

**Tybalds Estate, London,
WC1N
Application no. 2021/3580/P
Addendum 17th January 2021**



1.1 BPS Chartered Surveyors prepared an Independent Viability Review for the above site, dated 5th November 2021, and a subsequent addendum, dated 6th December 2021. The basis of our original report was a viability assessment produced DWD, dated July 2021 and our addendum was based on a Viability Response Note dated 24th November 2021.

1.2 The current proposals are for:

Demolition of existing storage sheds and infill development on the existing Tybalds Estate which comprises of the construction of three blocks, two mews terraces, and conversion of the lower ground floor of existing blocks to provide a total of 56 residential units (Class C3) and community space, alterations to existing residential block entrances, provision of a lift to existing Devonshire Court, refuse facilities, public realm improvements, alterations to parking layout, cycle parking, landscaping and associated works.

1.3 Within our previous addendum, dated 6th December 2021, we identified a minor surplus equating to 3.5% of the scheme GDV. We considered that this equated to a breakeven position when considered in the context of the scheme as a whole and therefore agreed that the scheme could not viably support more affordable housing. We did request more detail on the following areas within our addendum:

- More detail relating to the build cost information
- More detail relating to the programme and timescales of the development

1.4 We also considered that more detail should be provided to justify some additional costs mentioned within DWD's note but unevidenced and included within a larger contingency by them. This included contamination remediation costs and right to light costs.

1.5 Following our addendum our QS, Neil Powling, and the applicant's QS, Moulton Taggart Limited, had a phone call to discuss exactly what further detail was required in order to support the presented costs. We received this information via email on 13th January 2022 and attach this email and documents at Appendix 1 of this addendum. Following the receipt of this information, our QS has reviewed the further detail provided and concludes the following:

The two latest files received from Moulton Taggart do provide reasonable explanations of the high costs for this development. It was always plain from the nature of the project that costs would be high, but these documents do give a reasonable amount of elemental explanation. My preference would be for a completely updated cost plan, but I don't think it would yield a different result and so requiring it would, in my view, not be reasonable.

In summary - although I think the costs are high, this is a result of the nature of the proposed development, and I think it fair to say that I consider the construction costs reasonable.

- 1.6 We therefore consider that the information now provided is sufficient to support Moulton Taggart's cost assessment and we accept the costs put forward.
- 1.7 After our 6th December addendum we were also forwarded an email from DWD to the Council, dated 9th December 2021 in which programme is referenced. Although this email is dated after our addendum, we understand that DWD had not been provided with a copy of our addendum at this stage and this email was in response to a similar request for such information within our initial report. DWD outline:
- BPS adopted the programme that we assumed in our submission but requested a detailed programme assessment aligning to the detailed costs information - We don't have a detailed programme and the report is based on the expected scheme phasing / timescales. There isn't anything further that we can provide on this at this stage. Their main query related to there being a lag time between Phase 1 ending and Phase 2 commencing in early 2024 of 8 months, which we confirmed in our original report was necessary to enable sufficient time for the required funding to be secured, following the completion of phase 1 and the sale of these units and also to facilitate the logistics of construction on the site, and to manage and mitigate the disturbance caused to residents by the construction. 2024 is the earliest date for Phase 2, it could be later and therefore this would negatively impact the viability.*
- 1.8 We would expect more detailed programme information to be available however we accept the issues raised above by DWD are reasonable and we consider this explanation sufficient. For the purposes of this assessment, we accept the phasing put forward and have adopted this within our appraisal.
- 1.9 We mention above that DWD have referred to additional costs within their viability note, such as contamination remediation and right to light costs. DWD sought to reflect this by increasing the contingency to 10%. We consider that a 10% contingency is excessive and have adopted a 5% contingency in line with viability standards for new build development. We expect costs such as those mentioned above to be fully evidenced and supported, rather than the addition of an arbitrarily higher contingency cost. However, we do accept that, if properly evidenced, such costs would be reasonable inclusions within our appraisal. Therefore we accept that our viability position may be optimistic given we have not been able to make an evidenced allowance for such costs based on the information provided by DWD.
- 1.10 Overall, the information we have been provided subsequent to our 6th December 2021 addendum, supports DWD's conclusions and we consider confirms our position from our addendum. We therefore consider that the scheme is in a minor surplus of 3.5% of GDV and therefore represents a breakeven position. We consider on this basis that the scheme cannot viably support the provision of additional affordable housing.

Appendix 1: Moulton Taggart Additional Information,
Dated 13th January 2022

Andrew Hertzell

From: Jonathan Moulton <[REDACTED]>
Sent: 13 January 2022 16:42
To: [REDACTED]
Cc: [REDACTED] Andrew Hertzell; 'Farr, Julia'; Emma Penson
Subject: Tybalds Viability Response 13.01.2022
Attachments: A - Review of Cost Plan 6 Rev B Element Costs and Benchmarking.pdf; B - Review of Cost Plan 6 Scheme Appraisal Summary Rev B Contingencies.pdf

Dear Neil

Further to our telephone discussion just before Christmas 2021 I attach the following substantiation of the level of costs included in our Redevelopment to Tybalds Estate Cost Plan No.6 Rev B and Cost Plan 6 Scheme Appraisal Summary Rev B.

Please note that our cost plan is based on detailed measured quantities from the drawn information and rates from previous similar projects. The measured cost plan provides specific elemental cost breakdowns of the development, however, the level of detail at this stage warrants a higher level of contingency for the design as well as construction contingency. Costs are based on similar projects and we would expect overall costs when tendered to be in line with our costs pending any changes in the Tender Price Index.

Please also note that there are no major changes between Cost Plan 3 and 6. The only reason for the iterations in between was to try and find a successful viable matrix.

Substantiation attached as follows:

- A. Review of Cost Plan 6 Rev B Element Costs and Benchmarking.
We have reconciled the increased costs from the Benchmarked costs to our Cost Plan 6 Rev B, and annotated the differences including cost and reviewed the total cost/m2 accordingly. On review we confirm the costs included within Cost Plan 6 Scheme Appraisal Summary.
 - 1. Eastern Mews
 - 2. Western Mews
 - 3. Block D Boswell Street
 - 4. Block B Orde Hall Street
 - 5. Block C Tybalds square
- B. Review of Cost Plan 6 Scheme Appraisal Summary Rev B Contingencies
The contingency allowance included in Cost Plan 6 Scheme Appraisal Summary Rev B is 10%. This allowance included design issues as well as construction contingencies. The extraordinary costs and extraordinary preliminaries costs that are included within the appraisal are site wide contamination, ground issues from WWII bomb, Rights of light issues, Issues working within a 'live' residential estate environment including limited noisy working hours, restricted traffic routes, delivery time parameters and relocation of communal service provisions.
Our detailed assessment of these costs indicated a contingency allowance above 10%
Therefore, if the extraordinary costs and extraordinary preliminaries costs are included as separate costs in the appraisal and a 5% contingency is applied to the overall costs, the total costs in our cost report increase by £553,000.

I would be pleased to discuss any provision noted above.

We note that Camden have now incorporated a caretakers' facility under the spring water development and a DDA accessible ramp from Boswell Street to Falcon Courtyard. Budget estimated costs for these additional works are £140,000 and £179,750 respectively. These should be added to our Cost Plan 6 Scheme Appraisal Summary Rev B.

The information issued within this email and its attachments should be treated on a confidential basis and not to be shared with the public, due to the sensitivities of some of the itemised costs.

Regards

Jonathan Moulton

Moulton Taggart Limited
39-41 North Road
Islington
London N7 9DP

Tel [REDACTED]

Mob [REDACTED]

e [REDACTED]

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REDEVELOPMENT OF TYBALDS ESTATE

13-Jan-22

Review of Cost Plan 6 Rev B Elemental Costs and Benchmarking

ITEM	DESCRIPTION	TOTAL £
PHASE 1		
	£/m2	
1	EASTERN MEWS	
	General note - We highlight the additional elemental cost/m2 uplift cost for the 3 storey bespoke terrace mews houses based on our fully measured Cost Plan set against the benchmark cost as follows:	
	Benchmark Cost	3,272.00
	Roof - The main roof is a non standard biodiverse roof with staircase access.	217.00
	Stairs - A block of flats share 1 communal staircase for a considerable floor area. The 2 storey terrace house has 3 staircases to access all levels including roof which gives a rate 3 times more than with a block of flats	86.00
	Frame and External Walls - The mews houses are traditional cavity brick built which is more expensive than the standard framed option of a block of flats. They also include parapet walls to roof garden and staircase access tower to roof. We have increased costs of the combined frame and external wall costs in line with our measured costings. The brickwork return wall creating the rear gardens also increases the wall to floor ratio.	170.00
	Windows and External doors - The allowance for windows and doors is a good quality aluminium system with 3nr double glazed doors and screens to the ground floor of each house. This increases the cost/m2. The total area of windows and doors have been quantified and priced.	166.00
	Internal Walls and Partitions - Cost includes blockwork party walls; the hallway running from ground to second floor and roof increases the quantity of interval walls substantially. The total area and specification of each wall type has been quantified and priced.	76.00
	Internal Finishes - Bathrooms are waterproofed with half height tiling allowance and a new timber floor has been included throughout except bathrooms where tiled floors have been included. All finishes have been quantified and priced.	88.00
		<hr/>
		4,075.00
	Add 14.7% preliminaries and 2.7% inflation	<hr/> 140.00
		<hr/> 4,215.00

	£/m2	
2 WESTERN MEWS		
General note - We highlight the additional elemental cost/m2 uplift cost for the 3 storey bespoke terrace mews houses based on our fully measured Cost Plan set against the benchmark cost as follows. Please note that Western Mews increased from 3nr to 5nr houses as noted in the Changes from Cost Plan 3 to 6:		
Benchmark Cost	3,038.00	
Substructure - The increase from 3nr mews houses to 5nr mews houses has increased the quantity and cost of specialist foundations which will inflate costs and need to be included in the cost/m2	201.00	
Roof - The main roof is a non standard biodiverse roof with staircase access.	247.00	
Stairs - A block of flats share 1 communal staircase for a considerable floor area. The 3 storey terrace house has 3 staircases to access all levels including roof which gives a rate 3 times more than with a block of flats	102.00	
Frame and External Walls - The mews houses are traditional brick built which is more expensive than the framed option of a block of flats. They also include parapet walls to roof garden and staircase access tower to roof. We have increased costs of the combined frame and external wall costs in line with our measured costings. The brickwork return wall creating the rear gardens also increases the wall to floor ratio.	160.00	
Windows and External doors - The allowance for windows and doors is a good quality aluminium system with 3nr double glazed doors and screens to the ground floor of each house. The total area of windows and doors have been quantified and priced.	342.00	
Fittings - Fully fitted out with kitchens, new sanitaryware, mirrored cupboards and signage	273.00	
		4,363.00
Add 14.7% preliminaries and 2.7% inflation		196.00
		4,559.00

3	BLOCK D BOSWELL STREET	£/m2	
	Benchmark Cost	2,604.00	
	Upper Floors - The floors are designed as 250 thick RC slabs with insulation and screed. The upper floors span over the ground floor open courtyard and entrance and also include balconies with decking and steel balustrading. The costs also include for thermal break in-situ concrete connection to balconies. This cost also includes the RC concrete slab to the roof and the cost is based on measured quantities and current rates at the time of the Cost Plan. The design is more complex to suit the size and shape of site available, whilst still providing through access to the existing Tybalds Estate.	433.00	
	Roof - The main roof is a non standard biodiverse roof.	66.00	
	Frame and External Walls - The frame includes new RC walls to the lift shaft, stairwell and parapet walls whilst the frame is RC with RC floors. The external walls are clad with brickwork on Ancon ancors. This frame and cladding is appropriate for the size, height and shape of the building but cost is higher than a standard metal framed construction. The shape has a high wall to floor ratio due to the confines of the site.	584.00	
	Windows and External doors - The allowance is for composite windows with double glazed doors and screens to the balcony terraces. The total area of windows and doors have been quantified and priced.	177.00	
	Internal Walls and Partitions - Cost includes blockwork party walls and 200 block walls to flats which increases the cost/m2.	196.00	
	Internal Finishes - Bathrooms are waterproofed with full height tiling allowance and a new timber floor has been included throughout except for tiling to bathrooms. All finishes have been quantified and priced.	165.00	
	Fittings - Fully fitted out with kitchens, new sanitaryware, mirrored cupboards and signage	119.00	
	Services installation including towel rails, MVHR system, smoke ventilation, water butts, TV and data installation, door entry system, sprinkler system, lift installation (2nd lift excluded) and dry riser installation.	225.00	
			4,569.00
	Add 14.7% preliminaries and 2.7% inflation		342.00
			4,911.00

PHASE 2

	£/m2	
4 BLOCK B ORDE HALL STREET		
Benchmark Cost	2,745.00	
Upper Floors - The floors are designed as 250 thick RC slabs with insulation and screed. The upper floors also include balconies with decking and steel balustrading. The costs also include for thermal break in-situ concrete connection to balconies. This cost also includes the RC concrete slab to the roof and the cost is based on measured quantities. The design has provided external areas to the flats which are not included in the GFA but increase the cost/m2 rate.	320.00	
Roof - The main roof is a non standard biodiverse roof.	68.00	
Frame and External Walls - The frame includes new RC walls to the lift shaft, stairwell and parapet walls whilst the frame is RC with RC floors. The external walls are clad with brickwork on Ancon ancors. This frame and cladding is appropriate for the size, height and shape of the building but cost is higher than a standard metal framed construction. The shape has a high wall to floor ratio due to the confines of the site.	25.00	
Windows and External doors - The allowance is for composite windows with double glazed doors and screens to the balcony terraces. The total area of windows and doors have been quantified and priced.	107.00	
Internal Walls and Partitions - Cost includes substantial blockwork party walls and 200 block walls to flats together with fire rated glazed partition and door to main staircore that increase the cost/m2 of the internal walls.	187.00	
Internal Finishes - Bathrooms are waterproofed with full height tiling allowance and a new timber floor has been included throughout except for tiling to bathrooms. All finishes have been quantified and priced.	92.00	
Fittings - Fully fitted out with kitchens, new sanitaryware, mirrored cupboards and signage	116.00	
Services installation including towel rails, MVHR system, smoke ventilation, water butts, TV and data installation, door entry system, sprinkler system, lift installation and dry riser installation.	97.00	
		3,757.00
Add 14.7% preliminaries and 2.7% inflation		176.00
		3,933.00

5	BLOCK C TYBALDS SQUARE	£/m2	
	Benchmark Cost	3,206.00	
	Upper Floors - The floors are 150 concrete slab on permanent metal deck shutter with insulation and screed. The upper floors also include balconies with decking and steel balustrading. The costs also include for thermal break in-situ concrete connection to balconies. This cost is based on measured quantities. The design has provided external areas to the flats which are not included in the GFA but increase the cost/m2 rate.	248.00	
	Roof - The main roof is a non standard biodiverse roof. The roof costs also include waterproofing and decking to balconies	216.00	
	Frame and External Walls - The frame is a new steelwork frame. The external walls are traditionally brick built.They also include parapet walls.	370.00	
	Windows and External doors - The allowance is for composite windows with double glazed doors and screens to the balcony terraces. The total area of windows and doors have been quantified and priced.	309.00	
	Internal Walls and Partitions - Cost includes blockwork party walls and 200 block walls to flats. Costs also include blockwork lift shaft walls and blockwork stairwell walls.	317.00	
	Internal Finishes - Bathrooms are waterproofed with half height tiling allowance and vinyl flooring throughout except for tiling to bathrooms. All finishes have been quantified and priced.	159.00	
	Fittings - Fully fitted out with kitchens, new sanitaryware, mirrored cupboards and signage	71.00	
	Services installation including towel rails, MVHR system, smoke ventilation, water butts, TV and data installation, door entry system, sprinkler system, lift installation and dry riser installation.	287.00	
			5,183.00
	Add 14.7% preliminaries and 2.7% inflation		344.00
			5,527.00

REDEVELOPMENT OF TYBALDS ESTATE

13-Jan-22

**Review of Cost Plan 6 Scheme appraisal Summary Rev B
Contingencies**

ITEM	DESCRIPTION	TOTAL £
CONSTRUCTION DESIGN CONTINGENCY BREAKDOWN ALLOWANCE IN COST PLAN 6 SCHEME APPRAISAL SUMMARY Rev B - £2,272,681.00		
1	CONTINGENCY	£
	Total Works Costs excluding Site Specific Costs	£
	PHASE 1	11,408,912.00
		200,933.00
		1,692,635.00
	PHASE 2	9,225,139.00
		199,187.00
		<u>22,726,806.00</u>
	Construction Contingency £22,726,806.00 x 5%	<u><u>1,136,341.00</u></u>
2	EXTRAORDINARY COSTS	£
		£
	a) Right of Light Reactive Indemnity Insurance	
	- Quotation Indemnity Insurance	105,000.00
	- Insurance excess payment	<u>475,000.00</u>
		580,000.00
	b) WWII Bomb site - Watchman for substructure excavations	26,000.00
	c) Additional measured contamination as follows:	
	- Measured assessment to general siteworks areas	41,450.00
	- Measured assessment to Block D	22,500.00
	- Measured assessment to Devonshire Lift	10,000.00
	- Measured assessment to Baulk Store	<u>5,000.00</u>
		78,950.00
		<u><u>684,950.00</u></u>

3	EXTRAORDINARY PRELIMINARIES COSTS	£
	a) Provision of centrally located permanent site storage compound with security guard for duration of project	398,800.00
	b) Tennants association Liason Officer	49,920.00
	c) Noisy Work Restrictions due to live residential estate	87,500.00
	d) Out of Hours Deliveries	31,200.00
	e) Management and co-ordination of Multiple Sites in each Phase	436,800.00
		<hr/>
		<u>1,004,220.00</u>

	TOTAL COST SUMMARY	£
1	CONTINGENCY	1,136,341.00
2	EXTRAORDINARY COSTS	684,950.00
3	EXTRAORDINARY PRELIMINARIES COSTS	1,004,220.00
		<hr/>
		2,825,511.00
	LESS CONTINGENCIES ALLOWANCE IN CP6 SCHEME APPRAISAL SUMMARY Rev B	-2,272,681.00
		<hr/>
	UNDER ALLOWANCE	£ <u><u>552,830.00</u></u>

Appendix 2: Mr Powling Email Response, Dated 17th January 2022

Andrew Hertzell

From: Neil Powling <[REDACTED]>
Sent: 17 January 2022 12:44
To: Andrew Hertzell
Cc: Andrew Jones
Subject: Tybalds Estate

Dear Andrew

The two latest files received from Moulton Taggart do provide reasonable explanations of the high costs for this development. It was always plain from the nature of the project that costs would be high, but these documents do give a reasonable amount of elemental explanation. My preference would be for a completely updated cost plan, but I don't think it would yield a different result, and so requiring it would, in my view, not be reasonable.

In summary – although I think the costs are high, this is a result of the nature of the proposed development, and I think it fair to say that I consider the construction costs reasonable.

Kind regards

Neil

Neil Powling DipBE FRICS DipProjMan(RICS) - PDM
Chartered Project Management Surveyor
E: [REDACTED]

I no longer receive emails sent to [REDACTED] Please delete from your address book.

Tel: [REDACTED]
Mob: [REDACTED]

All reasonable precautions have been taken to ensure that this e-mail (and any attachment) has been checked for viruses. However, I cannot guarantee that it is virus free and liability therefore cannot be accepted for any damage sustained as a result of software viruses.

Appendix 3: BPS Confirmed Argus Appraisal
(in line with our 6th December 2022
addendum)

Tybalds Estate Appraisal R.2

Development Appraisal
BPS Surveyors
06 December 2021

APPRAISAL SUMMARY**BPS SURVEYORS****Tybalds Estate Appraisal R.2****Appraisal Summary for Merged Phases 1 2**

Currency in £

REVENUE**Sales Valuation**

	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
Eastern Mews (Private) P1	1	6,367	1,060.15	6,750,000	6,750,000
Western Mews (Private) P1	1	5,468	1,152.16	6,300,000	6,300,000
Block D (Social/ Intermediate) P1	1	7,702	345.74	2,662,866	2,662,866
Underbuilds (Social) P1	1	8,272	254.06	2,101,593	2,101,593
GLA Grant	1	0	0.00	1,000,000	1,000,000
Parker Houser S106	1	0	0.00	3,100,000	3,100,000
Block B (Private) P2	1	10,936	1,150.15	12,578,000	12,578,000
Block C (Social) P2	<u>1</u>	<u>5,167</u>	<u>249.43</u>	<u>1,288,788</u>	<u>1,288,788</u>
Totals	8	43,912			35,781,247

NET REALISATION**35,781,247****OUTLAY****ACQUISITION COSTS**

Residualised Price			1,264,925	
				1,264,925
Stamp Duty			52,746	
Effective Stamp Duty Rate		4.17%		
Agent Fee		1.00%	12,649	
Legal Fee		0.50%	6,325	
				71,720

CONSTRUCTION COSTS**Construction**

	Units	Unit Amount	Cost
Babington Court Ramps P1	1 un	225,069	225,069
New Bulk Store P1	1 un	81,802	81,802
General Site Landscaping P1	1 un	1,846,685	1,846,685
Devonshire Block Lift P2	1 un	616,200	616,200
Chancellors Court Ramps P2	1 un	223,323	223,323
PV Panels P2	<u>1 un</u>	<u>308,100</u>	<u>308,100</u>

APPRAISAL SUMMARY**BPS SURVEYORS****Tybalds Estate Appraisal R.2**

Totals			3,301,179	
	ft²	Build Rate ft²	Cost	
Eastern Mews (Private) P1	6,367	392.84	2,501,210	
Western Mews (Private) P1	5,468	418.86	2,290,331	
Block D (Social/ Intermediate) P1	11,340	394.63	4,475,048	
Underbuilds (Social) P1	8,869	280.19	2,485,033	
Falcon TRA Hall P1	1,399	235.52	329,489	
Block B (Private) P2	14,983	362.55	5,432,086	
Block C (Social) P2	<u>6,824</u>	513.41	<u>3,503,476</u>	
Totals	55,250 ft²		21,016,673	
Contingency		5.00%	1,215,893	
Mayoral CIL2			214,298	
Camden CIL			478,368	
Carbon Emission in lieu payment			139,133	
Estimated highways contribution			100,000	
				26,465,544
PROFESSIONAL FEES				
Professional Fees		12.00%	1,209,982	
Professional Fees		12.00%	1,459,550	
Professional Fees Landscaping+Ramps		12.00%	248,610	
				2,918,142
MARKETING & LETTING				
Marketing - Private		1.25%	163,125	
Marketing		1.25%	157,225	
				320,350
DISPOSAL FEES				
Sales Agent Fee - Private		1.00%	130,500	
Sales Agent Fee		1.00%	125,780	
Sales Legal Fee - Private		0.25%	64,070	
Sales Legal Fees - Afford		0.25%	11,911	
Sales Legal Fee - Afford		0.25%	3,222	
				335,483
Additional Costs				
Private Profit		10.00%	1,305,000	
Affordable Profit		6.00%	285,868	
Private Profit		10.00%	1,257,800	

APPRAISAL SUMMARY**BPS SURVEYORS****Tybalds Estate Appraisal R.2**

Affordable Profit	6.00%	77,327	2,925,995
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FINANCE

Debit Rate 6.500%, Credit Rate 0.500% (Nominal)			
Total Finance Cost			1,479,088

TOTAL COSTS**35,781,247****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%

IRR% (without Interest)	6.20%
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Profit Erosion (finance rate 6.500)	N/A
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