appropriate surveys had been undertaken and this could secured by condition[29]. Again, it is important to remember that Policy STC6 envisages residential development on this site, so the principle of such a land use in proximity to other commercial uses cannot be in dispute. Overall, I am satisfied that an appropriately worded condition would adequately protect future residents from adverse noise impacts, thereby avoiding conflict with Policy 29 of the Local Plan.

33. <u>Air Quality</u>: Policy 34 (d-f) of the Local Plan requires development to seek to contribute towards the achievement of national air quality objectives as far as possible and support the objectives of the Council's Air Quality Action Plan. The Policy also says that all development proposals should be at least 'air quality neutral' with respect to particulates and nitrogen oxides. The refusal ground states the Council is not satisfied that the proposal would be 'air quality neutral'.

34. The appeal site lies within a Borough-wide Air Quality Management Plan (AQMA) which was designated in 2013. The development proposes no parking for residents and so essentially would be 'car free'. Indeed, the appellant's Air Quality Assessment records that it is unlikely to generate any significant traffic movements and that the impact of the development on ambient air quality would be negligible in that regard[30]. The appellant's Assessment also states that the Council's air quality reviews do not indicate that existing residences in the vicinity of the appeal site experience adverse levels of pollution, and so the same would apply to new residences. It is also stated that the ambient concentrations of local traffic emissions are below the air quality objectives. The Assessment also states that effects arising during demolition, earthworks and construction phase would present a medium risk of dust annoyance but this could be addressed through mitigation measures secured by condition. The Council has not presented any specific data to contradict these conclusions.

35. At the Hearing, the Council's case on air quality appeared to relate more narrowly and specifically to emissions arising from any heating and hot water

[26] This related to the alteration of the existing Traffic Management Order regarding times of deliveries
[27] Noise Abatement Society Qualitative Survey, October 2019
[28] Paragraph 187
[29] The Council confirmed at the Hearing that a condition was acceptable
[30] Using Environmental Protection UK (EPUK) & Institute of Air Quality Management (IAQM) Guidance

system within the development[31]. The Council's criticism is that scant detail has been provided by the appellant on this issue for it to make a proper or robust assessment, and that such information should be provided 'up front'. However, I am satisfied that different technologies are available that seek to achieve air quality neutrality in terms of heating and hot water provision. I see no reason why such matters could not satisfactorily be resolved by way of suitably worded conditions to ensure full compliance with Policy 34 of the Local Plan regarding 'air quality neutrality'. As such, I do not consider that this is a reasonable basis for withholding planning permission.

Planning Obligation

36. A planning obligation has been completed by the parties dated 13 April 2021. This would secure a 'carbon offset' contribution (£68,040); a clause to ensure a 'car free' development by restricting future occupiers (other than blue badge holders) from applying for parking permits within the Sutton Town Centre Controlled Parking Zone; a requirement to submit for approval a 'Travel Plan Statement' (to include measures to encourage the use of sustainable modes of transport) and the payment of a travel management monitoring fee (£2,000). Although the Council has accepted the proposal cannot currently viably provide affordable housing, the obligation also contains provisions that in certain circumstances require 'early stage' and/or 'late stage' viability reviews that would potentially require the provision of affordable housing should it become viable to do so in the future.

37. I have no reason to believe that the formulas and charges used by the Council to calculate the various contributions and provisions of the obligation are other than soundly based. I am satisfied that the provisions of the obligation are necessary to make the development acceptable in planning terms, that they directly relate to the development, and fairly and reasonably relate in scale and kind to the development, thereby meeting the relevant tests in the Framework[32] and Community Infrastructure Levy Regulations[33]. I have taken the planning obligation into account in my deliberations.

Planning Balance and Overall Conclusions

38. The relevant legislation requires that the appeal be determined in accordance with the statutory development plan unless material considerations indicate otherwise[34]. The Framework also requires that proposals should be considered in the context of the presumption in favour of sustainable development, which is defined by economic, social and environmental dimensions and the interrelated roles they perform.

39. The scheme would secure a high quality, modern housing and commercial development for which there is a clear need, in a highly sustainable location. The Framework is clear that proposals should promote the effective use of land in meeting the need for homes and other uses; make as much use as possible of previously-developed or 'brownfield' land; promote and support the development of under-utilised land and buildings; and boost the supply of housing. The scheme would achieve all these Framework aims.

[31] Council's Hearing Statement (Paragraphs 7.56-7.58) and Closing Statement
[32] Paragraph 57
[33] Regulation 122
[34] Section 38(6) of the Planning and Compulsory Purchase Act 2004 & Section 70(2) of the Town and Country Planning Act 1990

40. The proposal would be architecturally of high quality and employ a varied and attractive palette of materials. It would significantly improve an area that the Council itself describes as poor character. It would also preserve the character of the adjacent Conservation Area. The proposal would accord with the allocation within the Local Plan as envisaged by Policy STC6. This policy specifically envisages a building up to 7 storeys in height, with active ground floor frontages, and which would contribute to a residential neighbourhood in the north of the town centre.

41. The Council has accepted the scheme cannot support affordable housing and I see no sound reasons to withhold permission on grounds of deliverability. I have considered the effect on living conditions of occupiers of adjacent buildings in terms of daylight and privacy and do not consider that the Council's objections are sufficiently well founded to cause the appeal to fail on these grounds. In terms of noise impacts, the Council has accepted that a condition would address its concerns. Similarly, a condition could be imposed to ensure appropriate technological solutions are employed to secure air quality neutrality.

42. The Framework states that proposals which accord with an up-to-date development plan should be approved without delay. I am satisfied the proposals would accord with the development plan as a whole, including Policies 8, 28, 29, 34 and STC6 of the Local Plan; and Policies D3, D4, D13, D14 and S1 1 of the London Plan. There are no material considerations to indicate that permission should be withheld. Accordingly, I conclude the appeal should be allowed, subject to the conditions set out below.

Conditions

43. I have reviewed the agreed list of suggested conditions set out in the Statement of Common Ground in the light of the discussion at the Hearing and advice in the Planning Practice Guidance. The Framework is clear that conditions should be kept to a minimum and only imposed where they are necessary, relevant to planning and the development to be permitted, enforceable, precise and reasonable in all other respects[35]. Where necessary I have reworded the conditions for simplicity and have amalgamated some to avoid duplication. The numbers in brackets relate to the conditions in the schedule.

44. A commencement condition is necessary to comply with the relevant legislation (1). A condition requiring compliance with the approved plans is necessary for certainty (2). A condition requiring approval of external materials, including details of balcony screens, is necessary to ensure a high quality scheme and to protect the privacy of existing residents (3).

45. Conditions requiring a Construction Logistics and Management Plan, and registration of the site on the Non-Road Mobile Machinery (NRMM) database are necessary to minimise disturbance to local residents, to ensure efficient traffic flow and to mitigate air pollution during the construction phase (4, 5). Conditions relating to landscaping, biodiversity and habitat provision, including ongoing management, are necessary to ensure high quality landscaping and to enhance the biodiversity of the site (6, 7, 8, 9, 10). Conditions relating to

[35] Paragraph 56

potential site contamination are necessary to protect the health of future occupiers (11, 12, 13).

46. As the site is located over a principal aquifer and groundwater source protection zone, conditions are necessary to protect these features (14, 15). Conditions are necessary to ensure adequate drainage of the scheme and to prevent flooding (16, 17). A condition is necessary to ensure that the development is 'air quality neutral' (including its heating and hot water provision) to protect environmental health and to control air pollution (18). Conditions relating to any restaurant / café use requiring details of the extract ventilation system, hours of operation and sound transmission reduction measures are necessary to protect the living conditions of nearby residents (19, 20). For similar reasons a delivery and servicing plan is necessary in respect of the commercial floorspace (21).

47. Conditions are required to ensure a sustainable and energy efficient form of development (22, 23). A condition requiring measures to achieve 'Secure by Design' status is necessary to minimise crime (24). A condition is necessary to ensure adequate accessibility for future occupiers of the residential units, including wheelchair users, and their changing needs over time (25). A condition is necessary to ensure items of archaeological interest are adequately dealt with (26). Conditions are necessary relating to noise mitigation to protect the living conditions of future residents (27, 28, 29). Conditions relating to waste management provision and cycle storage are necessary to ensure these matters are appropriately addressed (30, 31). A condition requiring removal of all redundant accesses and crossover is necessary in the interest of highway safety and good design (32).

48. A number of the conditions relate to pre-commencement activities. In each case, the requirement of the condition is fundamental to make the scheme acceptable in planning terms. Subject to the imposition of these conditions, I conclude that the appeal should be allowed.

Matthew Nunn

INSPECTOR

APPEARANCES

FOR THE APPELLANT

Matthew Henderson	of Counsel, Landmark Chambers
Maurice Fitzgerald	Capreon Asset Managers for the Rachel Charitable Trust
Gary Thomas	Planning Works Ltd
Graeme Rowe	Stanley Bragg
Vesal Tebyanian	Stanley Bragg
Nick Bignall	Turner Morum
Chris Neeves	MLM Group
Daniel Newbery	M-EC Acoustic Air
Michael Forsdyke	M-EC Acoustic Air

FOR THE COUNCIL

Iain Williams	LB Sutton, Senior Planning Officer
James Bullough	Aspinall Verdi
Stuart Cook	Aspinall Verdi
Richard Odell	LB Sutton
Gavin Chinniah	LB Sutton (Observing only)

HEARING DOCUMENTS

1. Schedule of London Plan 2021 Policies relevant to the appeal
2. Documents relating to development at r/o Times Square Shopping Centre, High Street, Sutton
3. Information relating to Sutton Air Quality Management Area
4. Closing Statement of the Council
5. Closing Statement of the appellant
6. Planning Obligation dated 13 April 2021

Schedule of Conditions

1) The development hereby permitted shall begin not later than three years from the date of this decision.

2) The development hereby permitted shall be carried out in accordance with the following approved plans: 6710-1101-P1, 6710-1201-P1, 6710-1202-P1, 6710-1203-P1, 6710-1204-P1, 6710-1205-P1, 6710-1206-P1, 6710-1207-P1, 6710-1208-P1, 6710-1209-P1, 6710-1210-P1, 6710-1211-P1, 6710-1212-P1, 6710-1213-P1, 6710-1214-P1, 6710-1250, 6710-1301-P2, 6710-1302-P2, 6710-1303-P1, 6710-1304-P1, 6710-1305-P1, 6710-1306-P1, 6710-1401-P1, 6710-1601-, 6710-1602-P1.

3) Prior to the commencement of the superstructure of the building, details of the materials (including samples where appropriate) to be used on the external surfaces of the building (including bricks, cladding, windows, doors, and full details of balcony/privacy screens) shall be submitted to and approved in writing by the Local Planning Authority. The development shall be carried in accordance with the approved details and permanently retained thereafter.

4) No development shall take place, including demolition and site clearance, until a Construction Logistics and Management Plan (CLMP) has been submitted to and approved in writing by the Local Planning Authority. The CLMP shall include: details of loading and unloading of plant and materials; details of storage of plant and materials; measures for traffic management (including routing) so as to minimise the impacts of construction traffic on the highway; means to prevent deposition of mud or other substances on the highway; details of boundary hoardings to be provided; provisions to ensure that works during the demolition / construction phase that generate noise beyond the site boundary shall be only carried out between the hours of 0800 hrs and 1800 hrs Mondays to Fridays, and between 0800 hrs and 1300 hrs on Saturdays and at no time on Sundays and Bank Holidays; means to control dust and emissions to air; means to control noise and vibration. The CLMP should be in accordance with the Greater London Authority's Supplementary Planning Guidance 'Control of Dust and Emissions during Demolition and Construction'. The approved CLMP shall be adhered to throughout the demolition and construction period.

5) No development shall take place until the site has been registered on the Non-Road Mobile Machinery (NRMM) database. Details of any non-road mobile machinery to be used on site during construction of the development with net power between 37kW and 560kW shall demonstrate compliance with the standards of the Low Emission Zone for NRMM.

6) Prior to the occupation of the development hereby permitted, details of hard and soft landscaping for the communal gardens on the plinth and roof terraces (and any other landscaped areas within the scheme) shall be submitted to and approved in writing by the Local Planning Authority. All hard and soft landscaping and tree planting shall be implemented in accordance with the approved details, and in accordance with a timetable agreed with the Local Planning Authority, and shall be permanently

retained thereafter. Any trees or plants which within a period of five years after planting die, are removed or are seriously damaged or defective shall be replaced in the next planting season with others of a similar size and species, unless the Local Planning Authority gives written approval to any variation.

7) No development shall take place until documentary evidence has been submitted to and approved in writing by the Local Planning Authority to show that the development will achieve an improved Green Space Factor (GSF) score of at least +0.2 compared to the baseline GSF score for the site prior to redevelopment. The development shall be carried out in accordance with the approved details and permanently retained thereafter.

8) Prior to the development rising above the damp proof course, a Biodiversity Enhancement Plan (BEP) shall be submitted to and approved in writing by the Local Planning Authority. This should take the form of a 'No Net Loss' and 'Net Gain evaluation', working to the provided methodology and in accordance with BS 42020:2013. Full details of habitat creation, aftercare, management and monitoring of enhancements shall be included in the BEP. It shall include: details of substrate-based biodiverse/bio-solar roofs; a scheme for nesting features on the building including multi-chamber boxes or integrated bricks suitable for a variety of bird species; and numbers and details of each box / brick type, and locations including height above ground and the nearest external lighting. The development shall be built in accordance with the approved scheme and thereafter retained for the lifetime of the development.

9) On completion of all landscaping and green infrastructure, a 'Statement of Conformity' shall be submitted to and approved in writing by the Local Planning Authority. The Statement of Conformity will be signed by a suitably qualified ecologist and include evidence to certify that the details for each habitat / feature are in accordance with the previously submitted information.

10) Prior to the occupation of the development hereby approved, a management plan for the communal amenity space within the scheme shall be submitted to and approved in writing by the Local Planning Authority. It shall be implemented as approved.

11) No development shall take place until a scheme to deal with the risks associated with contamination of the site has been submitted to and approved in writing by the local planning authority. The scheme shall include: (a) A site investigation scheme based on the Phase 1 Report to provide information for a detailed assessment of the risk to all receptors that may be affected, including those off site; (b) The results of the site investigation and detailed risk assessment referred to in (a) and, based on these, an options appraisal and remediation strategy giving full details of the remediation measures required and how they are to be undertaken; (c) A verification plan providing details of the data that will be collected in order to demonstrate that the works set out in the remediation strategy in (b) are complete and identifying any requirements for longer-term monitoring of pollutant linkages, maintenance and arrangements for contingency action. The scheme shall be implemented as approved.

12) If during the course of construction, contamination not previously identified is found to be present at the site, then no further works shall be carried out until a remediation strategy detailing how this unsuspected contamination shall be dealt with has been submitted to and approved in writing by the Local Planning Authority. The remediation strategy shall be implemented as approved, verified and reported to the satisfaction of the Local Planning Authority before works resume.

13) Prior to occupation of the development hereby permitted, a Verification Report demonstrating the completion of the works set out in the approved remediation strategy, and the effectiveness of the remediation, shall be submitted to and approved in writing by the local planning authority. The Report shall include results of sampling and monitoring carried out in accordance with the approved verification plan to demonstrate that the site remediation criteria have been met. It shall also include a 'long-term monitoring and maintenance plan' for longer-term monitoring of pollutant linkages, maintenance and arrangements for contingency action, as identified in the verification plan, if appropriate, and for the reporting of this to the Local Planning Authority. Any 'long-term monitoring and maintenance plan' shall be implemented as approved.

14) No drainage systems for the infiltration of surface water drainage into the ground shall take place unless approved in writing by the Local Planning Authority. Consent may be given for those parts of the site where it has been demonstrated that there is no resultant unacceptable risk to 'Controlled Waters'. The development shall be carried out in accordance with the approved details.

15) No piling or any other foundation designs using penetrative methods shall take place unless approved in writing by the Local Planning Authority. Consent may be given for those parts of the site where it has been demonstrated that there is no resultant unacceptable risk to groundwater. The development shall be carried out in accordance with the approved details.

16) Subject to the provisions of Condition 14, no development shall take place until a scheme for the management of surface water runoff has been submitted to and approved in writing by the Local Planning Authority. The scheme shall identify appropriate site drainage and flood risk management measures, including sustainable drainage systems, in order to manage surface water runoff as close to its source as possible in accordance with the Mayor of London's drainage hierarchy. The development shall be carried out in accordance with the approved scheme and be permanently retained thereafter.

17) Prior to the occupation of the development hereby approved, a drainage management and maintenance plan shall be submitted to and approved in writing by the Local Planning Authority. The approved drainage system, including all its components, shall be managed and maintained thereafter in accordance with the agreed management and maintenance plan.

18) Notwithstanding the provision of previous reports and submitted evidence, no development shall take place until an Air Quality Assessment to include measures ensuring the development is 'Air Quality Neutral' has been submitted to and approved in writing by the Local Planning Authority. This shall include details of energy use, including heating and hot water provision within the scheme. All agreed measures shall be fully implemented before the development is occupied. The assessment shall have regard to the most recent air quality predictions and monitoring results from the Council's Review and Assessment process, the London Air Quality Network and the London Atmospheric Emissions Inventory. The assessment shall include all calculations/baseline data and be set out so that the Local Planning Authority can fully audit the report and critically analyse the content and recommendations. In the event development is found to fail its 'Air Quality Neutral' assessment, a scheme for air pollution mitigation measures shall be submitted to and approved by the Local Planning Authority prior to development starting. This shall include mitigation for where air quality neutral transport and building assessments do not meet the relevant benchmarks. Any approved mitigation scheme shall be fully implemented in accordance with details approved under this condition before any part of the development is first occupied.

19) Should any part of the ground commercial floorspace be occupied by a restaurant or café use, details of the proposed extract ventilation systems shall be submitted to and approved in writing by the Local Planning Authority. Details shall include specifications of extraction hood, internal fan, flexible couplings, three-stage filtration (grease filters, pre-filters and activated carbon filters) ducting and anti-vibration mountings. The approved scheme shall be installed in accordance with agreed details prior to the commencement of any such use and permanently retained and maintained for its duration. Any restaurant or café use shall not be occupied until details of the operational hours have been submitted to and agreed in writing by the Local Planning Authority. The uses shall not operate outside the agreed operational hours.

20) Prior to any use of the ground floor commercial unit as a restaurant/café, a scheme detailing sound transmission reduction measures to be installed between the ground floor use and the residential units immediately above shall be submitted to and approved in writing by the Local Planning Authority. The approved details shall be installed prior to the development being occupied and permanently retained thereafter.

21) Prior to the occupation of the commercial floorspace hereby permitted, a full Delivery and Servicing Plan (DSP) for that floorspace shall be submitted to and approved in writing by the Local Planning Authority. The approved DSP shall be adhered to for the duration of the use.

22) The commercial floorspace of the development hereby permitted shall achieve a BREEAM rating of 'Excellent'. Appropriate certification / documentation issued by the BRE (or equivalent authorising body) must be submitted to the Local Planning Authority prior to occupation of the commercial floorspace to show the 'Excellent' rating has been achieved. All measures shall be retained for the duration of the development's existence.

23) Prior to first occupation of the development hereby permitted, a completed Water Efficiency Calculator for the residential units must be submitted to and approved in writing by the Local Planning Authority to show that internal potable water consumption for each residential unit will be limited to 110 litres per person per day based on the Government's national calculation method for water efficiency for the purposes of Part G of the Building Regulations.

24) No development shall take place until details to show how the development complies with the 'Secured by Design' scheme have been submitted to and approved in writing by the Local Planning Authority. The approved details shall be carried out as agreed prior to the occupation of the building and shall be permanently retained thereafter.

25) Forty-three (90%) of the residential units hereby permitted shall be designed and constructed in accordance with Building Regulations Part M4(2) ('accessible and adaptable dwellings'). Five (10%) of the residential units hereby permitted shall be designed and constructed in accordance with Building Regulations Part M4(3) ('wheelchair user dwellings'). Evidence from an approved building control inspector demonstrating compliance with these requirements should be submitted to and approved in writing by the Local Planning Authority prior to occupation. The development shall be retained in accordance with these requirements permanently thereafter.

26) No development shall take place within the site until the implementation of a programme of archaeological work has been secured in accordance with a written scheme of investigation (WSI) which has been submitted to and approved by the Local Planning Authority. This shall include the methodology of site evaluation, recording, post investigation assessment / analysis / dissemination and the nomination of a competent person or organisation to undertake the agreed works. No development shall take place other than in accordance with the agreed WSI.

27) No development shall take place until an Acoustic Report has been submitted to and approved in writing by the Local Planning Authority. The report shall assess the existing acoustic climate at the site and in particular, commercial plant surrounding the site and activity in the adjoining service bay and its potential to affect future occupiers of the development. If the assessment indicates that noise from these sources is likely to adversely affect occupiers, the report shall set out detailed mitigation measures to avoid any adverse impact. The report shall be undertaken by a suitably qualified acoustic consultant/engineer and shall take into account the provisions of BS 8233:2014 *Guidance on sound insulation and noise reduction for buildings* and BS 4142:2014 *Methods for Rating Industrial and Commercial Sound*. Where the guidance levels under BS 8233:2014 cannot be met and/or the BS 4142:2104 assessment shows an indication of adverse impact with windows open, appropriate acoustic ventilation should be provided so that the room can be sufficiently ventilated. The acoustic performance of any passive vent, variable speed mechanical air supply unit or whole house ventilation must be sufficient to ensure that the noise level standards given above are not compromised.

The approved noise mitigation measures shall be implemented in accordance with the agreed details prior to occupation of the development and be permanently retained thereafter.

28) No development shall take place until measures to ensure that the rating level of any plant will be at least 5dBA lower than the existing background noise level at any given time of operation. The noise levels shall be measured or predicted 1m externally to any window at the nearest residential facade. Measurements and assessment shall be made in accordance with BS 4142:2014. The development shall be carried out as approved.

29) Details of a 'Welcome Pack' to be provided to all residential units shall be submitted to and agreed in writing by the Local Planning Authority prior to their first occupation. The 'Welcome Pack' shall include details of the noise attenuation measures installed, and guidance on the proper and effective use of the provided measures, including details regarding any servicing and maintenance.

30) Prior to occupation of the development, a waste management plan shall be submitted to and approved in writing by the Local Planning Authority. The plan shall demonstrate how refuse and recycling collection shall operate on site. The measures contained within the approved management plan shall be implemented on site prior to occupation and be permanently retained thereafter.

31) Prior to the occupation of the development hereby permitted, cycle storage shall be provided in accordance with a scheme previously submitted to and approved in writing by the Local Planning Authority. The approved scheme shall be implemented and retained permanently for the life of the development.

32) Prior to the occupation of the development hereby approved, all redundant accesses and crossovers shall be reinstated and returned to a raised kerb in accordance with a scheme to be approved in writing by the Local Planning Authority.

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