

**The Greenwood Centre,  
Greenwood Place & Highgate  
Day Centre, 19-37 Highgate  
Road, NW5 1LB**



**14<sup>th</sup> June 2022**

- 1.1 Following our independent viability review prepared on behalf of the London Borough of Camden, dated 30<sup>th</sup> May 2022 we received a response from Turner Morum via email which can be found at Appendix 1.
- 1.2 Turner Morum's response provided clarity as to which specific units would be provided as affordable tenure in the extant scheme, therefore, allowing us to more accurately determine the GDV. The response does not address any other elements of ambiguity or disagreement raised in our report.
- 1.3 Rather than using the overall average value to determine the GDV, we have now been able to determine the GDV based on the specific private tenure units. This has resulted in an increased GDV of £23,205,000 for the extant scheme.
- 1.4 The increase in GDV has resulted in an increased residual value of £7,063,000 being generated by the extant consent. We have therefore amended the Benchmark Land Value to this figure within our proposed scheme appraisal.
- 1.5 We have summarised our original and revised position below:

Position	Benchmark Land Value	Surplus/Deficit
Original (30.05.2022)	£6,737,000	£609,400
Amended (14.06.2022)	£7,063,000	£221,700

- 1.6 On this basis, the surplus has reduced to approx. £222,000 which equates to less than 1% on GDV. Whilst the surplus does provide scope for a cash contribution, we acknowledge that minor movements to the appraisal inputs could render the scheme unviable given the scale of this surplus figure.
- 1.7 Our appraisal summaries can be found at Appendix 2 and 3.

## **Appendix 1 - Response from Turner Morum**

**From:** Nick Bignall <nb@tmllp.co.uk>  
**Sent:** 08 June 2022 13:54  
**To:** Andrew Jones; Madison Thomas  
**Cc:** Kate.Henry@camden.gov.uk; Jorge Nash; Andy Sellars (andy@gmlondon.com)  
**Subject:** 19 - 37 Highgate Road Viability

Dear Andrew

Further to our call just now I have had a chance to review your report for the application scheme at 19 – 37 Highgate Road. Whilst there are some areas of disagreement which we will need to review further (mainly in relation to the GDV) there is firstly a point of clarification I would like to address.

In your report at paragraph 5.36 it states as follows (in relation to the extant scheme appraisal):

**Turner Morum have not specified which units will be provided as affordable and we have therefore applied the average value of £939 psf to the floor area (sqft) in their appraisal. This generates a GDV of £22,731,312.**

Apologies that this information was not included within the main body of my submission however I can confirm that the designated affordable units in the extant scheme are plots 1 – 6 and 10, 11. If I allocate these units as affordable in your extant scheme pricing schedule this shows a total private GDV of £23.205m (an uplift of c. £500k from the GDV used in your extant appraisal).

Based on my replication of your model, if I adjust the private GDV in the extant scheme to £23.205m the BLV increases to c. £7.067m. Including this in your proposed scheme model then reduces the surplus to c. £250k.

This analysis is done using excel rather than Argus so your numbers may vary slightly however I would appreciate if you could clarify that the surplus would be with this adjustment. Once this is confirmed we can then consider any other areas of disagreement as required.

Look forward to hearing from you.

Kind regards

Nick

**Nick Bignall**  
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## **Appendix 2 - Extant Scheme Appraisal**

BPS Extant Scheme Appraisal  
Greenwood Centre, Highgate Road  
2013/5947/P

Development Appraisal  
BPS Surveyors  
14 June 2022

BPS Extant Scheme Appraisal  
Greenwood Centre, Highgate Road  
2013/5947/P

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Private Flats	34	24,208	958.57	682,500	23,205,000
Social Rent Units	8	5,511	283.07	195,000	1,560,000
Totals	42	29,719			24,765,000

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Commercial/Social Enterprise	1	1,076	30.00	32,280	32,280	32,280

Investment Valuation

Commercial/Social Enterprise						
Market Rent	32,280	YP @	6.0000%	16.6667		
(6mths Rent Free)		PV 6mths @	6.0000%	0.9713	522,552	

GROSS DEVELOPMENT VALUE25,287,552

Purchaser's Costs			(35,534)			
Effective Purchaser's Costs Rate		6.80%		(35,534)		

NET DEVELOPMENT VALUE25,252,018

NET REALISATION25,252,018

OUTLAY

ACQUISITION COSTS

Residualised Price			7,062,668			
				7,062,668		
Purchaser's Costs		6.80%	480,261			
				480,261		

CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost			
Construction Costs	1 un	9,788,730	9,788,730			
Contingency		10.00%	978,873			
				10,767,603		

Section 106 Costs

Section106 Costs			11,729			
				11,729		

PROFESSIONAL FEES

Professional Fee		10.00%	978,873			
				978,873		

MARKETING & LETTING

Private Resi Fees		3.00%	696,150			
Affordable Disposal Fee		0.50%	7,800			
Commercial Disposal Fee		2.00%	10,451			
				714,401		

MISCELLANEOUS FEES

Commercial Profit		15.00%	78,383			
Affordable Profit		6.00%	93,600			
Private Resi Profit		17.50%	4,060,875			
				4,232,858		

BPS Extant Scheme Appraisal  
Greenwood Centre, Highgate Road  
2013/5947/P

FINANCE		
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)		
Land	588,642	
Construction	325,497	
Other	89,486	
Total Finance Cost		1,003,625
TOTAL COSTS	25,252,018	
PROFIT		0

Performance Measures		
Profit on Cost%	0.00%	
Profit on GDV%	0.00%	
Profit on NDV%	0.00%	
Development Yield% (on Rent)	0.13%	
Equivalent Yield% (Nominal)	6.00%	
Equivalent Yield% (True)	6.23%	
IRR% (without Interest)	6.11%	
Profit Erosion (finance rate 6.500)	N/A	

## **Appendix 3 - Proposed Scheme Appraisal**



BPS Proposed Scheme Appraisal  
Greenwood Centre, Highgate Road  
2022/1603/P

# APPRAISAL SUMMARY

BPS SURVEYORS

BPS Proposed Scheme Appraisal  
Greenwood Centre, Highgate Road  
2022/1603/P

## Appraisal Summary for Phase 1

Currency in £

### REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Private Flats	42	30,049	1,002.70	717,381	30,130,000
Supported Living Units	5	3,407	270.03	184,000	920,000
<b>Totals</b>	<b>47</b>	<b>33,456</b>			<b>31,050,000</b>

### Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Commercial/Social Enterprise	1	1,021	30.00	30,630	30,630	30,630

### Investment Valuation

#### Commercial/Social Enterprise

Market Rent	30,630	YP @	6.0000%	16.6667	
(6mths Rent Free)		PV 6mths @	6.0000%	0.9713	495,841

### GROSS DEVELOPMENT VALUE

31,545,841

Purchaser's Costs			(33,717)	
Effective Purchaser's Costs Rate	6.80%		(33,717)	

### NET DEVELOPMENT VALUE

31,512,124

### NET REALISATION

31,512,124

### OUTLAY

#### ACQUISITION COSTS

Benchmark Land Value	7,063,000			
Benchmark Land Value		7,063,000		
			7,063,000	
Purchaser's Costs	6.80%	480,284		
			480,284	

#### CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Construction Costs	1 un	12,669,875	12,669,875
Contingency		10.00%	1,266,987
			13,936,862

#### Section 106 Costs

Section106 Costs		13,125	
CIL Costs		824,570	
			837,695

#### PROFESSIONAL FEES

Professional Fee	10.00%	1,266,987	
			1,266,987

#### MARKETING & LETTING

Private Resi Fees	3.00%	903,900	
Affordable Disposal Fee	0.50%	4,600	
Commercial Disposal Fee	2.00%	9,917	
			918,417

#### MISCELLANEOUS FEES

Private Resi Profit	17.50%	5,272,750	
Commercial Profit	15.00%	74,376	

BPS Proposed Scheme Appraisal  
Greenwood Centre, Highgate Road  
2022/1603/P

Affordable Profit	6.00%	55,200	5,402,326
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FINANCE

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)			
Land		721,184	
Construction		577,685	
Other		85,966	
Total Finance Cost			1,384,835

TOTAL COSTS			31,290,407
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PROFIT

221,717

Performance Measures

Profit on Cost%	0.71%
Profit on GDV%	0.70%
Profit on NDV%	0.70%
Development Yield% (on Rent)	0.10%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
IRR% (without Interest)	7.06%
Rent Cover	7 yrs 3 mths
Profit Erosion (finance rate 6.500)	1 mth